

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

470



FROM: Human Resources Department

SUBMITTAL DATE:
September 1, 2006

SUBJECT: Approval of 2007 Medical Plan Rates for Retirees Over Age 65

RECOMMENDED MOTION: That the Board approve the 2007 Medical Plan Rates for Retirees over Age 65 listed in Attachment "A".

BACKGROUND: Since January of 2003, the County has contracted directly with health plan carriers for the majority of County employees and retirees. Medical premium rates are renewed annually with health plan carriers.

Health coverage for the Law Enforcement Management Unit (LEMU), the Riverside Sheriff's Association (RSA) Public Safety Unit, and the Deputy District Attorney Association (DDAA) Protection Unit remain in the health plans offered through CalPERS. The Riverside Sheriffs' Association (RSA) continues coverage of its members and early retirees through a Medical Trust.

Departmental Concurrence

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

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	N/A
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2006/07

SOURCE OF FUNDS: Premiums from retired individuals	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

- Consent
- Policy
- Consent
- Policy

Dept's Recomm.:
Per Exec. Ofc.:

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

3.35

BACKGROUND Continued

The Human Resources Department, in conjunction with the Joint Health Care Labor Management Committee, comprised of Service Employees International Union (SEIU), the Laborers International Union of North America (LIUNA), and retirees, worked with Aon, our benefits consultant to request renewal quotations from the current health plan carriers for 2007.

The Board approved the 2007 Active and Early Retiree medical, dental and vision plan rates on August 29, 2006. At the time the Committee reviewed the 2007 plan rates, Centers for Medicare and Medicaid Services (CMS) had not released Medicare subsidy rates. The County's carriers use this information to determine plan rates for retirees with Medicare coverage. Medicare subsidy rates have since been received by the carriers and the carriers have set their rates and provided the rates to the County. All rates have been confirmed through CMS.

Human Resources recommends maintaining the current benefits for 2007. Specific 2007 medical plan rates and increases are detailed in Attachment "A". Rate renewals are based on group-specific claims experience and anticipated market trend for medical costs in 2007. Medical rate trend includes price inflation, utilization, technological advances, deductible leveraging (participant pays higher deductible before plan pays) and cost shifting.

There is no direct cost to the County for the recommended action of accepting medical, dental and vision plan changes and rates for 2007.

County of Riverside
2007 Medical Renewal Rates
Over Age 65 Retirees

	2006 Current Rates	2007 Proposed Rates	Dollar Increase	Percent Increase
Kaiser Senior Advantage				
Retiree only with Medicare Parts A & B	\$166.00	\$254.00	\$88.00	53.0%
Retiree only, with Medicare Part B only	\$527.00	\$559.00	\$32.00	6.1%
Retiree only, with Medicare Part B only, unassigned to Kaiser	\$924.00	\$985.00	\$61.00	6.6%
Retiree only, with Medicare Part A only, unassigned to Kaiser	\$647.00	\$691.00	\$44.00	6.8%
Retiree only, with Medicare Part A & B only, unassigned to Kaiser	\$647.00	\$691.00	\$44.00	6.8%
Retiree only, with Medicare Part A & B only, assigned to another carrier	\$924.00	\$985.00	\$61.00	6.6%
Retiree & spouse, one with Medicare Parts A & B*	\$556.00	\$685.00	\$129.00	23.2%
Retiree & spouse, one Medicare Parts A & B, one over 65 not eligible for Medicare*	\$1,088.00	\$1,237.00	\$149.00	13.7%
Retiree & spouse, one Medicare Part B only, one over 65 not eligible for Medicare*	\$1,449.00	\$1,542.00	\$93.00	6.4%
Retiree & spouse, two with Medicare Parts A & B*	\$330.00	\$506.00	\$176.00	53.3%
Retiree, spouse & dependent(s), one with Medicare Parts A & B*	\$790.00	\$944.00	\$154.00	19.5%
Retiree, spouse & dependent(s), two with Medicare Parts A & B*	\$564.00	\$765.00	\$201.00	35.6%
Secure Horizons				
Retiree Only	\$137.00	\$175.40	\$38.40	28.0%
Retiree & Spouse, One Medicare	\$662.00	\$700.40	\$38.40	5.8%
Retiree & Spouse, Two Medicare	\$272.00	\$348.80	\$76.80	28.2%
Retiree & Spouse, One Medicare, Deps.	\$972.00	\$1,010.40	\$38.40	4.0%
Retiree & Spouse, Two Medicare, Deps.	\$582.00	\$658.80	\$76.80	13.2%
Blue Shield Access+ HMO				
Retiree Only	\$348.00	\$381.90	\$33.90	9.7%
Retiree & Spouse, One Medicare	\$700.00	\$765.64	\$65.64	9.4%
Retiree & Spouse, Two Medicare	\$694.00	\$761.78	\$67.78	9.8%
Retiree & Spouse, One Medicare, Deps.	\$910.00	\$994.56	\$84.56	9.3%
Retiree & Spouse, Two Medicare, Deps.	\$904.00	\$990.70	\$86.70	9.6%
Retiree & Spouse, Three Medicare, Deps.	\$1,040.00	\$1,141.68	\$101.68	9.8%
Blue Shield Spectrum PPO				
Retiree Only	\$628.00	\$687.60	\$59.60	9.5%
Retiree & Spouse, One Medicare	\$1,275.00	\$1,398.76	\$123.76	9.7%
Retiree & Spouse, Two Medicare	\$1,254.00	\$1,373.18	\$119.18	9.5%
Retiree & Spouse, One Medicare, Deps.	\$1,663.00	\$1,825.24	\$162.24	9.8%
Retiree & Spouse, Two Medicare, Deps.	\$1,642.00	\$1,799.66	\$157.66	9.6%
Retiree & Spouse, Three Medicare, Deps.	\$1,880.00	\$2,058.78	\$178.78	9.5%

*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.