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Memorandum

Date : October 14, 2014
To : Commissioner's Court
From : Gary Looney REBC
RE : Recommendations for Plan Year 2015

County Judge	Ramon Garcia		
Precinct 1	A C Cuellar	Precinct 2	Hector "Tito" Palacios
Precinct 3	Joe M. Flores	Precinct 4	Joseph Palacios

Dear Sirs,

There are two primary elements of the County's self-funded medical insurance plans. The two elements are fixed cost and variable claim costs. In an effort to project the County's exposure for the 2015 and 2016 plan years an independent actuarial analysis was completed by the firm of Lewis & Ellis. In their executive summary they concluded that the current funding was sufficient for the balance of the 2014 plan year. They also recommended that the plan funding be increased in the 2015 plan year.

In order to fund the medical plan to the recommended level prescribed by the actuarial report an increase in the County's funding from \$469/ee/mth to \$496/ee/mth is required. This increase was approved by the Court and is included in the current budget.

The plan of benefits will not be changed for the plan year 2015. It is not recommended to increase the employee contributions for 2015. A rate comparison is attached showing the changes to the rate structure which is primarily a correction to the rates for administrative purposes. (Rounding for payroll deduction simplification.)

I have also attached a sample draft of a plan amendment to allow a County employee who reaches retirement to continue the basic medical plan as a secondary provider to Medicare Part A and Part B. The amendment outlines the requirements for eligibility, premium payments, dependent eligibility, and coverage limitations. Upon acceptance of Commissioner's Court the effective date of the policy change would be January 1, 2015.

The recommendations presented are within the budget requirements of the County.

Thank you for your confidence in our efforts to provide the employees of Hidalgo County a quality health care program at a reasonable cost.

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Hidalgo County

2014-2015 HEALTH INSURANCE RATES COMPARISON

PLAN	TIER	CURRENT RATES			2015 RATES (ROUNDING UP TO THE NEAREST EVEN DOLLAR)			VARIANCE (INCREASE)		
		MONTHLY PREMIUM	EMPLOYEEER CONTRIBUTION	EMPLOYEE CONTRIBUTION	MONTHLY PREMIUM	EMPLOYEEER CONTRIBUTION	EMPLOYEE CONTRIBUTION	MONTHLY PREMIUM	EMPLOYEEER CONTRIBUTION	EMPLOYEE CONTRIBUTION
BASIC	EMPLOYEE ONLY	469.00	469.00	-	494.00	494.00	-	25.00	25.00	-
	EMPLOYEE/CHILD(REN)	571.00	469.00	102.00	596.00	494.00	102.00	25.00	25.00	-
	EMPLOYEE/SPOUSE	700.60	469.00	231.60	726.00	494.00	232.00	25.40	25.00	0.40
	EMPLOYEE/FAMILY	801.40	469.00	332.40	828.00	494.00	334.00	26.60	25.00	1.60
BUY-UP	EMPLOYEE ONLY	512.40	469.00	43.40	538.00	494.00	44.00	25.60	25.00	0.60
	EMPLOYEE/CHILD(REN)	641.20	469.00	172.20	668.00	494.00	174.00	26.80	25.00	1.80
	EMPLOYEE/SPOUSE	799.40	469.00	330.40	826.00	494.00	332.00	26.60	25.00	1.60
	EMPLOYEE/FAMILY	971.60	469.00	502.60	998.00	494.00	504.00	26.40	25.00	1.40