



Butte County Management Employees Association

Terry Edwards, President
PO Box 5773 Oroville, CA. 95966
Phone (530) 891-2757

May 05, 2017

Dear BCMEA Members,

Butte County contracts with the California Public Employees Retirement System (PERS) to manage retirement pensions and health benefits for all bargaining units within Butte County:

The two duties listed below are distinctly different and separate duties. They are provided as follows:

- Butte County is a member of PERS retirement/pension benefits through a Memorandum of Understanding (MOU).
- Butte County employees are members of PERS health insurance through individual resolutions by bargaining unit. Only agencies that contract for the Retirement System may "opt in" for health insurance. Any changes to employee groups that opt in or out of health insurance with PERS **have no impact on** the County's MOU contract for retirement benefits.

Any discussion from this point forward is strictly regarding the discussion of health care benefits and has no impact on retirement benefits.

Last year the Health Care Committee began vetting out options to the rising health care costs County employees have been faced with in recent years. The County initiated the process by hiring a health care consultant, Burnham Insurance Services. The process entailed looking at other options outside of PERS health care and developing alternative plans different from those options given to Butte County employees by PERS.

To refresh everyone's memory of the procedure; PERS will release "preliminary 2018 rates" in late May of this year and formalize those rates on June 21, 2017. Once the official rates have been released on June 21, 2017, the County Board of Supervisors will have 60 days to hold a Board meeting and resolve (County Board vote) to leave PERS medical coverage **by bargaining unit**. Last year the option to leave PERS was brought before all bargaining units except those using the Peace Officers Research Association of California coverage (PORAC Health Care).

As time evolved last year, bargaining units were left with the best two options of Anthem Blue Cross to compare to PERS. Ultimately, the vote within BCMEA was to stay with PERS.

This year, the Benefits Committee, consisting of two members from every bargaining group, has continued to work with County Administration and Burnham Insurance Services to build alternative plans different from those offered by PERS. These alternative plans are options to the higher rates and plans we have historically been offered by PERS.

Just as last year, this year Cigna and Aetna were both approached and solicited for rates. They both offered to provide quotes on self-insured polices only and **declined** to provide quotes on fully-insured policies.

Self-insured policies put 100% of claims cost on the group being insured. Under a self-insured policy - initially, a quote is provided as an estimate of total claims costs and at the end of the year a reconciliation between claims costs and collected health premiums are evaluated. Any overage



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of costs is the responsibility of the group. This, in turn involves a risk to the employee, therefore the Benefits Committee opted not to entertain this option.

Under a fully-insured policy – initially, a quote is provided as an estimate of total claims cost. If that estimate is exceeded throughout the year, the excess is the responsibility of the insurance provider. This involves a risk to the health care provider, therefore which Cigna and Aetna decline to offer this policy.

Anthem (Blue Cross) and CSAC-EIA are two additional entities that have been solicited in the past for health care quotes, but they both have contractual agreements with PERS saying that they will not issue rates prior to PERS releasing their rates.

It is anticipated that Anthem Blue Cross's rates will be released immediately after PERS rates are released and while CSAC-EIA rates are anticipated to be released two weeks after PERS rates are released.

That being said, this puts a tight time frame on bargaining units to digest rates, articulate the information out to members, facilitate a vote from membership, and inform County Administration of the bargaining unit's decision. This actually gives the bargaining units less than 60 days to make a decision and inform County administration with enough time for them to place this on the monthly agenda to take action if needed. The best way to manage the impending schedule and make articulate decisions is to be prepared and not wait until the last minute to try to understand how this impacts you and/or your family.

The Benefits Committee **may** likely consider and offer a single option for members to evaluate against PERS, that being either CSAC-EIA or Anthem. I urge all of you to review the PERS preliminary rates when they come out in May. Be prepared to evaluate those rates quickly when PERS, CSAC-EIA, and Anthem make official their 2018 rates at the end of June.

A similar "Plan Comparison Tool" as used last year will be made available to input personal usage and evaluate output costs to aid in evaluating between plans. Shortly after the official release of rates, the County will hold a series of informational meetings for County employees. In addition, BCMEA will hold a separate meeting to help digest information for our membership as well. Following that BCMEA meeting, a survey will be opened for approximately 5 days to allow for membership to vote to leave or stay with PERS health care.

As stated last year, the BCMEA Board has made a conscience decision to take this important issue before the General Membership and allow **you** the right to vote based on your own personal and family needs. The Board feels this particular item is too important and has too much diversity regarding personal priorities to not allow the Members to have a voice.

In conclusion, BCMEA will waive back dues and signup fees to allow non-dues paying members an opportunity to become members, and have a vote and be involved in this process.

Sincerely,

Terry Edwards
BCMEA President



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June 29, 2017

Dear BCMEA Members,

As discussed last month, the Benefits Committee has been vetting out options to the rising health care costs being encountered across the nation, and more specifically here in Butte County by our employees.

As mentioned in my last letter on May 5, 2017, Cigna and Aetna declined to provide the County with fully-insured quotes that could be compared to the quotes PERS is offering. The third company we had been expecting a quote from was CSAC-EIA. A few weeks ago, CSAC-EIA contacted us and stated that they could not quote a rate that would be competitive with the preliminary PERS 2018 rates. This left our last option being Anthem.

In addition to quoting the plans offered to us by PERS, Anthem has offered two alternative plans, one a Health Savings Account (HSA) plan and the other a Minimum Essential Coverage plan (MEC). These plans are high deductible plans that provide minimal health care coverage at a lower rate, but are riskier and more costly should someone need to use the insurance. Younger employees have shown a moderate interest in these plans, while the majority of employees are focused on the plans they would actually use should the need arise.

The Anthem rates have now been received. These rates are all higher across the board from single to family plans when compared to the "PERS Choice", "PERS Select", and "PERS HMO". Although the two alternative plans have slightly lower premiums than the above-mentioned plans, the risks associated with the plans are deemed to outweigh the benefits.

The Benefits Committee met Wednesday and voted to stay with PERS for 2018. We anticipate continuing this process every year in an attempt to find health care at the best possible price on the market.

As we look at alternative health care providers in the future, we encourage feedback from our members as to how you would like to see these plans packaged and what your needs are from your health care provider. Please keep in mind that health care providers will not offer us a large quantity of different packages to choose from, rather they will allow us to customize 3 or 4 plans that would meet what the majority of the Butte County employee's need.

Lastly, there has been some speculation and questions regarding the Teamsters health insurance. I'd like to inform all our members that Teamsters health insurance is not available to outside bargaining units, only within their own membership.

Sincerely,

Terry Edwards
BCMEA President



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August 9, 2017

Dear BCMEA Members,

BCMEA has recently received information regarding changes planned for the upcoming Open Enrollment. This information is being passed along as generalities to prepare you for anticipated changes coming in the Open Enrollment procedure this fall (in 30 Days), but some specifics and/or details MAY change between now and the enrollment period. Any changes will be clarified by the County as we get closer to the Open Enrollment dates.

Last year many of you maneuvered through “EaseCentral” to select your desired coverage for **health benefits**. This year, to be compliant with ACA guidelines, EVERYONE will be required to use the EaseCentral website to “Actively Enroll” and populate your desired health benefits. Your personal information will already be populated in your profile, but you will be **required** to choose your desired health coverage for 2018. Even if you have no plans to change your current plan or receive cash back, you must complete this enrollment requirement. The catch is that your current year health information (2017) will be blank once the Open Enrollment period starts this year on September 11, 2017. So for those that wish to stay with the exact same coverage, being prepared by knowing what you currently have may be of some convenience.

My advice between now and the Open Enrollment period is to log in and make sure your password is set and ready to allow your access **prior** to September 11, 2017. Once your access is established, log into your profile and print your current health coverage or write it down (again, this will be blank on September 11th). This will aid in remembering what you currently have and make it easier to complete the enrollment process.

Open Enrollment is scheduled for September 11th – October 6th 2017. Once Open Enrollment is closed, a confirmation letter will be mailed to you confirming your choices for your 2018 health coverage. **Once again, if you do not actively enroll, that confirmation letter will be blank!**

The option to select “Cash Back” will be available through EaseCentral this year. In addition, for those individuals that will be obtaining Medicare (Post age 65); upon completing the form, you will see that you MAY now be eligible for “Cash Back”.



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Human Resources will be conducting an Open Enrollment Benefits fair on September 13, 2017 in Oroville and Chico:

Oroville – 9:00am to 11:00am – Andes Room at 78 Table Mtn. Blvd. Oroville CA 95965.
Chico – 1:00pm – 3:00pm – Sequoia room at 2445 Carmichael Drive Chico CA 95928.

It is also anticipated that the Human Resources Department will have a computer lab available to assist individuals in completing the enrollment process.

If you have any questions, please contact the Butte County Human Resources Department.

Sincerely,

Terry Edwards
BCMEA President



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October 3, 2017

Dear BCMEA Members,

BCMEA would like to remind its members that the County's Health Benefits Open Enrollment closes this Friday, 10/06/17 at 5:00pm.

On a secondary note, BCMEA has reviewed the current By-Laws document and will be sending out a survey within the next week to dues paying members soliciting a vote on the proposed changes to those By-Laws.

Among the proposed changes, there have been small modifications in formatting and references made as different Articles have been moved around. This was done in order to make the document easier to manage and follow.

Most of these proposed changes are cosmetic in nature, but of more significant importance is our need to increase dues.

Over the past few years BCMEA's operating costs have not been covered by the incoming monthly dues. With this being said, it has been determined that an increase of \$3 per month will be needed to cover BCMEA's future operating costs. If approved by the General Membership, dues will be increased to \$23 per month beginning in January of 2018, and will increase directly in proportion to any COLA's received after the January 2018 date. This will be done in an effort to minimize the BCMEA Board having to contact the General Membership each time a COLA is implemented.

Attached is a chart and graph depicting how the cash flow would affect BCMEA's bottom line out to 2020. The 2017 approved budget is posted at the BCMEA website <https://www.bcmea.net/forms-and-documents> for review.

Sincerely,

Terry Edwards
BCMEA President

October 2017 BCMEA Membership Meeting Proposed Dues Increase Information

No Dues Increase	2017	2018	2019	2020
Dues Increase	\$ -	\$ -	\$ -	\$ -
Dues Per Month Per Member	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Total Income	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Total Operating Costs	\$ 62,695.00	\$ 63,598.00	\$ 64,837.00	\$ 64,837.00
Balance	\$ (2,695.00)	\$ (3,598.00)	\$ (4,837.00)	\$ (4,837.00)
Number of Members (Approx.)	250	250	250	250

Dues Increase	2017*	2018	2019	2020
Dues Increase		\$3 +3%	3%	0%
Dues Per Month Per Member	\$20 / \$23	\$ 23.69	\$ 24.40	\$ 24.40
Total Income	\$ 60,000.00	\$ 71,070.00	\$ 73,200.00	\$ 73,200.00
Total Operating Costs	\$ 62,695.00	\$ 63,598.00	\$ 64,837.00	\$ 64,837.00
Balance	\$ (2,695.00)	\$ 7,472.00	\$ 8,363.00	\$ 8,363.00
Number of Members (Approx.)	250	250	250	250

