

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 10/20/2009 Time: 2:30 p.m. Length: 30 minutes
Presentation Title: Benefit Renewals 2010
Department: Employee Services
Presenters: Nancy Drury and Carolyn Williams

POLICY QUESTION

DES is seeking formal Board approval to renew contracts with benefit providers for the 2009 plan year, including plan changes made by the Benefit Review Committee for the General County plans.

ISSUE & BACKGROUND

The Department of Employee Services and its employee benefits consultant, Mercer, have completed negotiations with the County's insurance carriers and third party administrators for the 2010 employee benefits plan renewals. The renewal rates are very favorable, with the exception of a 20.7% increase for Kaiser medical. There were minimal increases or decreases for the Providence plans, no increases for insured life, a decrease for insured disability, and a slight increase in self-insured disability.

The County's third party administrator, Regence Personal Choice Account, will no longer provide administrative services beyond the 2009 plan year. Mercer and Employee Services staff conducted a Request for Proposal and selected Flex Plan as the replacement third party administrator with a three-year rate guarantee. The annual cost is expected to be less than \$15,000.

The Benefits Review Committee made plan design changes and added a preventive dental plan while maintaining overall increases at around 1.0% for medical coverage.

The current practice for Nonrepresented employees is to provide benefit cost sharing in a similar manner as represented employees so that there is no disincentive to promote into a management or supervisory position. Under the current collective bargaining agreements, the County pays 95% and the employee pays 5% of the medical premium and the County pays 100% of the dental, life and disability premiums and the administrative costs for the flexible spending accounts.

See attached Renewal Report for more information.

QUESTION(S) PRESENTED FOR CONSIDERATION

See attached "Summary of 2010 Benefit Plan Recommendations Requiring Approval by the Board of County Commissioners."

OPTIONS AVAILABLE

It is highly unlikely that the County would be able to negotiate any lower increases or find any other carrier willing to offer lower rates.

RECOMMENDATIONS

1. Enter into renewal contracts with Kaiser, Providence Health Plans, Oregon Dental Service, Metropolitan Life and Standard Insurance.
2. Enter into a new contract with Flex Plan for flexible spending account administration.
2. Pay 95% of the premiums for the medical coverage, and 100% of the premiums for dental, life and disability plans for Nonrepresented employees.

SCHEDULE FOR STUDY SESSION

Division Director/Head Approval Carolyn Williams
Department Director/Head Approval Mary Mackenzie
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Carolyn Williams @ 503-742-5470.