

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: 10/12/2010 Time: 10:30 a.m. Length: 30 minutes

Presentation Title: Benefit Renewals 2011

Department: Employee Services

Presenters: Nancy Drury and Carolyn Williams

POLICY QUESTION

DES is seeking formal Board approval to renew contracts with benefit providers for the 2011 plan year, including plan changes made by the Benefit Review Committee for the General County plans.

ISSUE & BACKGROUND

The Department of Employee Services and its employee benefits consultant, Mercer, have completed negotiations with the County's insurance carriers and third party administrators for the 2011 employee benefits plan renewals. The renewal rates are very favorable, with the exception of a 10.5% increase for Kaiser medical.

There were minimal increases or decreases for the Providence medical plans for the third consecutive year. Dental plan increases ranged from 0.0 to 4.9%, well below the national trend of 7.0%. The County-paid life insurance increased 2.1% for represented employees and 3.1% for nonrepresented employees. Dependent life insurance decreased 20.1% for General County and decreased 20.8% for Peace Officers. Employee-paid group universal life decreased 29.4%. There were no premium changes for accidental death and dismemberment, short term disability, long term disability, employee assistance program, flexible spending account administration or long term care insurance.

The current practice for Nonrepresented employees is to provide benefit cost sharing in a similar manner as represented employees so that there is no disincentive to promote into a management or supervisory position. Under the current collective bargaining agreements, the County pays 95% and the employee pays 5% of the medical premium and the County pays 100% of the dental, life and disability premiums and the administrative costs for the flexible spending accounts.

See attached Renewal Report for more information.

QUESTION(S) PRESENTED FOR CONSIDERATION

See attached "Summary of 2011 Benefit Plan Recommendations Requiring Approval by the Board of County Commissioners."

OPTIONS AVAILABLE

It is highly unlikely that the County would be able to negotiate any lower increases or find any other carrier willing to offer lower rates.

RECOMMENDATIONS

1. Enter into renewal contracts with Kaiser, Providence Health Plan, Oregon Dental Service, Metropolitan Life, Standard Insurance and Flex-Plan.
2. Pay 95% of the premiums for the medical coverage, and 100% of the premiums for dental, life and disability plans for Nonrepresented employees.

SCHEDULE FOR STUDY SESSION

Division Director/Head Approval _____ *CPW*
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact Carolyn Williams @ 503-742-5470.