

STAFF REPORT

SUBJECT: SBCAG Medical Insurance Contribution

MEETING DATE: October 16, 2008

AGENDA ITEM: 6C

STAFF CONTACT: Bobbi Didier

RECOMMENDATION:

Adopt a resolution establishing the SBCAG employer's medical insurance contribution of \$475.00 per month, effective with the January 1, 2009 premium, under the Public Employees' Medical and Hospital Care Act.

DISCUSSION:

In response to a notification from CalPERS concerning medical insurance premium increases in January 2009, an adjustment to the current employer contribution by SBCAG is being recommended. The proposed increase from \$450.00 to \$475.00 per month will mitigate the increased cost of the HMO plan (\$471.18), in which the majority of the employees are enrolled. This is a relatively modest cost increase of 5%. The practice for determining the amount SBCAG will pay towards an employee's premium has been to take the amount of the HMO Access+ Plan and round up to the next \$5.00 step above that amount. This allows employees to choose a health plan and have the cost of the employee only medical insurance premium covered. If an employee selects a more expensive plan the additional cost is paid by the employee. Employees are also responsible for all dependent coverage premium costs that exceed the employer contribution.

The Santa Barbara County Association of Governments contracts for medical insurance for its employees and their dependents under the State of California Public Employees' Medical and Hospital Care Act Program. This program is administered by the State of California Public Employees' Retirement System (CalPERS). The regulations of the Act require that all contracting agencies adopt a resolution specifying a fixed amount that the employer will contribute toward the cost of medical insurance for employees and their dependents.

We have been notified that premiums charged by CalPERS medical insurance carriers will increase effective January 1, 2009. An increase in SBCAG's cost for medical insurance was anticipated and provided for in the FY 2008-2009 Fund 5300 budget; therefore, no budget appropriation increase is required.

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County

Should the Board approve the recommended increase, SBCAG will continue to pay up to the cost of the employee's medical insurance premium or \$475.00 per month, whichever is less. The actual additional costs associated with increasing the limit from \$450.00 to \$475.00 would be approximately \$4,225.00 in 2009.

COMMITTEE REVIEW: NONE

RESOLUTION OF THE SANTA BARBARA
COUNTY ASSOCIATION OF GOVERNMENTS

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

RESOLUTION NO. 08-19

WHEREAS, Government Code Section 22892(a) provides that a contracting agency 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 22892(b)(1) of the Act, and

WHEREAS, the Santa Barbara County Association of Governments, hereinafter referred to as Special District is a contracting agency contracting under the Act;

NOW, THEREFORE, BE IT RESOLVED that the employer's contribution for each employee shall be the amount necessary to pay the full cost of his/her enrollment up to a maximum of \$475.00 dollars per month; plus administrative fees and Contingency Reserve Fund assessments.

ADOPTED at a regular meeting of the Santa Barbara County Association of Governments at Santa Barbara this 16th day of October 2008 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Jim Kemp
Executive Director

Brooks Firestone, Chair
Santa Barbara County
Association of Governments

APPROVED AS TO FORM:

Kevin E. Ready, Sr.
County Counsel

