

To: Administration and Finance Committee

Date: 8/29/2023

From: Kristina Martinez, Director of Recruitment & EE Development

Reviewed by: *Ref*

SUBJECT: 2024 Administrative Employees Cafeteria Adjustment

Background:

County Connection contracts with California Public Employees Retirement System (CalPERS) under the Public Employees' Medical and Hospital Care Act (PEMHCA) for Administrative, Amalgamated Transit Union (ATU), and Teamsters employee health benefits. County Connection contributes a fixed employer amount to active and retiree health benefit premiums as required by PEMHCA. In addition, County Connection offers a cafeteria plan contribution towards health benefit premiums (or alternative taxable benefits) for active employees.

The current Memorandums of Understanding (MOUs) with the ATU and Teamsters increase the health benefit cafeteria plan contribution annually using a formula that averages the increases in the two most popular health plans by coverage level, splitting that amount in half, and adding it to the prior year cafeteria plan contribution.

Summary of Issues:

In the interest of equity, the Board has historically utilized the same formula to calculate the increase to the cafeteria plan contribution for Administrative staff, as is required for represented employees. In 2023, the most popular health plan for Administrative employees is Kaiser, followed by a tie between PERS Gold and Anthem Blue Cross Traditional. Therefore, the three most popular plans were included in the formula to arrive at the new cafeteria plan contribution. The formula results in the following increases:

Plan Type	Monthly Cafeteria Plan Contribution		
	2023	Increase	2024
Employee Only	\$614.43	\$54.31	\$668.74
Employee Plus 1 dependent	\$960.01	\$108.62	\$1,068.63
Family	\$1,372.74	\$141.21	\$1,513.95

Financial Implications:

The proposed cafeteria plan contribution for 2024 will result in an annual increase of \$50,183 in expenditures based on current enrollment statistics. There are sufficient funds in the budget to accommodate the proposed increase.

Recommendation:

Staff recommends approval of new monthly Administrative Employee Cafeteria Plan rates for calendar year 2024 as follows:

Employee only:	\$668.74
Employee +1:	\$1,068.63
Family:	\$1,513.95

Action Requested:

Approve proposed monthly Administrative Employee Cafeteria Plan rates for calendar year 2024 and forward them to the full Board with recommendation.

Attachments:

Attachment 1: 2024 Medical Premiums per month – Administrative Employees

**2024 Medical Premiums
Per Month (\$)
Employee Group #1
Administrative Employees**

<u>Basic Plans</u>	<u>Total</u>	<u>CCCTA</u>	<u>Employee</u>	<u>Cafeteria Plan</u>	<u>Net Employee</u>
Kaiser Permanente*	\$ 1,021.41	\$ 303.56	\$ 717.85	\$ 668.74	\$ 49.11
Kaiser Permanente+1	\$ 2,042.82	\$ 607.12	\$ 1,435.70	\$ 1,068.63	\$ 367.07
Kaiser Permanente+2	\$ 2,655.67	\$ 789.26	\$ 1,866.41	\$ 1,513.95	\$ 352.46
PERS Platinum*	\$ 1,314.27	\$ 392.42	\$ 921.85	\$ 668.74	\$ 253.11
PERS Platinum+1	\$ 2,628.54	\$ 784.84	\$ 1,843.70	\$ 1,068.63	\$ 775.07
PERS Platinum+2	\$ 3,417.10	\$ 1,020.29	\$ 2,396.81	\$ 1,513.95	\$ 882.86
PERS Gold*	\$ 914.82	\$ 270.71	\$ 644.11	\$ 668.74	\$ -
PERS Gold+1	\$ 1,829.64	\$ 541.42	\$ 1,288.22	\$ 1,068.63	\$ 219.59
PERS Gold+2	\$ 2,378.53	\$ 703.85	\$ 1,674.68	\$ 1,513.95	\$ 160.73
Anthem Blue Cross Select HMO*	\$ 1,138.86	\$ 270.71	\$ 868.15	\$ 668.74	\$ 199.41
Anthem Blue Cross Select HMO+1	\$ 2,277.72	\$ 541.42	\$ 1,736.30	\$ 1,068.63	\$ 667.67
Anthem Blue Cross Select HMO+2	\$ 2,961.04	\$ 703.85	\$ 2,257.19	\$ 1,513.95	\$ 743.24
Anthem Blue Cross Traditional HMO*	\$ 1,339.70	\$ 494.86	\$ 844.84	\$ 668.74	\$ 176.10
Anthem Blue Cross Traditional HMO+1	\$ 2,679.40	\$ 989.71	\$ 1,689.69	\$ 1,068.63	\$ 621.06
Anthem Blue Cross Traditional HMO+2	\$ 3,483.22	\$ 1,286.63	\$ 2,196.59	\$ 1,513.95	\$ 682.64
Anthem EPO Del Norte*	\$ 1,314.27	\$ 392.42	\$ 921.85	\$ 668.74	\$ 253.11
Anthem EPO Del Norte+1	\$ 2,628.54	\$ 784.84	\$ 1,843.70	\$ 1,068.63	\$ 775.07
Anthem EPO Del Norte+2	\$ 3,417.10	\$ 1,020.29	\$ 2,396.81	\$ 1,513.95	\$ 882.86
Western Health Advantage HMO*	\$ 807.23	\$ 383.51	\$ 423.72	\$ 668.74	\$ -
Western Health Advantage HMO+1	\$ 1,614.46	\$ 767.01	\$ 847.45	\$ 1,068.63	\$ -
Western Health Advantage HMO+2	\$ 2,098.80	\$ 997.12	\$ 1,101.68	\$ 1,513.95	\$ -
Blue Shield Access HMO and EPO*	\$ 1,076.84	\$ 392.42	\$ 684.42	\$ 668.74	\$ 15.68
Blue Shield Access HMO and EPO+1	\$ 2,153.68	\$ 786.84	\$ 1,366.84	\$ 1,068.63	\$ 298.21
Blue Shield Access HMO and EPO+2	\$ 2,799.78	\$ 1,020.29	\$ 1,779.49	\$ 1,513.95	\$ 265.54
Blue Shield Trio HMO	\$ 946.84	\$ 303.56	\$ 643.28	\$ 668.74	\$ -
Blue Shield Trio HMO+1	\$ 1,893.68	\$ 607.12	\$ 1,286.56	\$ 1,068.63	\$ 217.93
Blue Shield Trio HMO+2	\$ 2,461.78	\$ 789.26	\$ 1,672.52	\$ 1,513.95	\$ 158.57
UnitedHealthcare SignatureValue Alliance*	\$ 1,091.13	\$ 392.42	\$ 698.71	\$ 668.74	\$ 29.97
UnitedHealthcare SignatureValue Alliance+1	\$ 2,182.26	\$ 784.84	\$ 1,397.42	\$ 1,068.63	\$ 328.79
UnitedHealthcare SignatureValue Alliance+2	\$ 2,836.94	\$ 1,020.29	\$ 1,816.65	\$ 1,513.95	\$ 302.70
UnitedHealthcare SignatureValue Harmony*	\$ 937.39	\$ 392.42	\$ 544.97	\$ 668.74	\$ -
UnitedHealthcare SignatureValue Harmony+1	\$ 1,874.78	\$ 784.84	\$ 1,089.94	\$ 1,068.63	\$ 21.31
UnitedHealthcare SignatureValue Harmony+2	\$ 2,437.21	\$ 1,020.29	\$ 1,416.92	\$ 1,513.95	\$ -

Employees who do not elect medical coverage and complete a Certification Form receive \$200.00 per month in Cafeteria Plan Contributions. This amount can be used to purchase vacation, vision benefits, or can be cashed out at calendar year-end.

The monthly Net Employee premium is deducted semi-monthly from paychecks in two equal amounts.

Key:

* Employee only

+1 Employee plus one dependent

+2 Employee plus two or more dependents (also known as family coverage)