

FORM APPROVED COUNTY COUNSEL
 BY: Anita C. Willis 6-10-15
 DATE

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

321



FROM: Human Resources Department

SUBMITTAL DATE:
 April 30, 2015

SUBJECT: Ratify the Medical and Hospital Group Subscriber Agreement (HMO) with UHC of California for the 2015 Calendar Year. [District- ALL] [Total Cost - \$0] [SOURCE OF FUNDS - Employee and Retiree Health Premiums]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Medical and Hospital Group Subscriber Agreement between UHC of California dba UnitedHealthcare of California and the County of Riverside for the period of January 1, 2015 through December 31, 2015 (Attachment A);
2. Authorize the Chairperson to sign four (4) copies of each Agreement; and
3. Retain one (1) copy of each agreement and return three (3) copies of each agreement to Human Resources for distribution.

BACKGROUND:

Summary

The Human Resources Department collaborated with Aon (benefits consultant) to conduct a formal RFP, as directed by the Board of Supervisors on April 22, 2014. The RFP was sent to various medical plan providers. UHC offered the most competitive plan design, premiums and innovative solutions.

Michael T. Stock
 Asst. County Executive Officer/
 Human Resources Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$	\$	\$	\$	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$	\$	\$	\$	

SOURCE OF FUNDS: Employee and Retiree Health Premiums
Budget Adjustment: No
For Fiscal Year: 2014/15-15/16

C.E.O. RECOMMENDATION:

APPROVE

BY:
 Lani Sioson

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Ratify the Medical and Hospital Group Subscriber Agreement (HMO) with UHC of
California for the 2015 Calendar Year. [District- ALL] [Total Cost - \$0] [SOURCE OF FUNDS -
Employee and Retiree Health Premiums]**

DATE: April 30, 2015

PAGE: 2 of 2

BACKGROUND:

Summary

The selection of UHC as a replacement to Health Net provides County employees and retirees' greater network access and lower costs on national and local levels.

In addition to patient network access, UHC understands the County's need to have a strategic partner to assist County employees and retirees to achieve a healthier lifestyle and to aggressively manage cost.

UHC's proven innovative solutions include: 1) clinical effectiveness, using evidence-based medicine which costs less and consistently delivers better health results; 2) information and technology, providing access to electronic health records, mobile technology, and live nurse chats; and 3) diverse products, to ensure County employees and retirees receive a broad range of customer-focused products and programs.

The Board of Supervisors approved the offering of UnitedHealthcare HMO and PPO plans for active employees and retirees as a replacement to the Health Net HMO and PPO plans, on July 15, 2014, Item 3-44. The approved rates were below market trend, based on the County's current plan design. The 2015 UHC HMO average plan rates did not increase compared to the prior carrier's rates and the 2015 UHC PPO average plan rates decreased by 1%. The current average market trend premium increase for active employees is 8% for HMO plans and 8.6% for PPO plans.

The Group HMO plan (Attachment A) is offered to eligible County employees and early retirees.

Impact on Residents and Businesses

There is no direct impact to residents or private businesses in the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

The total annual cost for the Group HMO plan is \$28,431,023. Currently, 2,467 active County employees and 78 early retirees are enrolled in the HMO plan. There is no direct cost to the County for the recommended action. UnitedHealthcare health insurance premiums are paid by employees and early retirees enrolled in the plan.

Contract History and Price Reasonableness

UHC is a Fortune 500 company and named World's Most Admired Company in the insurance and managed care sector, from 2011 through 2014. UHC provides health benefits and services to more than 85 million individuals worldwide.

This calendar year represents the first year that the County has contracted with UHC for medical benefits. As a result, Human Resources is in the process of finalizing contract negotiations with United Healthcare for the PPO and the Medicare Advantage retiree plans. The PPO and Medicare Advantage contracts will be submitted to the Board for approval immediately upon finalization of the contract provisions.

ATTACHMENTS:

- A. Medical and Hospital Group Subscriber Agreement (HMO), including Coversheet and Combined Evidence of Coverage and Disclosure Form**