

County of Mendocino
Human Resources Department
Employee Benefits Division
579 Low Gap Road Ukiah, CA 95482
Phone: (707) 463-6553
Fax: (707) 468-3390

IMPORTANT NOTICE ABOUT RETIREE HEALTH BENEFITS

RETIREE CONCERNS REGARDING PROPOSED HEALTH PLAN & PREMIUM CHANGES HAVE BEEN HEARD!

On August 27, 2009, a question/answer meeting with approximately 55 Retirees in attendance was held regarding proposed changes to the Retiree Health Plan. A panel consisting of the County's Executive Office, the Human Resources Benefits Administration Division, the County's Retiree Health Plan Consultant (Mercer), and representatives from the Retirement Office responded to retirees' questions regarding a proposed redesign of the retiree health plan and an increase in premiums for both Medicare eligible and non-Medicare eligible retirees.

Based on concerns expressed by Retirees, an Ad Hoc Committee of the Board of Supervisors, in conjunction with the County Executive Office and the Human Resources Department, will be presenting a REVISED proposal to the Board of Supervisors to protect and preserve the retiree health plan. The revised proposal will reduce the impact to retirees while allowing the County the opportunity over the next year to look at plan modifications which will have the least impact on retirees, evaluate changes in market conditions, and research alternative Supplementary Group Plans for Medicare eligible retirees.

The proposal has been revised to recommend an increase in premiums to both Medicare eligible and non-Medicare eligible of \$75.00 per month while retaining plan benefits at the current levels.

THE REVISED PROPOSAL - PRESERVING THE RETIREE HEALTH PLAN

Based on current projections, it is anticipated that the retiree health reserves will be exhausted by January 2011. Consistent with the previous message of conserving benefit longevity balanced with out-of-pocket expenditure for the majority of retirees, the Ad-Hoc proposal for maintaining retiree health benefits for 2010 is as follows:

1. **NO PLAN CHANGE**
 - Maintain existing coverage for 2010
2. **PREMIUM INCREASE TO RETIREES.**
 - Increase retiree contribution by \$75.00 (\$96.40 current rate + \$75.00 to \$171.40 per month, per retiree) for those retirees under age 65 and/or not currently on Medicare.
 - Increase retiree contribution by \$75.00 per month for Medicare-Eligible retirees.
 - Savings of \$607,500 projected annually.

FURTHER OPPORTUNITIES TO PROVIDE COMMENTS OR EXPRESS CONCERNS

SEPTEMBER 14, 2009: ASSOCIATION OF MENDOCINO COUNTY RETIRED EMPLOYEES (AMCRE)

AMCRE is hosting a meeting to allow retirees the opportunity to offer their comments on the health plan and premium adjustment proposal. **The meeting will be held in the Retirement Office located at 625-B Kings Court, Ukiah at 1:30 p.m. However, due to limited space at the Retirement Office, you are encouraged to contact your AMCRE representative before the meeting to provide comment on the proposal.**

SEPTEMBER 22, 2009: BOARD OF SUPERVISORS

The Board of Supervisors' Retirement Ad Hoc Committee, County Executive Office and Human Resources Department have reviewed options and, using currently available information, are making recommendations to sustain the retiree health system in a fiscally prudent manner. On September 22, the Board of Supervisors will weigh the impacts to the retiree health plan trust reserve fund and to retirees and make a determination on how to proceed.

The Board of Retirement Ad Hoc Committee supports reasonable actions by the Board of Supervisors to cut costs and/or support sustainable financing for the retiree health benefits program.

It is anticipated that any adjustments to the Retiree Health Plan approved by the Board of Supervisors would become effective January 1, 2010.

**BOARD OF SUPERVISORS MEETING
September 22, 2009
Board of Supervisors Chambers
501 Low Gap Road, Ukiah, CA.**

All interested parties are welcome to attend.