

RESOLUTION 2008 - 197

**A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING THE FISCAL YEAR 2009 EMPLOYEE HEALTH INSURANCE RATE CHANGES.**

**WHEREAS**, the County is in the process of determining the impact of Employee Other Post Employment Benefits on the County's Operating Budget; and

**WHEREAS**, the St. Johns County Insurance Committee has annually determined a need to revise the County's Employee Health Insurance Rates; and

**WHEREAS**, the Board of County Commissioners must approve the new rates prior to the effective date of the rates.

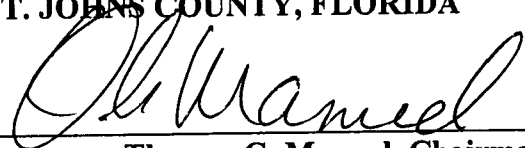
**NOW THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of St. Johns County, Florida, that:

1. The above recitals are hereby adopted as legislative findings of fact and incorporated herein.
2. The attached Rate Schedule approved by the St. Johns County Insurance Committee will be adopted and effective on January 1<sup>st</sup>, 2009.

**PASSED AND ADOPTED** by the Board of County Commissioners of St. Johns County, State of Florida, this 22<sup>nd</sup> day of July, 2008.

**BOARD OF COUNTY COMMISSIONERS  
OF ST. JOHNS COUNTY, FLORIDA**

By: \_\_\_\_\_



**Thomas G. Manuel, Chairman**



**ATTEST:** Cheryl Strickland, Clerk

By: Pam Halterman  
**Deputy Clerk**

**RENDITION DATE** 7/24/08

St. Johns County

Summary of Changes Voted on at March 20, 2008 Insurance Committee Meeting

**ALL CHANGES ARE EFFECTIVE JANUARY 1, 2009**

Employee Contributions				
	Current Blue Choice	Current Blue Options	1/1/2009 Blue Choice	1/1/2009 Blue Options
Employee	\$ -	\$ -	\$ 20.00	\$ -
Employee & Spouse	\$ 164.00	\$ 145.00	\$ 208.00	\$ 150.00
Employee & Child(ren)	\$ 100.00	\$ 95.00	\$ 135.00	\$ 100.00
Family	\$ 265.00	\$ 220.00	\$ 323.00	\$ 230.00

Retirees Under Age 65						
	Current Blue Choice	Current Blue Options	Grandfathered-Retired Prior 1/1/2009		Retired After 1/1/2009	
			Blue Choice	Blue Options	Blue Choice	Blue Options
Single	\$ 256.00	\$ 217.00	\$ 264.00	\$ 224.00	\$ 348.00	\$ 260.00
w/Spouse	\$ 400.00	\$ 340.00	\$ 420.00	\$ 356.00	\$ 696.00	\$ 520.00
w/Child(ren)	\$ 356.00	\$ 303.00	\$ 374.00	\$ 318.00	\$ 498.00	\$ 368.00
w/ Family	\$ 459.00	\$ 390.00	\$ 482.00	\$ 410.00	\$ 846.00	\$ 628.00

A service credit of \$1.50 per year of service will be credited to retirees under age 65 with at least 20 years of service with St. Johns County. For example:  
 20 Years - \$30 Credit Per Month / 25 Years - \$37.50 / 30 Years - \$45.00  
 When the retiree attains age 65, the service credit would no longer be applied.

Retirees 65 and Older				
	Current Blue Choice	Current Blue Options	1/1/2009 Blue Choice	1/1/2009 Blue Options
Single	\$ 187.00	\$ 259.00	\$ 260.00	\$ 260.00
w/Spouse	\$ 320.00	\$ 272.00	\$ 520.00	\$ 520.00

Retirees 65 and older can also elect to enroll in the BCBSFL Fully-Insured Group Medicare Plan. If they elect Group Medicare, they can also elect to enroll in the group dental or vision plans. The fully-insured monthly premiums will be paid 100% by the retiree. SJC will not be subsidizing the fully-insured premiums.

	Group Medicare	Group Dental	Group Vision
Single	\$186.81	\$ 23.00	\$ 7.00
w/Spouse	\$373.62	\$ 49.00	\$ 13.00



3/25/2008

## JANUARY 1, 2009 PLAN CHANGES

At the March 20, 2008 meeting of the SJC Insurance Committee, important policy changes were adopted regarding how St. Johns County will subsidize the cost of medical benefits for retirees starting in 2009.

Each year the Plan's Health Actuary will determine rate tables for retirees and their dependents:

*Total Retiree Cost* – means monthly rates for each Plan Option and Coverage Tier offered to retirees (including medical, dental and vision together); developed based on the expected claims and other costs among all retirees and their dependents electing this Plan Option and Coverage Tier. Total Retiree Cost for members over age 65 will be developed separately from the rates applicable to members under age of 65. Cross-subsidizing across Plan Options and Tiers would be permitted to achieve equity and migration goals of the Insurance Committee.

*Maximum Premium* – means monthly rates for each Plan Options and Coverage Tier offered to retirees in accordance with the maximum limits set forth in Ch. 112.0801, F.S.

### Present Retirees under the age of 65

The County will maintain the existing level of subsidy. Any premium increases will be limited to the trend experienced by the entire program.

### Future Retirees under the age of 65

The County will gradually increase retirees' share of the insurance cost. For 2009, retirees' contributions are expected to be approximately 55% of the Total Retiree Cost. It is planned to gradually increase that share to 75% for employees retiring with less than 20 years of service by year 2012. Retirees who serve for more than 20 years with the County will be charged the discounted rate until their Medicare eligibility as outlined below.

<b>% of Total Retiree Cost contributed by Future Retirees For respective Plan Option and Coverage Tier selected</b>					
<b>County Service</b>	2008	2009	2010	2011	2012
<b>Under 20 Years</b>	43%*	55%*	61%	68%	75%
<b>20-24</b>	43%*	55%*	61%	64%	64%
<b>25-29</b>	43%*	55%*	61%	62%	62%
<b>30+</b>	43%*	55%*	60%	60%	60%

*\*As estimated by County's Benefit Consultant*

### All Retirees age 65 and older

All retirees and dependents eligible for Medicare benefits will be required to enroll into Parts A and B under Medicare in order to remain covered under the County health plan. The contribution requirement will be the percentage of the applicable Retiree Rate (for those over age 65), as shown in the table above for those Under 20 Years, regardless of service.

As a low cost alternative to coverage under the core plan, the County will introduce a fully-insured community-rated Medicare Advantage Plan, available to and fully paid by any retirees and their dependents eligible for Medicare. The County will no longer have any liability for these retirees electing such alternative coverage.

### Other Matters

In no event will the premium contribution required from a retiree exceed the *Maximum Premium*. Any HIS payments received by the retiree may be applied to the payment of the contribution required under this Plan, after any discounts are applied. The amount charged for covering a retiree's dependent(s) or surviving dependent(s) will be subject to the same rules as set forth above.