

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



ITEM
3.27
(ID # 10455)

MEETING DATE:

Tuesday, August 6, 2019

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: Medical, Dental, and Vision Plan Rates; Benefit Changes for Active Employees and Early Retirees for the 2020 Calendar Year, All Districts. [Total Cost - \$208,138,144 Employee and Retiree Health Premiums]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the 2020 Medical, Dental, and Vision plan rates listed in Attachments A through D for active employees and early retirees. CalPERS monthly plan rates are provided for informational purposes only in Attachment E.

ACTION: Policy

Brenda Diederichs
Brenda Diederichs, Assistant CEO / Human Resources Director

7/24/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington and Perez
Nays: None
Absent: Hewitt
Date: August 6, 2019
xc: HR

Kecia R. Harper
Clerk of the Board
By: *[Signature]*
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$104,069,072	\$104,069,072	\$208,138,144	\$
NET COUNTY COST	\$	\$	\$	\$
SOURCE OF FUNDS: Employee and Retiree Health Premiums			Budget Adjustment:	No
			For Fiscal Year: 19/20 – 20/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The County contracts directly with health plan carriers to provide healthcare coverage for County employees and retirees. To assist employees and retirees with the cost of health benefits, the County provides Flexible Benefit Credits and a retiree medical contribution. The Flexible Benefit Credit amount is determined by the applicable Memorandum of Understanding (MOU) governing each bargaining unit, Management Resolution or the Ordinance 440 for the Resident Physicians and Pharmacy Residents. The retiree medical contribution is based on the retiree's bargaining unit or employee group at the time of retirement.

On June 25, 2019 the Board approved a resolution to offer medical coverage for employees covered by the Exempt Management, Management, Confidential and other Unrepresented Resolution through the CalPERS Health Program effective September 1, 2019.

Rates and Plan Design

Active Employee and Early Retiree Medical, Dental, and Vision Rates

The 2020 Plan Year Rate Renewals are based on the County's group-specific claims experience, anticipated market trends, and medical costs. AON reports the current national carrier trend rates at an average increase of 7% for both HMO and PPO for medical plans. These factors are not adjusted for regional differences nor for fully insured plans. There is an expectation of slightly higher trends for 2020. For dental DHMO and DPPO plans, the current national trend rates are at an average increase of 3.4% for DHMO, 3.5% for PPO and 2.2% for vision. These factors are also not adjusted for regional differences nor for fully insured plans but are expected to remain constant for the next year.

Overall, the medical renewal costs are projected to increase an average of 5.3% for active employees and an average of 1.37% for early retirees. This expected increase includes Affordable Care Act (ACA) fees, which account for 2% to 3% of the premium increase on average for fully insured plans. Since Exclusive Care is a self-funded medical plan, the ACA fees are not applicable.

Exclusive Care (EPO)

Exclusive Care is a premier health plan choice offered to County employees and has 7,879 participants (approximately 54% of the eligible employee population) enrolled in the active

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

employee plan. There are 22 participants enrolled in the early retiree plan. No plan design changes will be proposed for the 2020 Plan Year.

Exclusive Care plan premiums are set by actuarial evaluation. After review of new claims experience, continued provider negotiations, and a potential release of plan reserves, new pharmacy benefit manager rates, and no changes in plan design, the recommended rate resulted in a rate pass for both active employees and early retirees. Exclusive Care continues to remain the lowest cost health plan offered by the County and one of the lower cost plans offered by any County, while providing high level benefits with a premium plan design.

United HealthCare (UHC)

UHC currently offers County employees and retirees a choice between their Signature Value Advantage HMO plan, Alliance HMO Network plan and their national PPO plan which provides greater access and lower costs on national and local levels. In the Signature Value HMO plan, there are currently 282 active employees and 15 early retirees enrolled in the plan. In the Alliance HMO Network plan, there are currently 915 active employees and 6 early retirees enrolled in the plan.

The PPO network offers: 328 hospitals, 73,268 preferred providers, and 46,681 specialists. The Alliance HMO network offers: 120 hospitals, 20,000 preferred providers, and 38,310 specialists. There are 55 active employees and zero early retirees enrolled in the UHC PPO plan.

No plan design changes will be proposed for the 2020 Plan Year. UHC has provided a -11.86% renewal decrease for its Alliance HMO plan, and a 20.6% renewal increase for the Signature Value plan. For the PPO plan, the premium increase is 24.4%.

Kaiser Permanente HMO

For the Kaiser Permanente HMO plan, there are currently 6,006 active employees and 101 early retirees. Kaiser Permanente has provided a 9.7% increase for active employees, and a 6.3% increase for early retirees. No plan design changes will be proposed for the 2020 Plan Year.

Specific rates for Exclusive Care, UHC, and Kaiser medical plans for the 2020 plan year are listed in Attachment A and Attachment B.

Dental Plans

Delta Dental continues to offer the largest national dental provider network with a full range of dental care programs. Under the Delta Dental plan, employees and retirees have the option to select a DHMO or DPPO plan design.

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 preventative services are available at

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

no cost or with very low copayments. Presently, there are 8,425 participants enrolled in the Delta HMO plan option. There are no plan design or rate changes to the DeltaCare HMO plan for the 2020 plan year.

Delta Dental PPO

Delta Dental PPO and Premier plan feature freedom of choice to visit any dentist and receive lower out-of-pocket cost when services are provided by contract providers. Delta Dental continues to successfully manage the County dental plans and expand their network with new and local service providers throughout Riverside County. Currently, there are 9,042 participants enrolled in the Delta PPO plan option.

There are no plan design changes to the Delta Dental HMO and PPO plans for the 2020 Plan Year. Actuaries recommend a rate pass for the self-funded PPO plan. Plan reserves will be used to cover the recommended decrease, which will result in a rate pass to participants.

Local Advantage Plus and Local Advantage Blythe

The Local Advantage Plus and Local Advantage Blythe self-funded EPO plans utilize local providers including Riverside Dental Group and Hospitality Dental group. Presently, there are 873 participants enrolled in the Local Advantage Plus and 29 participants enrolled in the Local Advantage Blythe plans.

There are no plan design changes to the Local Advantage plans for the 2020 Plan Year. Actuaries recommend a 4% rate increase for these self-funded plans. Plan reserves will be used to cover the recommended increase, which will result in a rate pass to participants.

Vision Plans

The Vision Services Plan (VSP) is an employer paid self-funded program available to Elected Officials, Management, Confidential, and Unrepresented employees, Resident Physicians and Pharmacy Residents, and employees in bargaining units of the Riverside County Deputy District Attorney Association (RCDDAA) and Law Enforcement Management Unit (LEMU). There are 2,362 employees enrolled in the VSP plan.

This vision benefit is paid by the County (no employee contribution). All County departments are charged a rate of \$16.48 per eligible employee per month to cover the cost. Actuaries recommend a rate increase from \$16.48 to \$16.92. This rate increase will take effect beginning fiscal year 19/20 and Human Resources will utilize plan reserves to offset the increase until County departments will be changed beginning January 1, 2020.

The Medical Eye Services Plan (MES) is a voluntary vision program offered to employees in the Service Employees International Union (SEIU), Local 721, the Laborers' International Union of

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

North America (LIUNA), Local 777, and the Riverside Sheriffs' Association Public Safety (PSU) Units. There are 10,410 active employees and 558 early retirees enrolled in the MES plans.

No plan design or rate changes (except for VSP rate change) are proposed for the VSP and MES plans for the 2020 Plan Year.

CalPERS

On June 18, 2019, California Public Employees' Retirement System (CalPERS) released its 2020 medical plan rates. CalPERS members can make changes to their health plan choices during the annual Open Enrollment period, scheduled for September 9 to October 4, 2019. The CalPERS medical plan rates are listed in the Attachment E for information and comparative purposes only.

Medicare Retiree Medical Rates

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

Prev. Agn. Refs.:

06/25/2019, Item 3.23 District: All

09/18/2018, Item 3.13 District: All

Impact on Residents and Businesses

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

Contract History and Price Reasonableness

The annual cost of medical, dental, and vision plans for active employees and early retirees is estimated to increase from \$170 million in 2019 to \$208 million in 2020, an increase of \$38 million or 17%. 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, plan rates will be communicated to employees and retirees during the County's Annual enrollment period, which is tentatively scheduled for September 9, 2019 through September 27, 2019 for active employees and October 7, 2019 through October 25, 2019 for retirees.

ATTACHMENTS

- A. Medical Plan Monthly Rates (Actives)
- B. Medical Plan Monthly Rates (Early Retirees)
- C. Dental Plan Monthly Rates (Actives and Retirees)

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

- D. Vision Plan Monthly Rates (Actives and Retirees)
- E. CalPERS Plan Monthly Rates (Informational Purposes Only)

2020

County Medical Plan Monthly Renewal Rates

Actives

	Enrollment	2019 Current	2020 Rate	Monthly Dollar Increase (Decrease)	Percent Increase
Exclusive Care EPO					
Employee Only	5,355	\$587.76	\$587.76	\$0.00	0.00%
Employee Plus One	1,066	\$1,189.76	\$1,189.76	\$0.00	0.00%
Employee and Family	1,461	\$1,493.76	\$1,493.76	\$0.00	0.00%
Sub-Total	7,882	\$6,598,122.32	\$6,598,122.32	\$0.00	0.00%
United HealthCare Signature Value Full Network HMO					
Employee Only	1,156	\$935.22	\$1,127.74	\$192.52	20.59%
Employee Plus One	245	\$1,902.54	\$2,295.20	\$392.66	20.64%
Employee and Family	271	\$2,468.72	\$2,978.52	\$509.80	20.65%
Sub-Total	1,672	\$2,216,259.74	\$2,673,170.36	\$456,910.62	20.62%
United HealthCare Alliance Network HMO					
Employee Only	1,156	\$806.64	\$711.18	(\$95.46)	-11.83%
Employee Plus One	245	\$1,640.28	\$1,445.56	(\$194.72)	-11.87%
Employee and Family	271	\$2,128.20	\$1,875.40	(\$252.80)	-11.88%
Sub-Total	1,672	\$1,911,086.64	\$1,684,519.68	(\$226,566.96)	-11.86%
Kaiser					
Employee Only	3,898	\$668.84	\$733.60	\$64.76	9.68%
Employee Plus One	666	\$1,329.54	\$1,458.70	\$129.16	9.71%
Employee and Family	760	\$1,728.28	\$1,896.34	\$168.06	9.72%
Sub-Total	5,324	\$4,806,104.76	\$5,272,285.40	\$466,180.64	9.70%
United HealthCare PPO					
Employee Only	65	\$1,806.80	\$2,246.66	\$439.86	24.34%
Employee Plus One	7	\$3,587.14	\$4,461.58	\$874.44	24.38%
Employee and Family	4	\$4,655.84	\$5,791.12	\$1,135.28	24.38%
Sub-Total	76	\$161,175.34	\$200,428.44	\$39,253.10	24.35%
Annual Total	14,954	\$165,379,945.92	\$176,928,078.24	\$11,548,132.32	6.98%

County of Riverside

2020

County Medical Plan Renewal Rates
Early Retirees

	Enrollment	2019 Current	2020 Rate	Monthly Dollar Increase	Percent Increase
Exclusive Care EPO					
Employee Only	15	\$1,002.75	\$1,002.75	\$0.00	0.00%
Employee Plus One	4	\$2,038.75	\$2,038.75	\$0.00	0.00%
Employee and Family	0	\$2,563.75	\$2,563.75	\$0.00	0.00%
Sub-Total	19	\$23,196.25	\$23,196.25	\$0.00	0.00%
United HealthCare HMO Alliance					
Employee Only	33	\$1,258.36	\$1,108.99	(\$149.37)	-11.87%
Employee Plus One	0	\$2,497.85	\$2,200.91	(\$296.94)	-11.89%
Employee and Family	1	\$3,241.91	\$2,856.39	(\$385.52)	-11.89%
Sub-Total	34	\$44,767.79	\$39,453.06	(\$5,314.73)	-11.87%
United HealthCare HMO Full Network					
Employee Only	8	\$1,258.36	\$1,760.74	\$502.38	39.92%
Employee Plus One	2	\$2,497.85	\$3,496.58	\$998.73	39.98%
Employee and Family	0	\$3,241.91	\$4,538.58	\$1,296.67	40.00%
Sub-Total	10	\$15,062.58	\$21,079.08	\$6,016.50	39.94%
Kaiser					
Employee Only	92	\$969.02	\$1,030.14	\$61.12	6.31%
Employee Plus One	18	\$1,930.13	\$2,052.11	\$121.98	6.32%
Employee and Family	1	\$2,505.00	\$2,663.36	\$158.36	6.32%
Sub-Total	111	\$126,397.18	\$134,374.22	\$7,977.04	6.31%
United Healthcare PPO					
Employee Only	0	\$2,541.04	\$3,160.37	\$619.33	24.37%
Employee Plus One	0	\$4,875.80	\$6,065.02	\$1,189.22	24.39%
Employee and Family	0	\$6,552.49	\$8,150.97	\$1,598.48	24.40%
Sub-Total	0	\$0.00	\$0.00	\$0.00	0.00%
Annual Total	164	\$2,332,334.64	\$2,364,282.36	\$31,947.72	1.37%

Please note 2019 totals are based on health insurance enrollment stats as of July 2019.

County of Riverside

2020

County Dental Plan Renewal Rates
Actives and Retirees

	Total Enrollment	2019 Current	2020 Renewal	Monthly Dollar Increase	Percent Increase
Local Advantage - Plus					
Single	374	\$42.00	\$44.00	\$2.00	5%
Two-Party	143	\$80.00	\$83.00	\$3.00	4%
Family	184	\$117.00	\$122.00	\$5.00	4%
Sub-Total	701	\$48,676.00	\$50,773.00	\$2,097.00	4%
Local Advantage - Blythe					
Single	10	\$30.00	\$31.00	\$1.00	3%
Two-Party	5	\$52.00	\$54.00	\$2.00	4%
Family	10	\$80.00	\$83.00	\$3.00	4%
Sub-Total	25	\$1,360.00	\$1,410.00	\$50.00	4%
Delta USA DHMO - High Option Plan (10A)					
Single	3510	\$22.84	\$22.84	\$0.00	0%
Two-Party	1515	\$33.80	\$33.80	\$0.00	0%
Family	1987	\$52.00	\$52.00	\$0.00	0%
Sub-Total	7012	\$234,699.40	\$234,699.40	\$0.00	0%
Delta Dental PPO					
Single	3141	\$48.00	\$48.00	\$0.00	0%
Two-Party	1426	\$82.00	\$82.00	\$0.00	0%
Family	2214	\$120.00	\$120.00	\$0.00	0%
Sub-Total	6781	\$533,380.00	\$533,380.00	\$0.00	0%
ANNUAL TOTAL	14519	\$9,817,384.80	\$9,843,148.80	\$25,764.00	0%

County of Riverside
2020 County Vision Plan Renewal Rates
Actives and Retirees

	Active Enrollment	2019 Current	2020 Renewal	Monthly Dollar Increase	Percent Increase
MES - Hardware only (Active Employees)					
Single	381	\$7.80	\$7.80	\$0.00	0%
Two-Party	94	\$12.42	\$12.42	\$0.00	0%
Family	104	\$17.14	\$17.14	\$0.00	0%
Sub-Total	579	\$5,921.84	\$5,921.84	\$0.00	0%
MES - Exam & Hardware (Active Employees)					
Single	5251	\$9.24	\$9.24	\$0.00	0%
Two-Party	2035	\$13.96	\$13.96	\$0.00	0%
Family	2545	\$18.88	\$18.88	\$0.00	0%
Sub-Total	9831	\$124,977.44	\$124,977.44	\$0.00	0%
VSP					
Self-Funded Fee		12% of claims	12% of claims	N/A	N/A
Recommended funding level	2362	\$16.48	\$16.92	\$0.44	3%
Sub-Total	2362	\$38,925.76	\$39,965.04	\$1,039.28	3%
MES Retiree Plan					
Single	372	\$10.98	\$10.98	\$0.00	0%
Two-Party	173	\$21.04	\$21.04	\$0.00	0%
Family	13	\$27.91	\$27.91	\$0.00	0%
Sub-Total	558	\$8,087.31	\$8,087.31	\$0.00	0%
Annual Total	13330	\$2,134,948.20	\$2,147,419.56	\$12,471.36	1%

County of Riverside
2020 CalPERS Medical Plan Monthly Renewal Rates
Actives and Early Retirees

2019 Plan Rates	Other Southern California Counties/ Region 2			Los Angeles Region/ Region 3			Out-of-State Region		
	2019	2020	% Difference	2019	2020	% Difference	2019	2020	% Difference
Anthem HMO Select									
Employee Only	\$625.08	\$654.05	4.6%	\$627.08	\$619.93	-1.1%			Plan Not Available
Two-Party	\$1,250.14	\$1,308.08	4.6%	\$1,239.86	\$1,254.14	-1.1%			Plan Not Available
Family	\$1,625.18	\$1,700.50	4.6%	\$1,630.38	\$1,611.82	-1.1%			Plan Not Available
Anthem HMO Traditional									
Employee Only	\$830.90	\$934.95	12.5%	\$878.48	\$902.63	2.7%			Plan Not Available
Two-Party	\$1,661.78	\$1,869.90	12.5%	\$1,756.96	\$1,805.26	2.7%			Plan Not Available
Family	\$2,160.32	\$2,430.87	12.5%	\$2,284.06	\$2,346.84	2.7%			Plan Not Available
Blue Shield HMO									
Employee Only	\$760.04	\$909.87	19.7%	\$669.76	\$813.17	21.4%			Plan Not Available
Two-Party	\$1,520.08	\$1,819.74	19.7%	\$1,339.50	\$1,626.34	21.4%			Plan Not Available
Family	\$1,976.10	\$2,365.66	19.7%	\$1,741.36	\$2,114.24	21.4%			Plan Not Available
Blue Shield Trio									
Employee Only		Plan Not Available			\$624.93	New Plan			Plan Not Available
Two-Party		Plan Not Available			\$1,249.86	New Plan			Plan Not Available
Family		Plan Not Available			\$1,624.82	New Plan			Plan Not Available
Health Net Salud y Mas HMO									
Employee Only	\$427.82	\$435.14	1.7%	\$356.50	\$392.31	10.0%			Plan Not Available
Two-Party	\$855.62	\$870.28	1.7%	\$713.00	\$784.62	10.0%			Plan Not Available
Family	\$1,112.32	\$1,131.36	1.7%	\$926.90	\$1,020.01	10.0%			Plan Not Available
Health Net SmartCare									
Employee Only	\$642.72	\$719.26	11.9%	\$584.28	\$648.42	11.0%			Plan Not Available
Two-Party	\$1,285.42	\$1,438.52	11.9%	\$1,168.54	\$1,296.84	11.0%			Plan Not Available
Family	\$1,671.06	\$1,870.08	11.9%	\$1,519.10	\$1,685.89	11.0%			Plan Not Available
Kaiser Permanente									
Employee Only	\$628.64	\$645.24	2.6%	\$618.64	\$664.39	7.4%	\$964.68	\$995.19	3.2%
Two-Party	\$1,257.26	\$1,290.48	2.6%	\$1,237.28	\$1,328.78	7.4%	\$1,929.36	\$1,990.38	3.2%
Family	\$1,634.44	\$1,677.62	2.6%	\$1,608.46	\$1,727.41	7.4%	\$2,508.17	\$2,587.49	3.2%
Sharp									
Employee Only	\$593.66	\$606.02	2.1%		Plan Not Available				Plan Not Available
Two-Party	\$1,187.32	\$1,212.04	2.1%		Plan Not Available				Plan Not Available
Family	\$1,543.52	\$1,575.65	2.1%		Plan Not Available				Plan Not Available
United Healthcare									
Employee Only	\$646.66	\$671.60	3.9%	\$669.62	\$668.31	-0.2%			Plan Not Available
Two-Party	\$1,293.30	\$1,343.20	3.9%	\$1,339.22	\$1,336.62	-0.2%			Plan Not Available
Family	\$1,681.30	\$1,746.16	3.9%	\$1,741.00	\$1,737.61	-0.2%			Plan Not Available
PERSCare PPO									
Employee Only	\$907.29	\$986.66	8.7%	\$843.78	\$931.12	10.4%	\$813.47	\$882.03	8.4%
Two-Party	\$1,814.58	\$1,973.32	8.7%	\$1,687.56	\$1,862.24	10.4%	\$1,626.94	\$1,764.06	8.4%
Family	\$2,358.95	\$2,565.32	8.7%	\$2,193.84	\$2,420.91	10.4%	\$2,115.02	\$2,293.28	8.4%
PERSChoice PPO									
Employee Only	\$721.12	\$736.28	2.1%	\$654.50	\$710.29	8.5%	\$630.41	\$709.66	12.6%
Two-Party	\$1,442.22	\$1,472.56	2.1%	\$1,309.00	\$1,420.58	8.5%	\$1,260.82	\$1,419.30	12.6%
Family	\$1,874.90	\$1,914.33	2.1%	\$1,701.70	\$1,846.75	8.5%	\$1,639.07	\$1,845.12	12.6%
PERSSelect									
Employee Only	\$462.72	\$451.54	-2.4%	\$420.78	\$435.74	3.6%			Plan Not Available
Two-Party	\$925.42	\$903.08	-2.4%	\$841.54	\$871.48	3.6%			Plan Not Available
Family	\$1,203.06	\$1,174.00	-2.4%	\$1,094.00	\$1,132.92	3.6%			Plan Not Available
Average Percent Increase									
			6.13%			7.37%			8.07%

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

Kaiser Permanente Out-of-State available in: Colorado, Georgia, Hawaii, MidAtlantic and Northwest regions.