

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # *B-14

Urgent Routine

AGENDA DATE October 21, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of Health Insurance Agreement Between Stanislaus County and all Employee Organizations for the Period January 1, 2009 through December 31, 2009

STAFF RECOMMENDATIONS:

1. Approve the tentative Health Insurance Agreement between Stanislaus County and all Employee Organizations for the Period January 1, 2009 through December 31, 2009.
2. Authorize that the provisions of this agreement be extended to all unrepresented management and confidential employees.
3. Authorize the Chairman of the Board of Supervisors and all parties to sign the agreement.

FISCAL IMPACT:

The terms and conditions of this one-year agreement for health insurance are effective January 1, 2009 through December 31, 2009. This agreement will increase total County costs by an estimated \$365,000 in calendar year 2009, with approximately one half of the increase occurring in the current fiscal year. The estimated cost increase will be funded through existing department appropriations for most County departments. Additional budget adjustments in General Fund departments will be considered if necessary during the Mid-Year and Third Quarter budget review process.

BOARD ACTION AS FOLLOWS:

No. 2008-722

On motion of Supervisor Grover, Seconded by Supervisor Monteith
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, and Vice-Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: Mayfield

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST: Elizabeth A. King
ELIZABETH A. KING, Assistant Clerk

File No.

DISCUSSION:

The current Health Insurance Agreement between the County and all employee organizations covering a three-year period will expire on December 31, 2008. Staff have worked with representatives from all County labor groups through the required meet and confer process to develop a new tentative agreement for employee health insurance benefits for calendar year 2009. This agenda item is being submitted to the Board to approve the tentative agreement with all employee organizations and to extend the provisions of the new agreement to unrepresented management and confidential employees.

Discussions with labor groups included reviewing surveys of health benefits provided by public and private organizations and evaluating the cost impact of pending rate increases from the County's two current HMO plans offered through Kaiser and PacifiCare. The initial cost estimate for pending rate increases was \$6.2 million in medical insurance rate increases in 2009. To address this cost increase, the County and all labor groups have agreed to expand the current HMO plan offerings to include a new HMO option with the Health Plan of San Joaquin (HPSJ). The new HPSJ plan will provide the same level of benefits offered through Kaiser and PacifiCare, but will help reduce costs through offering a more limited local network of physicians contracted through HPSJ. Employees will continue to have a choice of HMO plans with Kaiser and PacifiCare, but will be responsible for all costs above the lower HPSJ plan option.

Employee groups have also agreed to additional benefit plan modifications intended to bring Stanislaus County medical benefits in line with the model insurance plans negotiated and offered through the Pacific Business Group on Health (PBGH). Benefit plan modifications include increased co-pays for prescription drugs and the elimination of current cost share benefits for infertility services. Current dental and vision benefits for County employees will remain the same in the new agreement. The tentative agreement between the County and all labor organizations will expand the number of HMO plans offered to employees and allow the County to fully fund the cost of medical insurance at the lowest cost option for employees and dependents. The implementation of the HPSJ HMO option and the agreed benefit plan modifications will result in a total cost increase of approximately \$365,000 in 2009, providing a substantial reduction from the pending rate increases proposed through Kaiser and PacifiCare.

The new health insurance agreement will be effective January 1, 2009 through December 31, 2009. During the next year, the County will continue to explore options to implement a self-funding finance strategy for employee health insurance as early as January 2010. It is also recommended that the provisions of this agreement be extended to all unrepresented management and

confidential employees, in order to continue providing consistent health benefits for all eligible County employees.

All of the employee organizations have submitted the tentative agreement for approval with their respective memberships according to the individual bylaws of their respective organizations. It is anticipated that the union's approval process will have been completed by the date of the final Board approval for this agreement.

Attached for your review and information is the final agreement between the County and the represented employee organizations.

POLICY ISSUE:

The Board of Supervisors should determine if the above recommendations are in the best interest of the County and meets the Boards priorities of a Healthy Community, Efficient Delivery of Public Services and Effective Partnerships.

STAFFING IMPACT:

There is no staffing impact associated with the recommended actions.

**ATTACHMENT I
(DRAFT AGREEMENT)**

Health Insurance Agreement Between Stanislaus County and the
California Association of Interns and Residents
California Nurses Association
County Attorneys' Association
District Attorney Investigators Association
Stanislaus County Deputy Probation Officers Association
Service Employees International Union Local 521
Stanislaus County Deputy Sheriffs Association
Stanislaus County Employees Association AFSCME/Local 10
Stanislaus County Sheriff Supervisors Association
Stanislaus Regional Emergency Dispatchers' Association
Stanislaus County Sheriff's Management Association
Stanislaus County Group Supervisors' Association

Health Insurance

This agreement shall remain in full force and effect for the period of January 1, 2009 through December 31, 2009 unless extended by mutual agreement of the parties.

The County will add the Health Plan of San Joaquin (HPSJ) HMO plan as a new HMO option in 2009.

For the term of this agreement, the County shall provide a 100% County funded health insurance plan for each benefit selection level (Employee, Employee +1 and Family), based on the lowest cost health plan available to Stanislaus County. The lowest cost plan for 2009 will be Health Plan of San Joaquin.

The parties agree to change prescription drug coverage to the PBGH model plan (\$10.00 generic, \$20.00 brand name, two co-pays for mail order drugs).

The parties agree to eliminate the existing 50% coverage for infertility services.

Health insurance co-pays will be as follows:

Office Visit	\$20.00
RX	\$10.00/\$20.00
Chiropractic	\$15.00
Emergency Room	\$50.00

Other than those co-payment changes reflected in this agreement, the County will not request other benefit level reductions. The parties recognize that health insurance providers may institute benefit changes that are not within the control of the County.

The "waive" credit for health insurance will remain at current levels for the term of this agreement for those employees who waive health insurance. The waive credit for health insurance is \$47.50 monthly for regular employees and \$150.00 monthly for management employees. Proof of other coverage is still required.

It is understood by the parties that these provisions fully set forth the agreement of the parties in matters of health insurance as herein specified. The parties agree that only through mutual agreement of all the parties to this agreement would discussion occur during the term of this agreement on health insurance matters. In the event that any of the current PBGH carriers contracted with Stanislaus County to provide health insurance coverage for their active employees elect to discontinue health insurance service in Stanislaus County or the County discontinues their contract with PBGH during any plan year, the County will make a good faith attempt to replace these carriers from available alternate carriers. As in the past, the County agrees to meet and confer with the employee organizations over carrier changes.

Flexible Credit for Dental, Vision and Supplemental Life

This agreement shall remain in full force and effect for the period of January 1, 2009 through December 31, 2009 unless extended by mutual agreement of the parties.

The Flexible Credit Allowance designed to purchase dental, vision or voluntary supplemental life insurance will remain at the current level for 2009, with excess applied towards health insurance, if necessary. The Flexible Credit Allowance is \$125.00 per month for regular employees and \$200.00 per month for employees represented by the Sheriff Management Association.

Dental and Vision rates charged to employees in 2009 are as follows:

	Dental	Vision	Total
Employee Only	\$32.68	\$9.86	\$42.54
Employee +1	\$59.34	\$20.22	\$79.56
Family	\$97.38	\$27.62	\$125.00

The County may include the full cost of dental and vision rates on employee benefit forms, but will also include a credit to ensure the actual costs charged to employees equals the rates in this agreement.

Employee representatives acknowledge that the County may include an administrative fee to voluntary supplemental life insurance premiums to fund benefit administration costs.

It is understood by the parties that these provisions fully set forth the agreement of the parties in matters of dental, vision and supplemental life insurance as herein specified.

Additional Provisions

Benefit deductions are taken out of 24 of the 26 paychecks each year. Benefits for new hires are effective the 1st of the month following date of hire. For terminated employees, benefits continue through the last day of the month of termination.

The County will be considering the option to implement a self-funding finance strategy for employee health insurance to be implemented in 2010. The County agrees to include labor representatives in the analysis of any health plan options which would represent a change in the current benefit levels offered to employees.

Health Insurance Agreement Between Stanislaus County and the
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 District Attorney Investigators Association
 Stanislaus County Deputy Probation Officers Association
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Signed this _____ day of _____, 2008:

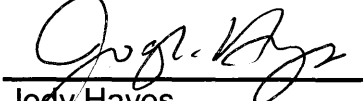
FOR THE COUNTY:




Jim DeMartini, Chairman
Board of Supervisors



Richard W. Robinson
Chief Executive Officer




Jody Hayes
Deputy Executive Officer



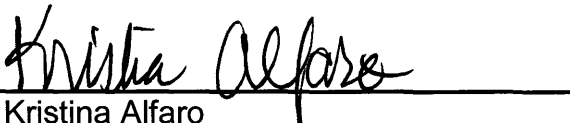
David L. Dolanar
Deputy Executive Officer



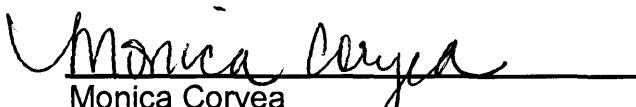
Barbara R. Cooper
Employee Benefits Manager



Nancy Bronstein
Deputy Executive Officer

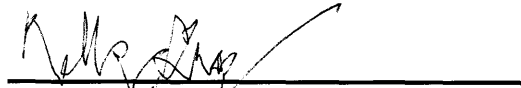


Kristina Alfaro
Associate Management Consultant



Monica Coryea
Assistant Management Consultant

FOR THE UNIONS:



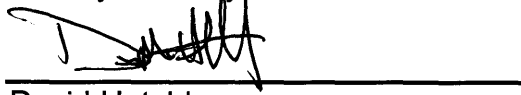
Kelly Gray
California Association of Interns
and Residents




Pete Castelli
California Nurses Association




WR McKenzie
County Attorneys' Association



David Hutchinson
District Attorney Investigators
Association



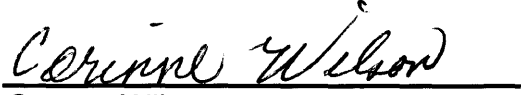
Steve Jackson
Stanislaus County Deputy
Probation Officers Association



Debbie Macias
Service Employees International
Union Local 521



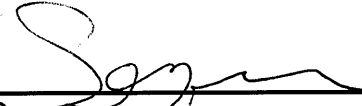
Gary Vernon
Stanislaus County Deputy Sheriff's
Association



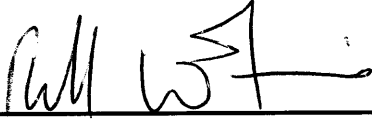
Corrine Wilson
AFSCME/SCEA Local 10



Casi Persons
Employee Benefits Coordinator



Larry Seymour
Stanislaus County Sheriff's
Supervisors Association



Richard Francis
Employee Benefits Specialist



Roger Ladd
Stanislaus Regional Emergency
Dispatchers' Association



Darrell Freitas
Stanislaus County Sheriff's
Management Association



Frank Murillo
Stanislaus County Group
Supervisors' Association



Paul Konsdorf
Goyette & Associates