

Priority: Accountability
Program Offer Type: Internal Service
Related Programs: 71004, 71009
Frameworks:

Lead Agency: County Business
Program Contact: Dave Boyer

Executive Summary

The Employee Benefits program provides full range of affordable, family friendly health, life, disability and retirement benefits to County employees and retirees. The program ensures that the County complies with labor contracts, federal, state, and local laws/mandates, and operates using sound fiscal management.

Program Description

The program coordinates and consults with all County departments to insure employees are properly enrolled, payroll deductions are accurately established, and employees have liaison to assist with any issues that arise. We work with the Employee Benefits Board to structure benefit components that provide what employees want within budgetary constraints. Plan costs are compared to other local agencies with similar programs and the per member per month (pmpm) cost for County is one of the area's lowest. Administration has been standardized so all employees receive the full value of their benefit programs. Due to the integrity of our reporting system, vendors rely upon it for payment. Plans are regularly reviewed to insure compliance with current and new federal/ state laws governing plan administration and benefit components. Vendors and internal records are audited to insure County funds are being spent appropriately. Payments are made on time to take advantage of discounts and avoid penalties. Service contracts include performance guarantees to insure service levels. Vendor reports and services are regularly audited to insure compliance with plan requirements.

Program Justification

The County's comprehensive benefit package attracts and retains the kind of employees necessary to achieve County goals. It is good public policy to provide health coverage. Employee confidence in these programs is high. There are 3 major components of the benefits offerings: Health & Welfare, Life and Disability, and retirement.

1. Health & Welfare: Our health plans provide coverage to more than 13,000 members (employee, retirees, and dependents).
2. Life and Disability: We manage multiple disability (long term, short term, catastrophic leave) and life insurance plans (basic active employee, basic retiree, optional employee/partner, accidental death and dismemberment).
3. Plan and Vendor Management: The value employees place on their benefits is directly related their understanding of programs and its ease of use. This only happens when stringent administrative practices insure timely enrollment, accurate eligibility reporting and premium calculation.

Performance Measures

To provide excellent customer service, the Benefits program gathers information from new hires to measure the effectiveness of enrollment materials and our customer service aims at improved administration. We also provide customer service by holding our vendors accountable for meeting their contractual Performance Measure guarantees, based on industry standards (ie, telephone response time, service access, claim processing time, payment error ratios, etc). Vendor failure to meet benchmark measures results in financial penalties to the vendor. In addition vendors regularly survey plan members to gauge satisfaction and results of these surveys are used to improve customer service. One vendor failed to meet the performance measures for the 7/03-04 plan year by not meeting the telephone response time and member satisfaction with time to obtain routine appt measures. This failure resulted in a \$28K refund of premium to the County.

We strive to keep the cost of benefits administration within 5% of total benefits budget.

Summary of last year's program results and this year's expected results

We assisted the Employee Benefits Board with development of new Governance language (which is incorporated into each labor contract) and includes the formula used to establish the departmental per employee monthly contribution for health plan coverage. This monthly contribution was well within the budget constraints of the County, and lower than the monthly per employee cost of many other local government agencies. We hope to have the same success with the development of the departmental monthly contribution rate for the 7/05-6/06 plan year. In response to employee and labor interest, we hope to install another Kaiser plan option that will be more affordable to part-time employees.

Program Mandate: 2 Mandated Program with Funding/Service Level Choice

Benefit mandates are included in all County labor contracts for both active and retired members. Benefits programs are governed by a variety of state, federal and local laws, including Internal Revenue, COBRA, Older Worker's Benefit Protection Act, as well as civil rights and EEO laws. If funding were reduced for this program, many of the gains made in the past 5 years would be lost; the time spent in maintenance of records in SAP is considerable; reporting requirements would likely not be met and vendors would find it difficult to obtain accurate and timely eligibility and monetary data.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
Program Expenses				
Personnel	\$0	\$1,064,207	\$0	\$937,569
Contracts	\$0	\$963,732	\$0	\$975,000
Materials & Supplies	\$0	\$48,500,522	\$0	\$61,330,976
Internal Services	\$0	\$304,686	\$0	\$309,490
Subtotal: Direct Exps:	\$0	\$50,833,147	\$0	\$63,553,035
Administration	\$0	\$0	\$0	\$40,320
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$40,320
Total GF/non-GF:	\$0	\$50,833,147	\$0	\$63,593,355
Program Total:	\$50,833,147		\$63,593,355	
Program FTE	0.00	0.00	0.00	10.75
Program Revenues				
Fees, Permits & Charges	\$0	\$39,901,246	\$0	\$44,975,637
Other / Miscellaneous	\$0	\$18,111,962	\$0	\$18,500,000
Program Revenue for Admin	\$0	\$0	\$0	\$40,320
Total Revenue:	\$0	\$58,013,208	\$0	\$63,515,957

Explanation of Revenues

Funding for Employee benefits programs come from a combination of internal service charges associated with each position in the County's budget, employee cost share contributions for medical and dental benefits, and employee payroll deductions for optional life, disability, flexible spending accounts for medical and dependent care.

Significant Program Changes

FY 7/04-6/05 we plan to implement a new more affordable HMO health plan option for part-time and retired employees. This will be a more affordable plan for part-time and retired employees.