



**MENDOCINO COUNTY BOARD OF SUPERVISORS
ONLINE AGENDA SUMMARY**

BOARD AGENDA # 5 (d)

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-Electronic Agenda Transmission Checklist: ☒ Agenda Summary ☐ Records ☐ If applicable, list other online information below

TO: Board of Supervisors DATE: January 18, 2012

FROM: Human Resources MEETING DATE: January 24, 2012

DEPT RESOURCE: Carmel Angelo, CEO PHONE: 463-4441 Present ☒ On Call ☐

Pat Meek, HR Director PHONE: 463-4261 Present ☒ On Call ☐

Sue Goodrick, HR Manager

Consent Agenda ☐ Regular Agenda ☒ Noticed Public Hearing ☐ Time Allocated for Item: 1 hr

AGENDA TITLE: Presentation and Possible Action on Retiree Health Plan Work Group Recommendations on the Termination and Alternatives to the Termination of the Non-Medicare Eligible Retiree Health Plan Effective February 29, 2012

■ **PREVIOUS BOARD/BOARD COMMITTEE ACTIONS:** On September 27, 2011 the Board approved a premium level increase for Non-Medicare Eligible Retiree Health Plan to fully fund plan costs for 2012 and authorized staff to send 90-day notification letters of the Retiree Health Fund depletion to Medicare Eligible Retirees and Non-Medicare Eligible Retirees. On November 15, 2011, the Board authorized staff to discontinue the Non-Medicare Eligible Retiree Health Plan effective upon a 90-day notice. The Board further directed staff to "form a committee with meetings open to the public, along the lines of the committee requested through the AMCRE letter to the Board of Supervisors, dated October 24, 2011"; and directed staff to bring the item back to the Board within 60 days for further discussion and possible action. The AMCRE letter requested "a short-term, 60 day working group be formed to go through the Mercer report options for preserving the retiree health care plan with an eye to overcoming the hurdles mentioned in the report".

■ **SUMMARY OF REQUEST:**

At the Board of Supervisor's direction, a working group consisting of Human Resources staff, the County's Health Plan Consultant (Peter McNamara, Keenan & Associates), and retiree representatives Carol Mordhorst, Richard Shoemaker, Marsha Wharff and Sue Thornhill met on four occasions to discuss alternative options for preserving health care for non-medicare eligible retirees as a result of the County's determination to discontinue the Retiree Health Plan effective February 29, 2012.

Attachment 1 summarizes (in order of preference) the retiree work group's recommendation for providing health care coverage to non-Medicare eligible retirees through December 2013 at which time Health Care Reform provisions make available an "exchange program" to provide future health care coverage for non-Medicare eligible retirees. Retiree representatives to the working group will be present to discuss their recommendations.

Attachment 2 summarizes the analysis of various alternative health plan options reviewed by the working group. Should the Board rescind the November 15, 2011 direction regarding termination of the Non-Medicare Eligible Retiree Health Plan, Human Resources Staff, the County Executive Officer, and the County's Health Plan Consultant, recommend the Board: 1) Continue to offer the current plan (at \$922.56 per participant fully paid by the participant) through December 31, 2012 returning to the Board with quarterly updates on plan experience and funding levels; 2) Allow for the approximate 60 non-Medicare eligible retirees who were participants in the retiree health plan in September 2011 (prior to the notification of the rate increase and elimination of the County subsidy) who subsequently dropped from the plan to have the opportunity to re-enroll with an effective date of March 1, 2012 at the same premium rate; 3) Return to the Board in August/September 2012 with a possible renewal option for Plan Year 2013 based on the experience levels of the participant group and the status of the Retiree Health Plan Trust Fund at that time; 4) Should the Board determine, after review of the proposed renewal rates for Plan Year 2013, its desire to retain the Retiree Health Plan for Plan (Calendar) Year 2013, confirm the Board's intent to terminate retiree health plan effective December 31, 2013 at which time the Health Care Reform exchange program is expected to be implemented. Refer to attached staff report for details.

BOARD ACTION (DATE: _____): ☐ Approved ☐ Referred to _____ ☐ Other _____

RECORDS EXECUTED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____ ☐ Other _____



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■ SUPPLEMENTAL INFORMATION AVAILABLE ONLINE AT:
www.co.mendocino.ca.us/administration/

■ ADDITIONAL INFORMATION ON FILE WITH THE CLERK OF THE BOARD (CHECKED BY COB IF APPLICABLE): ☐

FISCAL IMPACT:			
Source of Funding	Current F/Y Cost	Annual Recurring Cost	Budgeted in Current F/Y
N/A	N/A	N/A	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

■ SUPERVISORIAL DISTRICT: 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ All ☒ ■ VOTE REQUIREMENT: Majority ☒ 4/5ths ☐

■ **RECOMMENDED ACTION/MOTION:** 1) Accept presentation from Staff and Retiree Health Plan Work Group on Recommendations on Termination and Alternatives to the Termination of the Non-Medicare Eligible Retiree Health Plan Effective February 29, 2012; 2) Should the Board rescind the November 15, 2011 direction regarding termination of the Non-Medicare Eligible Retiree Health Plan 2a) Continue to offer the current plan (at \$922.56 per participant fully paid by participant) through December 31, 2012 returning to the Board with quarterly updates on plan experience and funding levels; 2b) Allow for the approximate 60 non-Medicare eligible retirees who were participants in the retiree health plan in September 2011 (prior to the notification of the rate increase and elimination of the County subsidy) who subsequently dropped from the plan to have the opportunity to re-enroll with an effective date of March 1, 2012 at the same premium rate; 2c) Return to the Board in August/September 2012 with a possible renewal option for Plan Year 2013 based on the experience levels of the participant group and status of the Retiree Health Plan Trust Fund at that time; 2d) Should the Board determine, after review of the proposed renewal rates for Plan Year 2013, its desire to retain the Retiree Health Plan for Plan (Calendar) Year 2013, confirm the Board's intent to terminate retiree health plan effective December 31, 2013 at which time the Health Care Reform exchange program is expected to be implemented.

■ **ALTERNATIVES:** 1) Choose alternative Retiree Health Plan option; 2) Provide staff with direction based on report options and/or the retiree work group's recommendations.

■ **CEO REVIEW (NAME):** Carmel J. Angelo **PHONE:** 463-4441

RECOMMENDATION: Agree ☒ Disagree ☐ No Opinion ☐ Alternate ☐ Staff Report Attached ☐

BOARD ACTION

☐ Approved _____
☐ Records Executed _____

Date of Meeting _____

☐ Referred to _____
☐ Other _____