Healthcare Strategy

(As amended September, 2009)

Strategy for Managing Healthcare Costs:

The Board of County Commissioners is committed to offering affordable health care plans to employees. Given the following assumptions, it is the County's intent to assist in curtailing future cost increases of healthcare for employees.

Assumptions

- There will be no catastrophic losses involving large numbers of County employees in a single or related occurrence.
- Future healthcare expenses will be manageable utilizing a combination of increased County and/or employee contributions, and plan modifications including, but not limited to, higher co-pays, higher deductibles, and higher Out of Pocket maximums.

Board of County Commissioners Strategy

The Board of County Commissioners' intent is to partner with the employees to provide affordable healthcare coverage by:

- Acknowledge that the General Fund Anthem Proceeds that have been used to reduce the overall healthcare costs are now depleted.
- Maintaining the reserves in the Health Insurance Fund at a level between 10 - 20% of total plan costs including claims and administration. Reserves are needed to ensure adequate cash flow for payment of the invoices on a weekly basis, and to ensure claims costs over the amount budgeted can be paid.
- Determining that reserve levels below 10% should be increased to the 10 – 20% range by increased County and/or employee contributions and plan modifications including , but not limited to, higher co-pays, deductibles and Out of Pocket maximums. Reserve levels of more than 20% may be used to reduce future year's healthcare costs.
- Providing single employee coverage for the basic plan (NPOS2) at 95% county paid and 5% employee paid. This ratio will be evaluated annually and may be modified in the future.
- Providing family coverage for the basic plan (NPOS2) at 80% county paid and 20% employee paid. This ratio will also be evaluated annually and may be modified in the future.
- Providing the option to employees to "buy up" to other plans that are offered, with the county paid portion limited to the amount contributed to the basic plan.
- Sharing in the future increased costs of healthcare subject to certain fiscal limits.

Fiscal Limits

The Board's intent is to limit the County's additional contribution for cost increases to no more than either 30% of the increase in the General Fund Revenues from year to year, or 10% of the total expected plan costs for the coming year; whichever is lower. In addition, the Human Resources Department is authorized to solicit other quotes for service and/or modify the plan to bring the increase to within the fiscal limits.

When future healthcare cost increases are more than the fiscal limits described above, or if the General Fund Revenues decline from year to year; the employees' contribution may be increased and/or the healthcare plans may be modified to include, but are not limited to, higher co-pays, deductibles and Out of Pocket maximums.

In 2010 we expect our medical healthcare plan to cost nearly ten million dollars.