

01-285

**MARIPOSA COUNTY
BOARD OF SUPERVISORS**

**AGENDA
ACTION FORM**

DATE: 10/16/01
AGENDA ITEM NO.: #09

DEPARTMENT: Administration

BY: Gregory G. Iturria

PHONE: 966-3222
01-285

RECOMMENDED ACTION AND JUSTIFICATION: (Policy Item: Yes___ No___)

Discussion and direction regarding County payment of increased health insurance costs for employees effective January 1, 2002.

Each member of the Board of Supervisors has expressed grave concern relative to the loss of one of the health insurance providers to Mariposa County employees, PacifiCare. As a result of PacifiCare no longer providing health insurance coverage to Mariposa County employees effective January 1, 2002, the health premiums for County employees will increase because of a lack of competitive healthcare providers in Mariposa County. The most economical healthcare package which will be available to Mariposa County employees effective January 1, 2002 will be PERS Choice and the increases over and above what each County employee pays at the present time for health coverage will be as follows: for single coverage the increase will be \$60.83 per month; for two party coverage the increase will be \$121.66 per month; and for family coverage the increase will be \$157.76 per month. The ultimate effect of these increases will mean that each employee who now has single coverage will see a paycheck which will be a net \$60.83 per month less; for employees who have two party coverage their paycheck will have a net decrease of \$121.66; and for those employees who have family coverage there will be a net decrease of \$157.76 in their paycheck. There are some minor exceptions where employees have health plans that are less expensive. However, those plans are not available on a countywide basis for all County employees. County retirees will also suffer varied increases effective January 1, 2002.

Each member of the Board of Supervisors has expressed an interest in the County providing the actual cost increase suffered by each County employee not to exceed \$60.83 for single coverage; \$121.66 for two party coverage; and \$157.76 for family coverage. It is therefore recommended that the Board of Supervisors take action to assure current County employees that the County will provide effective January 1, 2002 actual health insurance premium cost increases to each employee not to exceed the sum of \$60.83 for single coverage; \$121.66 for two party coverage; and \$157.76 for family coverage. It is further recommended that these funds not be available for any benefit other than the actual cost increase suffered by current employees and retirees as a result of the loss of PacifiCare health coverage provider.

Because retiree health insurance premiums vary significantly from what active employees pay based on age and type of coverage, the following action is recommended to the Board: For retiree health insurance only, it is recommended that the Board of Supervisors increase the County's contribution up to a maximum of \$157.76 (effective January 1, 2002) for all retirees. Any increase in contribution up to \$157.76 can only be used toward actual cost increases in health insurance premiums.

The Auditor has calculated the annual cost to provide the coverage increase to current employees to be approximately \$330,000 and the approximate cost to provide the coverage increase to retirees to be \$102,000 for a total estimated annual cost of \$432,000.

It is further recommended that the attached resolution fixing the employees contribution under the Public Employees Medical and Hospital Care Act for retirees be adopted. In order for this benefit to be effective for retirees the resolution must be adopted two months prior to the effective date. It is therefore recommended that the resolution be adopted to commence the two-month waiting period.

Should the Board take action on this matter it will be necessary for staff to meet with employee bargaining units and amend the existing MOUs to provide this benefit.

Should the Board approve the increase as delineated staff will return at a later date with the budget proposals in order to implement the increases effective January 1, 2002.

Although there is no obligation on behalf of the Board of Supervisors to provide these additional cost increases for health insurance premiums, each Board member has expressed his or her concern that a vast majority of the employees of Mariposa County cannot absorb a net decrease in their income while trying to provide for their families.

BACKGROUND AND HISTORY OF BOARD ACTIONS:

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:

COSTS: Not Applicable

A. Budgeted current FY \$ _____

B. Total anticipated costs \$ _____

C. Required additional funding \$ _____

D. Internal transfers \$ _____

SOURCE: 4/5ths Vote Required

A. Unanticipated revenues \$ _____

B. Reserve for contingencies \$ _____

C. Source description: _____

Balance in Reserve for Contingencies, if approved: \$ _____

SPECIAL INSTRUCTIONS:
List the attachments and number the pages consecutively:

Resolution for Retirees

CLERK'S USE ONLY:

Res. No.: 01-285 Ord. No. _____

Vote - Ayes: _____ Noes: _____

Absent: _____ Abstained: _____

Approved _____ () Denied _____

() Minute Order Attached () No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.

Date: _____

ATTEST: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California

By: _____
Deputy

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:

_____ Recommended

_____ Not Recommended

_____ For Policy Determination

_____ Submitted with Comment

_____ Returned for Further Action

Comment: _____

A.O. Initials: [Signature]



COUNTY OF MARIPOSA

P.O. Box 784, Mariposa, CA 95338 (209) 966-3222

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MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: GREG ITURRIA, County Administrative Officer
FROM: MARGIE WILLIAMS, Clerk of the Board *MW*
SUBJECT: Increased Health Insurance Costs for Employees effective January 1, 2002
Resolution No. 01-285

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on October 16, 2001

ACTION AND VOTE:

Discuss and Give Direction to Staff Regarding County Payment of Increased Health Insurance Costs for Employees Effective January 1, 2002 (County Administrative Officer)

BOARD ACTION: Discussion was held. Input from the public was provided by the following:

Debra Rockwood, SEIU Field Representative, thanked the Board for this proposal on behalf of the Union and its members, and stated they support this proposal.

(M)Pickard, (S)Parker, Res. 01-285 adopted covering the increased cost of medical insurance, as recommended/Ayes: Unanimous. Supervisor Stewart stated he would like to encourage the Auditor in his efforts to pursue a major health insurance carrier in the Valley to help solve the problem of health care for the County. Greg Iturria stated he will convey this request to the Auditor.

cc: Ken Hawkins, Auditor
Sandra Laird, Personnel
Mary Hodson, Staff Analyst
File

RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION UNDER THE
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT

WHEREAS, (1) Government Code Section 22825.6 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of the Act, and

WHEREAS, (2) Mariposa County (Agency Code 0453) is a local agency contracting under the Act; now, therefore be it

RESOLVED, (a) That the employer's contribution for each employee or annuitant shall be the amount necessary to pay the full cost of his/her enrollment, including the enrollment of family members, in a health benefits plan up to a maximum of:

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>
01	Elected & Appointed Officials	\$526.76
02	Management & Confidential	\$526.76
03	General Employees	\$413.01
04	Sheriff's Deputies & Jail Officers	\$413.01
05	Sheriff's Management	\$428.40

Plus administrative fees and Contingency fund assessments.

Adopted at a regular/special meeting of the

Mariposa County Board of Supervisors at Mariposa, CA this

16th day of October 2001.

Signed: Doug Balman
Chairman

Attest: Marge Williams
Clerk of Board