



ITEM NO. (ID # 4636)

DATE: 09/05/2017

AGENDA REQUEST

\*REGULAR AGENDA\HUMAN RESOURCES

**TO:** Board of County Commissioners

**PRESENTED BY:** George Landry, Human Resources & Risk Manager

**SUBMITTED BY:** Human Resources & Risk Division

**SUBJECT:** 2018 Insurance Plan Modifications

**BACKGROUND:**

County has been self-insured since 1985. The Board of County Commissioners and the Constitutional Officers participate as a group in employee benefit programs. An Insurance Committee that consists of a representative from the BOCC and each Constitutional Officer (plus the Children Services Council and Medical Examiner) meets when needed to review employee benefits and make recommendations regarding employee benefits and related costs. The recommended changes for 2018 were discussed with the Insurance Committee at the meetings held on August 16th and August 25th 2017. Florida Blue's annual trend for a membership of our size is 10.8% increase. While the average trend for the County has been 6% over the past 5 years, costs of medical goods and services continue to rise. Currently, the County offers one plan with the employer contributing 93% of the employee only option and 90% on employee plus one and family options. If the County's health plan were to renew as is with no changes or recommendations by staff, the county would incur a 4.63% increase which equates to \$723,515.69.

The changes recommended by the Staff include:

- 1) Modify the current plan structure and increase employee contributions as described in attachment A. This still remains a very low deductible plan that ranks in the top 20% of health plans offered by an employer. For example: Under our current plan if someone elects employee only coverage the cost is \$52.68 and with this recommended plan structure the cost is \$98.93, a difference of \$23.12 increase per pay period.
- 2) Introduce new second plan option with lower employee contributions as described in attachment B. This plan provides employees with the ability to choose the best health plan option for themselves and their families. In a recent employee census interest was shown for this option. This will provide employees an instant savings of at least 64% or higher on what they are currently paying for health coverage.
- 3) The renewal of the County's dental plan as described in attachment C. This plan renewal is a

reduction in premiums and the County will receive money for wellness programs.

- 4) Open a second employee health and wellness center to allow for the growing utilization of the current health and wellness center, and to meet the need of increased dependent utilization. The costs are described in attachment D and it is funded by the savings from the Health insurance fund.

The staff's recommended changes to the current health plan and the implementation of the second plan will create a substantial savings to the County projected at \$1,500,000.00

The Insurance Committee recommends approval of item 3. The Insurance Committee did not provide recommendations for items 1, 2, and 4, to forward to the Board. The December 20, 2011 Interlocal Agreement provides for the Insurance Committee to make recommendations to the Board with regard to the insurance plan. If the Board does not accept the Insurance Committee's recommendation, the matter is referred back to the Committee for further review and recommendation. The Board's decision on that second recommendation is the final determination.

**PREVIOUS ACTION:**

On October 5th, 2016, the Board approved Item # 3088 Health Insurance Changes. Every year the County's Insurance Plan is reviewed based on its experience. The rates that the employer and employee pay are based on the annual review. Rates are set every year based on the prior years' experience. The County last modified benefits within the insurance plan two years ago.

**FINANCIAL IMPACT:**

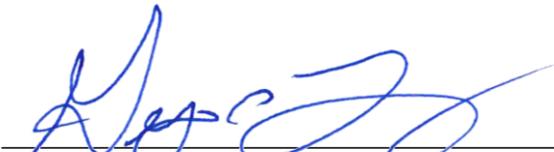
The staff's recommended changes to the current health plan and the implementation of the second plan will create a substantial savings to the County projected at \$1,500,000.00. The fixed cost of opening a second clinic is approximately \$300,000 with an annual operating cost of approximately \$800,000.

**RECOMMENDATION:**

Staff recommends the Board to conceptually approve recommendations provided in attachments A, B, C and D. The staff will return to the Insurance Committee with the Board's decision, request a recommendation and return to the Board for Final approval.

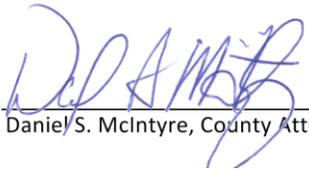
**COMMISSION ACTION:**

Coordination/Signatures



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George Landry, Human Resources & Risk Manager 8/31/2017



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Daniel S. McIntyre, County Attorney 9/1/2017



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Jennifer Hill, Interim Office of Management and Budget Director 8/31/2017



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Howard Tipton, County Administrator 9/5/2017