

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

May 19, 2020

FROM

DIANE RUNDLES, Director, Human Resources Department

SUBJECT

Medical and Dental Premium Rates for Plan Year 2020-21

RECOMMENDATION(S)

1. Approve medical premium rates for Blue Shield of California and Kaiser Foundation Health Plan, Inc. for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and their eligible dependents for benefit plan year 2020-21, as shown in Attachment A.
2. Approve dental premium rates for Delta Dental of California for active employees, Consolidated Omnibus Budget Reconciliation Act participants, and their eligible dependents for benefit plan year 2020-21, as shown in Attachment B.

(Presenter: Diane Rundles, Director, 387-5570)

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 to the County associated with the approval of this item as the County's contribution to employee medical and dental insurance premiums is fixed pursuant to ordinances, compensation plans, and negotiated Memoranda of Understanding with individual labor unions. Additionally, the County does not contribute to the cost of premiums for Consolidated Omnibus Budget Reconciliation Act (COBRA) participants.

BACKGROUND INFORMATION

Each year the Human Resources (HR) Department and the Employee Benefits Advisory Committee (EBAC) work collaboratively with the County's contracted health and welfare consultants to review plan utilization and negotiate medical and dental premium rates for the new plan year. The EBAC is a labor-management committee, composed of individuals representing employee bargaining units, management and retirees.

The County's contracted health and welfare consultant, Rael & Letson Consultants and Actuaries (Rael & Letson), conducted a comprehensive analysis of the data provided by Blue Shield of California (Blue Shield) and Kaiser Foundation Health Plan, Inc. (Kaiser). Upon review and completion of final negotiations on premium rates with Blue Shield and Kaiser, HR and the EBAC are recommending Board of Supervisors (Board) approval of the following for the 2020-21 plan year:

- Medical premium rates as shown in Attachment A

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- 4.90% increase to the current Kaiser premiums
- 5.70% increase to the current Blue Shield health maintenance organization (HMO), preferred provider organization (PPO), and Needles PPO premiums
- No change to the current Blue Shield Bronze PPO premiums

Additionally, the County's contracted health and welfare consultant, Segal Consulting (Segal), conducted a comprehensive analysis of the data provided by Delta Dental of California (Delta) for the Dental HMO and Dental PPO plans. The EBAC reviewed the comprehensive analysis of the current self-insured Dental PPO plan's claims experience, including a three-year financial projection. Based on this review, HR and the EBAC recommend a 1.30% decrease to current Dental PPO rates for the 2020-21 plan year.

During the original negotiation with Delta, the Dental HMO rates were negotiated to a rate lock for the first three years of the contract period (2017-20) and not to exceed a rate cap of 5% for years 4 and 5 (2020-22). Upon review and analysis of the Dental HMO data provided by Delta, the EBAC, in conjunction with the Segal, negotiated a rate pass for years 4 and 5.

After concluding negotiations on premium rates with Delta Dental, HR and the EBAC are recommending Board approval of the following for the 2020-21 plan year:

- Dental premium rates as shown in Attachment B
 - 1.30% decrease to the current Delta Dental DPPO premiums
 - Rate pass to the current Delta Dental DHMO premiums for year 4 and 5

PROCUREMENT

On July 6, 2018, the Employee Benefits and Services Division (EBS) issued a Request for Proposals (RFP HRD218-HR2-3001) for Active Employee Medical Benefits. On July 9, 2019, (Item No.17), the Board approved contracts with Blue Shield and Kaiser to provide medical benefits for active employees, COBRA participants, and eligible dependents for plan years 2019-20 through 2021-22, with the option to extend for one additional two-year term.

On September 9, 2016, the EBS issued a Request for Proposals (RFP HRD217-HR2-2187) for Active Employee Dental Benefits in order to obtain favorable dental premium rates and cost containment on its Dental HMO and PPO plans for employees. On May 23, 2017, (Item No.64) the Board approved contracts between the County and Delta to provide dental benefits for active employees, COBRA participants, and eligible dependents for benefit plan years 2017-18 through 2021-22.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on April 27, 2020; Purchasing (Bruce Cole, Supervising Buyer, 387-2148) on April 27, 2020; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on April 29, 2020; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on May 4, 2020.

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Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales
Ayes: Robert A. Lovingood, Dawn Rowe, Curt Hagman, Josie Gonzales
Abstained: Janice Rutherford

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 19, 2020



cc: File - Human Resources w/attach
KS 05/21/2020