

**Priority:** Accountability **Lead Agency:** County Management  
**Program Offer Type:** Existing Operating **Program Contact:** Mindy Harris  
**Related Programs:**  
**Program Characteristics:**

**Executive Summary**

The Employee Benefits program manages a full range of affordable, comprehensive health, life, disability and retiree benefits for County employees and retirees. The program oversees administration of a complex array of benefit plans ensuring County compliance with labor contracts, federal, state and local laws/mandates. Benefits provides sound fiscal management while obtaining the best benefit value for employees and the County.

**Program Description**

Program coordinates/consults with all County departments/employees to ensure timely enrollment in the benefit plans of choice, complete accurate payroll deductions, production of user friendly benefit communication/education materials, and serves as liaison between employees and benefit providers for problem resolution. We work with County management and Employee Benefits Board to structure benefit components providing desirable benefit options within budgetary constraints. Administration is standardized to ensure all employees receive the full value of their benefit plans. Due to the integrity of reporting systems developed by work unit, vendors rely on our reports for eligibility and payment. Plans are regularly reviewed for compliance with federal/state/local laws governing plan administration. Vendors and internal records are regularly audited to verify County funds are being spent appropriately and are in compliance with plan requirements. Remittances are made regularly and on time to take advantage of discounts and avoid penalties. Service contracts include performance guarantees to ensure service levels.

**Program Justification**

The County's comprehensive benefit package is a primary contributor in attracting and retaining a highly qualified workforce. It is good public policy to provide benefit coverage. The County's health plan management design (Employee Benefits Board) is a program model for other public sector agencies. The program contains 3 primary components:

1. Health/Welfare: Provides coverage to more than 13,000 members (employees, retirees, and dependents) via 6 medical options and 2 dental options.
2. Life/Disability: We manage multiple active employee disability plans (long and short term disability, military, catastrophic, and Federal Family Medical Leave plans) and life insurance plans for active and retired employees
3. Plan/Vendor Management/Communication: The value employees assign to their benefits is directly related to employee understanding of their plans and ease of use. This only happens with stringent administrative practices which provide timely accurate enrollment, eligibility reporting, premium calculations, remittances to vendors, and communication to participants.

**Performance Measures**

| Measure Type | Primary Measure   | Previous Year Actual (FY05-06) | Current Year Purchased (FY06-07) | Current Year Estimate (FY06-07) | Next Year Offer (FY07-08) |
|--------------|---|--------------------------------|----------------------------------|---------------------------------|---------------------------|
| Output       | Number of new hire enrollments processed                              | 0                              | 0                                | 500                             | 500                       |
| Outcome      | County's monthly per employee benefit cost                            | 738                            | 770                              | 834                             | 0                         |
| Quality      | Customer satisfaction: new employee benefit enrollment survey results | 100.0%                         | 100.0%                           | 100.0%                          | 100.0%                    |
| Outcome      | Percent of members needing assistance                                 | 0.0%                           | 0.0%                             | 20.0%                           | 18.0%                     |

**Performance Measure - Description**

Output: We do not have readily accessible tracking mechanism to prove benefit request are handled within 5 days. Changed to measure the number of new hire enrollments processed which are always completed within 31 days of hire date.

Outcome 1: County's composite rate per member per month is comparable to many other local jurisdictions 05/06: Washington Co \$764.67, City of Portland \$832.33, Clackamas Co \$843.06, State of Oregon \$874.70.

Quality: 178 surveys, 15% response rate

Outcome 2: Goal would be to reduce percentage, reflecting appropriate, comprehensive employee education, user friendly documentation, accessible web information and links.

## Legal/Contractual Obligation

County labor contracts contain benefit mandates for active and retired members. Benefits are governed by variety of federal/local laws, including Internal Revenue Service, COBRA, Working Families Tax Relief Act, Older Workers Benefit Protection Act as well as civil rights and Equal Employment Opportunity laws.

## Revenue/Expense Detail

|                           | Proposed General Fund | Proposed Other Funds | Proposed General Fund | Proposed Other Funds |
|---------------------------|-----------------------|----------------------|-----------------------|----------------------|
| Program Expenses          | 2007                  | 2007                 | 2008                  | 2008                 |
| Personnel                 | \$0                   | \$691,781            | \$0                   | \$1,320,913          |
| Contracts                 | \$0                   | \$753,715            | \$0                   | \$765,761            |
| Materials & Supplies      | \$0                   | \$70,506,153         | \$0                   | \$73,821,559         |
| Internal Services         | \$0                   | \$132,192            | \$0                   | \$139,259            |
| Subtotal: Direct Exps:    | <b>\$0</b>            | <b>\$72,083,841</b>  | <b>\$0</b>            | <b>\$76,047,492</b>  |
| Administration            | \$63,985              | \$2,120              | \$61,651              | \$11,477             |
| Program Support           | \$9,617               | \$0                  | \$9,792               | \$0                  |
| Subtotal: Other Exps:     | <b>\$73,602</b>       | <b>\$2,120</b>       | <b>\$71,443</b>       | <b>\$11,477</b>      |
| Total GF/non-GF:          | <b>\$73,602</b>       | <b>\$72,085,961</b>  | <b>\$71,443</b>       | <b>\$76,058,969</b>  |
| Program Total:            | <b>\$72,159,563</b>   |                      | <b>\$76,130,412</b>   |                      |
| Program FTE               | 0.00                  | 8.00                 | 0.00                  | 8.00                 |
| <b>Program Revenues</b>   |                       |                      |                       |                      |
| Fees, Permits & Charges   | \$0                   | \$51,426,091         | \$0                   | \$51,591,779         |
| Other / Miscellaneous     | \$0                   | \$20,949,198         | \$0                   | \$25,300,000         |
| Program Revenue for Admin | \$2,503               | \$0                  | \$11,477              | \$0                  |
| <b>Total Revenue:</b>     | <b>\$2,503</b>        | <b>\$72,375,289</b>  | <b>\$11,477</b>       | <b>\$76,891,779</b>  |

## Explanation of Revenues

Funding for Employee Benefit Programs comes from combination of internal service charges associated with each position in County's budget, employee cost share and premiums, rebates/penalty payments from vendors, Flexible Spending Account Contributions.

## Significant Program Changes

### Last year this program was:

Last year this program was 705210 - County Management - Employee Benefits

Assisted senior management with plan and process surveying management employees about interest in Health Reimbursement Account (HRA) funded through salary conversion and deposited into Voluntary Employee Benefits Association (VEBA) account. Processing of Request for Information to identify an HRA VEBA Administrator. Implemented program, coordinated administration with payroll, HRA VEBA administrator, and employees. Completed 100% return of Open Enrollment materials from employees with children enrolled for health plan coverage to comply with Working Families Tax Relief Act (WFTRA) legislation.