

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

731A



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
May 5, 2009

**SUBJECT:** Resident Physician Benefits - Basic Life Insurance and Accidental Death and Dismemberment Insurance, Long Term Disability Insurance, and Flexible Benefit Credits.

**RECOMMENDED MOTION:** 1) Approve Resident Physician Benefits for (a) Basic Life Insurance (Basic Life) and Accidental Death and Dismemberment Insurance (AD&D) (Attachment A) up to \$50,000; (b) Long Term Disability Insurance (LTD) (Attachment B) up to \$2,500 per month for a five (5) year period; and (c) increased Flexible Benefit Credits in the same amount as provided to employees covered by the Exempt Management, Management, Confidential, and Other Unrepresented Employees Resolution; and 2) authorize the Human Resources Director to execute the participation agreement with the American Medical Association (AMA) to incorporate the Basic Life and AD&D, and LTD benefits for Resident Physicians.

(Continued)

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

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 332,167	For Fiscal Year:	2009/10

<b>SOURCE OF FUNDS:</b> Riverside County Regional Medical Center Departmental Budget.	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

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

APPROVE

BY:   
Elizabeth J. Olson

**County Executive Office Signature**

FORM APPROVED COUNTY COUNSEL  
BY:   
BEAUFORD T. MILLER, JR. DATE: 5/7/09  
Departmental Concurrence

- Policy
- Consent
- Policy
- Consent

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

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

**3.26**

## **BACKGROUND:**

Sixty-one (61) Resident Physicians are employed at Riverside County Regional Medical Center and are enrolled in a Graduate Medical Education (GME) Family Medicine Residency Program.

As part of the Resident Physician Employment Agreement, the Accreditation Council for Graduate Medical Education (ACGME) requires institutions such as RCRMC that sponsor residency programs to provide adequate and affordable health insurance to Resident Physicians and their families.

RCRMC has determined that in order to meet the requirements ACGME for Resident Physicians the County needs to:

1. Increase the Flexible Benefit Credits to the same level as provided to employees covered by the Exempt Management, Management, Confidential, and Other Unrepresented Employees;
2. Provide Long Term Disability Benefits;
3. Provide Basic Life and AD&D Benefits.

As a result, RCRMC requested Human Resources to solicit bids for Basic Life and AD&D, LTD coverage, and initiate action to increase the Flexible Benefit Credit for Resident Physicians.

Human Resources requested competitive bids from the County's current Basic Life and AD&D and LTD carriers, Standard Insurance Company (Standard) and Sedgwick. Standard provided the most competitive rates with a product sponsored by the American Medical Association (AMA), known as "Med Plus Advantage". Standard is a financially sound company with more than 28,000 group insurance policies in force. Currently, Standard currently underwrites Basic Life and AD&D and LTD insurance for 4,515 County employees.

The AMA's Med Plus Advantage product is uniquely suited to the needs of Resident Physicians and has been strategically designed to address employers' requirements to meet the ACGME provisions. While the AMA handles the underwriting and premium process for the Basic Life and AD&D and LTD plans, Standard manages the claims and maintains the relationship with the County.

### **Basic Life and AD&D**

The cost to provide \$50,000 Basic Life and AD&D benefits for 61 Resident Physicians is \$1,525 per year. The rate for Basic Life insurance is \$17.00 per member per year; and \$8.00 per member per year for AD&D. The rate is guaranteed through June 30, 2011.

### **Long Term Disability**

The cost to provide LTD benefits for 61 Resident Physicians is \$7,625 per year. The rate for LTD is \$125.00 per member per year. The plan allows for a disability benefit of \$2500 per month for a five year period, if a resident is unable to continue residency due to a disability. Highlights of the Med Plus Advantage are listed in Exhibit A. The rate is guaranteed through June 30, 2011, and there will be a \$1.25 administrative fee per member per month.

### **Flexible Benefit Credits**

The County provides Flexible Benefit Credits to help reduce employee benefit cost for Medical, Dental, Vision, Flexible Spending Accounts, and Dependent Care Accounts. RCRMC has proposed adopting the Exempt Management, Management, Confidential, and Other Unrepresented Employees bargaining units' flex credit benefits to provide Resident Physicians additional funding to assist with rising health care premiums. Currently, Resident Physicians receive \$312.50 per month; this amount has not changed in the past 10 years. Under the proposed change, Resident Physicians who elect a County health plan will have their flex benefit credit increased to \$751.28 per month for an annual cost increase of \$321,187 per year.

**BACKGROUND (continued):**

Resident Physicians will continue to be allowed to waive their eligibility for County medical coverage if they meet the County's requirements for waiver. The monthly Flexible Benefit Credits for Resident Physicians not enrolled in a County health plan will remain at \$312.50 per month.

If approved the proposed Basic Life and AD&D, LTD, and Flexible Benefit Credits for Resident Physicians will become effective on July 1, 2009. The cost will be paid from the RCRMC departmental budget. The estimated cost for the 2009-10 Fiscal Year is \$332,167.