

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

188




FROM: Human Resources Department

SUBMITTAL DATE:
September 3, 2009

SUBJECT: 2010 Medical, Dental, and Vision rates and Plan Changes for County employees and Early Retirees

RECOMMENDED MOTION: That the Board of Supervisors 1) approve the 2010 Medical, Dental and Vision plan rates listed in Attachments "A" through "C" for active employees; 2) approve the 2010 "Unsubsidized" Medical rates listed in Attachment "D" for Early Retirees; 3) approve the Exclusive Care Select Supplemental Retiree plan rates listed in Attachment "E"; 4) approve plan benefit changes to the Blue Shield Access Plus HMO plan listed in Attachment "F"; 5) approve plan benefit changes to the Exclusive Care EPO plan listed in Attachment "G"; 6) approve benefit changes listed in Attachment "H" to bring all medical plan coverages into compliance with the Mental Health Parity Act that is effective January 1, 2010; 7) approve the discontinuance of the Blue Shield PPO health plan; 8) approve the establishment of the Exclusive Care Select POS plan for active Employees as a replacement for the Blue Shield PPO health plan listed in Attachment "I"; 9) approve the UCCI PPO dental plan design changes listed in Attachment "J"; and 10) approve the replacement of the current wellness program with the Optimal Health and Wellness Program presented in Attachment "L".




 Barbara A. Olivier, Asst. HR Director for
 Ronald W. Komers, Asst. CEO/Human Resources Dir.

| | | | | |
|-----------------------|-------------------------------|------|-------------------------|---------|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 0 | In Current Year Budget: | No |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | No |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | 2009/10 |

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

C.E.O. RECOMMENDATION: APPROVE

BY: 

 Karen L. Johnson

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dept Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: July 29, 2008; 3.84 | District: | Agenda Number:

3.31

BACKGROUND:

Since January 2003 the County has contracted directly with health plan carriers for the majority of County employees and retirees. To help pay for the cost of health benefits, the County provides Flexible Benefit Credits and premium subsidies. The Flexible Benefit Credit amount, and the eligibility for the premium subsidy is determined by the applicable Memorandum of Understanding governing each bargaining unit, the Resolution for Exempt Management, Management, Confidential, and other Unrepresented Employees, or the County Salary Ordinance No. 440.

Rates and Benefit Changes

The Human Resources Department, in conjunction with the Joint Healthcare Labor Management Committee (the "Committee") comprised of the Service Employees International Union (SEIU), the Laborers International Union of North America (LIUNA), management representatives, and retirees, worked with Aon, our benefits consultant, to request renewal quotations from the current health plan carriers for 2010. The Committee reviewed proposed 2010 rates for the current programs, as well as pricing alternative benefit options. Rate renewals are based on the County's group-specific claims experience and anticipated market trend for medical costs in 2010. As a point of comparison, the premium rate renewal for the 2010 CalPERS group plans has been included as Attachment "K".

Medical Plans

Active Employee Rate Changes

The County has been successful in obtaining renewal rates that are at or below the national market trend for the HMOs and its self-funded plan. According to Aon the national market trend is estimated to average 10.50%.

In an effort to minimize rate increases for County employees, after intense negotiations with carriers, we recommend benefit plan design changes to the Blue Shield Access Plus HMO plan (Attachment "F") and Exclusive Care EPO plan (Attachment "G") for 2010.

The recommended benefit plan design changes and an intense negotiation process reduced the Blue Shield HMO suggested 11.9% rate increase to 5.6% and the Exclusive Care EPO from the suggested 6.6% increase to 4.9%. We are not recommending plan design changes to the Kaiser Permanente plan at this time, as their rate increase is 3.3%. Specific rates for County of Riverside plans are outlined in Attachment "A". These rates apply to active employees and those retired who are eligible to participate in the active plan rates.

Retiree Rates

The County has also been successful in obtaining "un-subsidized" renewal rates for non-Medicare "Early Retirees" who are not eligible for the active employee rate. On September 12, 2006 the Board of Supervisors adopted a policy position that effective January 1, 2011 the County will establish a separate medical rate for all non-Medicare retirees, thereby ending the "implicit subsidy" incurred by allowing Medicare retirees to receive healthcare coverage at the same premium rates as active employees. Employees who retired before March 31, 2009 (April 15, 2009 for Special Districts) under the Early Retirement Incentive program, will receive the subsidy until January 1, 2011 or eligibility for Medicare, whichever comes first. Subsidized rates are equal to active employee rates, and are listed on Attachment A. Employees retiring after these dates will receive no subsidy. Unsubsidized rates are listed in Attachment "D".

Retiree rates for the Medicare "Risk" plans offered by Blue Shield, Kaiser, PacifiCare and SCAN will be available after the Centers for Medicare and Medicaid Services (CMS) releases its reimbursement rate. Retiree rates for the Exclusive Care Select Supplemental Retiree medical plan are listed in Attachment "E".

Mental Health Parity

Congress recently passed the Mental Health Parity and Addiction Equity Act of 2008 (the "Act"), effective January 2010. The Act amends the 1996 Mental Health Parity Act which required annual or lifetime dollar limits on mental health benefits be no lower than any such dollar limits for medical and surgical benefits offered by a group plan. The amended Act does not require Plans to provide mental health or substance abuse disorder benefits, but employers with 50 or more employees who choose to offer these benefits must provide parity with the plan's medical and surgical benefits.

Human Resources believes that offering these enhanced benefits will be beneficial to the well being of members enrolled in the plans. The benefit changes listed in Attachment "H" remove all prior permissible limits and create a parity with medical and surgical benefits. It is anticipated that the rate impact to the plans is less than 1% increase.

We are working with our County Employee Assistance Program (EAP) to insure proper referral and access to care.

Blue Shield PPO - Discontinuance

Human Resources recommends discontinuance of the Blue Shield PPO plan starting Calendar Year 2010. The plan has experienced sharp rate increases over the last five years and proposed a 24% rate increase for 2010. The Blue Shield PPO plan has continued to decline in participation from 215 employees in 2006 to 160 currently. The Plan currently accounts for approximately 1.3% of total health plan enrollment. In the July 29, 2008 Form 11 Agenda item 3.84, Human Resources noted that because of the poor claims experience and declining enrollment we anticipated 2009 as the last year we would recommend offering this Plan. Employees were notified of this possibility in the 2009 Open Enrollment communication materials.

As a cost-effective alternative to the Blue Shield PPO plan, Human Resources recommends the establishment of a new Exclusive Care Select Point of Service (POS) plan for active employees. We recommend that this alternative plan be offered with a rate that is only 15% higher than the 2009 Blue Shield PPO plan.

The Plan has many of the features of a traditional PPO plan that Blue Shield PPO members and others may find attractive. The plan covers physicals, x-rays, laboratory, vision exams and other diagnostic tests to help members detect potential health issues before they turn into serious problems. Specialized services such as transplants, oncology, special surgical services, and mental health are also made available at Centers of Excellence across the nation with expertise in cardiac care, complex and rare cancer treatments, transplant services, joint replacement surgery and other highly specialized complex care programs. The designation of these centers is based on rigorous, evidence-based objective selection criteria established in collaboration with expert physicians' and medical organizations' recommendations and only for organizations with known, documented successful outcomes. There are three benefit levels of coverage available to members:

Tier 1 - Provides coverage through the Exclusive Care Provider Network (located primarily in Riverside County, San Bernardino County and Ventura County) with the lowest cost for deductible, coinsurance and co-payments (90/10 coverage of Network contracted rate); better than the Blue Shield PPO.

Tier 2 - Provides coverage through an enhanced Provider Network offering an extensive choice of providers nationwide. This tier offers the mid-level cost for deductibles, coinsurance and co-payments (80/20 coverage of Network contracted rate); similar to the Blue Shield PPO. We anticipate replacing the current Tier 2 national network provider with the Blue Shield / Blue Card network subject to final negotiations.

Tier 3 - Provides coverage with any licensed provider not contracted with Exclusive Care or Tier 2 provider network. This level of coverage does not offer discounted rates, so Tier 3 has a higher out-of-pocket cost to the member (60/40 coverage of plan Allowable charges). However, this Tier 3 level of coverage gives the member access to any licensed provider within the United States.

Attachment "I" provides a summary of the Plan benefits. Prior to January 1, 2010 Human Resources will bring the formal plan document to the Board for approval.

Dental Plans

No benefit plan changes are recommended for the County's Dental Health Maintenance Organizations (DHMO) plans. The Freedom Dental plan has a decrease in rates of -0.7%, the Local Advantage and Local Advantage Blythe plans have a -1.8% decrease in rates, and the United Concordia Companies Incorporated (UCCI) DHMO plans will have no rate increases. These rates are far below the national trend of 4.1% for the DHMO plans. The UCCI Preferred Provider (PPO) plan will have a decrease in rate of -2.5% and two benefit enhancements to the plan design. The specific dental plan rates for 2010 are contained in Attachment "B" for active employees and retirees and a summary of the benefit plan design changes for the UCCI PPO plan are listed in Attachment "J".

Vision Plans

No benefit changes are recommended for the County's vision plans and these plans will not have a rate increase for 2010.

The County provides the employer paid self-funded *Vision Service Plan* to elected officials, employees in bargaining units DDAA and LEMU, Resident Physicians and employees classified as Exempt Management, Management, Confidential and Unrepresented. Plan utilization supports no changes to plan services and a 5.6% decrease in monthly rates.

The Medical Eye Services (MES) vision plan is a voluntary vision program offered to employees in the SEIU, LIUNA and RSA Public Safety units. This plan will have no rate increase for 2010.

Wellness Program

Human Resources recommends the Optimal Health and Wellness Program (OHWP) as a replacement and enhancement of the current wellness program. Historically, wellness programs have been instituted to reduce the cost of healthcare and the rate of absenteeism in the workplace by providing employees the opportunity and incentive to improve their health and wellness.

The County's current Healthy Lifestyle Rewards Program is an on-line and telephonic program. The cost of the program is \$329,000 annually, which is funded by the County's health insurance carriers, the Occupational Health and Wellness and Exclusive Care funds. Participation in the Healthy Lifestyle Rewards Program is at 16% of the total eligible population, with an average reward of a \$25 annual payment. While the Healthy Lifestyle Rewards Program has been successful, Human Resources believes that a more personalized program with greater incentives will prove even more impactful to employee wellness and long-term healthcare cost reduction. Human Resources, with the help of Aon researched alternate programs to incent higher participation and improve results. The OHWP has been patterned after result-oriented award-winning programs from Ventura County, King County, Safeway and the Cooper Institute.

Participation in OHWP is completely voluntary and at no cost to the employee. The OHWP provides benefits at four levels of participation; the levels are:

- Bronze (lowest level of participation)
- Silver (low level of participation)
- Gold (moderate level of participation)
- Platinum (highest level of participation)

The program is designed to reward healthy lifestyle choices based on verifiable action plans. While the Bronze and Silver levels each provide a \$25 lump sum reward for the completion of a Personal Wellness Profile (PWP) and Biometric screening, the Gold and Platinum levels provide \$30 and \$50 monthly contributions respectively, towards health care coverage in the calendar year following the completion of personalized action plans based on the employees' risk profile. Eligible retirees and spouses/registered domestic of employees may also participate in a customized action plan design.

Because OHWP provides greater incentives for participation, Human Resources anticipates that enrollment in the program for the first year will approximate 33% at the Silver level and participants will work on their action plans in calendar year 2010 to gain eligibility for the Gold and Platinum monthly rewards in calendar year 2011. Calendar year 2010 costs for the program are expected to be within the \$329,000 expense previously budgeted.

OHWP rewards will be entirely paid by the County's healthcare carriers. Blue Shield, Kaiser and Exclusive Care will continue their current funding levels to the wellness program and set premiums at levels that will cover future program costs. In the long-term, Human Resources anticipates that OHWP will result in lower premiums for all employees because of improved health and well being resulting in lower utilization of services.

Conclusion

The annual cost of medical, dental and vision plans for active employees will increase from \$109,219,779 in 2009 to an estimated \$112,163,981 in 2010, an increase of \$2,944,202 (2.9%). Employees pay premiums for medical, dental and vision coverage with their Flexible Benefits Credits, supplemented by their own contributions, so there is no direct cost to the County for changes in rates for 2010. The approved plan rates and benefit changes will be communicated to employees through Open Enrollment that is scheduled for October 5, 2009 through October 30, 2009.

The 2010 retiree rates and complete plan documentation for the Medicare "Risk" plans will be brought to the Board after Medicare releases its' reimbursable rates to the carriers later in September.

County of Riverside
2010 County Medical Plan Monthly Renewal Rates
 Active

| | Enrollment | 2009 Current | 2010 Renewal | Monthly Dollar Increase | Percent Increase |
|--|---------------|---------------------|---------------------|-------------------------|------------------|
| Exclusive Care (EPO) | | | | | |
| Single | 3,008 | \$338.14 | \$354.86 | \$16.72 | 4.9% |
| Two-Party | 847 | \$690.16 | \$724.26 | \$34.10 | 4.9% |
| Family | 1,120 | \$868.20 | \$911.10 | \$42.90 | 4.9% |
| Sub-Total | 4975 | \$2,574,075 | \$2,701,299 | \$127,224 | 4.9% |
| Kaiser Permanente (HMO) | | | | | |
| Single | 2,015 | \$454.00 | \$469.00 | \$15.00 | 3.30% |
| Two-Party | 518 | \$906.00 | \$936.00 | \$30.00 | 3.30% |
| Family | 521 | \$1,177.00 | \$1,216.00 | \$39.00 | 3.30% |
| Sub-Total | 3054 | \$1,997,335 | \$2,063,419 | \$66,084 | 3.3% |
| Blue Shield (HMO) | | | | | |
| Single | 2,541 | \$461.70 | \$487.29 | \$25.59 | 5.5% |
| Two-Party | 747 | \$921.30 | \$972.58 | \$51.28 | 5.6% |
| Family | 919 | \$1,195.60 | \$1,263.75 | \$68.15 | 5.7% |
| Sub-Total | 4207 | \$2,960,147 | \$3,126,107 | \$165,960 | 5.6% |
| Blue Shield (PPO) | | | | | |
| Single | 134 | \$887.80 | \$0.00 | | |
| Two-Party | 18 | \$1,775.10 | \$0.00 | | |
| Family | 8 | \$2,307.10 | \$0.00 | | |
| Sub-Total | 160 | \$169,374 | \$0 | | |
| Exclusive Care Select (POS) For Active Employees* | | | | | |
| Single | | | \$1,020.98 | | |
| Two-Party | | | \$2,041.38 | | |
| Family | | | \$2,653.18 | | |
| Sub-Total | | | | | |
| ANNUAL TOTAL | 12,236 | \$92,411,168 | \$94,689,906 | \$2,278,738 | |

*Note: Represents a 15% increase above the 2009 Blue Shield PPO rates.

County of Riverside
2010 Dental Renewal Monthly Rates
Actives

ATTACHMENT "B"

| | Enrollment | 2009 Current | 2010 Renewal | Dollar Increase | Percent Increase |
|---------------------------------|---------------|---------------------|---------------------|--------------------|------------------|
| Local Advantage - Plus | | | | | |
| Single | 561 | \$42.70 | \$41.92 | -\$0.78 | -1.8% |
| Two-Party | 226 | \$84.98 | \$83.44 | -\$1.54 | -1.8% |
| Family | 268 | \$125.84 | \$123.54 | -\$2.30 | -1.8% |
| Sub-total | 1,055 | \$76,885.30 | \$75,483.28 | -\$1,402.02 | -1.8% |
| Local Advantage - Blythe | | | | | |
| Single | 23 | \$30.46 | \$29.90 | -\$0.56 | -1.8% |
| Two-Party | 9 | \$55.12 | \$54.12 | -\$1.00 | -1.8% |
| Family | 11 | \$84.46 | \$82.92 | -\$1.54 | -1.8% |
| Sub-total | 43 | \$2,125.72 | \$2,086.90 | -\$38.82 | -1.8% |
| United Concordia - PPO | | | | | |
| Single | 1,602 | \$45.00 | \$43.87 | -\$1.13 | -2.5% |
| Two-Party | 885 | \$80.60 | \$78.57 | -\$2.03 | -2.5% |
| Family | 1,144 | \$117.44 | \$114.48 | -\$2.96 | -2.5% |
| Sub-total | 3,631 | \$277,772.36 | \$270,779.31 | -\$6,993.05 | -2.5% |
| UCCI DHMO - TCA21 | | | | | |
| Single | 3,368 | \$19.92 | \$19.92 | \$0.00 | 0.0% |
| Two-Party | 1,689 | \$30.40 | \$30.40 | \$0.00 | 0.0% |
| Family | 2,179 | \$47.80 | \$47.80 | \$0.00 | 0.0% |
| Sub-total | 7,236 | \$222,592.36 | \$222,592.36 | \$0.00 | 0.0% |
| UCCI DHMO - TCA36 | | | | | |
| Single | 475 | \$14.78 | \$14.78 | \$0.00 | 0.0% |
| Two-Party | 203 | \$22.28 | \$22.28 | \$0.00 | 0.0% |
| Family | 241 | \$34.68 | \$34.68 | \$0.00 | 0.0% |
| Sub-total | 919 | \$19,901.22 | \$19,901.22 | \$0.00 | 0.0% |
| Freedom Dental Plan | | | | | |
| Single | 211 | \$69.34 | \$68.86 | -\$0.48 | -0.7% |
| Two-Party | 77 | \$126.34 | \$125.46 | -\$0.88 | -0.7% |
| Family | 75 | \$186.14 | \$184.86 | -\$1.28 | -0.7% |
| Sub-total | 363 | \$38,319.42 | \$38,054.38 | -\$265.04 | -0.7% |
| ANNUAL TOTAL | 13,247 | \$7,651,157 | \$7,546,769 | -\$104,387 | -1.4% |

County of Riverside
2010 Vision Renewal Monthly Rates

| | Enrollment | 2009 Current | 2010 Renewal | Dollar Increase | Percent Increase |
|----------------------------------|---------------|---------------------|---------------------|--------------------|------------------|
| Vision Service Plan | | | | | |
| Self- Funded Fee | | 12% of claims | 13% of claims | N/A | N/A |
| Recommended funding level | | \$13.22 | \$12.48 | -\$0.74 | -5.6% |
| Sub-total | 2195 | \$29,017.90 | \$27,393.60 | -\$1,624.30 | -5.6% |
| MES - Hardware only | | | | | |
| Single | 386 | \$7.98 | \$7.98 | \$0.00 | 0.0% |
| Two-Party | 94 | \$12.72 | \$12.72 | \$0.00 | 0.0% |
| Family | 90 | \$17.54 | \$17.54 | \$0.00 | 0.0% |
| Sub-total | 570 | \$5,853.64 | \$5,853.64 | \$0.00 | 0.0% |
| MES - Exam & Hardware | | | | | |
| Single | 4015 | \$9.46 | \$9.46 | \$0.00 | 0.0% |
| Two-Party | 1769 | \$14.28 | \$14.28 | \$0.00 | 0.0% |
| Family | 1995 | \$19.32 | \$19.32 | \$0.00 | 0.0% |
| Sub-total | 7779 | \$101,786.62 | \$101,786.62 | \$0.00 | 0.0% |
| ANNUAL TOTAL* | 10,544 | \$1,639,898 | \$1,620,406 | -\$19,492 | -1.2% |

*Note: Percent increase is based on a weighted average.

County of Riverside
2010 County Medical Plan Renewal Rates
"Unsubsidized" Early Retirees

| | 2009 Current | 2010 Renewal | Monthly Dollar Increase | Percent Increase |
|--------------------------------|--------------|--------------|-------------------------|------------------|
| Kaiser Permanente (HMO) | | | | |
| Single | \$712.00 | \$726.00 | \$14.00 | 2.00% |
| Two-Party | \$1,420.00 | \$1,450.00 | \$30.00 | 2.10% |
| Family | \$1,848.00 | \$1,884.00 | \$36.00 | 1.90% |
| Blue Shield (HMO) | | | | |
| Single | \$730.20 | \$770.73 | \$40.53 | 5.6% |
| Two-Party | \$1,458.20 | \$1,539.35 | \$81.15 | 5.6% |
| Family | \$1,892.70 | \$2,000.61 | \$107.91 | 5.7% |
| Exclusive Care (EPO) | | | | |
| Single | N/A | \$563.16 | | |
| Two-Party | N/A | \$1,149.43 | | |
| Family | N/A | \$1,445.95 | | |

Note: Exclusive Care Select rates were approved by the Board on July 14, 2009, Agenda Item 3.62.

County of Riverside

ATTACHMENT "E"

2010 Exclusive Care Select Supplemental Retiree Plan Rates

| | 2009 Current | 2010 Renewal | Monthly Dollar Increase | Percent Increase |
|---|--------------|--------------|-------------------------|------------------|
| Exclusive Care Select Medicare Supplemental Plan | | | | |
| Retiree Only (> 65, with MC parts A & B) | \$229.00 | \$269.20 | \$40.20 | 17.6% |
| Retiree + 1 (> 65, with MC parts A & B) | \$458.00 | \$538.38 | \$80.38 | 17.6% |
| Retiree + Spouse (> 65, with MC parts A & B) | \$811.52 | \$919.73 | \$108.21 | 13.3% |
| Retiree + Family, one with MC parts A & B | \$1,287.32 | \$1,451.08 | \$163.76 | 12.7% |
| Retiree + Family, two with MC parts A & B | \$1,040.52 | \$1,188.91 | \$148.39 | 14.3% |

County of Riverside
Blue Shield Access + HMO
Plan Design Changes for Plan Year 2010

| | 2009 |
|---|--|
| Benefit Change: | Current |
| Emergency Room Copay | \$50 |
| Chiropractic | 100% after \$15 copay/visit; up to 20 visits/calendar year |
| Substance Abuse Outpatient Rehabilitation | \$100/ per admission; up to 30 days/calendar year |
| Durable Medical Equipment | 100% |
| Out-of-Pocket Maximum | \$800/Person \$2,400/ Family |

ATTACHMENT "F"

| |
|--|
| 2010 |
| Proposed |
| \$100 |
| Not Covered; Discount Program Included |
| Not Covered |
| 50% to \$2,000 Maximum |
| \$1,500/Person \$3,000/Family |

County of Riverside
Exclusive Care EPO
Plan Design Changes for Plan Year 2010

| | | 2009 | 2010 |
|--|--|---|------|
| Benefit Change: | Current | Proposed | |
| Chiropractic | 100% after \$5 copay/visit; up to 20 visits/calendar year | 100% after \$5 copay/visit; up to 12 visits/calendar year | |
| Durable Medical Equipment | 100% | 50% to \$2,000 Maximum | |
| Emergency Room Copay | \$50 at a network facility (waived if admitted) | \$100 at a network facility (waived if admitted) | |
| Pharmacy Drugs - Network 30-34 Day Supply | Generic: \$5 copay; Preferred brand: \$15 copay; Nonpreferred brand: \$25 copay | Generic: \$5 copay; Preferred brand: \$15 copay; Nonpreferred brand: \$25 copay. <i>Mandatory Mail Order after the first 30 day trial for maintenance medications.</i> | |

**County of Riverside
Mental Health and Substance Abuse Services
2009 vs. 2010**

ATTACHMENT "H"

| | | Kaiser HMO | | Blue Shield Access+ HMO | |
|---|---|---|---|---|---|
| | | 2009 | | 2010 | |
| Severe Mental Health Services | | | | | |
| Inpatient Benefit | \$100 copay per admission (Unlimited visits) | \$100 copay per admission (Unlimited visits) | \$100 copay per admission (Unlimited visits) | \$100 copay per admission (Unlimited visits) | \$100 copay per admission (Unlimited visits) |
| Outpatient Benefit | \$15 copay per individual visit \$7 copay per group visit (Unlimited visits) | \$15 copay per individual visit \$7 copay per group visit (Unlimited visits) | \$15 copay per individual visit \$7 copay per group visit (Unlimited visits) | \$15 copay per individual visit \$7 copay per group visit (Unlimited visits) | \$15 copay per individual visit \$7 copay per group visit (Unlimited visits) |
| Non-Severe Mental Health Services | | | | | |
| Inpatient Benefit | \$100 copay per admission (Up to 30 days per calendar year) | \$100 copay per admission (Unlimited visits) | \$100 copay per admission (Unlimited visits) | \$100 copay per admission (Unlimited visits) | \$100 copay per admission (Unlimited visits) |
| Outpatient Individual Benefit | \$15 copay (Unlimited visits) | \$15 copay (Unlimited visits) | \$15 copay (Unlimited visits) | \$15 copay (Unlimited visits) | \$15 copay (Unlimited visits) |
| Outpatient Group Benefit | \$7 copay (Unlimited visits) | \$7 copay (Unlimited visits) | \$7 copay (Unlimited visits) | \$7 copay (Unlimited visits) | \$7 copay (Unlimited visits) |
| Substance Abuse/Chemical Dependency Services | | | | | |
| Inpatient Detoxification | \$100 copay per day | \$100 copay per day | \$100 copay per day | \$100 copay per admission | \$100 copay per admission |
| Outpatient Detoxification | \$15 copay | \$15 copay | \$15 copay | \$15 copay | \$15 copay (Unlimited visits) |
| Outpatient Individual Visits | | | | No Charge | No Benefit |
| Outpatient Group Visits | \$5 copay | \$5 copay | \$5 copay | (Partial Hospitalization/day treatment - Maximum 30 days combined inpatient and day treatment. One hospital day counts as one day and two partial hospital days count as one day) | Mental Health Parity Carve Out |
| Transitional Residential Recovery Services/Rehab | \$100 per admission (Up to 60 days per calendar year, not to exceed 120 days in any five year period) | \$100 per admission (Unlimited) | \$100 per admission (Unlimited) | No Charge (Inpatient - Maximum of 30 days) | No Benefit (Mental Health Parity Carve Out) |

**County of Riverside
Mental Health and Substance Abuse Services
2009 vs. 2010**

ATTACHMENT "H"

| | | Exclusive Care EPO | | Exclusive Care Indemnity (OOA) | |
|---|---|----------------------------------|------|---|--|
| | | 2009 | 2010 | 2009 | 2010 |
| Severe Mental Health Services | | | | | |
| Hospital & Emergency Room Benefits | | | | | |
| Inpatient Benefit | 100% (Unlimited admissions) | 100% (Unlimited admissions) | | 20% of allowed charges | 20% of allowed charges |
| Outpatient Individual Benefit | \$10 co-pay for visits 1 - 10 \$25 co-pay for visits 11 - 30 | \$5 co-pay (Unlimited visits) | | 20% of allowed charges (Up to 30 visits per calendar year) | 20% of allowed charges (Unlimited visits) |
| Outpatient Group | | | | 20% of allowed charges (Up to 30 visits per calendar year) | 20% of allowed charges (Unlimited visits) |
| Non-Severe Mental Health Services | | | | | |
| Hospital & Emergency Room Benefits | | | | | |
| Inpatient Benefit | 100% (Unlimited visits) | 100% (Unlimited visits) | | 20% of allowed charges | 20% of allowed charges |
| Outpatient Individual Benefit | \$10 co-pay for visits 1 - 10 \$25 co-pay for visits 11 - 30 | \$5 co-pay (Unlimited visits) | | 20% of allowed charges (Up to 30 visits per calendar year) | 20% of allowed charges (Unlimited visits) |
| Outpatient Group | | | | 20% of allowed charges (Up to 30 visits per calendar year) | 20% of allowed charges (Unlimited visits) |
| Substance Abuse Services | | | | | |
| Inpatient Program (Rehabilitation) | 100% (Up to 90 days/lifetime maximum) | 100% (Unlimited) | | 20% of allowed charges (Up to 90 days/lifetime maximum) | 20% of allowed charges (Unlimited days) |
| Inpatient Detoxification | 100% (For 3 - 5 days; limit one episode /lifetime) | 100% (Unlimited) | | 20% of allowed charges (For 3 - 5 days; limit one episode /lifetime) | 20% of allowed charges (Unlimited days) |
| Outpatient Hospital Services | \$5 copay for visits 1-10 \$15 copay for visits 11 - 30 | \$5 copay (Unlimited visits) | | 20% of allowed charges (Up to 30 visits per calendar year) | 20% of allowed charges (Unlimited visits) |
| Outpatient Office Visit | \$5 copay | \$5 copay | | 20% of allowed charges (Up to 30 visits per calendar year) | 20% of allowed charges (Unlimited visits) |

Note: All services must be pre-authorized by the County of Riverside Employee Assistance Program (EAP) for the Exclusive Care member. No benefits will be provided for treatment or services that are not pre-authorized by the EAP or Exclusive Care, except in the case of psychiatric emergency admissions. A referral from the primary care provider is not required to access EAP.

**County of Riverside
Exclusive Care Select POS Plan Design
for Active Employees**

| Provider Network | Tier 1 Exclusive Care | Tier 2 Nationwide Provider | Tier 3 Out-of-Network |
|--|--|--|-------------------------------------|
| Choice of Physician | Any Exclusive Care Contracted Provider | Any Nationwide Network Provider | Any Licensed Provider |
| Calendar Year Deductible | \$250/Person \$750/Family | \$500/Person \$1,500/Family | \$1,000/Person \$3,000/Family |
| Calendar Year Out-of-Pocket Maximum | \$1,500/Person \$4,500/Family | \$2,500/Person \$7,500/Family | \$5,000/Person \$15,000/Family |
| Maximum Lifetime Benefit | \$1,000,000 | | |
| Pre-existing Condition Limitation | Fully Covered | | |
| Prescription Drug Benefits | | | |
| Network Retail Pharmacy (30 to 34 Day Supply) | WHAT THE PLAN PAYS Generic Drugs: 100% after \$15 Copay Brand-name Formulary: 100% after \$25 Copay Nonpreferred Drugs: 100% after \$40 Copay Significant or New Therapeutic Class Drugs: 50% Generic Drugs: 100% after \$30 Copay Brand-name Formulary: 100% after \$50 Copay Nonpreferred Drugs: 100% after \$80 Copay Mail order is MANDATORY for maintenance medications after a 30-day trial | | |
| Network Mail Order (90 Day Supply) | Fully Covered | | |
| Office Visit Benefits | | | |
| Diagnostic X-Ray & Lab | 90% After Deductible | 80% After Deductible | 60% After Deductible ¹ |
| Immunizations | 100% After \$10 Copay ² | 100% After \$25 Copay ² | Not Covered |
| Maternity Care | 90% After Deductible | 80% After Deductible | 60% After Deductible ¹ |
| Periodic Health Evaluations/Physicals | 100% After \$10 Copay ² | 100% After \$25 Copay ² | Not Covered |
| Physician Office Visits | Primary Care Physician: 100% After \$10 Copay ² Specialist: 100% After \$20 Copay ² | Primary Care Physician: 100% After \$25 Copay ² Specialist: 100% After \$50 Copay ² | 60% After Deductible ¹ |
| Vision Exams | 100% After \$10 Copay ² | 100% After \$25 Copay ² | Not Covered |
| Well Baby Care | 100% After \$10 Copay ² | 100% After \$25 Copay ² | Not Covered |
| Well Woman Care | 100% After \$10 Copay ² | 100% After \$25 Copay ² | Not Covered |
| Hospital & Emergency Room Service | | | |
| Ambulance (Medically Necessary) | 90% After Deductible | 80% After Deductible | 80% After Deductible ¹ |
| Ambulatory Surgical Center | 90% After Deductible | 80% After Deductible | 60% After Deductible |
| Physician Hospital Visits | 100% After \$10 Copay | 100% After \$25 Copay ² | 60% After Deductible ¹ |
| Inpatient Hospital | 90% After Deductible | 80% After Deductible | 60% After Deductible |
| Outpatient Hospital | 90% After Deductible | 80% After Deductible | 60% After Deductible ¹ |
| Hospital Emergency Room | 90% After \$50 Copay ² | 80% After \$100 Copay ² | 80% After \$100 Copay ² |
| Urgent Care | 100% After \$20 Copay/Visit ² | 100% after \$50 Copay/Visit ² | 60% After Deductible ^{1,2} |

ATTACHMENT "I"

| Provider Network | Tier 1 Exclusive Care | Tier 2 Nationwide Provider | Tier 3 Out-of-Network |
|---|--|--|--|
| Severe Mental Health Treatment¹ | | WHAT THE PLAN PAYS | |
| Inpatient Benefit | 90% After Deductible | 80% After Deductible | 60% After Deductible ¹ |
| Outpatient Benefit | 100% After \$20 Copay ² | | 60% After Deductible ¹ |
| Non-Severe Mental Health Treatment | | WHAT THE PLAN PAYS | |
| Inpatient Benefit | 90% After Deductible | 80% After Deductible | 60% After Deductible ¹ |
| Outpatient Private | | | 60% After Deductible ¹ |
| Outpatient Group | 100% After \$20 Copay ² | | 60% After Deductible ¹ |
| Substance Abuse | | WHAT THE PLAN PAYS | |
| Inpatient Program | 90% After Deductible | 80% After Deductible | 60% After Deductible ¹ |
| Inpatient Detoxification | 90% After Deductible | 80% After Deductible | 60% After Deductible ¹ |
| Outpatient Office Visits | 100% After \$20 Copay ² | | 60% After Deductible ¹ |
| Other Benefits | | WHAT THE PLAN PAYS | |
| Allergy Testing & Treatment | 90% After Deductible | 80% After Deductible | Not Covered |
| Chiropractic | Not Covered | Not Covered | Not Covered |
| Durable Medical Equipment | 90% After Deductible, up to combined max of \$1000/calendar year | 80% After Deductible, up to combined max of \$1000/calendar year | 60% After Deductible, up to combined max of \$1000/calendar year |
| Family Planning | 90% After Deductible | 80% After Deductible | Not Covered |
| Elective Pregnancy Termination | Not Covered | Not Covered | Not Covered |
| Infertility Services | 90% After Deductible | 80% After Deductible | Not Covered |
| Tubal Ligation | 90% After Deductible | 80% After Deductible | Not Covered |
| Vasectomy | 90% After Deductible, up to combined max of 26 days/calendar year | 80% After Deductible, up to combined max of 26 days/calendar year | 60% After Deductible, up to combined max of 26 days/calendar year |
| Home Health Care | 90% After Deductible | 80% After Deductible | 60% After Deductible |
| Hospice - Routine Home & Inpatient Respite Care | 90% After Deductible | 80% After Deductible | 60% After Deductible |
| Hospice - 24 Hour Continuous Home Care & General Inpatient Care | 90% After Deductible; Limited to 20 visits per calendar year | 80% After Deductible; Limited to 20 visits per calendar year | 60% After Deductible; Limited to 20 visits per calendar year |
| Physical Therapy | 90% After Deductible, up to combined max of 100 days/calendar year | 80% After Deductible, up to combined max of 100 days/calendar year | 60% After Deductible, up to combined max of 100 days/calendar year |
| Skilled Nursing Facility | | | |

FOOTNOTE

- 1 You will pay any amount charged by an out-of-network provider that is in excess of the plan's contracted providers fee schedules.
- 2 Benefits are not subject to deductible.
- 3 Severe mental health conditions are covered the same as any other illness. Benefits for physician visits or hospital care include the diagnosis and medically necessary treatment of the following conditions: anorexia nervosa, bipolar disorder, bulimia nervosa, major depressive disorder, obsessive-compulsive disorder, panic disorder, pervasive developmental disorder or autism, schizoaffective disorder, and schizophrenia.

County of Riverside
2010 Dental Plan Design Changes
UCCI PPO

| | 2009 | 2010 |
|-----------------------------|----------------|-----------------|
| Benefit Change: | Current | Proposed |
| Calendar Year Max: | | |
| In-network | \$1,200 | \$1,500 |
| Out-network | \$1,000 | \$1,200 |
| Ortho Life-time Max: | | |
| In-network | \$1,000 | \$1,500 |
| Out-network | \$1,000 | \$1,200 |

County of Riverside
2010 CalPERS Medical Plan Renewal Rates
Actives & Early Retirees

| 2010 Plan Rates | Other Southern California Counties Region* | | | Los Angeles Region | | | Out-of-State Region | | |
|------------------------------|--|-------------|--------------|--------------------|-------------|--------------|---------------------|-------------|--------------|
| | 2009 | 2010 | % Difference | 2009 | 2010 | % Difference | 2009 | 2010 | % Difference |
| | | | | | | | | | |
| Blue Shield HMO | | | | | | | | | |
| Employee Only | \$ 471.18 | \$ 485.29 | 2.99% | \$ 412.35 | \$ 424.69 | 2.99% | Plan Not Available | | |
| Two-Party | \$ 942.36 | \$ 970.58 | 2.99% | \$ 824.70 | \$ 849.38 | 2.99% | Plan Not Available | | |
| Family | \$ 1,225.07 | \$ 1,261.75 | 2.99% | \$ 1,072.11 | \$ 1,104.19 | 2.99% | Plan Not Available | | |
| Blue Shield Net Value | | | | | | | | | |
| Employee Only | \$ 416.49 | \$ 420.59 | 0.98% | \$ 364.49 | \$ 368.06 | 0.98% | \$ 660.32 | \$ 724.69 | 9.75% |
| Two-Party | \$ 832.98 | \$ 841.18 | 0.98% | \$ 728.98 | \$ 736.12 | 0.98% | \$ 1,320.64 | \$ 1,449.38 | 9.75% |
| Family | \$ 1,082.87 | \$ 1,093.53 | 0.98% | \$ 947.67 | \$ 956.96 | 0.98% | \$ 1,716.83 | \$ 1,884.19 | 9.75% |
| Kaiser Permanente | | | | | | | | | |
| Employee Only | \$ 425.11 | \$ 454.99 | 7.03% | \$ 388.02 | \$ 413.17 | 6.48% | \$ 660.32 | \$ 724.69 | 9.75% |
| Two-Party | \$ 850.22 | \$ 909.98 | 7.03% | \$ 776.04 | \$ 826.34 | 6.48% | \$ 1,320.64 | \$ 1,449.38 | 9.75% |
| Family | \$ 1,105.29 | \$ 1,182.97 | 7.03% | \$ 1,008.85 | \$ 1,074.24 | 6.48% | \$ 1,716.83 | \$ 1,884.19 | 9.75% |
| PERS Care PPO | | | | | | | | | |
| Employee Only | \$ 712.71 | \$ 806.89 | 13.21% | \$ 697.87 | \$ 772.05 | 10.63% | \$ 816.65 | \$ 989.07 | 21.11% |
| Two-Party | \$ 1,425.42 | \$ 1,613.78 | 13.21% | \$ 1,395.74 | \$ 1,544.10 | 10.63% | \$ 1,633.30 | \$ 1,978.14 | 21.11% |
| Family | \$ 1,853.05 | \$ 2,097.91 | 13.21% | \$ 1,814.46 | \$ 2,007.33 | 10.63% | \$ 2,123.29 | \$ 2,571.58 | 21.11% |
| PERS Choice PPO | | | | | | | | | |
| Employee Only | \$ 458.59 | \$ 472.83 | 3.11% | \$ 449.04 | \$ 452.41 | 0.75% | \$ 525.47 | \$ 579.58 | 10.30% |
| Two-Party | \$ 917.18 | \$ 945.66 | 3.11% | \$ 898.08 | \$ 904.82 | 0.75% | \$ 1,050.94 | \$ 1,159.16 | 10.30% |
| Family | \$ 1,192.33 | \$ 1,229.36 | 3.11% | \$ 1,167.50 | \$ 1,176.27 | 0.75% | \$ 1,366.22 | \$ 1,506.91 | 10.30% |
| PORAC | | | | | | | | | |
| Employee Only | \$ 484.00 | \$ 484.00 | 0.00% | \$ 484.00 | \$ 484.00 | 0.00% | \$ 484.00 | \$ 484.00 | 0.00% |
| Two-Party | \$ 906.00 | \$ 906.00 | 0.00% | \$ 906.00 | \$ 906.00 | 0.00% | \$ 906.00 | \$ 906.00 | 0.00% |
| Family | \$ 1,151.00 | \$ 1,151.00 | 0.00% | \$ 1,151.00 | \$ 1,151.00 | 0.00% | \$ 1,151.00 | \$ 1,151.00 | 0.00% |

*Includes Riverside, Orange, San Diego and Imperial counties

**County of Riverside
Optimal Health & Wellness Program Proposal**

Mission

The Optimal Health and Wellness Program (OHWP) mission is to improve the health of County employees and their families by encouraging and supporting our employees in healthy lifestyle choices.

Background

Improving the health and wellness of employees and their families is fundamental to reducing the risk for many of the most common chronic diseases, including heart disease, type 2 diabetes, stroke, musculoskeletal problems, cancer and obesity. There is strong evidence indicating that promoting healthy behaviors in the workplace improves employee morale, productivity and absenteeism. Also importantly, employees and the County will experience reduced healthcare costs.

Participation

Participation in OHWP is completely voluntary and at no cost to the employee. The OHWP provides benefits at four levels of participation; the levels are:

- Bronze (lowest level of participation)
- Silver (low level of participation)
- Gold (moderate level of participation)
- Platinum (highest level of participation)

The program is designed to reward healthy lifestyle choices based on verifiable action plans. While the Bronze and Silver levels each provide a \$25 lump sum reward for the completion of a Personal Wellness Profile (PWP) and Biometric screening, the Gold and Platinum levels provide \$30 and \$50 monthly payments, respectively towards health care coverage in the calendar year following the completion of personalized action plans based on the employees' risk profile.

The following table summarizes the program's participation levels and benefits:

Plan Design

Employee Participation

| Plan Level: | Platinum | Gold | Silver | Bronze |
|---|--|---|--|------------------------------------|
| Plan Participation: | Complete the PWP, Biometric Screening and 2 Action Plans | Complete the PWP, Biometric Screening and 1 Action Plan | Complete the PWP and Biometric Screening | Complete the PWP |
| Monetary Incentive and Premium Reduction: | \$50.00 Per Month beginning following calendar year | \$30.00 Per Month beginning following calendar year | \$25.00/\$25.00 One time per calendar year | \$25.00 One time per calendar year |

Retirees, Eligible spouses or registered domestic partners may participate in the OHWP by first completing the Personal Wellness Profile.

| | | | |
|---|--|--|---|
| Plan Participation: | | Complete the PWP and Quest | Complete the PWP |
| <i>Spouse/RDP participation:</i> Monetary Incentive | | \$25.00/\$25.00 One time per calendar year – paid to employee | \$25.00 One time per calendar year – paid to employee |
| <i>Eligible Retirees:</i> Non-Monetary Incentives | | Upon completion of the PWP, Eligible Retirees may voluntarily participate in the Biometric Screening as well as in the lunch and learn classes and activity based classes. (Based on availability) | |

Participation in the OHWP starts at the Bronze level with the completion of a Personal Wellness Profile and builds at the Silver level with Biometric screening. Biometric screenings offer valuable insight into a Member's health risks by providing a number of biometric measures, such as weight, height, blood cholesterol levels including HDL, LDL, triglycerides and blood glucose.

After taking the PWP, employees and their spouse/registered domestic partner are given the opportunity to participate in an individual action plan tailored to their health risk profile. Risk levels are assessed based on the American College of Sports Medicine Risk Stratification Guidelines.

Low risk individuals will be able to select from a variety of lunch time learning seminars or activity based classes tailored for both the 30 minute and 60 minute lunch breaks. Activity classes may also be offered at the end of the work day. Moderate and High Risk individuals will work with the Wellness Coordinator, the Center for Optimal Health & Wellness (COHW), a Registered Dietician and Employee Assistance Services to create a customized 'Plan' to engage the participant to improve their health and wellbeing.

Low Risk Action Plans: After an initial health screening, Low Risk Plans will be created by a Wellness Coordinator based on the goals of the participant.

- Any six (6) Group Activities and six (6) Group Lunch Time Learning 30 minute classes, or
- Completion of 12 Group Activity Classes in any combination prior to October 31st of the calendar year, or
- For a participant covered under ADA/FEHA a 12-week customized plan that may be in a group setting or a one-on-one plan.

Moderate Risk Action Plan: Moderate Risk Plans will be created in a collaborative effort by a Registered Dietician and a Wellness Coordinator based on the participant's health risk factors. After an initial health screening by a Medical Professional the participant may choose:

- Any six (6) Group Activities and a preplanned series of six (6) Group Lunch Time Learning 30 minute classes, or
- A Customized 12 Session Plan to include either Group Activities or Lunch Time Learning Classes based on the participants individual needs, or
- Completion of 12 Group Activity Classes in any combination prior to October 31st of the calendar year, or
- For a participant covered under ADA/FEHA a 12-week customized plan that may be in a group setting or a one-on-one plan.

High Risk Action Plan: High Risk Plans will be created in a collaborative effort by the OHWP Team, as well as the Participant's Primary Health Care Provider, based on the participant's health risk factors. The participant will be 'coached' by the OHWP Team Members throughout their participation. After an initial health screening by a Medical Professional and *if necessary, a clearance from a Cardiologist provided by the participant's health care provider*, the participant may choose:

- A customized 12 Session Plan to include either One-on-One Physical Fitness Activities or Lunch Time Learning Classes based on the participants individual needs, or
- Completion of 12 One-on-one Activity Classes prior to October 31st of the calendar year, or
- For a participant covered under ADA/FEHA a 12 week customized plan that may be in a group setting or a One-on-One plan.

Note: In order for a 'plan' to be successfully completed and count toward the Premium Reduction, attendance is required at 12 plan events per 'Plan'. Missed sessions can be made up within the calendar year prior to October 31st.

Health Care Provider Integration – Team Approach

Participants will have the opportunity to voluntarily have a Biometric Screening. Biometric screenings will provide valuable insight into the participant's health risks by providing biometric measures, such as weight, height, blood cholesterol levels including HDL, LDL, triglycerides and blood glucose. An *Authorization to Release Protected Health Information* will be provided to participants to allow risk factors detected by the Voluntary Biometric Screening to be addressed by the participant's health care provider.

Physical Fitness and Nutrition recommendations made by a participant's health care provider(s) may be integrated, whenever possible, into the participant's Individual Action Plan monitored by the OHWP Team.