

**SANTA BARBARA COUNTY  
BOARD AGENDA LETTER**



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

**Agenda Number:**  
**Prepared on:** 5/5/04  
**Department Name:** Human Resources  
**Department No.:** 064  
**Agenda Date:** 5/18/04  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Scott J. Ullery  
Deputy County Administrator, 568-2817

**STAFF CONTACT:** Lila Deeds, Employee Relations Manager  
568-2819

**SUBJECT:** Modifications in Employee Health Insurance Benefits

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**Recommendation(s):**

That the Board of Supervisors:

- A. Approve sideletter agreements with all recognized employee organizations providing for selection of medical insurers and revised County contribution toward employee medical insurance premiums.
- B. Adopt a resolution amending Section 1 of Resolution 01-361, revising the amount of the County contribution toward employee medical insurance premiums for unrepresented employees.

**Alignment with Board Strategic Plan:**

The recommendation(s) are primarily aligned with Goal No. 3. A Strong, Professionally Managed County Organization.

**Executive Summary and Discussion:**

The County's Health Oversight Committee (comprising representatives from all employee groups) has reviewed bids for employee health insurance coverage for the 2004-05 plan year and made a unanimous recommendation for a selection of medical plans offered by Blue Cross and Blue Shield. The County and all recognized employee groups have entered into tentative agreements for implementing the recommended medical plans. These tentative agreements are hereby presented for the Board's approval.

In addition, these agreements provide for continuation of the current dollar contribution toward employee medical premiums, which exceeds the contribution that would otherwise be required by existing Memoranda of Understanding under the new premium schedule. It is also recommended that the Board adopt a

resolution providing the same contribution toward employee medical premiums for unrepresented employees.

Agreements with the recommended health insurers are being filed as a separate agenda item for your consideration and approval.

**Fiscal and Facilities Impacts:**

The recommended agreements and resolution cover all regular employees in all County departments. Implementing the recommended medical insurance plans under the existing provisions of the Memoranda of Understanding would have resulted in a cost savings to the County of approximately \$1.3 million at the same time that a large number of employees would have experienced significant cost increases. Increasing the County's financial obligation to the amount currently required by the existing premium schedule will mitigate some of the impact of premium increases many employees will experience under the new premium schedule. While the recommended action will increase the County's legal financial obligation by approximately \$1.3 million annually, we estimate that the County will still save \$172,000 in 2004-05 due to the premium schedule associated with the new plan selection.

The total cost of the County's contribution for employee health insurance has been included in the 2004-05 Recommended Budget.

**Special Instructions:**

Please return one copy of the approved resolution for this action to Lila Deeds in the Human Resources Department

cc: County Administrator  
All Department Heads  
Recognized Employee Organizations  
Executive Association  
Management Association