

Board of Supervisors Elects EIA Health Coverage for 2017

San Benito County makes available group health insurance to its employees and retirees in accordance with our Memorandums of Understanding (MOU's) with Employee Associations and in keeping with the prevailing practices of public employers throughout California. The County seeks to provide high quality coverage at the best possible price with a contribution by the County to cost of coverage aligned with the County's ability to meet all of its financial obligations.

Since 1993, the County has contracted with CalPERS to provide group health insurance. At the meeting of the Board of Supervisors on August 9, 2016 it was decided to provide group health insurance beginning in 2017 through the EIAHealth Program sponsored by the California State Association of Counties Excess insurance Authority (CSAC EIA). This decision was made following much discussion over the last year with the employees and employee associations and their representatives, staff, Board members and independent consultants.

In making the change, the County seeks to provide benefits comparable to those offered today at lower cost with lower annual rates of change than the CalPERS system. This change will also give the County the flexibility to make available additional lower cost coverage options that are not currently offered by the CalPERS system.

The County surveyed the marketplace and issued a request for proposal that resulted in the selection of the EIAHealth Program from CSAC EIA as the preferred alternative to CalPERS. CSAC EIA is the largest member-directed risk sharing pool (JPA) in California. Membership includes counties and cities, as well as numerous educational organizations, special districts, housing authorities, fire districts, and other Joint Powers Authorities. CSAC EIA is governed by public employees for the benefit of public employees, is financially very stable and has been in operation for nearly 40 years. The County has more than 20 years of direct experience with CSAC EIA as a participant in CSAC EIA Insurance programs for workers compensation, property insurance and more.

The next step in the process will be for Staff to meet with our Insurance Committee of employee organization representatives and representatives of CSAC EIA to review an implementation plan leading to open enrollment in the Fall and the move to the EIAHealth Program on January 1, 2017. The Committee and County staff will also finalize the terms of offering of comparable plans from Anthem and Kaiser for 2017 and the Committee may consider additional plan design options that could be made available in 2017.

The County will develop a communications plan for employees and retirees that will include electronic and paper communications as well as opportunities for face-to-face meetings to explain how health coverage will work under the EIAHealth Program. We want to make sure that employees and retirees know what to expect and have the opportunity to ask questions about how the change from CalPERS to EIAHealth may impact them.

Please remember that by making this change, the County wants to provide benefits comparable to those offered today at lower cost with lower annual rates of change than the

CalPERS system. The County will also now have the flexibility to make available additional lower cost coverage options that are not offered by the CalPERS system.

A summary of the Advantages of the EIA Health Program include:

1. Financial Stability through the Second Largest Public Agency Risk Pool in the State.
2. Rates are Stable and Competitive.
3. Rates are Peer-Reviewed.
4. Guaranteed Maximum Annual Rate Changes.
5. Flexibility in Plan Design, Eligibility and Employer Contribution. The County retains the rights to determine its own plan designs (deductible, co-payments, etc.), offer new plans, modify participation and eligibility rules and set contribution levels for all categories of employees and retirees.
6. Governance and Transparency
7. Accountability.

Please continue to watch the County's website for new information as this program takes shape, including an FAQ page to help answer many of the questions that are anticipated.