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## TEHAMA COUNTY

**Date:** September 12, 2017  
**To:** Tehama County Board of Supervisors  
**From:** Missi Bullington, Personnel Director  
**Re:** Health Insurance Renewal for Plan Year 2018

The Tehama County Health Insurance Advisory Committee met on August 16, 2017 to discuss the renewal of the County's health insurance plans for 2018. Senior Vice President Tom Sher and Assistant Vice President Eryn Eloia from Alliant Insurance Services were present to give a presentation and lead a discussion regarding the renewal summary. As a result of this meeting, the Committee would like to make the following recommendations to the Board of Supervisors for approval:

### **Medical/Prescription Plan**

The CSAC/EIA Health Committee recommended an overall increase to premiums for the pool of 3.61% for the plan year 2018. Due to the County's claims experience over the past two years, CSAC/EIA Health Committee recommended an overall pool increase to Tehama County as well. Therefore, an increase of 3.9% is recommended to the Tehama County health benefit plan structure for the year 2018. The Committee agrees with CSAC/EIA's proposed increase, and is recommending the Board of Supervisors implement the 3.9% increase to the health insurance premiums and make no changes to the benefit plan structure.

### **Dental Plan**

Tehama County's dental plan is self-funded. Based upon the claims received during the two prior renewal periods, Alliant Representatives recommended an overall funding percentage decrease of 1.9%. However, due to a larger than average dividend fund account, the committee members voted to eliminate the 3.00% margin adjustment for the 2018 plan year. This small modification created an overall decrease of 4.53% for the 2018 benefit plan year. The Advisory Committee agreed with the adjustment, and is recommending the 4.53% decrease in cost to the Board of Supervisors for the benefit plan year 2018.

### **Vision Plan**

In 2017, Tehama County received a rate guarantee from Vision Service Plan (VSP) for two years (January 1, 2017 through December 31, 2018) which reflected a 4.8% decrease to the annual premium, based upon Tehama County's experience and stabilized rates. During the committee meeting, Alliant Representatives proposed a second option with VSP – Choice (CSAC EIA), which would further reduce the cost of the plan. The second option is to administer VSP as a self-funded plan. This option would not include any changes to the VSP plan itself. However, it would alter how the plan is implemented. If approved, this option would further reduce the overall cost of the plan by 14.7%, or \$19,906. Leroy Anderson, Auditor-Controller, was present at the meeting and confirmed no additional cost would be incurred by his staff performing the additional duties. Therefore, the Committee is recommending the Board of Supervisors approve the VSP self-funded option with an overall decrease of 14.7%.

### Life/AD&D Plans

On May 2, 2017 the Board of Supervisors approved the VOYA Life and AD&D Plan renewal with a \$0.74 reduction in premium cost per employee, per month. Tehama County has a rate guarantee for the VOYA life and AD&D plans from July 1, 2017 through June 30, 2020.

### Dividend/Reserve Account

The County has approximately \$975,453 in a reserve/dividend account which is held by CSAC EIA. The account is interest-bearing and can only be used for health insurance purposes. In the years of 2008 through 2011, the County utilized a portion of the funds in the dividend account to partially offset premium increases. No funds have been used since 2011 due to smaller premium increases. This year the Committee is again recommending these funds not be utilized and the account be saved for future premium increases.

The proposed new rates are as follows:

<b>PROPOSED 2018 PREMIUMS FOR ALL FULL-TIME COUNTY EMPLOYEES:</b>						<u>Net Impact</u>
<b>Plans</b>	<b>Premiums*</b>		<b>Employee Cost</b>		<b>Increase \$</b>	<u>of all</u>
	<u>Previous</u>	<u>New</u>	<u>Previous</u>	<u>New</u>		<u>component</u>
EPO	\$1537.20	\$1585.17	\$171.84	\$175.83	\$3.99	+2.32%
PPO	\$1876.20	\$1938.17	\$510.84	\$528.83	\$17.99	+3.52%
<b>COUNTY CONTRIBUTION:</b>						
	<u>Previous</u>	<u>New</u>	<u>Increase \$</u>	<u>Net impact of all component adjustments</u>		
	\$1365.36	\$1409.34	\$43.98	+3.22%		

\*All rates shown are monthly and include medical, prescription, dental, vision and \$30,000 life/AD&D.

Part-time employees should call the Auditor's Office for a pro-rated premium amount based on the number of hours worked.

Court employees' rates may vary slightly.

**I am recommending the 2018 Open Enrollment period be held from November 10 through December 11.** Changes made during open enrollment will become effective January 1, 2018. A letter will be attached to all employees' paychecks on November 10 that will announce open enrollment and the changes to premiums. Letters will also be mailed to all retirees, COBRA participants, and Special District employees who participate in the County's plan.

The Colonial Supplemental Insurance open enrollment period will be November 15 through December 8. Employees will receive a Colonial flyer with their November 10 paycheck with the dates of open enrollment and directions on how to schedule an appointment with Mardeio Cannon, the Colonial representative.

The Tehama County Health Insurance Advisory Committee continues to work very hard and make difficult decisions in an effort to maintain a health benefit plan that is affordable and beneficial to our employees and retirees. I agree with their recommendations and ask for your approval.

If you would like to review the materials provided by the broker, or if you have any questions please feel free to contact me.

cc: Chief Administrator  
Auditor