

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



ITEM
3.14
(ID # 10736)

MEETING DATE:

Tuesday, September 17, 2019

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: 2020 Medicare Medical Plan Rates for County of Riverside
Retirees, All Districts. [Total Cost - \$5,602,728, 100% Retiree Health Premiums]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the 2020 Medicare retiree rates (Attachment A), effective January 1, 2020 –
December 31, 2020.

ACTION: Policy

Brenda Diederichs
Brenda Diederichs, Assistant CEO / Human Resources Director 9/6/2019

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: September 17, 2019
xc: HR

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

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$2,794,303	\$2,808,425	\$5,602,728	\$
NET COUNTY COST	\$	\$	\$	\$
SOURCE OF FUNDS: Health premiums are charged to County Retirees – No Additional Cost to the County			Budget Adjustment: No	
			For Fiscal Year: 2019/20 and 2020/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Retiree Plans and Rates

Medicare reimbursement rates for all plans have been received from the Centers of Medicare and Medicaid Services (CMS). The Human Resources Department was able to obtain 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. 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 9 retirees enrolled in the Medicare COB Plan and 78 retirees enrolled in the Medicare Supplement Plan.

Medicare eligible retiree plan participants will experience a rate pass in both plans (Option 1 and Option 2) from the prior year's health premium 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.

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In 2020, 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 628 retirees enrolled in the Kaiser Permanente Senior Advantage Original Plan and 82 retirees enrolled in the Kaiser Permanente Senior Advantage Low Plan.

Medicare eligible retiree participants in the **Option 1** and **Option 2** plans will experience a rate pass from the previous year's health premium rates.

United Healthcare

UHC offers Medicare eligible retirees three Medicare Coordination-of-Benefits (COB) plan designs and one Medicare Advantage (Part C) plan. Currently, there are 8 participants enrolled in Medicare COB plans and 169 participants enrolled in the Medicare Advantage plan.

Participants in the Medicare Coordination-of-Benefits (COB) plans will experience a 24% increase over current rates. Medicare COB plans provide rich benefits and a high level of flexibility for participants, but generally at a higher cost due to limited cost controls associated with this plan design. Participation in these plans is low, with only 8 County retirees enrolled in all three plans combined. Due to the low participation, the insurance carrier provides a Community Based rating method. Utilization for this rating period has greatly increased compared to the previous rating period, resulting in a higher than average premium increase.

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 assist in keeping participants healthy and self-sufficient when living without a caregiver. Moreover, SCAN members are now able to utilize a SCAN preferred pharmacy and pay lower copays for many of their prescription drugs. There are currently 81 participants enrolled.

A Medicare eligible retiree covered by SCAN will experience a rate pass from the previous year's health premium rates.

Impact on Residents and Businesses

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

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SUPPLEMENTAL

Additional Fiscal Information

The current fiscal year cost of \$2,794,303 is based on 2019 rates. The fiscal 2020 cost is based on the 2020 rates and is estimated to be \$2,808,425. Even though the Medicare rates are going up in 2020, the total cost of medical coverage for Medicare retirees will decrease from approximately \$6.2 million in 2019 to an estimated \$5.6 million in 2020. This is due to retirees covered by the Exempt Management, Management, Confidential and other Unrepresented Resolution are offered coverage through the CalPERS Health Program effective September 1, 2019.

There is no direct cost to the County as a result of the recommended action. Medicare eligible retirees pay the full cost of the medical premiums, after receiving a County contribution toward their retiree premiums, which is \$25 per month.

Approved plans and premium rates will be communicated to retirees during the retiree Annual Enrollment period, which will occur October 7th through October 25, 2019.

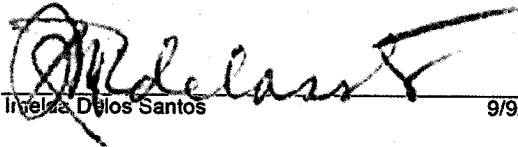
The Medicare rates on all plans for the 2020 plan year are listed in Attachment A.

Contract History and Price Reasonableness

The retiree medical plan contracts for the 2020 plan year (January 1 – December 31) are currently being negotiated with each carrier. Once the contracts are finalized, they will be submitted to the Board of Supervisors for approval.

ATTACHMENTS:

- A. 2020 Medicare Medical Monthly Plan Rates (Medicare Eligible Retirees)


Invelza Delos Santos 9/9/2019

County of Riverside
2020
Medical Monthly Rates
Medicare Eligible Retirees

Plan/Coverage	Enrollment	2019 Rate	2020 Rate	\$ Change	% Change
Exclusive Care Supplemental					
Retiree Only, Medicare A & B	57	\$468.55	\$468.55	\$0.00	0%
Retiree & Spouse, Medicare A & B	11	\$933.70	\$933.70	\$0.00	0%
Sub-Total	68	\$36,978.05	\$36,978.05	\$0.00	0%
Exclusive Care Medicare COB					
Retiree Only, Medicare A & B	4	\$937.40	\$937.40	\$0.00	0%
Retiree & Spouse, Medicare A & B	2	\$1,871.02	\$1,871.02	\$0.00	0%
Sub-Total	6	\$7,491.64	\$7,491.64	\$0.00	0%
KPSA Original					
Retiree Only with Medicare A & B Assigned	507	\$284.65	\$284.48	(\$0.17)	0%
Retiree Plus Spouse, Both Medicare A & B Assigned	111	\$565.53	\$565.21	(\$0.32)	0%
KPSA Low Plan					
Retiree Only with Medicare A & B Assigned	63	\$199.58	\$199.63	\$0.05	0%
Retiree Plus Spouse, Both Medicare A & B Assigned	17	\$395.39	\$395.51	\$0.12	0%
Sub-Total	698	\$226,386.55	\$226,270.03	(\$116.52)	0%
United Health Care PPO - COB					
Medicare PPO COB Retiree Retiree only	2	\$1,539.35	\$1,914.13	\$374.78	24%
Medicare COB Retiree Plus Spouse - Both Medicare	2	\$3,074.37	\$3,824.50	\$750.13	24%
Sub-Total	4	\$9,227.44	\$11,477.26	\$2,249.82	24%
United Health Care Indemnity COB					
Indemnity COB Retiree Retiree only - With Medicare	2	\$1,846.68	\$1,645.48	(\$1.20)	0%
Indemnity COB Retiree Plus Spouse - Both Medicare	1	\$3,289.61	\$3,287.20	(\$2.41)	0%
Sub-Total	3	\$6,582.97	\$6,578.16	(\$4.81)	0%
United Health Care EPO - COB					
Retiree Only	2	\$1,097.27	\$1,364.19	\$266.92	24%
Retiree Plus Spouse - With Medicare	0	\$2,190.79	\$2,724.63	\$533.84	24%
Sub-Total	2	\$2,194.54	\$2,728.38	\$533.84	24%
United Health Care HMO MA					
Retiree only	128	\$450.89	\$450.89	\$0.00	0%
Retiree Plus Spouse - With Medicare	32	\$898.03	\$898.03	\$0.00	0%
Sub-Total	160	\$86,450.88	\$86,450.88	\$0.00	0%
SCAN					
Retiree Only with Medicare A & B Assigned	70	\$323.62	\$323.62	\$0.00	0%
Retiree Plus Spouse, Both Medicare A & B Assigned	12	\$643.49	\$643.49	\$0.00	0%
Sub-Total	82	\$30,375.28	\$30,375.28	\$0.00	0%
Monthly Total	1,023	\$405,687	\$408,350	\$2,662	1%