

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

943



**FROM:** Human Resources Department

**SUBMITTAL DATE:**  
November 23, 2015

**SUBJECT:** 2016 Medicare Medical Plan Rates for County of Riverside Retirees [District- ALL]  
[Total Cost - \$0] [SOURCE OF FUNDS - Retiree Health Premiums]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Approve the 2016 Medicare retiree rates (Attachment A), effective January 1, 2016 - December 31, 2016.

**BACKGROUND:**

**Summary**

The County contracts directly with health insurance carriers for the majority of its Medicare eligible retirees, except Law Enforcement Management Unit (LEMU), Riverside's Sheriff's Association Public Safety Unit (PSU), and the Riverside County Deputy District Attorney's Association (RCDDAA) who remain eligible for health plans offered through CalPERS. The Riverside Sheriff's Association (RSA) offers coverage for its members through the RSA Medical Trust.

Departmental Concurrence

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: Retiree Health Premiums				Budget Adjustment: No	
				For Fiscal Year:	2015/16

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

APPROVE

BY:   
Lani Sioson

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

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

Prev. Agn. Ref.: 09/09/14, 3-66

District: ALL

Agenda Number:

**3-28**

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**BACKGROUND:**

**Summary (continued)**

On August 18, 2015, Item 3-34, the Board of Supervisors approved the 2016 Medical, Dental, and Vision plan rates for active employees and early retirees. At that time, the County's medical carriers were unable to provide plan rates for Medicare coverage because the federal Centers for Medicare and Medicaid Services (CMS) had not yet released the 2016 Medicare reimbursement rates.

**Retiree Plans and Rates**

Medicare reimbursement rates for all plans have been received. The Human Resources Department was successful in obtaining competitive rates for the Medicare retiree medical plans.

**Exclusive Care**

Exclusive Care is a health plan specifically designed and administered by the County of Riverside. Exclusive Care offers two plan options for Medicare eligible retirees.

- **Option 1:** Exclusive Care Medicare Coordination Plan (COB) utilizes Exclusive Care's Select Network and National Provider Network to provide members with an extensive selection of providers, hospitals and facilities to choose from. The plan provides additional benefits including services that Medicare doesn't cover, such as yearly physical exams and prescription drug coverage.
- **Option 2:** Exclusive Care Medicare Supplement Plan requires the retiree to enroll in Part A and Part B of Medicare. Under the Medicare Supplement Plan, retirees may receive covered services from any licensed provider; however, utilizing providers who accept Medicare assignment will reduce a retiree's out of pocket expenses.

Exclusive Care is available to retirees and their eligible dependents. There are currently 10 retirees enrolled in the COB Plan and 69 retirees enrolled in the Medicare Supplement Plan.

A Medicare eligible retiree plan participant will experience an 8% increase from last year's rates.

**Kaiser**

Kaiser Permanente HMO offers County retirees comprehensive medical services with affiliated health care providers within the Kaiser network. Kaiser continues to provide quality service, personalized care, and a wide selection of skilled physicians.

In 2016, Kaiser will continue to offer two plan options for County of Riverside Medicare eligible retirees.

- **Option 1:** Kaiser Permanente Senior Advantage – Original Plan offers Medicare eligible retirees a competitive plan design and lower copays.
- **Option 2:** Kaiser Permanente Senior Advantage – Low Plan offers Medicare eligible retirees a lower monthly rate, with slightly higher out-of-pocket costs.

There are currently 677 retirees enrolled in the Kaiser Permanente Senior Advantage Original Plan and 27 retirees enrolled in the Kaiser Permanente Senior Advantage Low Plan.

A Medicare eligible retiree plan participant will experience a 5% decrease from last year's rates.

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**United Healthcare**

UHC offers Medicare eligible retirees 3 Medicare Coordination-of-Benefits (COB) plan designs and 1 Medicare Advantage (Part C) plan. Currently, there are 14 participants enrolled in Medicare COB plan and 253 participants enrolled in the Medicare Advantage plan.

A Medicare eligible retiree plan participant will experience a 10% increase from last year's rates.

**SCAN**

The SCAN Health Plan is a fully insured Medicare Advantage plan. Medicare Advantage plans require participants to assign their Medicare A and B to SCAN Health Plan in exchange for coverage under the plan. The plan offers unique in-home services, known as Independent Living Power, to help keep participants healthy and being self-sufficient when living without a caregiver. There are currently 90 participants enrolled.

A Medicare eligible retiree plan participant will not experience a rate change from last year's rates.

**Impact on Residents and Businesses**

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

**SUPPLEMENTAL:**

**Additional Fiscal Information**

The total annual cost of medical coverage for Medicare retirees will increase from approximately \$4.55 million in 2015 to an estimated \$4.58 million in 2016, an increase of about \$30,000. There is no direct cost to the County as a result of the recommended action. Medicare eligible retirees pay the full cost of medical premiums, after receiving a County contribution toward retiree premiums, which range from \$25 to \$256 per month. Approved plan changes and premium rates were communicated to retirees during the retiree Annual Enrollment period, which occurred October 13<sup>th</sup> through November 4, 2015.

The Medicare rates on all plans for the 2016 plan year are listed in Attachment A.

**Contract History and Price Reasonableness**

Each carrier has a unique relationship with the County and continues to provide quality services to our retirees. The retiree medical plan contracts for the 2016 plan year (January 1-December 31) are being finalized with each carrier. Once the contracts are finalized, they will be submitted to the Board for approval.

**ATTACHMENTS (if needed, in this order):**

**A. 2016 Medical Monthly Rates (Medicare Eligible Retirees)**

County of Riverside  
2016 Medical Monthly Rates  
Medicare Eligible Retirees

Plan/Cov	Enrollment	2015 Rate	2016 Rate	\$ Change	% Change
<b>Exclusive Care Supplemental</b>					
Retiree Only, Medicare A & B	61	\$361.07	\$388.95	\$27.88	8%
Retiree & Spouse, Medicare A & B	8	\$720.92	\$775.69	\$54.77	8%
<b>Sub-Total</b>	<b>69</b>	<b>\$27,792.63</b>	<b>\$29,931.47</b>	<b>\$2,138.84</b>	<b>8%</b>
<b>Exclusive Care Medicare COB</b>					
Retiree Only, Medicare A & B	8	\$723.27	\$778.26	\$54.99	8%
Retiree & Spouse, Medicare A & B	2	\$1,445.03	\$1,554.00	\$108.97	8%
<b>Sub-Total</b>	<b>10</b>	<b>\$8,676.22</b>	<b>\$9,334.08</b>	<b>\$657.86</b>	<b>8%</b>
<b>KPSA Original</b>					
Retiree Only with Medicare A & B Assigned	541	\$258.00	\$245.62	(\$12.38)	-5%
Retiree Plus Spouse, Both Medicare A & B Assigned	136	\$514.50	\$488.74	(\$25.76)	-5%
<b>KPSA Low Plan</b>					
Retiree Only with Medicare A & B Assigned	18	\$179.00	\$170.57	(\$8.43)	-5%
Retiree Plus Spouse, Both Medicare A & B Assigned	9	\$356.50	\$338.62	(\$17.88)	-5%
<b>Sub-Total</b>	<b>704</b>	<b>\$215,980.50</b>	<b>\$205,466.90</b>	<b>(\$10,513.60)</b>	<b>-5%</b>
<b>United Health Care PPO - COB</b>					
Medicare PPO COB Retiree Retiree only	5	\$816.39	\$899.85	\$83.46	10%
Medicare COB Retiree Plus Spouse - Both Medicare	2	\$1,631.28	\$1,797.20	\$165.92	10%
<b>Sub-Total</b>	<b>7</b>	<b>\$7,344.51</b>	<b>\$8,093.65</b>	<b>\$749.14</b>	<b>10%</b>
<b>United Health Care Indemnity COB</b>					
Indemnity COB Retiree Retiree only - With Medicare	3	\$873.34	\$962.56	\$89.22	10%
Indemnity COB Retiree Plus Spouse - Both Medicare	0	\$1,745.18	\$1,922.62	\$177.44	10%
<b>Sub-Total</b>	<b>3</b>	<b>\$2,620.02</b>	<b>\$2,887.68</b>	<b>\$267.66</b>	<b>10%</b>
<b>United Health Care EPO - COB</b>					
Retiree Only	4	\$581.96	\$641.68	\$59.72	10%
Retiree Plus Spouse - With Medicare	0	\$1,162.42	\$1,280.86	\$118.44	10%
<b>Sub-Total</b>	<b>4</b>	<b>\$2,327.84</b>	<b>\$2,566.72</b>	<b>\$238.88</b>	<b>10%</b>
<b>United Health Care MA</b>					
Retiree only	196	\$309.51	\$341.25	\$31.74	10%
Retiree Plus Spouse - With Medicare	43	\$617.52	\$680.00	\$62.48	10%
<b>Sub-Total</b>	<b>239</b>	<b>\$87,217.32</b>	<b>\$96,125.00</b>	<b>\$8,907.68</b>	<b>10%</b>
<b>SCAN</b>					
Retiree Only with Medicare A & B Assigned	75	\$259.93	\$260.93	\$1.00	0%
Retiree Plus Spouse, Both Medicare A & B Assigned	15	\$518.36	\$519.36	\$1.00	0%
<b>Sub-Total</b>	<b>90</b>	<b>\$27,270.15</b>	<b>\$27,360.15</b>	<b>\$90.00</b>	<b>0%</b>
<b>Monthly Total</b>	<b>1,126</b>	<b>\$379,229</b>	<b>\$381,766</b>	<b>\$2,536</b>	<b>1%</b>