



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Human Resources
Department No.: 064
For Agenda Of: September 22, 2020

Placement: Administrative
Estimated Tme: N/A
Continued Item: N/A
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Maria Elena De Guevara, Human Resources Director, 568-
Director(s): 2816
Contact Katie Torres, Benefits and Wellness Division Chief: Human
Info: Resources, 568-2818

SUBJECT: 2021 Employee Benefit Insurance Program Renewal

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

a) In the matter of setting health plan rates for 2021, the Board of Supervisors approves the following renewals:

i. **PRISMHealth Blue Shield Health Plans**

The renewal of the Public Risk Innovation, Solutions, and Management (PRISM) Blue Shield Exclusive Provider Organization (EPO) High, Blue Shield EPO Low, Preferred Provider Organization (PPO), and High Deductible Health Plan (HDHP) plans for a twelve-month period, at the existing benefit levels with a premium increase of 5.3%, effective January 1, 2021, for all active employees and retirees as shown in Attachments A1 through A4;

ii. **Kaiser Permanente HMO Health Plans**

The renewal of the active employees' and early retirees' Kaiser Permanente High and Low Health Maintenance Organization (HMO) for a twelve-month period at the existing benefit levels, with a 5.3% increase in premiums, effective January 1, 2021, and for all Medicare-eligible retirees, with no increase in premiums for the Senior Advantage Plans, at the existing benefit levels, as shown in Attachment B.

iii. County Self-Funded Delta Dental PPO Plan

The annual Actuarial Underwriting Report for the County Self-Funded Dental Plan is shown in Attachment C, and continues the existing program benefits with a 2.1% premium decrease for both actives and retirees for a twelve-month period, effective January 1, 2021, as shown in Attachment D.

iv. Dental HMO Plan - DeltaCare USA

The renewal of the existing DeltaCare USA Dental Health Maintenance Organization (DHMO) plan, and continues the existing benefit levels for active employees and retirees, with a zero premium rate increase for a two-year rate guarantee, effective January 1, 2021, as shown in Attachment E;

v. Vision Service Provider Plan

The renewal of the existing Vision Service Provider Plan, and continues the existing benefit levels for active employees and retirees, with a zero premium rate increase with two more years of a four-year rate guarantee, effective January 1, 2021, as shown in Attachment F;

vi. CareCounsel Healthcare Assistance Program

The renewal of the CareCounsel Healthcare Assistance Program with a zero rate increase for all covered active employees and retirees, for a twelve-month period effective January 1, 2021, as shown in Attachment G;

vii. United Healthcare Medicare Risk HMO Health Plans

The renewal of the United Healthcare Medicare Risk HMO Health Plans for County of Santa Barbara retirees, at existing benefit levels, and a premium decrease of 6%, for a twelve-month period, effective January 1, 2021, as shown in Attachment H.

b) In the matter of adjusting benefit plan designs for 2021, that the Board of Supervisors approves the following Health Oversight Committee (HOC) recommendations:

- i. Approve adding a narrow network plan design in addition to existing plans for a twelve-month period effective January 1, 2021, for all active employees and retirees, as shown in Attachment I
- ii. Approve the implementation of a Carrum Health Mandatory Second Opinion Referral Program for specific surgeries for Blue Shield Plan members only effective January 1, 2021, as shown in Attachment J
- iii. Approve the implementation of the Amino Member Tool for High Deductible Health Plan members only, for three years, effective January 1, 2021, as described below
- iv. Approve the expansion of RX Clinical program, effective January 1, 2021, as shown in Attachment K

- c) Further, authorize the Human Resources Director or designee to execute any necessary third-party administrative agreements and documents required to manage plans listed in recommendations (a) **through (b) above; and**
- d) Determine that these activities are exempt from California Environmental Quality Act (CEQA) review per CEQA Guidelines Section 15378(b)(4) since the recommended actions are government funding mechanisms or fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text: The recommended actions will continue the County's employee benefits programs itemized above, and assist the County and its workforce in further managing and stabilizing costs related to employee benefits.

County medical insurance premiums for most plans will increase by 5.3% with no change in benefit levels; the exceptions are a decrease of 6% for the Medicare Risk HMO Health Plans. Premium renewal increases for all County plans are below medical inflation (PPO trend) in California, which increased 7.0% this year, but higher than the average 2.9% annual increase in County renewal premiums over the past two years. In addition, there were no increases in County dental or vision premiums for the same benefit levels as are provided in the current plans.

After the County was notified of the 2021 premium renewal rates, staff convened the Health Oversight Committee (HOC), a body that enables the County to meet with unions in a collective manner on common insurance benefits provided to the entire workforce. Attachment L lists the members of the HOC. As a result of meeting and reviewing and discussing options, the HOC recommends that the 2021 plans, rates, and additional programs be implemented and approved with no changes in benefit levels.

Staff is also recommending the implementation of the following new programs:

Tandem Narrow Network

The Tandem Narrow Network is a Blue Shield plan that is offered alongside current plans for active and retired participants not eligible for Medicare. The benefit to the participants is a lower premium plan that may help encourage medical enrollment for families. Utilization of Blue Shield's value-based partnerships may also help provide some claims savings to the plan.

Carrum Health Mandatory Second Opinion Program

The Carrum Health Program is an existing voluntary surgery program that provides access to surgical centers of excellence with a concierge member experience. The recommended Second Opinion Program would make it mandatory for participants to have a second opinion through the Carrum program when the following surgeries are recommended: Total Joint Replacement, Spinal Fusion, and Bariatric (weight loss) Surgery. The goal of this program is to educate

members on the benefits of the Carrum program at no cost to them. The benefit to the plan is lower costs when the surgery is provided through the Carrum program.

Amino Member Tool for the HDHP Members

Amino is a member tool that can be used via website access and/or a mobile app to help guide members to high quality, low-cost providers in their network. This tool is being provided to participants of the High Deductible Health Plan as a pilot, to assist members in making smart decisions when accessing care. The tool will enable employees to book appointments, track deductibles, and out of pocket maximums and will integrate and prioritize the County's current health initiatives such as the onsite clinics and telemedicine.

ESI Rx Clinical Program Expansion

This initiative will expand current cost-saving clinical programs already provided by Express Scripts for high-cost prescription drugs. It will expand step therapy, prior authorization, and quantity management programs to include a broader range of medications for additional savings to the members and the plan.

In closing, the additional programs above are part of the ongoing Human Resources' and the Health Oversight Committee's efforts to mitigate health insurance premium increases. The overall benefit to employees and the County is the improved health of employees, reduced employee out of pocket health care costs, and reduced health care claim expenses.

Open Enrollment for 2021 Benefits Plan Year

If the Board approves the recommended actions, an open enrollment period for the 2021 Benefits Plan year will be held from October 12, 2020, through October 31, 2020.

The Santa Barbara County Employees' Retirement System will conduct its own plan enrollment with retirees.

Background:

Since 2010 the County has participated in the CSAC-EIA Health, now known as PRIMSHHealth pooled risk insurance program. Participating in the pooled risk program has yielded positive results and continues to help the County manage costs. This year, the California PPO trend showed a 7.0% increase from last year; the CSAC EIA overall pool increase was 5.2%, and the County's premium increase came in at just 5.3%.

In the PRIMSHHealth program, each participating employer maintains autonomy for its own benefit decisions, plan design, retiree benefits and rules, and administrative choices. The benefit of the pool is that all administrative, reinsurance and excessive claims costs are shared, and the reserves of the pool are available to buy down rate increases for the pool, which in turn assists in lowering the increases for individual members. For the first two years of participation, an employer group increase is equivalent to that of the pool, regardless of their performance. In subsequent years an employer's actual claims experience over the previous period is used to establish rates.

Over the years under the Board of Supervisors' direction, the County has taken proactive steps to manage County health insurance cost increases:

- Moving to the PRISMHealth Insurance pool,
- Maintaining the County's Employee Onsite-Health Clinic Program,
- Implementing the domestic surgical travel model through Carrum Health and
- Introducing a Prescription Clinical Management Program available to PRISM Health Risk Pool members only.

Impacts:

Budgeted: Yes

Fiscal Analysis:

The County contributes to the cost of eligible employees' medical and dental coverage and group life and long-term disability insurance. In addition, the County offers employees other benefits including onsite healthcare clinics, a benefits advocacy program, and an employee assistance program. When developing the FY 2020-21 budget, staff assumed a 3.0% increase in the cost of the onsite healthcare clinics effective July 1, 2020 and a 4.0% increase in medical plan premiums effective January 2021; staff assumed no change in the cost of all other plans and benefits. The actual anticipated cost of the onsite healthcare clinics, based on the contract approved by the Board of Supervisors on July 14, 2020, is \$1.2 million, \$67,230 more than budgeted. The actual increase in medical plan premiums effective January 2021 is 5.3%, which results in a net cost to the County of \$274,205. Departments may absorb this additional cost through salary savings. For all other plans and benefits, there are no changes in the County's contributions and costs.

Of the HOC-recommended plan and program options, only the Amino Member Tool has an annual implementation cost. For calendar year 2021, Amino will cost \$2.63 per month per employee enrolled in the High Deductible Health Plan; the estimated total annual cost is \$20,200. Amino is expected to generate plan savings by assisting enrollees with identifying in-network and cost-effective healthcare providers and facilities.

Attachments:

Attachment A1:	Active Employees Blue Shield Health Plans Monthly Premium Rates
Attachment A2:	Early Retiree Blue Shield Health Plans Monthly Premium Rates
Attachment A3:	Post 65 Blue Shield Health Plans Monthly Premium (no EGWP)
Attachment A4:	Post 65 Blue Shield Health Plans Monthly Premium (with EGWP)
Attachment B:	Kaiser HMO Premium Rates for Active Employee, Early Retirees and Medicare Retirees Advantage Plan Rates
Attachment C:	County Self-Funded Dental Actuarial Report
Attachment D:	County Self-Funded Delta Dental PPO Plan Rates for Active Employees and Retirees
Attachment E:	Delta Dental DentalCare USA DMO Plan Rates for Active Employee and Retirees
Attachment F:	Vision Service Plan and Rates for Active Employees and Retirees
Attachment G:	CareCounsel Healthcare Assistance Renewal
Attachment H:	United Healthcare Medicare Risk HMO Rate

Attachment I: Narrow Network Plan Design
Attachment J: Carrum Health Mandatory Second Opinion Referral Program
Attachment K: RX Clinical Program Expansion
Attachment L: Health Oversight Committee Member List

Authored by:

Katie Torres, Benefits and Wellness Division Chief