

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



ITEM: 3.9
(ID # 13296)

MEETING DATE:
Tuesday, September 01, 2020

FROM : HUMAN RESOURCES:

SUBJECT: HUMAN RESOURCES: 2021 Medicare Medical Plan Rates for County of Riverside Retirees, All Districts. [Total Cost - \$1,611,513, 100% Retiree Health Premiums]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the 2021 Medicare retiree rates (Attachment A), effective January 1, 2021 – December 31, 2021.

ACTION:Policy

Brenda Diederichs, Assistant CEO / Human Resources Director

8/24/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Jeffries, seconded by Supervisor Spiegel 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 1, 2020
xc: HR

Kecia R. Harper
Clerk of the Board
By:
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$820,141	\$791,372	\$1,611,513	\$
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:	2020/21 and 2021/22

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 6 retirees enrolled in the Medicare COB Plan and 16 retirees enrolled in the Medicare Supplement Plan.

Medicare eligible retiree plan participants will experience a 28% rate increase for the Medicare COB Plan (Option 1) and a 29% rate increase for the Supplement Plan (Option 2) from the prior year's health premium rates.

Kaiser

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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 2021, 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 240 retirees enrolled in the Kaiser Permanente Senior Advantage Original Plan and 34 retirees enrolled in the Kaiser Permanente Senior Advantage Low Plan.

Medicare eligible retiree participants in the **Option 1** and **Option 2** plans will experience an average rate decrease of -9% from the previous year's health premium rates.

United Healthcare

UHC currently offers Medicare eligible retirees two Medicare Coordination-of-Benefits (COB) plan designs and one Medicare Advantage (Part C) plan. Currently, there are 2 participants enrolled in UHC Medicare COB plans and 45 participants enrolled in the UHC Medicare Advantage plan.

However, due to the loss of participation in the COB plans, UHC will only renew the UHC Medicare Advantage (Part C) plan and will not renew the Medicare Coordination-of-Benefits (COB) plan options.

Participants in the Medicare Advantage (Part C) plan will experience a -6% rate decrease over current rates.

SCAN

The SCAN Health Plan is a fully insured Medicare Advantage plan. Medicare Advantage plans require participants to assign their Medicare Part A and Part 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 32 participants enrolled.

A Medicare eligible retiree covered by SCAN will experience a -1% rate decrease from the previous year's health premium rates.

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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 cost for fiscal year 2020/21 reflects the cost of premiums for Medicare plans offered under the County's health program. The estimated total cost of medical coverage for Medicare retirees indicates a decrease from approximately \$5.8 million in fiscal year 2019/20 to an estimated \$1.6 million in fiscal 2020/21. The anticipated decrease is largely due to retirees covered by Service Employees International Union (SEIU), Local 721 transitioning medical coverage to the CalPERS Health Program effective July 1, 2020.

There is no direct cost to the County as a result of the recommended action. Medicare eligible retirees enrolled in the County's medical plans pay the full cost of the medical premiums, after receiving a County retiree medical plan contribution of \$25 per month.

Approved plans and premium rates will be communicated to retirees during the retiree Annual Enrollment period, which will occur September 21st through October 9, 2020.

The Medicare rates on all plans for the 2021 plan year are listed in Attachment A.

Contract History and Price Reasonableness

The retiree medical plan contracts for the 2021 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.** 2021 Medicare Medical Monthly Plan Rates (Medicare Eligible Retirees)


Douglas Ordóñez Jr.




8/24/2020

County of Riverside
2021
Medical Monthly Rates
Medicare Eligible Retirees

ATTACHMENT "A"

Plan/Coverage	Enrollment	2020 Rate	2021 Rate	\$ Change	% Change
Exclusive Care Supplemental					
Retiree Only, Medicare A & B	14	\$464.80	\$598.33	\$133.53	29%
Retiree & Spouse, Medicare A & B	2	\$929.95	\$1,197.11	\$267.16	29%
Sub-Total	16	\$8,367.10	\$10,770.84	\$2,403.74	29%
Exclusive Care Medicare COB					
Retiree Only, Medicare A & B	5	\$937.40	\$1,201.87	\$264.47	28%
Retiree & Spouse, Medicare A & B	1	\$1,871.02	\$2,403.71	\$532.69	28%
Sub-Total	6	\$6,558.02	\$8,413.06	\$1,855.04	28%
KPSA Original					
Retiree Only with Medicare A & B Assigned	205	\$284.48	\$260.35	(\$24.13)	-8%
Retiree Plus Spouse, Both Medicare A & B Assigned	35	\$565.21	\$520.70	(\$44.51)	-8%
KPSA Low Plan					
Retiree Only with Medicare A & B Assigned	26	\$199.63	\$175.48	(\$24.15)	-12%
Retiree Plus Spouse, Both Medicare A & B Assigned	8	\$395.51	\$350.96	(\$44.55)	-11%
Sub-Total	274	\$86,455.21	\$78,966.41	(\$7,488.80)	-9%
United Health Care HMO MA					
Retiree only	36	\$450.89	\$423.61	(\$27.28)	-6%
Retiree Plus Spouse - With Medicare	9	\$898.03	\$846.62	(\$51.41)	-6%
Sub-Total	45	\$24,314.31	\$22,869.54	(\$1,444.77)	-6%
SCAN					
Retiree Only with Medicare A & B Assigned	30	\$323.62	\$319.87	(\$3.75)	-1%
Retiree Plus Spouse, Both Medicare A & B Assigned	2	\$643.49	\$639.74	(\$3.75)	-1%
Sub-Total	32	\$10,995.58	\$10,875.58	(\$120.00)	-1%
Monthly Total	373	136,690	131,895	-4,795	