

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

122



FROM: Human Resources Department

SUBMITTAL DATE:
September 26, 2013

SUBJECT: 2014 Medical Plan Rates for County of Riverside Medicare Eligible Retirees

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the 2014 Medicare eligible retiree plan rates (Attachment A), effective January 1, 2014.

BACKGROUND:

Summary

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

Departmental Concurrence

Barbara A. Olivier
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	\$ 2,893,825	\$ 5,787,650	\$ \$8,681,475	\$ 0	Consent <input type="checkbox"/> Policy x
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	
SOURCE OF FUNDS: Retiree Premiums				Budget Adjustment: No	
				For Fiscal Year: 2013/14	

C.E.O. RECOMMENDATION:

APPROVE

BY:
Ivan M. Chand

9/30/2013

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Stone and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: October 8, 2013
xc: HR

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

Prev. Agn. Ref.: 08/20/2013, 3-49

District: All

Agenda Number:

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

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

FORM 11: 2014 Medical Plan Rates for County of Riverside Medicare Eligible Retirees

DATE: September 26, 2013

PAGE: 2 of 2

BACKGROUND:

Summary (continued)

On August 20, 2013, the Board approved the 2014 active employees and early retirees medical plan rates. 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 2014 Medicare reimbursement rates. Medicare reimbursement rates have since been received.

Human Resources 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, recommends no plan design changes for the 2014 calendar year.

The average rate increase for Medicare eligible retirees is 7%, with plan increases ranging from 0% to 13%.

Impact on Citizens and Businesses

There is no direct impact to private citizens or private businesses in the County of Riverside. This recommendation will provide County of Riverside retirees and eligible dependents an option to continue group health coverage in retirement.

SUPPLEMENTAL:

Additional Fiscal Information

The annual cost of medical coverage for Medicare retirees will increase from \$5.4 million in 2013 to an estimated \$5.8 million in 2014, an increase of \$400,000.

The County provides a fixed contribution towards retiree premiums ranging from \$25 to \$256 per month, which is estimated to cost \$2.8 million in 2014. There are no additional costs to the County as a result of the recommended action. Medicare eligible retirees pay the full cost of their medical premiums. If approved, these rate adjustments will be communicated to retirees during the Annual Enrollment period, scheduled from October 14, 2013 through November 1, 2013.

Contract History and Price Reasonableness

The retiree medical plan carriers are the same as the active plans, with the exception of SCAN. Each carrier has had an extensive relationship with the County and continues to provide quality service to our retirees. The retiree medical plan contracts for the 2014 plan year (January 1 - December 31) are being prepared. However, retiree rates need to be approved prior to open enrollment. Once the contracts are finalized they will be submitted to the Board for approval.

Attachments (if needed, in this order):

Medicare Rates for the 2014 plan year are listed in Attachment A.

County of Riverside
2014 Medicare Eligible Retiree
Monthly Medical Plan Rates

	Enrollment	2013 Rates	2014 Proposed	Dollar Increase	Percent Increase
Exclusive Care Select Supplement Plan					
Retiree Only (with Medicare Parts A&B)	57	\$313.95	\$337.58	\$23.63	8%
Retiree & Spouse (one with Medicare A&B)	3	\$977.94	\$1,106.06	\$128.12	13%
Retiree & Spouse (both with Medicare A&B)	8	\$626.64	\$673.92	\$47.28	8%
Sub-Total	68	\$25,842.09	\$27,951.50	\$2,109.51	8%
Exclusive Care Select Medicare Coordination Plan					
Retiree Only (with Medicare Parts A&B)	13	\$628.62	\$676.09	\$47.47	8%
Retiree & Spouse (both with Medicare A&B)	2	\$1,255.73	\$1,350.66	\$94.93	8%
Retiree & Spouse (one with Medicare A&B)	3	\$1,292.61	\$1,444.57	\$151.96	12%
Retiree & Family (one with Medicare Parts A&B)	1	\$1,983.79	\$1,833.52	-\$150.27	-8%
Sub-Total	19	\$16,545.14	\$17,657.72	\$1,112.58	7%
Kaiser Senior Advantage					
Retiree Only (with Medicare Parts A&B)	496	\$249.00	\$267.00	\$18.00	7%
Retiree & Spouse (both with Medicare Parts A&B)	138	\$496.50	\$532.50	\$36.00	7%
Retiree & Spouse (Retiree with Medicare Parts A&B)	23	\$1,033.70	\$1,069.50	\$35.80	4%
Retiree & Spouse (Spouse with Medicare Parts A&B)	20	\$1,034.70	\$1,071.50	\$36.80	4%
Retiree, Spouse and Child (Retiree with Medicare A&B)	2	\$1,491.44	\$1,549.00	\$57.56	4%
Retiree, Spouse and Child (Retiree & Spouse with Medicare A&B)	1	\$954.20	\$1,012.00	\$57.80	6%
Retiree, Spouse and Child (Spouse with Medicare)	2	\$1,492.44	\$1,551.00	\$58.56	4%
Sub-Total	682	\$243,412.06	\$259,157.50	\$15,745.44	7%
Health Net Seniority Plus Medicare HMO					
Retiree Only (with Medicare Parts A&B)	192	\$269.98	\$296.89	\$26.91	10%
Retiree & Spouse (both with Medicare A&B)	41	\$538.46	\$592.28	\$53.82	10%
Retiree & Spouse (Retiree with Medicare A&B)	24	\$1,128.24	\$1,242.08	\$113.84	10%
Retiree & Spouse (Spouse with Medicare A&B)	10	\$1,128.26	\$1,242.10	\$113.84	10%
Retiree, Spouse and Child (Retiree with Medicare A&B)	3	\$1,631.71	\$1,809.41	\$177.70	11%
Sub-Total	270	\$117,168.51	\$128,945.51	\$11,777.00	10%
Health Net Medicare HMO Coordination Of Benefits (COB)					
Retiree Only (with Medicare Parts A&B)	8	\$511.75	\$557.19	\$45.44	9%
Retiree & Spouse (Retiree with Medicare A&B)	2	\$1,370.01	\$1,502.38	\$132.37	10%
Retiree & Spouse (Spouse with Medicare A&B)	2	\$1,370.03	\$1,502.40	\$132.37	10%
Retiree & Spouse (both with Medicare A&B)	1	\$1,022.00	\$1,112.88	\$90.88	9%
Sub-Total	13	\$10,596.08	\$11,579.96	\$983.88	9%
Health Net Medicare PPO COB - Inside CA only					
Retiree Only (with Medicare Parts A&B)	4	\$745.24	\$831.25	\$86.01	12%
Retiree & Spouse (Retiree with Medicare A&B)	1	\$1,706.26	\$1,897.60	\$191.34	11%
Retiree & Spouse (Spouse with Medicare A&B)	1	\$1,925.96	\$2,131.58	\$205.62	11%
Retiree & Spouse (Both with Medicare A&B)	1	\$1,488.98	\$1,661.01	\$172.03	12%
Sub-Total	7	\$8,102.16	\$8,637.54	\$535.38	7%
Health Net Medicare Indemnity COB - Outside CA only					
Retiree Only (with Medicare Parts A&B)	0	\$795.87	\$868.01	\$72.14	9%
Retiree & Spouse (Retiree with Medicare A&B)	1	\$1,711.53	\$1,884.02	\$172.49	10%
Retiree & Spouse (Spouse with Medicare A&B)	0	\$1,920.86	\$2,106.96	\$186.10	10%
Retiree & Spouse (both with Medicare A&B)	0	\$1,590.24	\$1,734.53	\$144.29	9%
Sub-Total	1	\$1,711.53	\$1,884.02	\$172.49	10%
SCAN					
Retiree Only (with Medicare Parts A&B)	72	\$259.93	\$259.93	\$0.00	0%
Retiree plus One (both with Medicare A&B)	15	\$518.36	\$518.36	\$0.00	0%
Sub-Total	87	\$26,490.36	\$26,490.36	\$0.00	0%
MONTHLY TOTAL	1147	\$449,867.93	\$482,304.21	\$32,436.28	7%
ANNUAL TOTAL	1147	\$5,398,415.16	\$5,787,650.52	\$389,235.36	7%