

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

508



FROM: Human Resources Department

SUBMITTAL DATE:
August 8, 2013

SUBJECT: 2014 Medical, Dental and Vision Plan Rates; and Benefit Changes for County of Riverside Active Employees and Early Retirees

Departmental Concurrence

RECOMMENDED MOTION: That the Board of Supervisors 1) approve the 2014 Medical, Dental and Vision plan rates listed in Attachment A through E for Active employees and Early Retirees; 2) approve the renewal of Health Net as one of the County's Health Maintenance Organizations (HMO) vendors; 3) approve the Health Net 2015 Rate Cap Agreement as part of the 2014 renewal offer (Attachment F); 4) approve the increase in Flexible Benefit Credits for specified Bargaining and Employee Units; 5) approve the use of the Early Retiree Reinsurance Program (ERRP) for Active employees; 6) authorize the Chairperson to sign three (3) copies of the attached Rate Cap Agreement; and 7) retain one (1) copy of the signed agreement and return two (2) copies of the agreement to Human Resources for distribution.

Barbara A. Olivier

Barbara A. Olivier
Asst. County Executive Officer/Human Resources Director

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:	2013/2014
SOURCE OF FUNDS: Employee and Retiree 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: *Ivan M. Chand*
Ivan M. Chand

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dept' Recomm.:
Per Exec. Ofc.:

2013 AUG 13 PM 5:30
COUNTY OF RIVERSIDE
RECEIVED HUMAN RESOURCES

Prev. Agn. Ref.: 7/31/12, 3.28; 8/28/12, 3.62; 9/11/12, 3.25 | **District:** All | **Agenda Number:**

3-49

BACKGROUND:

Since January 2003, the County has contracted directly with health plan carriers for the majority of County employees and retirees. To assist employees with the cost of health benefits, the County provides Flexible Benefit Credits. The Flexible Benefit Credit amount is determined by the applicable Memorandum of Understanding (MOU) governing each bargaining unit or, for unrepresented employees, the Resolution for Exempt Management, Management, Confidential, and other Unrepresented Employees.

Rates and Benefit Changes

In a continued effort to monitor County sponsored health plans and mitigate rate increases, Human Resources collaborated with Aon Hewitt, our benefits consultant, to conduct a Request for Information (RFI) from Anthem, Blue Shield, UnitedHealthCare and Health Net. Three of the four vendors responded to the RFI with rate increases ranging from 9.7% to 10.1%.

Health Net was most responsive to the RFI, offered the most competitive and cost-efficient plans, presented competence to effectively administer the plans and manage costs without sacrificing quality or member satisfaction. Health Net's best and final offer secured an overall rate increase of 6.5% for the 2014 calendar year, and a rate cap of 9.9% for the 2015 calendar year.

The Human Resources Department in conjunction with the Joint Health Care Labor Management Committee (the "Committee"), comprised of representatives from the Service Employees International Union (SEIU), Laborers International Union of North America (LIUNA), management representatives, County retirees and Aon Hewitt, recommend the following benefit premiums and plans for the 2014 calendar year.

Active Employee Medical Rates

Rate renewals are based on the County's group-specific claims experience and anticipated market trends of medical costs. Aon Hewitt reports the national market trend for the 2014 calendar year is expected to average 8.2% for HMOs and 9% for PPOs.

As a result of negotiations and a successful RFI, the County has obtained an average rate increase for active employees of 8% for the 2014 calendar year. Active employee rates for the 2014 calendar year are listed in Attachment A.

Health Net

Health Net is the County's HMO plan that allows active employees and early retirees to obtain both in and out-of-state coverage. The plan is designed to offer employees, their dependents, and early retirees greater flexibility.

Since the inception of the plan, Health Net has experienced enrollment losses and high costs for claims resulting in an initial proposal of a 15.63% increase in rates. In spite of the challenging economic times and regulatory conditions, Health Net continues to contribute \$100,000 annually toward the County's Wellness program, has met and satisfied performance guarantees, and has proposed a rate increase of 6.5% for the HMO and PPO plans, which is a decrease of 9.13% from the initial rate increase for the 2014 Calendar Year.

Health Net Mandatory Mail Order Prescriptions

In 2012, the Board of Supervisors approved the plan design change that required participants to utilize mandatory mail order prescription benefits for most maintenance medications. The plan design change has successfully assisted employees in lower out-of-pocket cost towards prescriptions and allowed them to have extended periods between refills.

As a result of the recent mail order plan design change, Health Net quoted rates in the RFI which excluded and included mandatory mail order prescriptions. The following options were proposed:

Option 1: 2014 Health Net Mandatory Mail Order (Current Plan Design)

- 6.5% rate increase, for Active Employees and Early Retirees in the HMO and PPO's (In-State and Out-of-State)

Option 2: 2014 Health Net Mandatory Mail Order Removed

- 7.8% rate increase, for Active Employees and Early Retirees in the HMO
- 7.8% rate increase, for Active Employees in the PPO
- 7.8% rate increase, for Early Retirees in the PPO (In-State)
- 7.8% rate increase, for Early Retirees in the PPO (Out-of-State)
- 2015 Rate Cap increase from 9.9% to 10.4%

To minimize increases to County employees and early retirees enrolled in the HMO and PPO Health Net plans, Human Resources in conjunction with the Committee, recommend approval of Option 1 with no plan design changes to the HMO or PPO plans. The proposal submitted by Health Net demonstrates their willingness to partner with the County to contain costs.

Exclusive Care

In recent years, Exclusive Care has become the most popular health plan option for County employees with 5,877 participants enrolled in the Active plan and 75 in the Early Retiree plan.

With the implementation of the 2013 plan design changes, underwriting analysis conducted by Aon supports a 7.6% rate increase for Active Employees and 7.5% rate increase for Early Retirees in the 2014 calendar year.

Kaiser

Kaiser Permanente HMO offers County participants comprehensive medical services with affiliated health care providers within the Kaiser network. Kaiser continues to provide quality service and works diligently with the County's Wellness Program to promote healthy lifestyles. There are currently 3,960 Active employees and 175 Early Retirees enrolled in the plan.

Kaiser utilization reports the 2014 renewal rate for their average regional commercial plan is 10.15%. The County's specific claim experience and plan utilization supports the proposed rate increase of that amount.

Retiree Medical Rates

On September 11, 2012, the Board of Supervisors approved an allocation of the Early Retiree Reinsurance Program (ERRP) funds towards the Early Retirees premiums. The use of the funds helped to reduce the 2013 average rate increase from 10.4% to 6.7%. However, this was a one-time premium off-set that is no longer available for Early Retirees. As a result, Early Retirees renewal rates will increase on average by 8% in the 2014 calendar year. Early Retiree rates will vary by plan. Specific plan rates are listed in Attachment B.

Retiree rates for the Medicare "Risk" plans offered by Health Net, Kaiser, and SCAN will be available after the Centers for Medicare and Medicaid Services (CMS) releases its reimbursement rates to the health plans, which usually occurs in September. These rates will be presented to the Board at that time.

CalPERS

On June 18, 2013, California Public Employees' Retirement System (CalPERS) released its 2014 medical plan rates. The approved rates will increase Basic HMO plan coverage by 3.8 percent and the PPO plans by 2.5 percent. The 2014 CalPERS rates also reflect the implementation of risk

adjustments across the HMO plans and across the PPO plans. The CalPERS medical plan rates are provided in Attachment C for informational/comparative purposes.

Dental Plans

Delta Dental offers the largest national dental provider network with a full range of dental care programs.

Delta Care HMO

DeltaCare is the dental HMO plan that features set copayments, no annual deductibles and no maximums for in-network benefits. Many diagnostic and preventive services are available at no cost or with very low copayments.

Currently, the County offers both a Low option HMO (11A) and a High option HMO (10A) to meet the needs of County employees. There are 1,010 participants enrolled in the Low option (11A) plan and 8,726 participants enrolled in the High option (10A) plan.

Human Resources recommends discontinuing the Low option (11A) plan due to low enrollment and similarity between the two plans. Eligible employees will have the option to enroll in the High option (10A) plan, Local Advantage plan, or the Delta Dental PPO.

If the Board approves this recommendation, employees enrolled in the Low option (11A) plan, who do not make a dental plan change during the open enrollment period will automatically be enrolled in the High option HMO (10A) plan.

Delta Dental PPO

Delta Dental PPO and Premier plans feature freedom of choice to visit any dentist and receive lower out-of-pocket cost when services are provided by contracted providers. Delta Dental has successfully managed the County's dental plans and continues to expand their network with new and local service providers throughout Riverside County, including the Blythe area.

No plan design changes are recommended for the PPO plan.

Delta Dental Rates

Due to increased claims and plan utilization, underwriting supports a 4% Administration Services Only (ASO) fee increase for 2014. The Delta Care HMO plan utilization supports a 13.6% rate increase. Delta Dental PPO plan rates will remain unchanged for 2014. If approved, rates and service fees are guaranteed for a 3-year period.

Local Advantage and Local Advantage Blythe

The Local Advantage and Local Advantage Blythe self-funded DHMO plans utilize local providers including Riverside Dental Group and Hospitality Dental Group.

Currently, there are 1,028 employees enrolled in Local Advantage and 29 employees enrolled in the Local Advantage Blythe plan. The Local Advantage plan utilization supports a 17.5% rate decrease for 2014.

Specific dental plan rates for 2014 are listed in Attachment D.

Vision Plans

The Vision Services Plan (VSP) is an employer paid self-funded vision program provided to Elected Officials, Management, Confidential, and Unrepresented employees, Resident Physicians and

employees in bargaining units of the Deputy District Attorney Association (DDAA) and Law Enforcement Management Unit (LEMU).

The Medical Eye Services plan (MES) is a voluntary vision program offered to employees in the Service Employees International Union (SEIU), Laborers' International Union of North America (LIUNA) and Riverside Sheriffs Association Public Safety units.

MES and VSP will maintain their current level of benefits and rates. Rates for the 2014 vision plans are listed in Attachment E.

Flexible Benefit Credits

In 2012, the Board of Supervisors approved the semi-monthly Flexible Benefit Credits to increase by the percent increase in the Kaiser Family rate for the County, for subsequent years through 2015.

In order to retain a consistent compensation strategy between Represented and Unrepresented employees, Human Resources recommends a Flexible Benefit increase of 3.1% for Management employees in Groups 1, 2, and 3 as listed in the Exempt Management, Management, Confidential and Other Unrepresented Employees Resolution. This recommended increase would align all employees covered by the Exempt Management, Management, Confidential and Other Unrepresented Employees Resolution with the same Flexible contribution amount. Unrepresented employees' benefit increases will be significantly lower than those negotiated by represented employees.

If the Board approves the 2014 Kaiser rates, the employee units listed below will receive the following Flexible Benefit Credits increase in 2014:

Employee Unit	Current 2013 Monthly Flex Credit	Proposed 2014 Monthly Flex Credit	% Increase
Management	\$798.61	\$823.00	3.1%
Confidential	\$798.61	\$823.00	3.1%
Unrepresented	\$798.61	\$823.00	3.1%
Bargaining Unit	Current 2013 Monthly Flex Credit	Proposed 2014 Monthly Flex Credit	% Increase
SEIU	\$675.43	\$744.00	10.15%
LIUNA	\$699.33	\$770.32	10.15%
DDAA	\$798.61	\$823.00	3.1%

Health Care Reform

Early Retiree Reinsurance Program

The Early Retiree Reinsurance Program (ERRP) is part of the Health Care Reform law also known as the Patient Protection and Affordable Care Act (PPACA), which instituted the program to provide organizations like the County with partial reimbursement for providing health coverage to retirees between the ages of 55-64 who are not Medicare eligible. Based on regulatory guidance, any ERRP reimbursement funds received must be allocated across all plan participants (Active and Early Retirees) in the County's health benefit plans and used no later than December 31, 2014.

Early Retirees received their allocation of these funds in the current Plan Year. Human Resources along with actuaries from Aon have now finalized the allocation of the remaining ERRP reimbursement funds to be applied to Active employee premiums.

After Human Resources applied the ERRP reimbursement funds, the average rate increase of 8.0% was reduced to 7.0%. The use of the ERRP reimbursement funds is a one-time reduction for 2014 only.

Wellness Program

The Optimal Health & Wellness Program (OHWP) focuses on health management programs to engage employees in primary prevention and management of health risk factors. The OHWP incentive model is a criteria-based plan that is intended to catalyze participation in the program and change specific health behaviors. The incentive model is funded by contributions from Exclusive Care, Health Net, Kaiser Permanente, and The Standard Life Insurance Company. Additionally, an administrative fee is included in the medical plan premiums to help fund the incentives.

The administrative fee for the 2014 calendar year will remain \$6.00 per month, to cover incentive payments provided to participants of the wellness program.

Conclusion

The annual cost of medical, dental and vision plans for active employees and early retirees is estimated to increase from \$131 million in 2013 to an estimated \$137 million in 2014, an increase of \$6 million or 5%. The County's annual cost is determined by the Flexible Benefit Credits it provides to employees. The remaining annual cost for the health plans is paid by employees.

If approved, plan rates and benefit changes will be communicated to employees during Annual Enrollment, which is scheduled for September 16, 2013 through October 11, 2013 for active employees and October 14, 2013 through November 1, 2013 for retirees. CalPERS Annual Enrollment is scheduled to run concurrently with the County's annual enrollment period.

2014 County Medical Plan Monthly Renewal Rates
Active

	Enrollment	2013 Current	2014 Base Renewal Rate w/Admin.	ERRP Reduction	2014 Renewal Rates w/Admin & ERRP	Monthly Dollar Increase	Percent Increase
Exclusive Care EPO							
Employee Only	3,583	\$414.62	\$445.42	(\$3.43)	\$441.99	\$27.37	7%
Employee Plus One	909	\$834.48	\$897.05	(\$6.96)	\$890.09	\$55.61	7%
Employee and Family	1,385	\$1,047.08	\$1,125.71	(\$8.75)	\$1,116.96	\$69.88	7%
Sub-Total	5,877	\$3,694,331.58	\$3,970,466.66	(\$30,735.08)	\$3,939,731.58	\$245,400.00	7%
HealthNet EOA HMO							
Employee Only	1,702	\$587.78	\$625.46	(\$4.84)	\$620.62	\$32.84	6%
Employee Plus One	454	\$1,168.06	\$1,243.42	(\$9.67)	\$1,233.75	\$65.69	6%
Employee and Family	594	\$1,516.40	\$1,614.38	(\$12.57)	\$1,601.81	\$85.41	6%
Sub-Total	2,750	\$2,431,442.40	\$2,587,987.32	(\$20,094.44)	\$2,567,892.88	\$136,450.48	6%
Kaiser							
Employee Only	2,633	\$558.00	\$614.00	(\$4.75)	\$609.25	\$51.25	9%
Employee Plus One	600	\$1,107.50	\$1,218.50	(\$9.48)	\$1,209.02	\$101.52	9%
Employee and Family	638	\$1,438.00	\$1,583.00	(\$12.33)	\$1,570.67	\$132.67	9%
Sub-Total	3,871	\$3,051,158.00	\$3,357,716.00	(\$26,061.29)	\$3,331,654.71	\$280,496.71	9%
HealthNet PPO							
Employee Only	92	\$917.62	\$976.73	(\$7.59)	\$969.14	\$51.52	6%
Employee Plus One	15	\$1,827.74	\$1,945.99	(\$15.17)	\$1,930.82	\$103.08	6%
Employee and Family	13	\$2,374.00	\$2,527.73	(\$19.73)	\$2,508.00	\$134.00	6%
Sub-Total	120	\$142,699.14	\$151,909.50	(\$1,182.32)	\$150,727.18	\$8,028.04	6%
Annual Total	12,618	\$111,835,573.44	\$120,816,953.76	(\$936,877.56)	\$119,880,076.20	\$8,044,502.76	7%

County of Riverside
 2014 Medical Plan Monthly Renewal Rates
 Early Retirees

	Enrollment	2013 Current Premium w/ERRP Discount	2014 Renewal	Monthly Dollar Increase	Percent Increase
Exclusive Care (EPO)					
Retiree Only	61	\$665.49	\$739.75	\$74.26	11%
Retiree & Spouse	12	\$1,356.67	\$1,508.23	\$151.56	11%
Retiree & Family	2	\$1,706.52	\$1,897.18	\$190.66	11%
Sub-Total	75	\$60,287.97	\$67,017.87	\$6,729.90	11%
Health Net EOA (HMO)					
Retiree Only	98	\$859.78	\$946.71	\$86.93	10%
Retiree & Spouse	26	\$1,718.04	\$1,891.90	\$173.86	10%
Retiree & Family	2	\$2,233.21	\$2,459.23	\$226.02	10%
Sub-Total	126	\$133,393.90	\$146,885.44	\$13,491.54	10%
Kaiser Permanente (HMO)					
Retiree Only	109	\$787.20	\$806.00	\$18.80	2%
Retiree & Spouse	27	\$1,571.94	\$1,608.50	\$36.56	2%
Retiree & Family	2	\$2,040.47	\$2,088.00	\$47.53	2%
Sub-Total	138	\$132,328.12	\$135,459.50	\$3,131.38	2%
Health Net PPO - in California					
Retiree Only	11	\$1,182.22	\$1,301.83	\$119.61	10%
Retiree & Spouse	2	\$2,150.50	\$2,368.18	\$217.68	10%
Retiree & Family	1	\$3,083.38	\$3,395.56	\$312.18	10%
Sub-Total	14	\$20,388.80	\$22,452.05	\$2,063.25	10%
Health Net PPO Out-of-California					
Retiree Only	12	\$1,126.49	\$1,240.45	\$113.96	10%
Retiree & Spouse	1	\$2,049.05	\$2,256.46	\$207.41	10%
Retiree & Family	0	\$2,937.91	\$3,235.35	\$297.44	10%
Sub-Total	13	\$15,566.93	\$17,141.86	\$1,574.93	10%
Annual Total	366	\$4,343,588.64	\$4,667,480.64	\$323,892.00	8%

**County of Riverside
2014 CalPERS Medical Plan Renewal Rates
Active and Early Retirees**

2014 Plan Rates	Other Southern California Counties*			Los Angeles Region			Out-of-State Region		
	2013	2014	% Difference	2013	2014	% Difference	2013	2014	% Difference
Blue Shield HMO									
Employee Only	\$643.93	\$543.21	-15.6%	\$530.75	\$469.91	-11.5%			Plan Not Available
Two-Party	\$1,287.86	\$1,086.42	-15.6%	\$1,061.50	\$939.82	-11.5%			Plan Not Available
Family	\$1,674.22	\$1,412.35	-15.6%	\$1,379.95	\$1,221.77	-11.5%			Plan Not Available
Blue Shield NetValue									
Employee Only	\$550.03	\$457.17	-16.9%	\$453.35	\$395.50	-12.8%			Plan Not Available
Two-Party	\$1,100.06	\$914.34	-16.9%	\$906.70	\$791.00	-12.8%			Plan Not Available
Family	\$1,430.08	\$1,188.64	-16.9%	\$1,178.71	\$1,028.30	-12.8%			Plan Not Available
Health Net Salud y Mas HMO									
Employee Only	Plan Not Available	\$489.82	0.0%	Plan Not Available	\$425.44	0.0%			Plan Not Available
Two-Party	Plan Not Available	\$979.64	0.0%	Plan Not Available	\$850.88	0.0%			Plan Not Available
Family	Plan Not Available	\$1,273.53	0.0%	Plan Not Available	\$1,106.14	0.0%			Plan Not Available
Health Net SmartCare									
Employee Only	Plan Not Available	\$568.51	0.0%	Plan Not Available	\$542.71	0.0%			Plan Not Available
Two-Party	Plan Not Available	\$1,137.02	0.0%	Plan Not Available	\$1,085.42	0.0%			Plan Not Available
Family	Plan Not Available	\$1,478.13	0.0%	Plan Not Available	\$1,411.05	0.0%			Plan Not Available
Kaiser Permanente									
Employee Only	\$558.95	\$602.79	7.8%	\$502.40	\$541.79	7.8%	\$876.46	\$917.20	4.6%
Two-Party	\$1,117.90	\$1,205.58	7.8%	\$1,004.80	\$1,083.58	7.8%	\$1,752.92	\$1,834.40	4.6%
Family	\$1,453.27	\$1,567.25	7.8%	\$1,306.24	\$1,408.65	7.8%	\$2,278.80	\$2,384.72	4.6%
PERSCare PPO									
Employee Only	\$992.61	\$638.22	-35.7%	\$953.90	\$624.59	-34.5%	\$1,224.67	\$736.32	-39.9%
Two-Party	\$1,985.22	\$1,276.44	-35.7%	\$1,907.80	\$1,249.18	-34.5%	\$2,449.34	\$1,472.64	-39.9%
Family	\$2,580.79	\$1,659.37	-35.7%	\$2,480.14	\$1,623.93	-34.5%	\$3,184.14	\$1,914.43	-39.9%
PERSChoice PPO									
Employee Only	\$611.30	\$612.25	0.2%	\$587.46	\$599.19	2.0%	\$754.21	\$706.40	-6.3%
Two-Party	\$1,222.60	\$1,224.50	0.2%	\$1,174.92	\$1,198.38	2.0%	\$1,508.42	\$1,412.80	-6.3%
Family	\$1,589.38	\$1,591.85	0.2%	\$1,527.40	\$1,557.89	2.0%	\$1,960.95	\$1,836.64	-6.3%
		Average Percent Increase	-8.60%	Average Percent Increase	Average Percent Increase	-7.00%	Average Percent Increase	Average Percent Increase	-13.87%

* Includes Riverside, Orange, San Diego and Imperial counties.

County of Riverside

Attachment D

2014 Dental Plan Monthly Renewal Rates
Active and Retiree

	Total Enrollment	2013 Current	2014 Renewal	Monthly Dollar Increase	Percent Increase
Local Advantage - Plus					
Single	556	\$47.68	\$40.14	(\$7.54)	-16%
Two-Party	249	\$94.90	\$77.92	(\$16.98)	-18%
Family	223	\$140.52	\$114.42	(\$26.10)	-19%
Sub-Total	1028	\$81,476.14	\$67,235.58	(\$14,240.56)	-18%
Local Advantage - Blythe					
Single	13	\$34.02	\$29.22	(\$4.80)	-14%
Two-Party	9	\$61.56	\$51.25	(\$10.31)	-17%
Family	7	\$94.32	\$77.46	(\$16.86)	-18%
Sub-Total	29	\$1,656.54	\$1,383.33	(\$273.21)	-17%
Delta USA DHMO - High Option Plan (10A)					
Single	4205	\$20.34	\$22.84	\$2.50	12%
Two-Party	2161	\$29.98	\$33.79	\$3.81	13%
Family	2360	\$46.00	\$52.00	\$6.00	13%
Sub-Total	8726	\$258,876.48	\$291,782.39	\$32,905.91	13%
Delta Dental PPO					
Single	2816	43.58	\$43.58	\$0.00	0%
Two-Party	1730	78.02	\$78.02	\$0.00	0%
Family	1704	113.68	\$113.68	\$0.00	0%
Sub-Total	6250	\$451,406.60	\$451,406.60	\$0.00	0%
ANNUAL TOTAL	16033	\$9,520,989.12	\$9,741,694.80	\$220,705.68	2%

**County of Riverside
2014 Vision Plan Monthly Renewal Rates**

	Active Enrollment	2013 Current	2014 Renewal	Monthly Dollar Increase	Percent Increase
MES - Hardware only (Active Employees)					
Single	396	\$7.80	\$7.80	\$0.00	0%
Two-Party	105	\$12.42	\$12.42	\$0.00	0%
Family	92	\$17.14	\$17.14	\$0.00	0%
Sub-Total	593	\$5,969.78	\$5,969.78	\$0.00	0%
MES - Exam & Hardware (Active Employees)					
Single	4174	\$9.23	\$9.23	\$0.00	0%
Two-Party	1829	\$13.95	\$13.95	\$0.00	0%
Family	2277	\$18.88	\$18.88	\$0.00	0%
Sub-Total	8280	\$107,030.33	\$107,030.33	\$0.00	0%
VSP					
Self-Funded Fee		10.5% of claims	13% of claims	N/A	N/A
Recommended funding level	2163	\$13.36	\$13.36	\$0.00	0%
Sub-Total	2163	\$28,897.68	\$28,897.68	\$0.00	0%
MES Retiree Plan					
Single	617	\$10.98	\$10.98	\$0.00	0%
Two-Party	386	\$21.04	\$21.04	\$0.00	0%
Family	89	\$27.91	\$27.91	\$0.00	0%
Sub-Total	1092	\$17,380.09	\$17,380.09	\$0.00	0%
Annual Total	12128	\$1,911,334.56	\$1,911,334.56	\$0.00	0%

Attachment F

Health Net of California

HMO and PPO plans

Rate Cap for Period: 01/01/2015 – 12/31/2015

RIVERSIDE COUNTY

Rate Cap for Period: 1/1/2015 - 12/31/2015

Product: EOA, PPO, & OOS

As part of our 1/01/2014 - 12/31/2014 renewal offer, Health Net is willing to offer a Rate Cap for the renewal period of 1/01/2015 - 12/31/2015:

- **EOA increase not to exceed 9.90%***
- **PPO increase not to exceed 9.90%***
- **OOS PPO increase not to exceed 9.90%***

Rate cap will be invalid or subject to revision if any of the following occur:

- RIVERSIDE COUNTY adds or deletes any other health plan or carrier to this population, or implements an HSA plan;
- RIVERSIDE COUNTY changes the current contribution formula as of 1/1/2013;
- RIVERSIDE COUNTY adds or deletes an affiliate, subsidiary, or bargaining unit;
- There is a material change (5% or more) in the combined demographic composition of the covered members. Current EOA Age/Sex factor of 1.2444 with PMPM to single factor of 1.1974, current PPO Age/Sex factor of 1.4723 with PMPM to single factor of 1.1018, and current OOS PPO Age/Sex factor of 2.0996 with PMPM to single factor of 1.0193, for an overall composite Age Sex factor and PMPM to single factor of 1.4970;
- RIVERSIDE COUNTY changes benefits from Health Net's current EOA offer (Medical Plan 31C, Rx Plan 38U, and MH Plan XPJ), and current PPO offer (Medical Plan 31H and Rx Plan 38V), and current OOS PPO offer (Medical Plan 31H and Rx Plan 38W), notwithstanding benefit changes mutually agreed upon between RIVERSIDE COUNTY and Health Net to become effective January 1, 2014;
- The total number of covered subscribers changes by 10%, or more from the level assumed in the combined EOA, PPO, & OOS plans when this rate cap was granted. Renewal rating assumed a total of 3,218 subscribers and 5,654 members;
- The above rate cap proposal assumes no change to the current commission level of .70% for the 2015 contract year, and is based upon the final rates provided by Health Net for the 2014 plan year;
- There is governmental action resulting in mandated benefits, taxes, insurance fees, or other legislative changes with the potential to affect plan costs. The health insurer fees to be imposed as part of PPACA Health Care Reform have not yet been established for 2015, and as such have not been included in this Rate Cap offer. Once the insurer fees are determined, this Rate Cap offer will be adjusted to reflect inclusion of these fees.*

RIVERSIDE COUNTY

Rate Cap for Period: 1/1/2015 - 12/31/2015

Product: EOA, PPO, & OOS

As part of our 1/01/2014 - 12/31/2014 renewal offer, Health Net is willing to offer a Rate Cap for the renewal period of 1/01/2015 - 12/31/2015:

- **EOA increase not to exceed 9.90%***
- **PPO increase not to exceed 9.90%***
- **OOS PPO increase not to exceed 9.90%***

Rate cap will be invalid or subject to revision if any of the following occur:

- RIVERSIDE COUNTY adds or deletes any other health plan or carrier to this population, or implements an HSA plan;
- RIVERSIDE COUNTY changes the current contribution formula as of 1/1/2013;
- RIVERSIDE COUNTY adds or deletes an affiliate, subsidiary, or bargaining unit;
- There is a material change (5% or more) in the combined demographic composition of the covered members. Current EOA Age/Sex factor of 1.2444 with PMPM to single factor of 1.1974, current PPO Age/Sex factor of 1.4723 with PMPM to single factor of 1.1018, and current OOS PPO Age/Sex factor of 2.0996 with PMPM to single factor of 1.0193, for an overall composite Age Sex factor and PMPM to single factor of 1.4970;
- RIVERSIDE COUNTY changes benefits from Health Net's current EOA offer (Medical Plan 31C, Rx Plan 38U, and MH Plan XPJ), and current PPO offer (Medical Plan 31H and Rx Plan 38V), and current OOS PPO offer (Medical Plan 31H and Rx Plan 38W), notwithstanding benefit changes mutually agreed upon between RIVERSIDE COUNTY and Health Net to become effective January 1, 2014;
- The total number of covered subscribers changes by 10%, or more from the level assumed in the combined EOA, PPO, & OOS plans when this rate cap was granted. Renewal rating assumed a total of 3,218 subscribers and 5,654 members;
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