

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

114



FROM: Human Resources

SUBMITTAL DATE:
September 21, 2005

SUBJECT: Approval of 2006 Medical Rates for Retirees over age 65

RECOMMENDED MOTION: That the Board approve the Kaiser Senior Advantage, Blue Shield Access+ HMO, Blue Shield Spectrum PPO and PacifiCare Secure Horizon rates for 2006 for retirees/dependents who have Medicare (Attachment A).

BACKGROUND: On July 26, 2005, the Board approved agenda item 3.73, which confirmed the choice of carriers for 2006 plan year for medical coverage. Included with this action were medical rates for active and early retiree, along with dental and vision for active and all retirees. At the time of this Board action, final medical plan rates for the Medicare eligible or age 65 and older retirees were not finalized with the carriers. This delay was due to Medicare had not released its reimbursement rates to the carriers and providers yet.

Departmental Concurrence

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$6,095,839	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	05/06

SOURCE OF FUNDS: Retiree Premiums	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:
APPROVE

County Executive Office Signature

Policy

Consent

Dep't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: EXECUTIVE | **District:** EXECUTIVE | **Agenda Number:**

3.28

On January 1, 2006, the Medicare Modernization Act (MMA) will expand Medicare by adding a voluntary prescription drug benefit under a new section "Medicare Part D". Centers for Medicare and Medicaid Services (CMS) are requiring all carriers to evaluate their current Medicare plans to determine if the prescription drug benefit is creditable coverage.

Under MMA, all Medicare-eligible retirees, and their dependents (and Medicare-eligible disabled) covered under an employer-sponsored health plan with a prescription drug benefit must receive a notice of either (a) creditable coverage or (b) noncreditable coverage before November 15, 2005 and every year thereafter. Creditable coverage is defined as drug coverage with an actuarial value equal to or greater than the actuarial value of standard Part D coverage. All of the County's contracted health plan carriers meet the definition of "Creditable Coverage" under their prescription drug benefits.

With this requirement completed, the County of Riverside is seeing a reduction in premiums with some levels of coverage due to the integration and coordination of benefits with the new Medicare Part D benefit. The carriers receive reimbursement from CMS. On average, this reimbursement is \$75 per member per month. The premiums include this adjustment.

The County of Riverside will be able to offer the same drug benefit as in 2005 but at a lower cost to the retiree. There is no direct cost to the County for the recommended action.

County of Riverside
2006 Medical Renewal Rates
Over Age 65 Retirees

ATTACHMENT A

	2005 Current Rates	2006 Rates	Dollar Increase	Percent Increase
Kaiser Senior Advantage				
Retiree only with Medicare Parts A & B	\$209.00	\$166.00	-\$43.00	-20.6%
Retiree only, with Medicare Part B only	\$533.00	\$527.00	-\$6.00	-1.1%
Retiree only, with Medicare Part B only, unassigned to Kaiser	\$887.00	\$924.00	\$37.00	4.2%
Retiree only, with Medicare Part A only, unassigned to Kaiser	\$603.00	\$647.00	\$44.00	7.3%
Retiree only, with Medicare Part A & B only, unassigned to Kaiser	\$603.00	\$647.00	\$44.00	7.3%
Retiree only, with Medicare Part A & B only, assigned to another carrier	\$887.00	\$924.00	\$37.00	4.2%
Retiree & spouse, one with Medicare Parts A & B*	\$557.00	\$558.00	\$1.00	0.2%
Retiree & spouse, one Medicare Parts A & B, one over 65 not eligible for Medicare*	N/A	\$1,088.00	N/A	N/A
Retiree & spouse, one Medicare Part B only, one over 65 not eligible for Medicare*	N/A	\$1,449.00	N/A	N/A
Retiree & spouse, two with Medicare Parts A & B*	\$416.00	\$330.00	-\$86.00	-20.7%
Retiree, spouse & dependent(s), one with Medicare Parts A & B*	\$766.00	\$793.00	\$27.00	3.5%
Retiree, spouse & dependent(s), two with Medicare Parts A & B*	\$625.00	\$565.00	-\$60.00	-9.6%
Secure Horizons				
Retiree Only	\$232.00	\$137.00	-\$95.00	-40.9%
Retiree & Spouse, One Medicare	\$550.00	\$662.00	\$112.00	20.4%
Retiree & Spouse, Two Medicare	\$462.00	\$272.00	-\$190.00	-41.1%
Retiree & Spouse, One Medicare, Deps.	\$738.00	\$972.00	\$234.00	31.7%
Retiree & Spouse, Two Medicare, Deps.	\$650.00	\$582.00	-\$68.00	-10.5%
Blue Shield Access+ HMO Plan				
Retiree Only	N/A	\$348.00	N/A	N/A
Retiree & Spouse, One Medicare	N/A	\$700.00	N/A	N/A
Retiree & Spouse, Two Medicare	N/A	\$694.00	N/A	N/A
Retiree & Spouse, One Medicare, Deps.	N/A	\$910.00	N/A	N/A
Retiree & Spouse, Two Medicare, Deps.	N/A	\$904.00	N/A	N/A
Retiree & Spouse, Three Medicare, Deps.	N/A	\$1,040.00	N/A	N/A
Blue Shield Spectrum PPO Plan				
Retiree Only	N/A	\$628.00	N/A	N/A
Retiree & Spouse, One Medicare	N/A	\$1,275.00	N/A	N/A
Retiree & Spouse, Two Medicare	N/A	\$1,254.00	N/A	N/A
Retiree & Spouse, One Medicare, Deps.	N/A	\$1,663.00	N/A	N/A
Retiree & Spouse, Two Medicare, Deps.	N/A	\$1,642.00	N/A	N/A
Retiree & Spouse, Three Medicare, Deps.	N/A	\$1,880.00	N/A	N/A

*Rates assume that the retiree and/or spouse have Medicare. Please contact Employee Benefits if a dependent child has Medicare as these rates are not reflected above.