

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

433



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
October 2, 2007

**SUBJECT:** Approval of Exclusive Care Health Plan Group Retiree Healthcare Services Agreement with the County of Orange.

**RECOMMENDED MOTION:** That the Board of Supervisors 1) Approve the attached County of Riverside Group Retiree Healthcare Services Agreement with the County of Orange; 2) authorize the Chairperson to sign four (4) copies of the attached Agreement and; 3) retain one (1) copy of the signed Agreement, returning three (3) copies to Human Resources for distribution.

**BACKGROUND:** On July 17, 2007, Item 3.36, the Board approved the establishment of the Exclusive Care Select Retiree Health plan, and authorized the Assistant CEO/ Human Resources Director to make this plan available to other public agencies. Plan designs and rates were also approved.

Continued on page 2

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

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ n/a	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ n/a	Budget Adjustment:	No
	Annual Net County Cost:	\$ n/a	For Fiscal Year:	2007/08

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

**C.E.O. RECOMMENDATION:**

APPROVE

BY:   
Elizabeth J. Olson

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL  
BY:   
LUCY FURUTA  
DATE: 10/3/07  
Departmental Concurrence

Consent     Policy  
 Consent     Policy

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

**Prev. Agn. Ref.:** 7/17/2007 3.36    **District:**    **Agenda Number:**

**3.33**

**BACKGROUND Continued**

As a result of the Board of Supervisors' direction, the Human Resources Department worked with several interested public agencies offering an alternative, cost-effective medical plan administered by Exclusive Care suited to the unique needs of retirees.

The County of Orange has agreed to choose Exclusive Care Select Plan as one of eight health insurance plans offered for their 6,000 retirees. The Administrative fees for Orange County include the one-time initial setup fee in the amount of \$50,000.

The Service Agreement between the County of Orange and Exclusive Care was approved by the County of Orange Board of Supervisors on August 14, 2007 with a minor modification to the rate structure previously approved by Riverside County Board of Supervisors on July 17, 2007. The modification consisted of a slight change in rates in the Medicare category to conform to the rate structure Orange County was using for all its other health plans. Specifically, the category in which the retiree had three (3) members of his/her family on Medicare was included in the category for retirees with only two (2) members on Medicare with no change in the premium rates for this category. The impact of this change should be minimal, if any, as it is not anticipated that there will be many retirees with three (3) family members on Medicare. (See Exhibit 1 of the attached agreement for the revised rates and rate structure).

Entering into a Services Agreement with the County of Orange will allow the plan to leverage the purchasing power of participating entities and to pool the retiree populations with the County for superior cost management. Because premiums will be based on a larger population, rates will be more stable. On-going costs will be covered by retiree premiums. Premiums will be adjusted annually, as needed, taking into account claims and trend experience. The effective date of the Exclusive Care Health Plan Group Retiree Healthcare Services Agreement with The County of Orange is January 1, 2008.

A service agreement with the City of San Buenaventura (otherwise known as the City of Ventura) for the offering of Exclusive Care Select to their retiree population will also be presented to the Board at a later date.