

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

May 20, 2025

FROM

LEONARDO GONZALEZ, Director, Human Resources Department

SUBJECT

Medical Premium Rates for Plan Year 2025-26

RECOMMENDATION(S)

1. Approve medical premium rates for Blue Shield of California for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and their eligible dependents, for plan year 2025-26, as shown in Attachment A.
2. Approve medical premium rates for Kaiser Foundation Health Plan, Inc. for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and their eligible dependents, for plan year 2025-26, as shown in Attachment A.

(Presenter: Leonardo Gonzalez, Director, 387-5565)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). There is no additional cost associated with the approval of this item as the increase to the County's contribution to employee medical insurance premiums pursuant to ordinances, compensation plans, and negotiated Memoranda of Understanding with individual labor unions is not greater than what has already been approved by the Board of Supervisors (Board). Additionally, the County does not contribute to the cost of premiums for Consolidated Omnibus Budget Reconciliation Act (COBRA) participants.

BACKGROUND INFORMATION

On May 21, 2024 (Item No. 35), the Board approved the Kaiser Foundation Health Plan, Inc. (Kaiser) and Blue Shield of California (Blue Shield) active medical premium rates for plan year 2024-25, including Blue Shield's not-to-exceed rate cap of 6.9% for plan year 2025-26 and 8.9% for plan year 2026-27. Kaiser did not provide rate caps for plan years 2025-26 and 2026-27.

In November 2024, Human Resources (HR) began working with the contracted benefits consultant, the Segal Company (Segal), to conduct a comprehensive analysis of the medical plans and begin working with the Employee Benefits Advisory Committee (EBAC) to negotiate rates for the 2025-26 plan year. Blue Shield proposed an increase over current rates at the rate-cap of 6.9%, plus an additional increase of approximately 2% (as shown in Attachment A) for anticipated costs of the California legislative benefit mandate Senate Bill (SB) 729 requiring large group health plans to cover infertility and fertility services, including In Vitro Fertilization, effective July 1, 2025.

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Blue Shield's cost estimate for SB 729 was based on their past experience of groups with infertility benefits and the County's demographics. The proposed increase of approximately 8.9% includes the continuation of the rate buy-down of \$500,000 from the Wellness/Discretionary allowance for the 2025-26 plan year.

Kaiser proposed a rate increase of approximately 7.6% over current rates, which does not include an additional increase for SB 729. Kaiser does not provide a Wellness allowance.

Upon review and final completion of negotiations on premium rates for Blue Shield and Kaiser, HR and the EBAC are recommending approval of the following premiums for plan year 2025-26:

Blue Shield:

- An approximate 8.9% increase to the current premiums for Blue Shield Health Maintenance Organization (HMO) and Preferred Provider Organization plans, which includes the \$500,000 buy-down (\$250,000 for wellness and \$250,000 discretionary funding) of the \$1,000,000 annual wellness contribution. This resulted in the proposed rate increase being reduced from 9.4% to the final rate of 8.9%.
- Changes to the Blue Shield plans include the addition of diagnosis and treatment for infertility and fertility services due to SB 729.

Kaiser:

- An approximate 7.6% increase to the current premiums for the Kaiser HMO plans.
- Changes to the Kaiser plans include the addition of diagnosis and treatment for infertility and fertility services due to SB 729.

Blue Shield's and Kaiser's rates are listed in Attachment A. Future premium rates will be negotiated annually and rate caps will apply.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Jose Mendoza, Deputy County Counsel, 387-5455) on April 22, 2025; Finance (Garett Baker, Administrative Analyst, 387-3077) on April 28, 2025; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on May 4, 2025.

**Medical Premium Rates for Plan Year 2025-26
May 20, 2025**

Record of Action of the Board of Supervisors
San Bernardino County

APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman
Ayes: Col. Paul Cook (Ret.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Absent: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 20, 2025



cc: File - Human Resources w/attach
CCM 05/22/2025