

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: October 23, 2024 **Approx. Start Time:** 10:30 a.m. **Approx. Length:** 30 minutes

Presentation Title: Approval of the 2024 Providence Plan Documents and 2025 Non-Represented Cost Share Arrangement

Department: Human Resources

Presenters: Evelyn Minor-Lawrence, Director, Human Resources
Heather Pedersen, Deputy Director, Human Resources

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Human Resources is seeking Board approval of the following items:

1. 2024 Providence Administrative Services Agreement (reviewed and approved by County Counsel).
2. 2024 Providence Summary Plan Descriptions for each plan.
3. 2025 Non-Represented Cost Sharing Arrangement.

EXECUTIVE SUMMARY: Each year, the Board approves a Cost Sharing Arrangement for non-represented County employees. Monthly premiums will rise \$8 for the average non-represented employee who chooses Kaiser Medical and \$1 for Providence. As benefits are funded through department contributions and fees, this action will not involve changes to County General Fund expenditures.

General County Plans (Non-Represented and Represented Employees):

Kaiser Medical initially proposed a 13.7% rate increase for General County. With plan design changes, the final increase was reduced to 9.2%. Providence Medical rates only increased by 2.4%, which required no plan design changes.

On 29 August 2024, the General County Benefits Review Committee (BRC) voted to approve the following changes to the 2025 Kaiser General County plans to mitigate the premium increase for general County employees:

- Increase the Kaiser medical plan deductible from \$250 individual/\$500 family to \$400 individual/\$800 family.
- Increase the Kaiser medical plan Out-of-Pocket maximum from \$1,000 individual/\$2,000 family to \$1,750 individual/\$3,500 family.
- Make no changes to the Providence plan design.

Peace Officers' Association Plans:

Kaiser Medical initially proposed a 13.7% rate increase for the POA Plan. With plan design changes, the final increase was reduced to 9.1%. Although Providence rates increased by 10.4%, the cost-sharing agreement in the POA Collective Bargaining Agreement (CBA) led the POA BRC to forgo any plan design changes.

On 17 September 2024, the Joint Peace Officers/County BRC voted to approve the following changes to the Kaiser POA plans to mitigate the premium increase to the POA employees:

- Increase the Kaiser medical plan deductible from \$0.00 to \$250 individual/\$500 family.
- Increase the Kaiser medical plan Out-of-Pocket maximum from \$600 individual/\$1,200 family to \$1,000 individual/\$2,000 family.

- There will be no changes to the Providence plan design.

Other Benefits

There are no rate changes in 2025 for the following benefit plans:

- Group Term Life
- Group Universal Life
- Accidental Death & Dismemberment
- Long-Term Care
- Dependent Term Life
- Short-term and Long-term Disability
- Flexible Spending Account Administration Fee

Cost-Sharing

General County (Non-Represented and Represented Employees):

Cost sharing for represented employees is defined in the applicable collective bargaining agreements (CBA).

Past-practice for non-represented employees has ensured that benefit cost-sharing remain similar to that of represented employees. This practice is aimed to alleviate any disincentive for employees to promote into management or supervisory roles and helps the County remain competitive in attracting and retaining talent.

Peace Officers' Association:

Cost sharing for represented POA employees is defined in the POA CBA.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? The estimated fiscal impact for the 2025 plan year based on current enrollment is:

Medical/Vision:	\$45,863,388.00 (increase of approximately \$394,858 from 2024)
Dental:	\$4,449,624.00 (increase of approximately \$84,876 from 2024)
Opt-out cash back:	\$548,346.00 (increase of approximately \$2,346 from 2024 estimate due to changes in enrollment)
Group Term Life:	\$221,505.00
Disability (STD):	\$283,115.00
Navia FSA Admin:	\$44,90.00

What is the funding source? The funding is through contributions and fees paid by county departments, employees, retirees and COBRA beneficiaries. This does include budgeted County General Funds.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals? This directly supports Human Resource's Strategic goal to deliver an employee benefits program that supports recruitment, retention and engagement strategies.
- How does this item align with the County's Performance Clackamas goals? The Benefits program aims to provide cost-effective, responsive, and comprehensive services to County departments, employees, retirees, and their families. This helps them better serve the residents of Clackamas County. By aligning with the Performance Clackamas goals, the program supports efficient and trustworthy governance, enhancing public confidence.

LEGAL/POLICY REQUIREMENTS: N/A

PUBLIC/GOVERNMENTAL PARTICIPATION: N/A

OPTIONS

Item 1 - 2024 Providence Administrative Services Agreement

1. Approve 2024 Providence Administrative Services Agreement and move forward for formal adoption at a future Business Meeting.
2. Do not approve 2024 Providence Administrative Services Agreement

Item 2 - 2024 Providence Summary Plan Description for each plan

1. Approve 2024 Providence Summary Plan Description for each plan and move forward for formal adoption at a future Business Meeting.
2. Do not approve 2024 Providence Summary Plan Description for each plan

Item 3 - 2025 non-represented cost sharing arrangement.

1. Approve the existing non-represented cost share of 95%/5% medical premiums and 100% of the premiums for dental, life, and disability plans.
2. Do not approve the existing non-represented cost share arrangement.

RECOMMENDATIONS:

Staff recommends the following:

Item 1 - Option 1: Approve 2024 Providence Administrative Services Agreement and move forward for formal adoption at a future Business Meeting.

Item 2 - Option 1: Approve 2024 Providence Summary Plan Description for each plan and move forward for formal adoption at a future Business Meeting.

Item 3 - Option 1: Approve the existing non-represented cost share of 95%/5% medical premiums and 100% of the premiums for dental, life, and disability plans.

ATTACHMENTS:

1. 2024 Providence Administrative Services Agreement
2. County Counsel Administrative Services Agreement Approval Email
3. 2024 Providence General County Open Option Summary Plan Description
4. 2024 Providence General County Personal Option Summary Plan Description
5. 2024 Providence Peace Officers Association Open Option Summary Plan Description
6. 2024 Providence Peace Officers Association Personal Option Summary Plan Description
7. 2024 Providence Retirees/COBRA/Temp Open Option Plan Summary Plan Description
8. 2025 Rate Chart
9. Clackamas County General County 2025 Renewal Report
10. Clackamas County POA 2025 Renewal Report

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

