

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



ITEM
3.10
(ID # 8078)

MEETING DATE:

Tuesday, September 25, 2018

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Unitedhealthcare (UHC) Signature Value Advantage HMO Plan Rates; Benefit Changes for Active Employees and Early Retirees for the 2019 Calendar Year, All Districts. [Total Cost - \$26,506,263 - Employee and Retiree Health Premiums]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the 2019 UHC Signature Value Advantage HMO plan option rates listed for active employees (Attachment A) and early retirees (Attachment B).

ACTION: Policy

Brenda Niederichs
Brenda Niederichs, Assistant CEO / Human Resources Director

9/19/2018

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: September 25, 2018
xc: HR

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$13,253,131	\$13,253,132	\$26,506,263	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: Employee and Retiree Health Premiums			Budget Adjustment:	No
			For Fiscal Year: 18/19 – 19/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

UnitedHealthcare (UHC) currently offers County employees and retirees a choice between their Signature Value Advantage HMO plan and their national PPO plan, which provides greater access and lower costs on national and local levels.

Due to the large rate increase proposed for the 2019 Plan Year, it was recommended to move the UHC HMO provider networks from their Advantage HMO network to their Alliance HMO network. The Alliance plan option is a distinct sub-network of UHC's full HMO network of participating medical groups. The Alliance network comes with health and wellness features that support members, as well as the physicians who care for them by providing medical resources and information to help members make better decisions, helping those with chronic diseases experience a better quality of life, and adding more value to wellness programs and provides online access to physicians and members medical records and claims history.

Currently there are 1,672 active employees and 35 early retirees in the existing Signature Value HMO plan. Of those, 45.9% of Signature Value HMO members are assigned to an Alliance HMO provider and will experience no disruption.

UHC has provided a 0.2% renewal decrease for its Alliance HMO plan, a decrease from the initial proposed 18% renewal increase for the Advantage network option. The Advantage HMO option will also continue to be offered to employees who wish to utilize the larger provider network. The Signature Value HMO option will increase by 13.6% for active employees in the 2019 Plan Year. For the PPO plan, the premium increase is 24.43%.

The rates for the Alliance HMO plan and the PPO plan have not changed from the Board agenda Item 3.24, approved on July 31, 2018. This action is to allow employees and early retirees to elect the Advantage HMO network again should they choose.

The rates for the UHC HMO plan options are reflected in Attachment A for active employees and Attachment B for early retirees.

Impact on Residents and Businesses

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

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Contract History and Price Reasonableness

The annual cost of medical plans for active employees and early retirees is estimated to increase from \$160 million in 2018 to \$170 million in 2019, an increase of \$1.8 million or 1.10%. The County's annual cost is determined by Flexible Benefit Credits and retiree medical contributions that are provided to active employees and retirees. The remaining annual cost for the health plans is paid by employees and retirees.

If approved, these plan rates will be communicated to employees and retirees.

ATTACHMENTS

- A. 2019 UnitedHealthcare HMO Medical Plan Monthly Renewal Rates - Active Employees
- B. 2019 UnitedHealthcare HMO Medical Plan Monthly Renewal Rates – Early Retirees


Lani Soson, Principal Management Analyst 9/19/2018

County of Riverside

2019 UnitedHealthcare HMO Medical Plan Monthly Renewal Rates

Active Employees

United Healthcare HMO Plan Options	2018 Current	2019 Rate	Monthly Dollar Increase/Decrease	Percent Increase/Decrease
Advantage HMO				
Employee Only	\$823.00	\$935.22	\$112.22	13.64%
Employee Plus One	\$1,673.66	\$1,902.54	\$228.88	13.68%
Employee and Family	\$2,171.54	\$2,468.72	\$297.18	13.69%
Alliance HMO				
Employee Only	\$823.00	\$806.64	-\$16.36	-1.99%
Employee Plus One	\$1,673.66	\$1,640.28	-\$33.38	-1.99%
Employee and Family	\$2,171.54	\$2,128.20	-\$43.34	-2.00%

County of Riverside

2019 UnitedHealthcare HMO Medical Plan Monthly Renewal Rates

Early Retirees

United Healthcare HMO Plan Options	2018 Current	2019 Rate	Monthly Dollar Increase/Decrease	Percent Increase/Decrease
Advantage HMO				
Retiree Only	\$1,283.96	\$1,459.54	\$175.58	13.7%
Retiree Plus One	\$2,548.75	\$2,897.80	\$349.05	13.7%
Retiree and Family	\$3,307.99	\$3,761.17	\$453.18	13.7%
Alliance HMO				
Retiree Only	\$1,283.96	\$1,258.36	-\$25.60	-2.00%
Retiree Plus One	\$2,548.75	\$2,497.85	-\$50.90	-2.00%
Retiree and Family	\$3,307.99	\$3,241.91	-\$66.08	-2.00%