THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: CEO-Risk Management Division **BOARD AGENDA #** B-7

Urgent ☐ **Routine** ☒ **AGENDA DATE** October 28, 2014

CEO Concurs with Recommendation YES ☒ **NO** ☐ **4/5 Vote Required YES** ☐ **NO** ☒

(Information Attached)

SUBJECT:

Approval of 2015 Employee Health Insurance Rates and Recommendations Related to the Implementation of the Patient Protection and Affordable Care Act in Support of the Stanislaus County Employee Health Insurance Program

STAFF RECOMMENDATIONS:

1. Approve recommended health insurance rates as provided in Attachment A to be charged in the employee medical, dental, and vision self-insurance programs for calendar year 2015.

2. Authorize the Chief Executive Officer to take all necessary action to ensure compliance with the Patient Protection and Affordable Care Act (ACA), including but not limited to:

   a. Requiring additional approvals from departments to use part-time employees, and establishing additional reporting safeguards at the department and CEO level to monitor part-time positions and hours worked.

(Continued on Page 2)

FISCAL IMPACT:

2015 Employee Health Insurance Rates

Medical Self-Insured Rates

Effective January 1, 2012, the County transitioned from a fully-insured program to a partially self-insured program and implemented a new non-profit health plan alternative developed for the County. With the

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2014-541

On motion of Supervisor O'Brien , **Seconded by Supervisor** Withrow
and approved by the following vote,
Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

1) X **Approved as recommended**
2) ____ **Denied**
3) ____ **Approved as amended**
4) ____ **Other:**

MOTION:

Christine Ferraro

ATTEST: **CHRISTINE FERRARO TALLMAN, Clerk** **File No.**

STAFF RECOMMENDATIONS: (Continued)

b. Establish the initial measurement period for calculating average hours worked to be June 1, 2014 through November 30, 2014 (6 months), and establish the standard measurement period on an ongoing basis to be November 1 through October 31 of each year (12 months).

3. Approve staff's recommendation to utilize the healthcare exchange option to provide benefits for qualifying part-time employees who work on average 30 or more hours per week.

FISCAL IMPACT: (Continued)

implementation of a new self-insured financial strategy, the County began to pay for employee medical expenses on a fee-for-service basis, similar to the funding program the County has historically used for employee dental and vision benefit programs. The total cost and financial analysis of the County's self-insured medical program is dependent upon the number of individuals covered on the plan throughout the year, and the health plan selections each individual participant elected during the year.

The County worked with consultants to establish the preliminary insurance rates to be charged for medical benefits in 2012 and 2013. Initial premium rates for both plan years were based on limited health plan information. As a result, rates in 2012 and 2013 were set too low to cover the actual expenses of the new program. For the 2012 plan year, the County generated $43 million in revenue and the total costs for program administration, medical claims and stop-loss insurance in 2012 totaled $46.5 million, for a program deficit of approximately $3.5 million. For the 2013 plan year, the County generated approximately $44.9 million in revenue for the self-insured medical program. The most recent estimate of the incurred costs for plan year 2013 reflects total program expenses of approximately $50.3 million, which results in a projected program deficit of approximately $5.4 million. There may be some incurred but not reported claims that still need to be processed for plan year 2013, so these cost projections may be adjusted in the future to include those claims. In total for plan years 2012 and 2013, the County incurred an approximate $8.9 million budget deficit due to higher than forecasted self-insured medical plan costs.

For the 2014 plan year, the County adjusted rates by 22.7% for the lowest-cost provider Stanislaus County Partners-in-Health (SCPH), with a 36.2% increase for Kaiser and 37.7% for Anthem Blue Cross. As a result, the County generated approximately $35.5 million in revenue for the self-insured medical program through August 2014. Based on recent cost projections, it is estimated that the rate adjustments for plan year 2014 will decrease the approximately $8.9 million budget deficit by approximately $3 to $4 million by December 31, 2014. This information will be adjusted periodically as the 2014 plan year ends and incurred but not reported claims for the 2014 plan year continue to be processed during 2015.

In addition to the revenue and expenditures, as reported above, it is important to note that the County funded approximately $3.4 million to employees' Health Savings Accounts (HSA's) in 2012, approximately $3.3 million in 2013, and will fund approximately $3.5 million in 2014. HSA contributions would have been funded in either the self-insured or fully-insured environment. The expenditures and revenue for funding HSA contributions are both recorded in the Medical Self-Insurance Budget as equal amounts and do not contribute to the deficit or surplus generated in the fund.

Medical insurance plan design and contributions to employee health insurance premiums are established through a negotiated health insurance agreement with all County labor groups. The County has negotiated a new agreement with all labor organizations to be effective January 1, 2015 through December 31, 2017. The new agreement includes cost containment changes to the County's medical insurance plan configuration that reduces the number of health plans offered and focuses available plan options based on subscriber residency at the time of open enrollment. To take advantage of local discounts and minimize out-of-area costs, employees living within the Stanislaus County Partners-in-Health (SCPH) local service area will be enrolled in a SCPH plan while employees living outside the SCPH local service area will be enrolled in an Anthem Blue Cross plan. The County will charge the same insurance rates for subscribers regardless of their residence status and corresponding health plan enrollment. This means that subscribers living outside of the SCPH local service area who enroll in Anthem Blue Cross will have the same rates as subscribers who live locally and are enrolled in SCPH. This new plan design offers the most efficient configuration of health plan options by increasing locally negotiated discounts through SCPH while leveraging maximum discounts outside of the local area through Anthem Blue Cross.

The base cost of the new medical insurance plan design provides a cost reduction of approximately $4.1 million in total plan costs when compared to the current medical insurance rates charged in 2014. Although the overall base cost of the program is projected to decrease in 2015, the County must continue to charge some level of supplemental premiums in order to address the accumulated deficit in the program generated in the 2012 and 2013 plan years. In addition to funding the projected base costs of the program in 2015, the recommended medical rates include an additional 4% adjustment (approximately) to support a goal of reducing the program budget deficit by an additional $2 million during the 2015 plan year. This rate structure will support the County's goal of eliminating the current program deficit no later than the end of the 2017 plan year.

Adding the supplemental 4% rate increase will reduce program savings in 2015 from an estimated $4.1 to $2.2 million. Although the overall cost of the County's medical insurance program is expected to decrease in 2015, County costs associated with this program will increase approximately $226,000 in calendar year 2015 while costs to employees, retirees and other participants will decrease approximately $2.4 million. This difference is attributed to the new benefit plan design which will reduce plan options to all participants while standardizing the cost of insurance for all employees. This will have the effect of reducing employee costs for those individuals who are currently enrolled in higher cost benefit plan options which will no longer be available under the new health insurance agreement negotiated with employees.

Rate adjustments for retired employees and COBRA participants will vary depending upon individual plan selections. The County does not contribute to the cost of insurance premiums for retired employees and COBRA participants, so individuals enrolled in each of these categories pay 100% of their monthly premiums. It is anticipated that enrollment will change during the County's open enrollment period, beginning October 28, 2014, as plan participants consider their options and make individual plan selections. Changes in enrollment, along with the new rates, will require budget adjustments in the Medical Self-Insurance Fund. The Risk Management Division plans to include budget adjustments to the Medical Self-Insurance Fund in the 2014-2015 Mid-Year Financial Report, once open enrollment is complete.

A summary of the proposed medical insurance rates for 2015 is included in Attachment A.

Dental and Vision Rates

Dental rates continued to be reduced by 10% using retained earnings from the Dental Self-Insurance Fund during the 2014 plan year. At the end of Fiscal Year 2013-2014, the Dental Self-Insurance Fund had a positive retained earnings balance of $1,004,324, which represents approximately 28% of the total projected expenses in the 2014 plan year.

The existing "core" dental plan will remain unchanged for plan year 2015. However, employees will be able to elect a new "buy-up" dental plan option that includes increased annual maximum benefits and some limited coverage for child orthodontics. Employees who elect the dental "buy-up" plan must remain on the "buy-up" dental plan for three years. The County will continue to pay 80% of the premium costs at each level of coverage for the dental "core" plan. Any amount of the "buy-up" dental premium rate that exceeds the "core" dental plan premium rate will be paid solely by the employee.

After considering the retained earnings balance in the dental program and the underwriting for the program for calendar year 2015, it is recommended that dental rates remain the same for the "core" dental plan. This recommendation reflects the continuation of the 10% rate reduction for the dental program. Based on underwriting projections that include a 10% participation rate in the "buy-up" option, it is recommended that dental rates for the "buy-up" option increase approximately 39% to account for plan changes. The recommended "buy-up" dental rates are intended to support the County's intent in offering this new plan that all increased costs associated with the increased benefit plan will be paid by those individuals who enroll in the new "buy-up" option.

During the 2014 plan year, vision rates continued to be reduced by 50% using retained earnings from the Vision Self-Insurance Fund. At the end of Fiscal Year 2013-2014, the Vision Self-Insurance Fund had a positive retained earnings balance of $340,856, which represents 50% of the total projected expenses in the 2014 plan year.

The County has agreed during the labor negotiations process to some benefit plan design changes for 2015, including changes in frame allowances and individual co-payments. The County will continue to pay 80% of the premium costs at each level of coverage for the vision plan. However, after careful consideration of the retained earnings balance in the vision program and the underwriting for the program for calendar year 2015, it is recommended that the County discontinue the 50% rate reduction and increase unsubsidized rates by approximately 5% to account for the plan changes.

A summary of the proposed dental and vision insurance rates for 2015 are included in Attachment A.

Patient Protection and Affordable Care Act (ACA)

Beginning in 2015 and continuing forward, the County must provide affordable healthcare with minimum essential coverage to all County employees who work an average of 30 or more hours per week pursuant to the ACA. This requirement is irrespective of the classification of the employee or their traditional status in the County classification system as a regular "full-time" employee or a "part-time" extra-help employee.

The County currently has approximately 4,100 employees. Of those employees, approximately 3,500 employees are regular full-time and offered healthcare benefits through the County. The remaining employees, approximately 600, are extra-help or personal services contractors and are not benefitted. Work hours for extra-help and Personal Services Contract employees will vary from less than 10 per week, to some employees who may average 40 hours per week. An analysis of work hours over the last year concludes that approximately 50 of those current non-benefitted employees work an average of 30 or more hours each week and will most likely qualify for healthcare coverage under the ACA starting in 2015.

County staff and our health insurance consultants recently evaluated the estimated costs and administrative impacts of providing affordable health benefits to the estimated

50 non-benefitted part-time employees who may become eligible for healthcare coverage under the ACA. Specifically, the evaluation estimated the costs and administrative impacts of providing a "bronze-level" medical plan to these employees, or paying a subsidy if no healthcare coverage is offered by the County and they elect medical insurance from the exchange. Both options (offering a new part-time benefit program or using the health exchange) will meet the requirements of the ACA and ensure the County's compliance going forward.

Using conservative premium costs, contribution rates and participation rates; it is estimated that less than 15 part-time employees would elect minimum essential coverage if offered by the County with an estimated cost of $25,000 to $50,000 annually, dependent upon a range of enrollment scenarios. As an alternative, if the County does not offer affordable coverage to these variable-hour employees in 2015, the County will be required to pay up to $3,000 per employee who obtains coverage from the exchange and receives a subsidy through the exchange. Using conservative participation rates, it is also estimated that less than 11 employees would use the exchange for healthcare and receive a subsidy for a projected cost to the County of approximately $18,000 to $33,000 annually. Based on this information, staff have concluded that it is more cost effective in terms of plan costs and administrative costs not to offer an additional healthcare plan to eligible part-time employees and to allow those qualifying part-time employees to access their coverage through the exchange. In addition, if the County offers medical coverage to qualified part-time employees, those employees will lose their eligibility for a subsidy on the exchange. It appears that in a majority of the cases, it will be more cost effective to these part-time employees if they get coverage from the exchange because of available subsidies and accessibility to more plan options.

Finally, if the County decides not to offer qualified healthcare to eligible part-time employees, it must ensure that 70% of full-time employees in 2015 (95% in 2016 and later) and their dependent children are offered health benefits that provide minimum essential coverage. If not, the County would be responsible for paying a "Pay-or-Play" penalty of $2,000 per employee (minus the first 80 employees), which is estimated to cost the County $7.3 million in penalty costs based on existing staffing numbers. In order for this penalty to apply in 2015, the County would have to not offer minimum essential healthcare to approximately 1,100 eligible employees based on current staffing numbers. In 2016 and later, this penalty will trigger if approximately 190 eligible employees are not offered minimum essential healthcare based on current staffing numbers. This agenda item includes a recommendation to support the Chief Executive Office in limiting the use of extra-help part-time employees within the parameters of existing County policy to ensure the County does not approach any staffing scenario now or in the future which may jeopardize the organization's compliance with the ACA and subject the County to the "Pay-of-Play" penalty. County departments will be required to request additional approval from the Chief Executive Officer prior to working part-time employees 30 hours or more on average per week. For those limited situations in which the Chief Executive Office approves part-time employment of 30 hours or more per week, the employing department will be required to budget $3,000 annually to address any potential costs incurred should the employee access health coverage and qualifying subsidies through the health exchange.

DISCUSSION:

2015 Employee Health Insurance Rates

Background

On January 1, 2012, the County transitioned its medical benefits program from a fully-insured program to a partially self-insured program and implemented a new non-profit health plan (Stanislaus County Partners-In-Health) as part of a new strategy for providing medical insurance benefits to all enrolled participants on County sponsored health plans.

The primary reason for this transition was due to high premium increases that averaged 11.5% each year from 2005 to 2011. In 2012, the County was facing an additional 12% premium increase to the overall cost of providing fully insured medical benefits to participants with an estimated additional cost to the program of approximately $5.9 million. Actual healthcare claims paid by County health plans had increased cumulatively by more than 45% over the three year period leading up to 2011 for the average County employee, which represented a significant factor in the ongoing inflation in the County's insurance premiums. While costs continued to grow, the fully-insured medical plans did not allow the County to fully evaluate medical costs to include analyzing the unit cost for medical services and increases in employee utilization. With the implementation of the new self-insured financial strategy in 2012, the County began to pay for employee medical expenses on a fee-for-service basis, similar to the funding process historically used by the County to pay for employee dental and vision costs.

As a result of having very limited data upon which to accurately rate the program initially, medical insurance rates were set too low with the implementation of the program in 2012. Rates were increased 3.75% across the board for plan year 2013, which also proved to be too low to support the cost of the program. For plan year 2014, the lowest-cost plan (Stanislaus County Partners in Health) was increased by 22.7%, with increases in rates for Anthem Blue Cross and Kaiser of 37.7% and 36.2% respectively. These increases were designed to address projected costs and deficits in program funding that had accumulated since the inception of the self-insured program.

Self-Insured Funding Strategy

Consistent with the recommendations and conclusions previously developed for the health insurance program, the County will continue to maintain a partially self-insured medical funding strategy, which includes using the recently developed Stanislaus County Partners-in-Health (SCPH) insurance program. The County will continue to evaluate the local medical insurance market every three years to ensure that plan participants receive a high-level of accessibility and quality, and an affordable cost of care. In addition, the County will continue to use an actuary to evaluate premium rates on an annual basis to ensure adequate funding of the medical insurance program.

Over the next three years, plan selection will be based on subscriber residency to maximize service area savings and minimize out-of-area costs. This means that SCPH plans will only be available for local service area resident subscribers and the Anthem Blue Cross plan will only be available for out-of-area resident subscribers. The County will continue to fund 95% of the High Deductible Health Plan (HDHP) premiums and 80% of the Exclusive Provider Organization (EPO) plan premiums. County employees pay the balance through a pre-tax payroll deduction. The County will charge the same insurance rates for subscribers regardless of their residence status and corresponding health plan enrollment. This means that subscribers living outside of the SCPH local service area who enroll in Anthem Blue Cross will have the same rates as subscribers who live locally and are enrolled in SCPH. In addition to funding 95% of the premiums for the high deductible health plans, the County will continue to fund employees' health savings accounts. The annual HSA contribution for a single employee is $1,200 and the HSA contribution for employee plus one dependent and family is $2,000.

The County's medical insurance program is considered partially self-insured as the County continues to purchase stop-loss insurance with an insurance company to pay for any individual claim costs exceeding $225,000 in the plan year. For the 2012 plan year, the County paid approximately $3.3 million for stop-loss insurance coverage and the stop-loss insurance provider reimbursed the County approximately $2.6 million in medical claims. For 2013, the County paid approximately $3.6 million for stop-loss insurance and the stop-loss insurance provider reimbursed the County approximately $3.4 million in medical claims. For 2014, the County is expected to pay approximately $3.8 million for stop-loss insurance and the stop-loss insurance provider has reimbursed the County approximately $3 million as of August 2014. Stop-loss insurance coverage remains an important component of protecting the overall financial exposure of the program and will remain in place for the 2015 plan year. The Board of Supervisors previously authorized the Risk Manager to evaluate and purchase stop-loss insurance coverage on an annual basis, consistent with the ongoing financial goals established for the self-insurance program.

Program Census

The County's medical benefits program includes participation from current County employees, retirees from the StanCERA retirement system (up to age 65), local special district employees and non-active or former employees electing coverage under COBRA. The following is a summary of the current plan enrollment:

	# Enrolled	% Enrolled
Current Active County Employees	3,104	91%
StanCERA Retirees (up to age 65)	251	7%
Special District Employees	31	1%
COBRA Employees	34	1%
Total	3,420	100%

The County also has approximately 500 employees eligible for coverage who waive insurance benefits in accordance with the County's health insurance agreement with County labor organizations.

Financial Performance

Evaluating the financial performance of the program is dependent upon how many members are enrolled in the plan during the entire plan year and what health plan options they have selected. The following chart is a breakdown of the revenue and the primary expenses (medical claims, prescription drug claims, stop-loss premium, and administrative expenses) for 2013:

	2013
Revenue	**$44,966,790**
Medical Claims <$225,000	$37,832,835
Prescription Drug Claims	$6,243,651
Stop Loss Premium	$3,571,810
Administration Expenses	$2,681,162
Net Program Expenses	**$50,329,458**
Projected Surplus (Deficit)	**($5,362,668)**

Although plan year 2013 reflects a budget deficit of approximately $5.4 million, the 2014 rates appear to have reversed prior deficit trends and the current rates are expected to buy down a portion of the combined budget deficit of $8.9 million for plan years 2012 and 2013.

DENTAL SELF-INSURANCE PROGRAM

In plan years 2013 and 2014, dental rates were reduced by 10% and retained earnings were used to offset the rate decrease. For plan year 2015, the "core" dental plan will remain unchanged; however, employees may choose to upgrade their dental benefits to include a higher annual plan maximum per member, orthodontia for eligible dependent children ($2,000 lifetime maximum benefit per child), and access to the Delta Premier network at a lower cost. Any amount of the "buy-up" dental premium rate that exceeds the "core" dental plan premium rate will be paid solely by the employee. If elected, employees must remain on the "buy-up" dental plan for three years.

There are sufficient retained earnings in the dental program to continue the 10% rate reduction. As such, it is recommended that dental rates for the "core" plan remain the same for 2015. Based on underwriting projections, it is recommended that dental premium rates for the "buy-up" option be established at approximately 39% above the "core" plan dental rates.

VISION SELF-INSURANCE PROGRAM

Like the Dental Self-Insurance Fund, the Vision Self-Insurance Fund had also developed a significant retained earnings balance. As a result, in plan years 2013 and 2014, vision rates were decreased by 50% and retained earnings were used to offset the rate decrease.

For 2015, vision benefits will be enhanced to include, among other things, greater allowances for frames and contact lenses for a $10 exam and materials co-pay. After careful consideration of the retained earnings balance in the vision program and the underwriting for the program for calendar year 2015, it is recommended that the County discontinue the 50% rate reduction and increase unsubsidized rates by approximately 5% to account for the plan changes.

<u>Patient Protection and Affordable Care Act (ACA)</u>

Background

In 2015, the ACA requires employers to provide affordable coverage to certain part-time employees (called variable-hour employees by the Act) who average 30 or more hours a week over a six-month period in 2014 (for a period determined by the County, called the measurement period). Although some part-time employees are eligible for benefits under the County's plan, the County does not currently offer benefits to all part-time employees who work an average of 30 or more hours a week, as will be required by the Act in 2015. If the County does not offer affordable coverage to these variable-hour employees in 2015, the County will be required to pay up to $3,000 per employee who obtains coverage from the exchange and receives a subsidy.

County staff and consultants recently evaluated the estimated costs and administrative impacts of providing affordable health benefits to part-time employees who are eligible for healthcare coverage under the ACA, as well as estimates for any applicable penalties for not providing health benefits to these employees. The County currently has approximately 4,100 employees. Of those employees, approximately 3,500 employees are full-time and offered healthcare benefits through the County. The remaining employees, approximately 600, are not benefited, with approximately 50 part-time employees (variable-hour employees) working on average 30 or more hours each week.

It is difficult to accurately forecast how many eligible variable-hour employees will use the healthcare exchange for coverage if the County does not offer healthcare coverage, and how many of those who do use the exchange will be eligible to receive a subsidy. However, our benefits consultants estimate that approximately 10-12% of eligible variable-hour employees will use the exchange and be eligible for a subsidy based on past experience of offering coverage to these newly-defined eligible employees. It is also estimated that 80% of those eligible County employees who use the exchange will receive a subsidy based on current pay rates. As such, it is estimated that the County will likely pay between $18,000 and $33,000 annually if it does not offer qualified healthcare coverage to the approximate 50 variable hour employees who work 30 or more hours per week using projected scenarios of healthcare exchange participation and subsidy eligibility. As an alternative, using conservative premium costs and contribution rates, it is estimated that the County will spend between $25,000 and $50,000 if it offers a minimum essential coverage (Bronze-Level Plan) to the 50 variable hour employees who average 30 or more hours per week.

Based on the foregoing information, staff recommends not offering a health insurance program to part-time employees who work on average 30 or more hours per week. The primary reasons for this recommendation is that it will be more cost effective to the County and the applicable employee if part-time (variable-hour) employees use the exchange for their healthcare needs and it would create an administrative burden on existing staff to administer another healthcare program that would not be justified by the low level of participation. Departments who require part-time employees to work an average of 30 hours or more per week will be required to budget $3,000 annually in the event they have qualifying employees who obtain a subsidy on the exchange.

Additionally, there is a penalty under the "Pay-or-Play" provision for not offering employee health benefits that provide minimum essential coverage to 70% of full-time employees in 2015 (95% in 2016 and later) and their dependent children. The penalty for failing to comply with the "Pay-or-Play" provision is $2,000 per employee, minus the first 80 employees. The County currently complies with this provision and is expected to be in compliance in 2015 as all full-time employees are eligible for health benefits. As long as the County continues to offer benefits to all full-time employees, it will continue to be in compliance in 2016 and beyond when 95% of all full-time employees are required to be offered coverage. To ensure ongoing compliance with the "Pay-or-Play" provision, staff recommends authorizing the Chief Executive Officer to take all necessary action to ensure compliance with the Patient Protection and Affordable Care Act, including but not limited to requiring additional approvals for departments to use part-time employees and to establish additional reporting safeguards at the department and CEO level to monitor part-time positions and hours worked.

Finally, staff recommends establishing the initial measurement period for calculating average hours worked to be June 1, 2014 through November 30, 2014 (6 months), and establish the standard measurement period on an ongoing basis to be November 1st through October 31st of each year (12 months). This recommendation is made to ensure that subsidy costs can be properly calculated and processed, and to ensure that staff is effectively monitoring employee work hours for compliance with the "Pay-or-Play" provision.

POLICY ISSUE:

Approval of the County's 2015 health insurance rates and staff's recommendations regarding the ACA supports the Board's priorities of A Healthy Community, Efficient Delivery of Public Services, and Effective Partnerships.

STAFFING IMPACT:

There is no staffing impact associated with this report. Staff from the Chief Executive Office, Risk Management Division, continues to work closely with contracted health insurance consultants and associated vendors to provide ongoing management and oversight of the County's health insurance programs.

CONTACT PERSON:

Jody Hayes, Assistant Executive Officer. Telephone: (209) 525-5714.

Attachment A

Stanislaus County Health Insurance Program
Recommended 2015 Monthly Health Insurance Premiums

		SCPH	Anthem	Dental - Core	Dental - Buy-Up	Vision
EPO	Employee	$ 723.98	$ 723.98	$ 34.42	$ 47.88	$ 8.30
	Employee + 1	$ 1,447.96	$ 1,447.96	$ 68.84	$ 95.76	$ 16.06
	Family	$ 1,954.76	$ 1,954.76	$ 117.94	$ 164.06	$ 22.66
HDHP	Employee	$ 605.48	$ 605.48	$ 34.42	$ 47.88	$ 8.30
	Employee + 1	$ 1,210.96	$ 1,210.96	$ 68.84	$ 95.76	$ 16.06
	Family	$ 1,634.82	$ 1,634.82	$ 117.94	$ 164.06	$ 22.66

STANISLAUS COUNTY
HEALTH INSURANCE AGREEMENT
January 1, 2015

Stanislaus County Chief Executive Office

California Nurses' Association

County Attorneys' Association

District Attorney Investigators' Association

Stanislaus County Deputy Probation Officers' Association

Service Employees International Union Local 521

Stanislaus County Deputy Sheriffs' Association

Stanislaus County Employees' Association/AFSCME Local 10

Stanislaus County Sheriff Supervisors' Association

Stanislaus Regional Emergency Dispatchers' Association

Stanislaus County Sheriffs' Management Association

Stanislaus County Probation Correction Officers' Association

Stanislaus Sworn Deputy's Association

HEALTH INSURANCE AGREEMENT

January 1, 2015

Health Insurance Agreement Between Stanislaus County and the
California Nurses' Association
County Attorneys' Association
District Attorney Investigators' Association
Stanislaus County Deputy Probation Officers' Association
Service Employees' International Union Local 521
Stanislaus County Deputy Sheriffs' Association
Stanislaus County Employees Association/AFSCME Local 10
Stanislaus County Sheriff Supervisors' Association
Stanislaus Regional Emergency Dispatchers' Association
Stanislaus County Sheriffs' Management Association
Stanislaus County Probation Correction Officers' Association
Stanislaus Sworn Deputy's Association

Term of the Agreement

This agreement shall remain in full force and effect for the period of January 1, 2015 through December 31, 2017, unless extended by mutual agreement of the parties.

Medical Insurance

For the term of this agreement, the County will offer the following four medical plan options based on employee residency at the time of open enrollment:

<u>Within Stanislaus County Partners-in-Health Local Service Area</u>

- Stanislaus County Partners-in-Health EPO
- Stanislaus County Partners-in-Health HDHP

<u>Outside Stanislaus County Partners-in-Health Local Service Area</u>

- Anthem Blue Cross EPO
- Anthem Blue Cross HDHP

For employees enrolled in an EPO plan, the County shall contribute an amount equal to 80% of the EPO plan premium at each level of coverage.

For employees enrolled in a High Deductible Health Plan, the County shall contribute an amount equal to 95% of the HDHP plan premium at each level of coverage. The County will also fund individual HSA accounts in the following amounts:

Employee only - $1,200 annually

Employee +1 - $2,000 annually

Family - $2,000 annually

HSA contributions will be made as a lump sum equivalent to six months of the annual contribution on the first business day in January of each year, and then semi-monthly beginning in July. For the period of January through June, the County will make no additional HSA contributions to employees' accounts after the initial lump-sum contribution unless there is a change in family status. The last six months of HSA contributions will begin in July, and will be included in employees' biweekly benefit-eligible paychecks. Employees are responsible for paying any account related fees on their individual Health Savings Account (up to $2.75 monthly as of September 2014).

Moving forward, the County will only provide one County-provided HSA contribution to two employees who are married together. Therefore, if two employees who are married together want separate medical plans, one employee must choose an EPO plan and the other employee must choose a HDHP plan.

Participants enrolled in HDHP plan options are subject to deductible payments and co-pays, which may be reimbursable through HSAs subject to available balances. Please refer to the specific plan documents to confirm deductibles and co-payments for each plan option.

The parties recognize that health insurance providers may institute benefit changes that are not within the control of the County.

Medical Premium Rates

The County will continue to establish medical insurance premium rates each year based on actuarial and underwriting recommendations. The County reserves the right to adjust medical insurance premium rates based on these recommendations. Medical insurance rates for the 2015 plan year will not exceed those rates provided to bargaining units during the meet and confer process on October 2, 2014.

Medical Plan Design Changes

The medical benefit plan design and co-pays will remain unchanged during the term of this agreement with the exception of the attached changes that were agreed to by the parties during the meet and confer process, and those changes which may be required by law during the term of this agreement.

The annual out-of-pocket maximums for SCPH and Anthem (Individual/Family) HDHP plans are as follows:

In-Network SCPH and Anthem	Out-of-Network Anthem
$3,000 / $6,000	$5,000 / $10,000

The annual out-of-pocket maximums for SCPH and Anthem (Individual/Family) EPO plans are as follows:

SCPH and Anthem
$1,500 / $3,000

Premium Reimbursement

The County has agreed to offer a premium reimbursement program to employees who are enrolled in a County Kaiser medical plan (or enrolled in a County Anthem Blue Cross medical plan if the employee lives in the SCPH local service area) prior to the start of the 2014 open enrollment period.

In order to receive the premium reimbursement, the eligible employee must waive coverage with the County and enroll in a non-County qualified medical insurance program, individual or group coverage, meeting minimum standards under the Patient Protection and Affordable Care Act (ACA). Employees receiving a premium reimbursement are not eligible to receive a medical waive credit.

The County's premium reimbursement rate will not exceed 80% of the eligible employee's out-of-pocket medical insurance premium cost for the new medical plan, or 75% of the County's monthly medical premium contribution for County EPO plans, whichever amount is lower.

In order to receive reimbursement, the employee must provide proof of other coverage and proof of cost to the employee as required by the County. The County will implement a process prior to open enrollment in October 2014 to establish the guidelines for employees to participate in the premium reimbursement. In no event, shall the premium reimbursement impact the compensation eligible for employee pensions or employer-paid deferred compensation.

Employees may only return to the County medical insurance program during annual open enrollment periods, or anytime the employee experiences a qualifying event in accordance with County benefit policies. If an employee who is receiving a premium reimbursement elects to return to the County's medical insurance program, they will no longer be eligible to receive the premium reimbursement should they choose to opt out of the County's medical insurance program in the future.

Employees who enroll in a non-County qualified medical insurance program are not eligible to receive any County provided HSA contributions.

Medical Waive Credit

The County agrees to continue offering a standard medical waive credit to any employee who waives medical insurance through the County. Employees receiving a medical waive credit are not eligible to receive a premium reimbursement.

In order to receive the standard medical waive credit, the employee must enroll in a non-County qualified medical insurance program, individual or group coverage, meeting minimum standards under the ACA. Employees must complete a County enrollment form waiving County coverage and attach proof of other coverage.

The standard medical waive credit will be paid on a post-tax, semi-monthly basis. The amount of the standard medical waive credit is $47.50 monthly for non-management employees and $150.00 monthly for management and confidential employees.

Employees may only return to the County medical insurance program during annual open enrollment periods, or anytime the employee experiences a qualifying event (involuntary loss of outside coverage).

Employees who enroll in a non-County qualified medical insurance program are not eligible to receive any County provided HSA contributions.

Dental Insurance

The County will provide employees with two dental plan options through the Delta Dental program. Employees have the choice of remaining on the "Core" dental plan, meaning no change in benefits, and the County will continue to pay 80% of the premium cost at each level of dental coverage (Employee only, Employee +1 and Family).

Alternatively, employees may elect a "Buy-Up" dental plan option, which includes a $500 per member increase to the plan calendar year maximum and a child(ren) orthodontics benefit that pays 50% of orthodontia care up to a lifetime maximum of $2,000 per child. Additionally, the "Buy-Up" dental plan option includes access to the Premier network with claims being paid at the Premier contracted fee without balance billing. Employees who elect the "Buy-Up" dental plan option must remain on the "Buy-Up" dental plan for three (3) years. Any amount of the "Buy-Up" dental premium rate that exceeds the "Core" dental plan premium rate will be paid solely by the employee.

The County will continue to establish dental insurance premium rates each year based on actuarial and underwriting recommendations. The County reserves the right to adjust dental insurance premium rates based on these recommendations.

Vision Insurance

The parties agree to change vision coverage through the VSP Choice Plan to include a $10 co-payment for exam and materials, increase the frame allowance to $150 ($80 at Costco), increase the wholesale full-cost frame allowance to $57, increase the contact lens allowance to $150, and allow members to receive a frame allowance 12 months after utilizing their contact lens benefit instead of waiting 24 months. The County shall pay 80% of the premium cost at each level of vision coverage (Employee only, Employee +1 and Family).

The County will continue to establish vision insurance premium rates each year based on underwriting recommendations. The County reserves the right to adjust vision insurance premium rates based on these recommendations.

Impacts of Healthcare Reform

The parties recognize the implementation of additional healthcare reform regulations may present financial and operational consequences to the County. The parties agree that the County may request to meet and confer with all labor groups in advance of the 2017 plan year to address impacts of healthcare reform. Any changes in this agreement as a result of the meet and confer process must be mutually agreed between the County and labor organizations.

Additional Provisions

1. Benefit deductions are taken out of 24 of the 26 paychecks each year (twice monthly). Benefits for new hires are effective the 1st of the month following date of hire. For terminated employees, benefits continue through the last day of the month of termination.

2. The County will invite a representative of each labor group to participate in the County's Employee Wellness Program Workgroup to discuss implementing a comprehensive wellness program for County employees. Participation is voluntary and subject to department head or designee approval for any changes in standard working hours and will not result in overtime compensation.

3. An Employee Benefits Committee consisting of one employee and/or the designated labor representative per bargaining unit will meet in February, May, and September to discuss the financial and operational performance of the self-insured health plans. The County's Employee Benefits Department will be responsible for coordinating these meetings. The County maintains all plan fiduciary responsibilities, including setting annual rate adjustments based on actuarial review and analysis.

4. Regular full-time employees must work 30 hrs/wk to qualify for a County benefit contribution (medical, dental, vision, premium reimbursement, and/or waive credit). Employees working 30-34 hrs/wk will be credited with 75% of benefit contributions. Employees working 35-39 hrs/wk will be credited with 90% of benefit contributions. Additional employee contributions to health insurance premiums will be paid through payroll deduction.

   - For purposes of this policy, hours worked includes all forms of paid time rounded to the nearest whole number. Examples of paid time include, but are not limited to vacation, sick, comp time off, public safety leave (4850 leave), paid admin leave, etc.

   - This provision does not apply to part-time extra-help employees who are not eligible for benefits.

   - For regular full-time employees who change their employment status to percentage employment, this provision will be effective the first of the month following the date they assume the reduced percentage employment schedule. Benefits will return to 100% the first of the month following the effective date the employee returns to 100% regular employment status.

   - For regular full-time employees who are paid less than 80 hours per 14-day pay period (employees going into DOC time, etc.), employee contributions will be adjusted if the employee does not receive 80 hours of paid time in three consecutive pay periods within the quarter. This process will be modified for regular full-time employees working an alternative work schedule that does not provide 80-hours of regular compensation per pay period (such as the "6/3" work schedule). Unpaid suspension time as a result of employee disciplinary actions will not count against an employee in determining health insurance eligibility.

- Employee benefit eligibility will be evaluated on a quarterly basis.
- If an employee's hours fall below 80 hours in three consecutive pay periods within a quarter, the employee will be provided a letter of warning for the first quarter.
- If the employee's hours fall below 80 hours in three consecutive pay periods the following quarter, the employee's contributions will be adjusted based on the employee's quarterly average. The effective date of the adjustment will be the first pay period of the following quarter.
- Benefits will be restored to 100% effective the first pay period of the following quarter in which the employee is paid an average of 80 hours in the quarter.

- For employees on a paid leave of absence, the County will continue the current process for coordinating leave accruals with State Disability benefits. This process allows an employee to combine their State Disability benefits with their leave accruals to equal 40 hours of compensation per week while maintaining their full health insurance benefits. For employees participating in disability plans other than State Disability, the County will continue to provide the same level of coordinated benefits consistent with the benefits available through State Disability.

- Under current policy, employees on an unpaid leave of absence do not receive health insurance contributions effective the first of the month following the start of their unpaid leave status. Employees returning from an unpaid leave will have their health insurance contributions restored effective the first of the month following their return to paid status. Please see applicable County policies regarding unpaid leave status, exceptions for FMLA eligible employees and the availability of COBRA benefits.

- For benefit information related to Voluntary Time Off, Job Sharing and benefit provisions for Certain Part-Time Nurses, please refer to the individual County policies and CNA labor agreement.

- Nothing in this agreement shall enhance or reduce existing policy provisions related to military leave benefits.

It is understood by the parties that these provisions fully set forth the agreement of the parties in matters of health insurance as herein specified. Other than the provisions contained herein, the parties agree that only through mutual agreement of all the parties to this agreement would discussion occur during the term of this agreement on health insurance matters.

Stanislaus County

Striving to be the Best

Medical Self-Insurance Program

2015 Rate Recommendations and Impacts of the Affordable Care Act

October 28, 2014

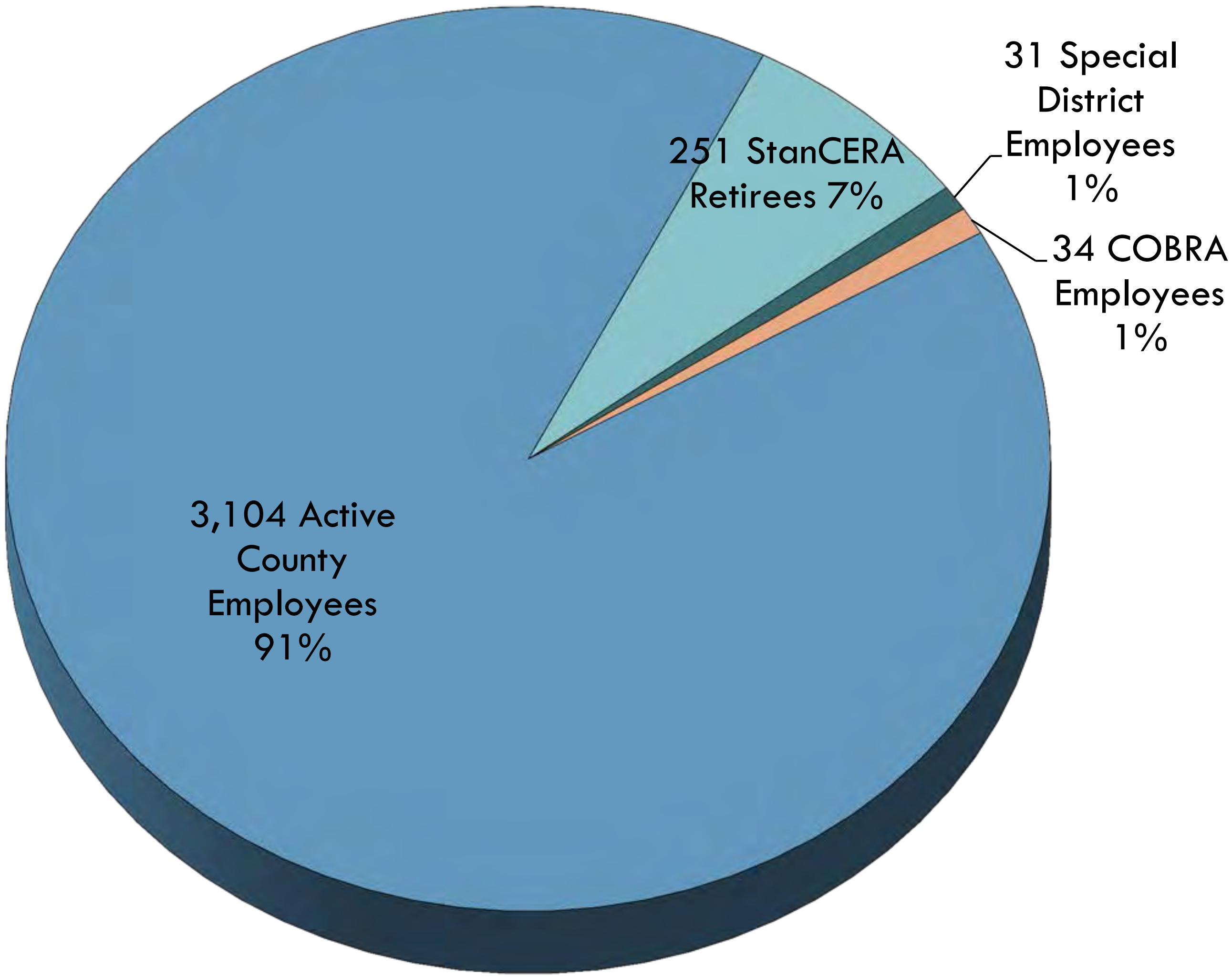
Health Insurance Program Changes and Rate Recommendations

Stanislaus County Medical Insurance Program

3,420 Current
Total Enrollment

Approximately
5,200 Dependents
Covered

Total Approximate
Lives = 8,620

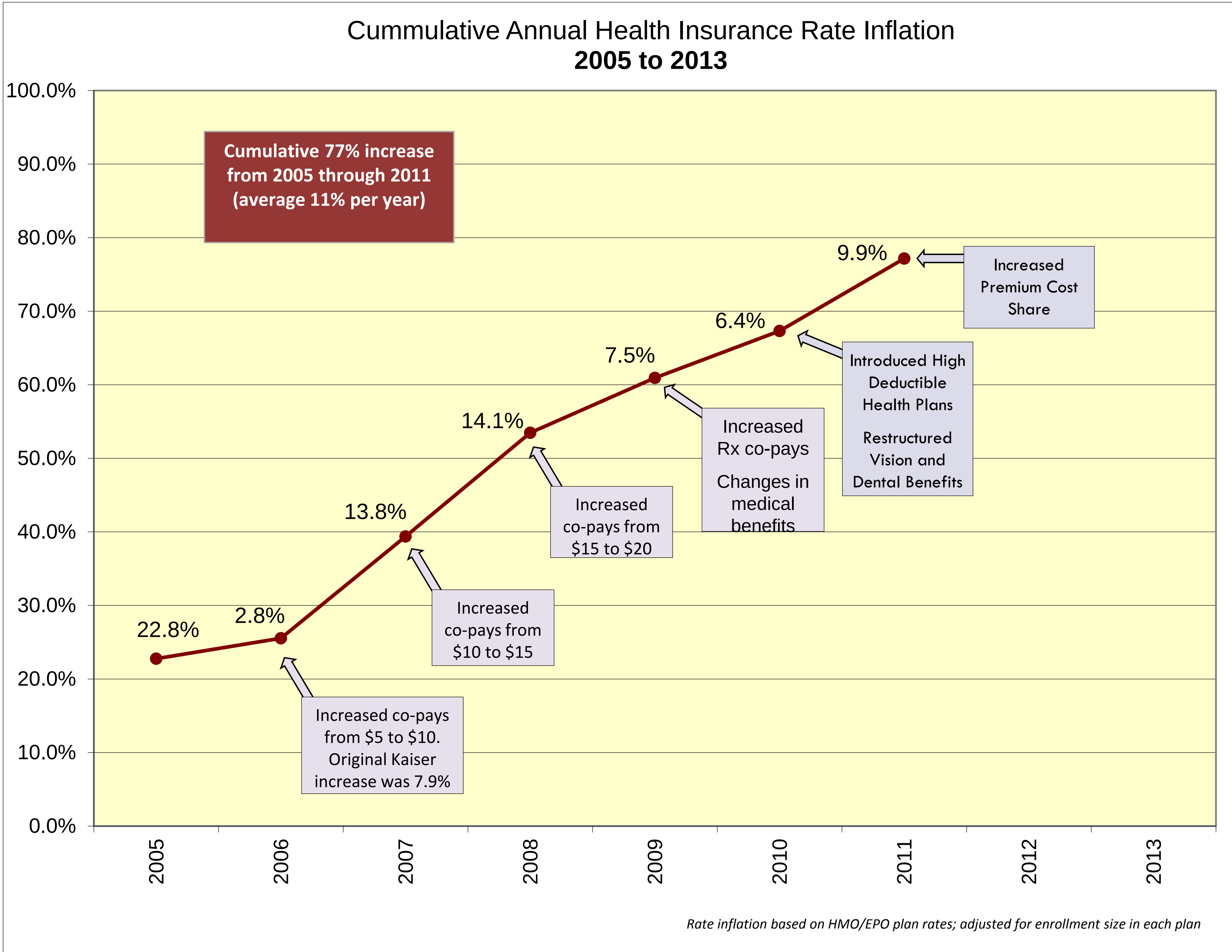


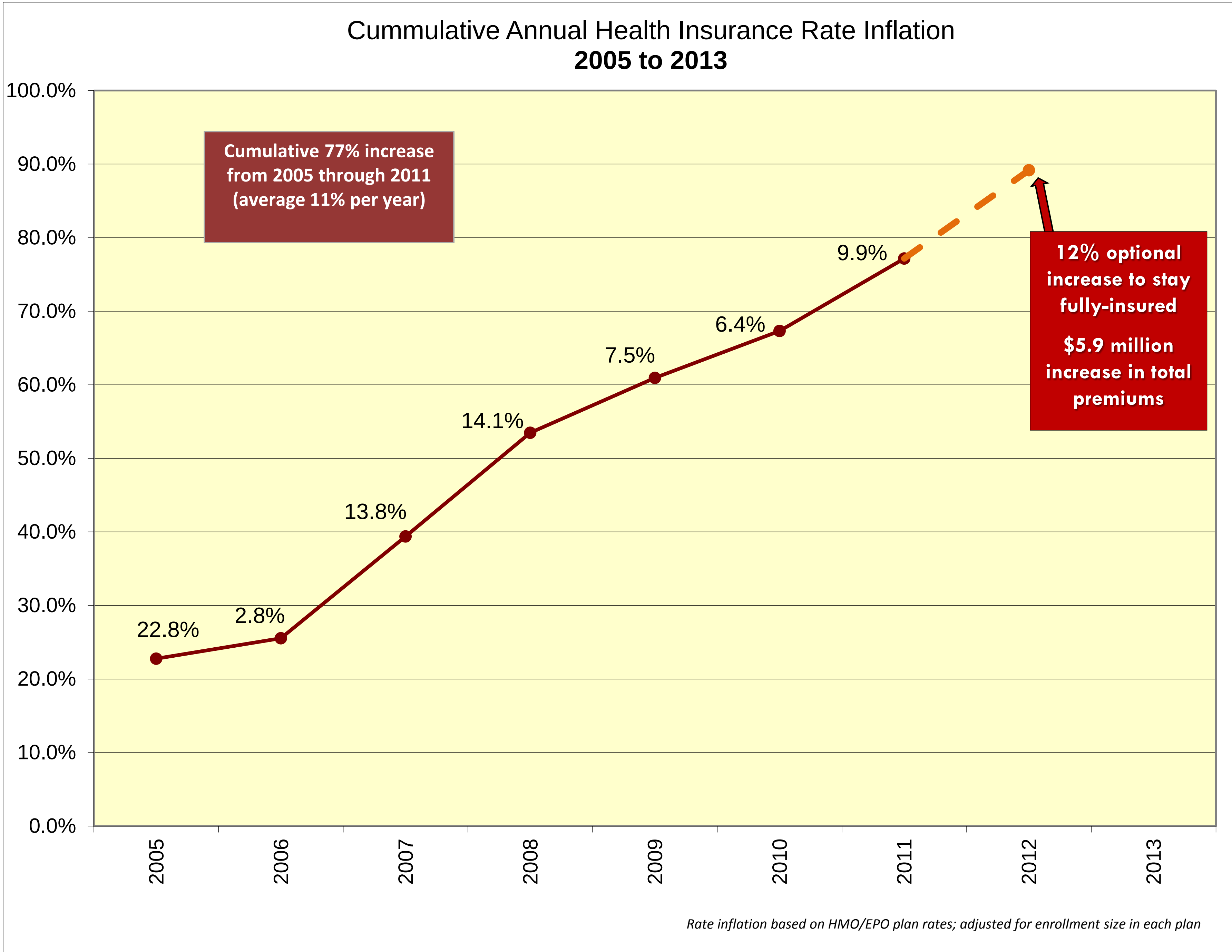
Medical Insurance Background

- County participated in large purchasing consortium (Pacific Business Group on Health) to purchase fully-insured medical benefits from 1999 to 2009
- County utilized health insurance consultants to negotiate fully-insured medical benefits in 2010 & 2011

Medical Insurance Background

- Medical insurance premiums continued to grow, averaging 11% per year from 2005 to 2011; County facing an additional 12% increase in 2012 under the prior fully-insured plans
- County worked with employee groups to reduce or minimize County costs each year through changes in medical plan benefits and increases in premium cost share for employees


Cummulative Annual Health Insurance Rate Inflation
2005 to 2013
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
Cumulative 77% increase from 2005 through 2011 (average 11% per year)
22.8%
2.8%
13.8%
14.1%
7.5%
6.4%
9.9%
Increased co-pays from $5 to $10. Original Kaiser increase was 7.9%
Increased co-pays from $10 to $15
Increased co-pays from $15 to $20
Increased Rx co-pays
Changes in medical benefits
Introduced High Deductible Health Plans
Restructured Vision and Dental Benefits
Increased Premium Cost Share
2005
2006
2007
2008
2009
2010
2011
2012
2013
Rate inflation based on HMO/EPO plan rates; adjusted for enrollment size in each plan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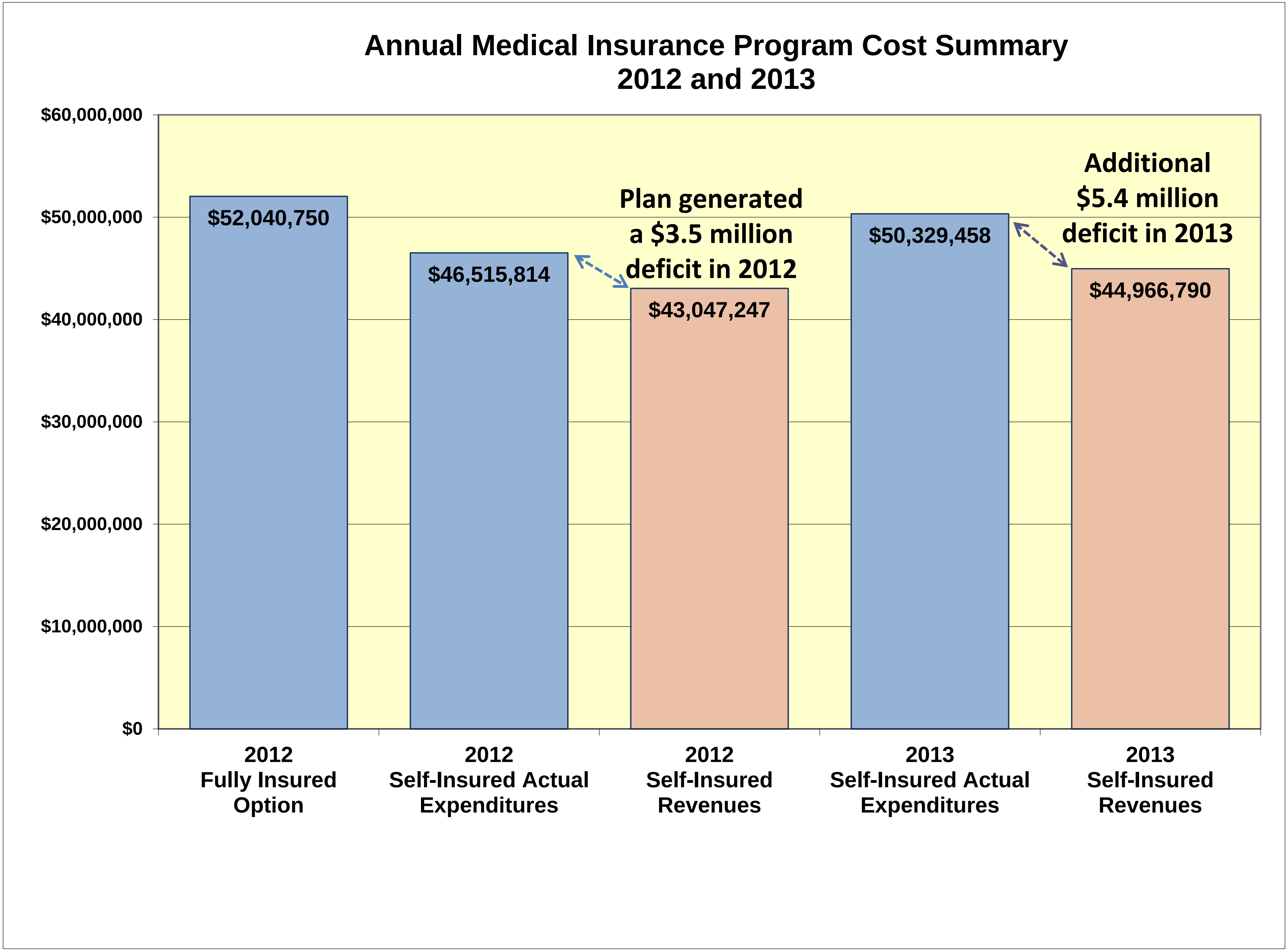
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
Cumulative 77% increase from 2005 through 2011 (average 11% per year)
22.8%
2.8%
13.8%
14.1%
7.5%
6.4%
9.9%
12% optional increase to stay fully-insured
$5.9 million increase in total premiums
2005
2006
2007
2008
2009
2010
2011
2012
2013
Rate inflation based on HMO/EPO plan rates; adjusted for enrollment size in each plan

Medical Insurance Background

- County staff worked with consultants to proceed with two specific strategies for implementation starting January 2012
  - Develop a new non-profit health plan alternative focused on access to high quality care with greater long-term financial stability (Stanislaus County Partners in Health)
  - Prepare a self-insurance model to combine risk pools and long-term financial management for each of the County's medical plans (minimum three year strategy 2012-2014)

Medical Benefits Program Financial Performance

- Significant savings in 2012 & 2013 compared to total costs of remaining in fully-insured program
- Medical premium rates were set too low in 2012 & 2013 and generated an initial deficit in program funding
- 2014 rates have corrected ongoing deficit spending



Annual Medical Insurance Program Cost Summary
2012 and 2013
$60,000,000
$50,000,000
$40,000,000
$30,000,000
$20,000,000
$10,000,000
$0
$52,040,750
$46,515,814
$43,047,247
$50,329,458
$44,966,790
Plan generated a $3.5 million deficit in 2012
Additional $5.4 million deficit in 2013
2012 Fully Insured Option
2012 Self-Insured Actual Expenditures
2012 Self-Insured Revenues
2013 Self-Insured Actual Expenditures
2013 Self-Insured Revenues

2014 Medical Rates and Plan Performance

- Current 2014 rates are projected to reduce the \$8.9 million accumulated deficit by \$3 to \$4 million in 2014
- Approximately \$5 to \$6 million remaining deficit projected by the end of the 2014 plan year

Continuation of the Long-Term Strategy

- All three-year contracts expiring December 31, 2014
- County staff worked with consultants to evaluate program options for a new three-year strategy for 2015-2017
- Request For Information (RFI) process included all potential health program partners serving Stanislaus County

Health Insurance Labor Discussions

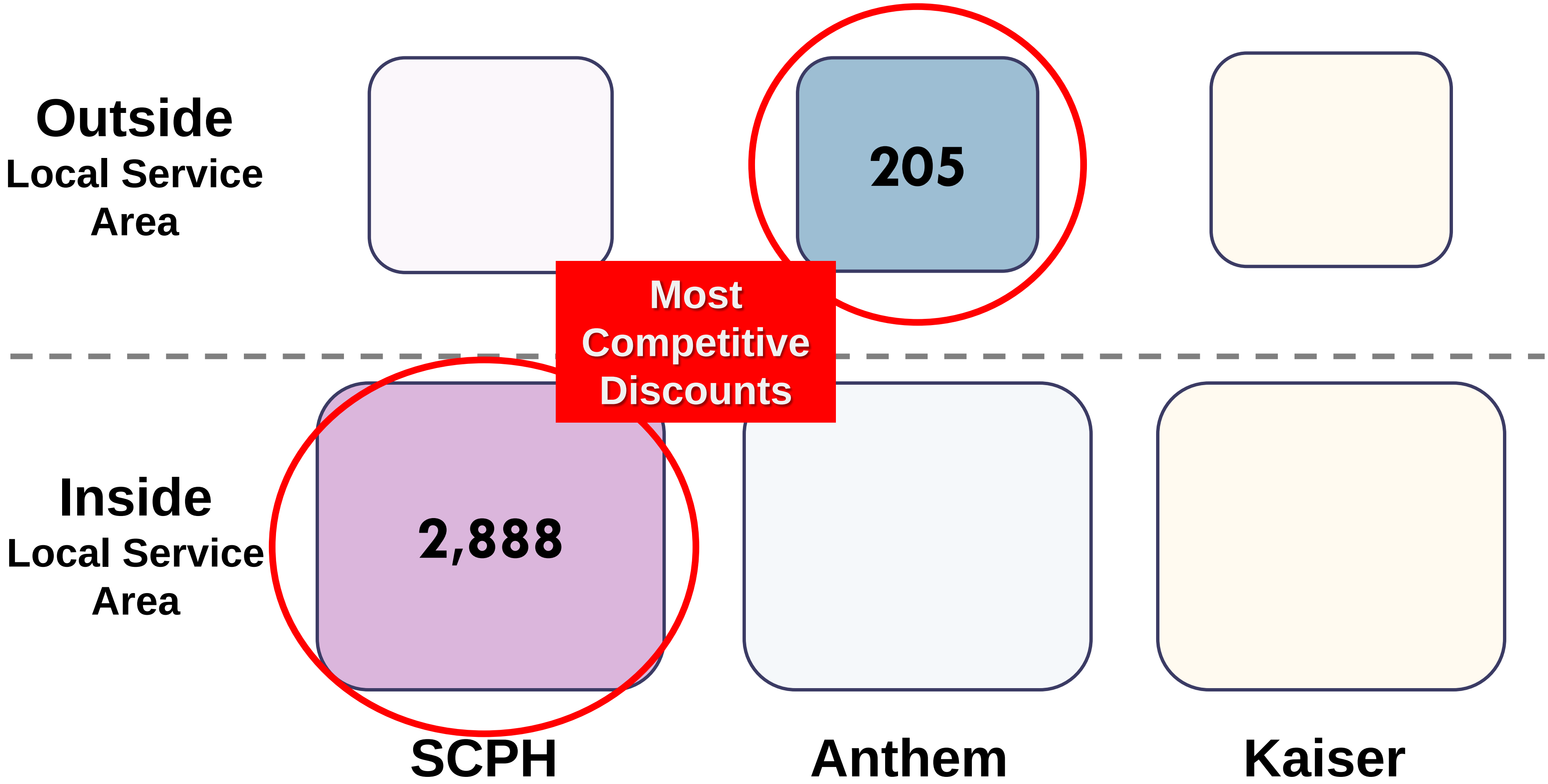
- Conducted eight joint negotiation sessions with all County labor groups
- Evaluation of RFI results and potential alternatives
- Labor groups voted unanimously to adopt a new medical insurance model with enrollment based on residence

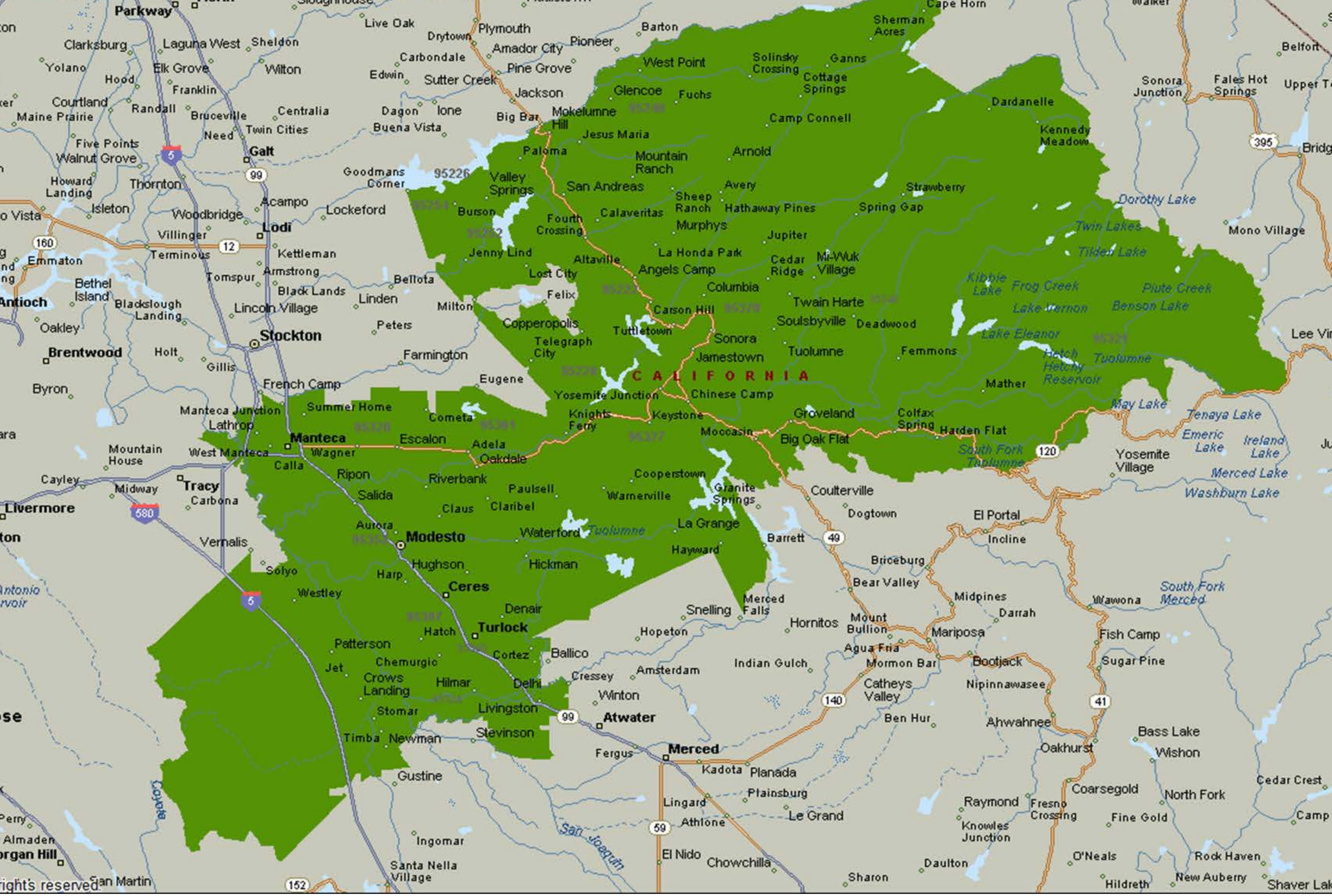
Current Medical Plan Design

	SCPH	Anthem	Kaiser
Outside Local Service Area	148	28	29
Inside Local Service Area	2,441	247	200

Most Competitive Discounts

Revised Medical Plan Design




Parkway
Live Oak
Plymouth
Drytown
Amador City
Pioneer
Barton
Sherman Acres
Cape Horn
Clarksburg
Laguna West
Sheldon
Yolano
Elk Grove
Wilton
Carbondale
Edwin
Sutter Creek
Pine Grove
West Point
Solinsky Crossing
Ganns
Cottage Springs
Belfort
Hood
Franklin
Courtland
Randall
Bruceville
Centralia
Dagon
Ione
Jackson
Glencoe
Fuchs
Sonora Junction
Fales Hot Springs
Maine Prairie
Need
Twin Cities
Buena Vista
Big Bar
Mokelumne Hill
Jesus Maria
Camp Connell
Dardanelle
Kennedy Meadow
Five Points
Walnut Grove
Galt
Paloma
Mountain Ranch
Arnold
Howard Landing
Thornton
Goodmans Corner
Valley Springs
San Andreas
Avery
Strawberry
Dorothy Lake
Isleton
Acampo
Woodbridge
Lockeford
Burson
Fourth Crossing
Calaveritas
Sheep Ranch
Hathaway Pines
Spring Gap
Villinger
Lodi
Murphys
Jupiter
Twin Lakes
Mono Village
Emmaton
Terminous
Kettleman
Jenny Lind
Altaville
La Honda Park
Tilden Lake
Tomspur
Armstrong
Bellota
Lost City
Angels Camp
Cedar Ridge
Mi-Wuk Village
Bethel Island
Black Lands
Felix
Columbia
Kibbie Lake
Frog Creek
Piute Creek
Antioch
Blackslough Landing
Linden
Milton
Carson Hill
Twain Harte
Lake Vernon
Benson Lake
Lincoln Village
Copperopolis
Soulsbyville
Deadwood
Oakley
Stockton
Peters
Tuttletown
Sonora
Lake Eleanor
Lee Vining
Brentwood
Holt
Telegraph City
Jamestown
Tuolumne
Femmons
Hetch Hetchy Reservoir
Gillis
Farmington
Byron
French Camp
Eugene
C A L I F O R N I A
Mather
Yosemite Junction
Chinese Camp
Manteca Junction
Summer Home
Cometa
Knights Ferry
Keystone
Groveland
Colfax Spring
May Lake
Tenaya Lake
Lathrop
Manteca
Escalon
Moccasin
Harden Flat
Emeric Lake
Ireland Lake
Mountain House
West Manteca
Wagner
Adela
Big Oak Flat
South Fork Tuolumne
Yosemite Village
Calla
Oakdale
Cayley
Ripon
Riverbank
Cooperstown
Coulterville
Merced Lake
Midway
Tracy
Salida
Paulsell
Warnerville
Granite Springs
Washburn Lake
Livermore
Carbona
Claus
Claribel
Dogtown
El Portal
Aurora
Modesto
Waterford
La Grange
Barrett
Incline
Vernalis
Hayward
Briceburg
Solyo
Hughson
Hickman
Harp
Ceres
Bear Valley
Westley
Wawona
South Fork Merced
Midpines
Denair
Snelling
Merced Falls
Darrah
Turlock
Hornitos
Mount Bullion
Hatch
Hopeton
Mariposa
Fish Camp
Patterson
Agua Fria
Ballico
Cortez
Bootjack
Jet
Chemurgic
Amsterdam
Indian Gulch
Mormon Bar
Sugar Pine
Crows Landing
Hilmar
Cressey
Catheys Valley
Delhi
Nipinnawasee
Winton
Stomar
Livingston
Atwater
Ben Hur
Ahwahnee
Timba
Newman
Stevinson
Bass Lake
Merced
Oakhurst
Wishon
Fergus
Kadota
Planada
Gustine
Cedar Crest
Coarsegold
North Fork
Lingard
Plainsburg
Raymond
Fresno Crossing
Le Grand
Athlone
Fine Gold
Camp
Perry
Knowles Junction
Almaden
Ingomar
San Joaquin
Morgan Hill
El Nido
O'Neals
Rock Haven
Chowchilla
Santa Nella Village
Daulton
Sharon
New Auberry
San Martin
Hildreth
Shaver Lake
5
99
12
160
580
395
120
49
140
41
59
152
rights reserved

Overall Impacts of New Agreement

- Rate stabilization for 2015 plan year and forward
  - Overall medical program cost decrease (estimated $4.1 million in net savings for the base cost of the medical insurance program)
  - Recommended rates include additional 4% increase to generate approx. $2.0 million in surplus funds to address a portion of accumulated deficit (reduces base net cost savings to $2.2 million)
- Limited medical plan choices for 2015-2017
  - Negotiated employee premium reimbursement program

Dental Program

- Plan performing well financially
  - Prior savings in the self-insured program has allowed a 10% rate reduction to remain in place in 2012 and 2013
  - 2015 recommended rates will maintain the 10% rate reduction
- New "buy-up" dental option introduced for 2015
  - Higher level of benefits (increased annual maximum and new orthodontic benefit option for children)
  - New "buy-up" program will be funded through rate increases for those participants who enroll in the program

Vision Program

- Rate adjustments recommended for 2015
  - Prior savings in the self-insured program has allowed a 50% rate reduction to remain in place in 2012 and 2013
  - Savings has been utilized as planned; 2015 recommended rates will return to the base level of funding with a 5% trend increase

Fiscal Impacts of New Agreement

- County costs will increase slightly
  - County department costs are driven by the lowest cost plan
  - Overall department costs increasing 1% in total for all health insurance rate impacts for the 2015 plan year
- Participant (employees, retirees, etc.) costs will decrease
  - Participant costs are driven by plan selection
  - Elimination of higher cost plan options will reduce costs to employees and other plan participants

Impacts of the Affordable Care Act

Affordable Care Act

- **Requirements**:
  - Offer employee health benefits that provide minimum essential coverage to 70% of full-time employees in 2015 (95% in 2016 and later) and their dependent children. This requirement is often referred to as the *Pay or Play* provision, and
  - Provide affordable health benefits to employees who work on average 30 hours per week. This requirement is called the *shared responsibility* provision.

Affordable Care Act

- **Penalties**:
  - *Pay or Play Provision* - $2,000 per FTE (minus 1st 80 FTEs). County currently complies and is expected to be in compliance in 2015.
  - *Shared Responsibility* - $3,000 per qualified employee who is not offered affordable health benefits through the County and enrolls in subsidized exchange coverage through Covered California.

Affordable Care Act

- County currently has approx. 50 part-time/personal services contract employees who work on average 30 hours per week.
- These employees are not eligible for regular County health insurance due to their part-time employment status, but would be eligible for benefits based on the requirements of the ACA.

Affordable Care Act

County options:

1. Utilize the health exchange (Covered California) to provide benefit enrollment for qualifying part-time employees at a maximum cost of $3,000 each annually, or
2. Implement a new part-time health program administered by the County

Affordable Care Act

- Recommend Option #1 – use the health exchange to provide benefit enrollment for qualifying part-time employees
  - More enrollment options available to eligible employees
  - Some employees will qualify for subsidies that would not be available on a County administered plan
  - Reduced overall cost for employees and County; estimated less than 15 employees enrolled with cost impacts to the County

Affordable Care Act

- Need to implement new monitoring and reporting of part-time work hours to evaluate ongoing compliance with *Pay or Play* penalties

Recommendations

1. Approve recommended health insurance rates as provided in Attachment A to be charged in the employee medical, dental and vision self-insurance programs for calendar year 2015.

Recommendations

2. Authorize the Chief Executive Officer to take all necessary action to ensure compliance with the Patient Protection and Affordable Care Act (ACA), including but not limited to:

   a. Requiring additional approvals from departments to use part-time employees, and establishing additional reporting safeguards at the department and CEO level to monitor part-time positions and hours worked.

   b. Establish the initial measurement period of calculating average hours worked to be June 1, 2014 through November 30, 2014 (6-months), and establish the standard measurement period on an ongoing basis to be November 1 through October 31 of each year (12-months).

Recommendations

3. Approve staff's recommendation to utilize the healthcare exchange option to provide benefits for qualifying part-time employees who work on average 30 or more hours per week