

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date:	October 2, 2018	<input type="checkbox"/>	Consent	<input checked="" type="checkbox"/>	Regular
		<input type="checkbox"/>	Ordinance	<input type="checkbox"/>	Public Hearing
Department :	Risk Management				
Submitted By:	Risk Management				
Submitted For:	Group Insurance Division				

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I. EXECUTIVE BRIEF



Motion and Title: Staff requests Board direction: regarding new voluntary supplemental benefits for County employees.

Summary: At the regular meeting of the Board of County Commissioners on September 18, 2018, staff was directed to bring back the topic of supplemental benefits for County employees for Board discussion. Currently, dental, supplemental life insurance, short term disability and upgraded long term disability are offered on a voluntary (employee pay-all) basis to County employees as a part of their benefits package, but a full suite of supplemental benefits is not offered. Countywide (HH)

Background and Policy Issues: The Board has historically offered a very competitive and comprehensive benefits plan, which includes an HMO/POS option for major medical, which is funded 88.5% by the Board of County Commissioners, and offers employees low out of pocket copayments and no plan deductibles (for in-network coverage). The low out of pocket costs have negated the need to offer additional supplemental benefits for specific illnesses such as cancer, heart disease, or other. Voluntary supplemental benefits that pay a cash payment for certain events typically complement high deductible medical plans. Due to the low out of pocket costs of the Board's medical plans, providing supplemental coverage that pays a cash benefit in excess of medical plan copayments could cause unintended cost increases to the plan. For example, a reimbursement by a voluntary supplemental carrier for an employee's copayment for emergency treatment at a hospital ER would serve to erode the intended steerage of patients to a lower copayment at a lesser costing Urgent Care Center. Voluntary benefits currently offered by the Board are comprehensive in nature and are intended to complement the benefit plan while not paying supplements in excess of out of pocket costs. The County did offer cancer and critical illness policies through Mony, Unum, and other carriers decades ago. Staff eventually discontinued offering these policies at open enrollment due to a sharp decline in enrollment over time, however they did continue to maintain enrollment for a handful of employees for a number of years. These grandfathered policies were resource intensive to administer as they could not be part of automatic processing through the benefits and payroll system and required manual intervention. Although the Board would not incur direct costs, a competitive bid process historically has been required for 100 percent employee paid benefits to ensure transparency to account for the value of the contract, as agent compensation on these products for a group the size of Palm Beach County will be substantial.

Attachments: None

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Recommended by:		9/20/18
	Department Director	Date
Approved by:		9/24/18
	Assistant County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2018	2019	2020	2021	2022
Capital Expenditures					
Operating Costs					
External Revenue					
Program Income					
In-Kind Match (County)					

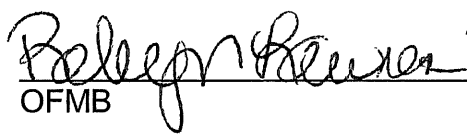
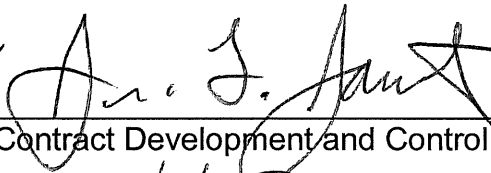
Is Item Included In Proposed Budget: Yes _____ No X
Does this item include the use of federal funds? Yes _____ No X

B. Recommended Sources of Funds/Summary of Fiscal Impact:

C. Departmental Fiscal Review: 

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

 9/21/18  9/21/18
OFMB 9/21/18 Contract Development and Control 9/21/18

B. Legal Sufficiency:


Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.