

CITY OF OAKLAND

2010 APR -1 PM 6:26

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Department of Human Resources Management
DATE: April 13, 2010
RE: **Informational Report on the Costs of City-Sponsored Employee Medical Benefits, Preliminary Outcomes of a Labor-Management Committee's Work on Medical Benefits, and Cost-Benefit Analysis of a Possible Cafeteria Option**

SUMMARY

This is an informational report requested by the Finance and Management Committee regarding the current medical benefit package offered to eligible sworn and non-sworn City of Oakland employees, historical information on costs to the City, and options for reducing the City's medical benefits costs by negotiating with its represented employees or offering a "Cafeteria" style benefits package. This report discusses only the medical benefits offered to active employees; medical benefits offered to retirees were discussed in separate report to the Finance Committee on March 23, 2010.

FISCAL IMPACT

This is an informational report with no direct fiscal impacts. However, as amply noted in the current public discourse, health care costs have continued to rise at rates that are increasingly difficult to support. The City spent \$40.3 million on health insurance for all of its active employees in Fiscal Year 2008/2009 and it is anticipated that the cost will rise to \$42.1 million in the current fiscal year due to a 4.8% increase in the Kaiser rates.

MEDICAL PLAN COSTS FOR ACTIVE EMPLOYEES

Group	FY 09/10*	FY 08/09	FY 07/08
Police	9,495,572	9,060,660	8,590,500
Fire	5,357,703	5,112,312	4,562,466
Miscellaneous	27,338,636	26,086,485	24,346,350
TOTALS	42,191,911	40,259,457	37,499,316

*estimated

In addition to the medical plan benefit costs, the City's cost for Delta Dental, in Fiscal Year 2008/2009 was close to \$5.5 million. Vision benefits for the same period cost \$487,426.

There has been a steady increase in overall medical costs, with a noticeable jump in cost for medical benefits due to rate changes. Additionally, as a result of labor negotiations, starting in July 2008, the City changed its payment method for Police dental coverage from a per person amount of \$161.50

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to the same method used for the miscellaneous employee group, claims plus 10.8% of claims administrative fee at an additional cost of approximately \$500,000 annually.

Employees who are eligible for medical plan benefits may opt out of the City's plan with proof of coverage through another source such as spouse or domestic partner's plan and receive a monthly post-tax cash in-lieu payment.

MEDICAL PREMIUM WAIVER: January 2010			
	Employees	In-Lieu Subsidy	Annual Cost
Permanent Full-Time	123	\$160/month	236,160
Permanent Part-Time	33	\$104/month	41,184
TOTALS	156		277,344

BACKGROUND

The City's medical benefits plan includes health, dental, and vision insurance coverage for full time employees and pro-rated coverage for permanent part time employees and their eligible dependents. City employees' entitlement to medical benefits is governed by the City's Memoranda of Understanding (MOUs) with its labor bargaining groups. Unrepresented employees, as authorized through Resolution 12903 CMS, have been provided the same benefits as those granted to represented employees of the International Federation of Professional and Technical Engineers (IFPTE) Local 21. Temporary and seasonal part time employees are not eligible for medical benefits.

The City of Oakland contracts with the California Public Employees Retirement System (CalPERS) to provide health benefit plans according to the Public Employees' Medical and Hospital Care Act (PEMHCA). Contracting for health benefits through CalPERS means that the City's choice of benefits providers is limited, but the contract remains the most economical option because the size of CalPERS creates an advantage when negotiating rates.

The City's employees have a choice of six different plans, depending on their own preferences and needs. There are three Health Maintenance Organization (HMO) plans (including Kaiser), and three Preferred Provider Organization (PPO) plans. Health plan coverage for each employee is subsidized at the Kaiser Bay Area rate for single, 2-party, and family rates (\$532; \$1,065; and \$1,384 per month, respectively). Dental coverage is offered through Delta Dental where there is a choice between a PPO option and an HMO option, and Vision insurance is offered through VSP (Vision Service Plan). The HMO option is paid on a premium per person basis while the Delta Dental PPO option and VSP are paid on a per claim basis plus administrative costs. Eligible employees plus their spouses and dependents are covered.

Employees are also entitled to other benefits such as life and disability insurance, but those are not discussed in this report. Medical benefits offered to retirees were discussed a in separate report to the Finance Committee on March 23, 2010. A list of medical and other benefits currently offered to the City's non-sworn and sworn employees by bargaining group along with the subsidy level paid by

the City are detailed in *Attachment A*. A detailed description of each benefit and cost formula is provided in *Attachment B*.

The MOUs dating back to July 1, 2001 for sworn police and fire and July 1, 2002 for miscellaneous employees provide for health plan subsidy as follows:

SWORN BARGAINING GROUPS	NEGOTIATED SUBSIDY LEVEL
Oakland Police Officers Association (OPOA)	Kaiser Bay Area Rates
International Assn of Firefighters (IAFF), Local 55	Blue Shield HMO (2 nd highest plan premium) Kaiser Bay Area Rates (effective 1-1-10)
Oakland Park Rangers Association (OPRA)	Kaiser Bay Area Rates

MISCELLANEOUS BARGAINING GROUPS	
Deputy City Attorney V and Special Counsel Association (DCAVSCA)	Kaiser Bay Area Rates
International Federation of Professional and Technical Engineers (IFPTE) Local 21	Kaiser Bay Area Rates
Service Employees International Union (SEIU) Local 1021	Kaiser Bay Area Rates
International Brotherhood of Electrical Workers, (IBEW) Local 1245	Kaiser Bay Area Rates
Confidential Management Employees Association (CMEA)	Kaiser Bay Area Rates

Since 2001, the Kaiser Bay Area rates have increased steadily every year and have more than doubled in that time (from \$525 per employee per month in 2001 to \$1,384 in 2010 for the family rate, for example). These changes in rates without a corresponding change in the premium subsidy for employees is largely what has driven the City’s medical benefits costs up. The complete table of health plan rate comparisons from 2000 to 2010 for all plans offered by CalPERS is included as *Attachment C*.

KEY ISSUES AND IMPACTS

As noted in the Background section above, the main driver of health plan costs is increased rates. As of January 1, 2010, the City covers 3,265 active employees and their families at an average cost of \$1,077 per employee per month; the total cost for medical insurance coverage is expected to be \$42.1 million for FY10/11. Another cost that is less obvious is that as the Kaiser Bay Area rate increases while other plans increase at lesser rates, the City is paying a greater portion of the health plan costs for employees who choose options other than Kaiser. In Fiscal Year 2007-2008, employees contributed \$7.5 million toward optional benefit plans, in FY08/09, this portion dropped to \$2.4 million because there was a lesser difference between the costs of the plans.

A. Cost-Saving Options

To contain the rising costs, the City’s main option is to limit or restrict the medical benefits offered to employees. Some of these items have been considered in discussion by the Labor/Management Committee on Miscellaneous Employee and Retiree Medical Coverage. *As a mandatory subject of bargaining, any changes to the benefits package provided to employees would first have to be negotiated within the context of labor agreement bargaining. The following is provided as information for discussion only.*

Subsidy rate:

The City’s employees have a choice of six different plans, depending on their own preferences and needs. There are three Health Maintenance Organization (HMO) plans (including Kaiser), and three Preferred Provider Organization (PPO) plans. Health plan coverage for each employee is subsidized at the Kaiser Bay Area rate for single, 2-party, and family rates (\$532; \$1,065; and \$1,384 per month, respectively). A schedule of the City’s medical health benefits and related costs is provided in **Attachment D**. If some of the burden of costs associated with medical premium subsidies were shifted to employees, the City’s costs would be reduced.

- Subsidize at the Kaiser single rate only, requiring employees with spouses and/or dependents to pay for the family coverage. This would reduce the per-employee cost to a flat \$532 per month at the current rate and would save \$21.3 million annually.
- Require employees to contribute a fixed amount toward coverage. If the City required every employee to contribute \$100 per month toward their health benefits, it would save almost \$4 million annually.

ANNUALIZED COST BASED ON 3,265 COVERED EMPLOYEES			
Subsidy Level	Cost Avg Per Employee	Annual Cost	Savings from Current
Kaiser Family Rate	1,077	42,191,911	0
Kaiser Single	532	20,843,760	21,348,151
Employee Pays \$100	977	38,273,911	3,918,000

Benefits offered:

- Bring benefits packages into alignment across all of the City’s bargaining groups. Currently IAFF Local 55 (Fire) employees and OPOA (Police) have a more generous dental plan than miscellaneous groups. Bringing all medical benefits packages to the level of miscellaneous employees would reduce costs by \$1.3 million annually.
- Eliminate dental and/or vision coverage or require employees to pay premiums. The City’s total cost for Delta Dental, in Fiscal Year 2008/2009 was nearly \$5.5 million. Vision benefits for the same period cost \$487,426. These costs could be reduced or eliminated proportionately by changing the amount of the City’s subsidy.

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Cafeteria Plans:

A *cafeteria plan* is a type of employee benefit plan offered pursuant to Section 125 of the Internal Revenue Code (IRC) which provides participants an opportunity to receive certain benefits on a pre-tax basis. Participants in a cafeteria plan must be permitted to choose among at least one taxable benefit (such as cash) and one qualified benefit (a benefit that does not defer compensation and is excludable from an employee's gross income.) Each participant is allotted a predetermined number of dollars, credits or points with which he/she may purchase benefits from options made available by the employer. If the dollar amount allotted by the employer is inadequate to purchase the desired benefits, some plans allow employees to make additional purchases with pre-tax contributions through payroll deduction. If the benefits selected cost less than the allotted amount, the employee may receive the difference in cash if the plan so provides; the cash is taxable as ordinary income.

Typical benefits included in cafeteria plans are flexible spending accounts such as medical care reimbursement (MCAP) and dependent care reimbursement (DCAP). These plans allow employees to set aside money on a pre-tax basis to cover cost for eligible medical and dependent care expenses. Other benefits that may be included in a cafeteria plan on a pre-tax basis are:

- health
- dental
- group term life up to \$50,000
- accident and sickness benefits other than medical savings account or long term care
- adoption assistance
- health savings accounts, including distributions to pay long-term care services.

There are tax savings advantages for employees; pre-tax contributions are not subject to federal, state or social security taxes. Employers also save on the employer portion of FICA, FUTA, and Workers' Compensation premiums. Any other cost savings derived from Cafeteria Plans would require changing the level of the City's subsidy for benefits and shifting that cost to employees. For example, if the City were to offer employees a medical subsidy at the Kaiser single rate of \$532 per month plus another \$700 per month that employees could apply to expanded medical (for dependents), or vision, dental, life, and other benefits, the City would likely achieve savings through the employees who did not maximize their available benefit. A full analysis of the cost-saving benefits could only be done with a specific plan design in mind.

B. Survey of Other Localities

In February 2010 staff conducted a survey of other local jurisdictions. Of those who responded, four agencies subsidize health coverage at a rate greater than the Kaiser rate and provide full subsidies of dental and vision plans for certain employee groups; six agencies provide less than 100% subsidy for health, dental, and vision for most of their employees; and one agency subsidizes the health plan at the Kaiser rate and does not offer vision and dental coverage. *Attachment E* provides a comprehensive summary of their subsidy level for the various employee groups.

Of the agencies who responded to the survey two have some form of cafeteria plan for certain employees, City and County of San Francisco and Alameda County. Both of these jurisdictions are

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non-PERS agencies and manage their own health benefit plans. That gives them the opportunity to have greater flexibility in plan design.

City and County of San Francisco - The cafeteria plan option in San Francisco is limited to the Management employees only and offers employees 17 pre- and post-tax benefits to choose from that can be purchased with flexible credits or through payroll deduction. The flexible credits provided through the cafeteria plan are in addition to medical plan subsidy of \$224.68 bi-weekly for all coverage levels.

Alameda County – The Alameda County cafeteria plan option is limited to management employees who receive \$2,600 for medical, supplemental life, accidental death and dismemberment insurance, and the Section 125 Flexible Spending Accounts (Medical Reimbursement and Dependent Care Reimbursement) and sworn employees of the Sheriff Department, providing them with a \$300 County contribution for their Flexible Spending Accounts, MCAP and DCAP.

C. Citywide Miscellaneous Employee and Retiree Medical Coverage Committee

As part of the current MOU between the City of Oakland and miscellaneous employee unions including Deputy City Attorney V and Special Counsel Association, Local 21, Local 1021 and Local 1245, a citywide Miscellaneous Employee and Retiree Medical Coverage Committee was convened.

The Medical Coverage Committee is tasked with fully exploring alternative strategies to provide cost effective employee and retiree health, dental and vision insurance, while seeking to maintain high quality coverage. The Committee consists of two (2) representatives from each miscellaneous employee union and five (5) City representatives. Pursuant to the MOU, the Medical Coverage Committee shall report its findings to the City Administrator and City Council no later than July 1, 2010.

To date, the committee has explored the following potential cost savings ideas, but has not formulated specific recommendations:

- Efficiencies in managing employee benefit eligibility, enrollment, and termination
- Freeze on employer health insurance premium contribution
- Cost sharing of dependent health insurance premium
- Cost sharing of dependant dental and/or vision premium
- Change dental and/or vision plan design
- Employee rather than employer paid “voluntary” benefits
- Contain retiree medical costs
- Cafeteria plans
- Combine health, dental and/or vision benefit administration for the City and the Port and/or Oakland Unified School District

These discussions will continue to develop over the coming months. Recommendations arising out of the committee are likely to emphasize efficiencies within the current system and to advocate for refraining from reducing or eliminating benefits.

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SUSTAINABLE OPPORTUNITIES

There are no economic, environmental, or social equity opportunities resulting from this report.

DISABILITY AND SENIOR CITIZEN ACCESS

The information contained in this report does not impact disability and senior citizen access.

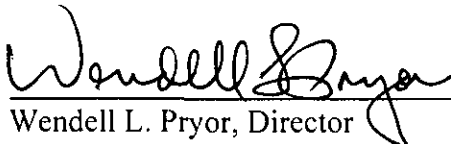
RECOMMENDATION(S) AND RATIONALE

Staff recommends that the Finance and Management Committee accept the informational report. It should be noted that in accordance with the current MOUs, there are no re-openers to change health, dental and vision benefits during the term of the current miscellaneous employee MOUs which expire June 30, 2011. The City is likely to begin successor negotiations in January 2011 with the earliest implementation date of July 1, 2011.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Finance and Management Committee accept the report on the Cost of City-Sponsored Employee Medical Benefits.

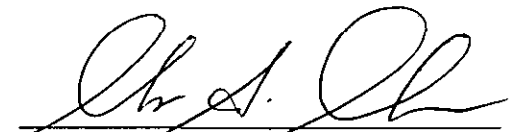
Respectfully submitted,



Wendell L. Pryor, Director
Department of Human Resources Management

Prepared by:
Yvonne S. Hudson, HR Manager
Department of Human Resources Management

APPROVED AND FORWARDED TO THE
FINANCE AND MANAGEMENT COMMITTEE:



Office of the City Administrator

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**CITY OF OAKLAND
BENEFITS BY BARGAINING UNIT
AS OF 01-01-10**

ATTACHMENT A

BENEFITS	IFPTE Local 21 & Dep City Atty 14V	Deputy City Attorney V	SEIU Local 1021	IBEW Local 1245	Confidential Management Employees Assoc (CMEA)	Unrepresented	Oakland Park Rangers Assoc (Sworn)	OPOA (Sworn)	IAFF Local 55 (Sworn)
Health Insurance (Kaiser Family Rate Subsidy; cash in lieu \$160.00 fulltime, \$104.00 part time)	X	X	X	X	X	X	X	X	X
Dental Insurance (Full subsidy-Employee + family) Claims plus 10.8% admin cost	X	X	X	X	X	X	X	X	X \$189.40 per mo. per employee
Vision Insurance (Full subsidy-Employee + family)	X	X	X	X	X	X	X		
Life Insurance/Accidental Death & Dismemberment (1X Annual Salary— Employer Pd)	X	X	X	X	X	X	X	X Employer pays \$12 per mo per mbr to OPOA	X Employer pays \$3.40 per mo per mbr to IAFF Local 55
State Disability (SDI) (Employer Pd Premium)			X	X			X		
Long Term Disability Short Term Disability (Employer Pd Premium)	X	X			X	X			
Medical Care Reimburse (MCAP) (Employee Pd Admin Fee)	X	X	X	X	X	X	X	X	X
Dependent Care Reimburse (DCAP) (Employee Pd Admin Fee)	X	X	X	X	X	X	X	X	X
Commuter Checks/Parking (Employer Pd Admin Fee)	X	X	X Employee pd. Admin		X	X			
Retirement Contribution (Employee Pd. 8% - Pre Tax)	X	X	X	X	X	X	X Employer Pd 9% Member Contribution	X Employer Pd 9% Member Contribution	X Employee Pd 13% Pre-Tax
Retiree Medical Subsidy (Up to \$425.42 per month, reimbursed quarterly)	X	X	X	X	X	X		X Subsidized in accordance with AB 2544	X Subsidized in accordance with AB 2544

BENEFIT DESCRIPTIONS

BENEFIT	SIGNIFICANT FEATURES
Medical Insurance	<ul style="list-style-type: none"> ▪ Offered through CalPERS PEMHCA Program ▪ City subsidizes medical coverage to a maximum of the Kaiser Bay Area rate (Maximum in 2010 = \$532.56 single; \$1,065.2 2-party; \$1,384.66 family) ▪ Six (6) plans are offered: 3 Health Maintenance Organization (HMO) plans and 3 PPO (Preferred Provider Organization (HMO) plans – Check Zip Code for Participation Eligibility ▪ Dependent children are covered up to age 23 if never married and disabled children of any age. ▪ Same medical plans available to retirees – City subsidy for 2010 = \$105 per month plus reimbursement up to \$425.42 per month paid quarterly if qualified (retired after 10 years or more of service with the City)
Dental	<ul style="list-style-type: none"> ▪ Two dental options available: Delta Dental PPO and Delta Care HMO ▪ City pays full cost for employee and family ▪ Delta Dental PPO -City pays claims plus 10.8% administrative fee. ▪ Delta Care HMO – City pays composite premium of \$28.94 per month per member. ▪ Dependents are covered up to age 19 or up to age 25 if a full-time student; disabled children covered of any age ▪ After any deductible requirements, the PPO plan has a \$1,500 maximum benefit per calendar year; there is a lifetime maximum of \$2,000 for orthodontic benefits. ▪ Delta Care HMO covers most standard care at no cost with other services requiring payment based on specified co-pays. ▪ Delta Dental PPO allows enrollees to use any dentist—level of payment depends on dentist in or out of network status. ▪ Delta Care HMO has specific network of dentists—enrollees must select a contract dentist at enrollment.
Vision	<ul style="list-style-type: none"> ▪ Vision offered through Vision Service Plan (VSP) ▪ City pays full cost for employee and family ▪ City pays claims plus \$1.86 per month per person administrative fee. ▪ Eligible children are covered up to age 19 or up to age 25 if full time student; disabled children covered of any age ▪ Member pays \$10 co-pay every plan year. ▪ Coverage includes well vision exam every 12 months; prescription glasses every 12 months including frame allowance of \$105 which can also be used for contact lenses ▪ Extra discounts include average 30% savings on lens options like progressive and scratch resistant/anti-reflective coatings; 20% off additional glasses and sunglasses; 15% off cost of contact lens exam (fitting and evaluation); average 15% off regular price for laser vision correction.
Life Insurance/ Accidental Death & Dismemberment	<ul style="list-style-type: none"> ▪ Coverage for all full-time and permanent part-time employees. ▪ Premium for coverage paid by the City of Oakland; for life insurance \$0.11 per \$1,000 in salary coverage; for AD&D \$0.015 per \$100 in salary coverage. ▪ Value of benefit is 1X annual salary rounded to the nearest thousand or half of a permanent part time employee's annual salary ▪ Supplemental life coverage is available for full-time and permanent part-time employees to purchase. ▪ Policy values vary and are available to employees, spouses, domestic partners and

	<p>children.</p> <ul style="list-style-type: none"> ▪ Other enhanced benefits included with policy include: Travel assistance when faced with a medical emergency while traveling domestic or international on business or leisure trips, Employee Assistance Program (EAP) through ComPsych that includes 24 hour telephone service and up to 5 face-to-face counseling sessions; free ½ hour legal session with an attorney for divorce, estate planning, lawsuits, bankruptcy, etc. and 25% discount on representation; one face to face with a financial expert for matters such as dept management, estate planning, tax questions, etc.
Disability Insurance Short Term and Long Term	<ul style="list-style-type: none"> ▪ Certain bargaining units receive benefits through contracted provider that include STD and LTD benefits. ▪ <i>STD - payment after 7 days elimination period; 60% of weekly earnings to a maximum of \$1,038 per week or 70% of weekly earnings less any deductible sources of income; maximum period of payment 25 weeks.</i> ▪ For STD the City pays \$0.388 per \$100 in salary coverage; for LTD the City pays \$0.364 per \$100 in salary coverage. ▪ LTD – 90 days elimination period; monthly benefits of 60% of monthly earnings to a maximum benefit of \$4,500 per month or 70% of monthly earnings less any deductible sources of income. ▪ Employee could elect to pay for additional coverage; rates are based on age.
State Disability Insurance (SDI)	<ul style="list-style-type: none"> ▪ Cost for SDI is covered by the City. ▪ Certain bargaining units receive disability benefits through the State Disability Insurance program. ▪ Benefit is designed to partially replace wages lost because of a disability that was not caused by work. ▪ Payment of benefits is coordinated with any pay being received from the City.
Medical Care Assistance Program (MCAP)	<ul style="list-style-type: none"> ▪ No City contribution – fee to participate paid by employee. ▪ Pre-tax program that allows employees to reduce tax liability by setting aside funds to pay for eligible medical expenses. ▪ Maximum contribution is \$5,000 for a family ▪ After expenses are incurred, member may submit claims for reimbursement from a flexible spending account. ▪ If desired, participant will be issued a “debit” card for use in accessing flexible spending account.
Dependent Care Assistance Program (DCAP)	<ul style="list-style-type: none"> ▪ No City contribution – fee to participate paid by the employee. ▪ Pre-tax program that allows employees to reduce tax liability by setting aside funds to pay for eligible dependent care expenses (child or elder care). ▪ After expenses are incurred, employee may submit receipts for reimbursement from a flexible spending account. ▪ Maximum contribution per year is \$5,000.
Commuter Program (Transit and Parking)	<ul style="list-style-type: none"> ▪ City pays the admin fee for members of Local 21, DCAVSCA, CMEA and Unrepresented. ▪ Pre-tax program that allows employees to reduce tax liability by setting aside up to \$230 per month to pay for transit passes and parking (effective January 1, 2010).

HEALTH RATE COMPARISON

2000-2010

Plan Name	Single			2-Party			Family		
	2000	2001	Difference	2000	2001	Difference	2000	2001	Difference
Aetna	\$178.63	\$194.00	8.60%	\$357.26	\$388.00	8.60%	\$464.46	\$504.40	8.60%
Blue Shield HMO	\$184.56	\$207.17	12.25%	\$369.12	\$402.34	9.00%	\$479.87	\$523.04	9.00%
Cigna	\$172.37	\$185.30	7.50%	\$344.76	\$370.60	7.50%	\$448.48	\$481.78	7.43%
Health Net	\$180.64	\$197.26	9.20%	\$361.27	\$394.52	9.20%	\$469.67	\$512.55	9.13%
Health Plan of Redwoods	\$183.40	\$199.17	8.60%	\$366.79	\$398.34	8.60%	\$476.83	\$517.84	8.60%
Kaiser Fdn Health Plan HMO	\$187.06	\$202.21	8.10%	\$368.12	\$404.42	9.86%	\$478.56	\$525.75	9.86%
Lifeguard	\$195.31	\$214.65	9.90%	\$390.61	\$429.29	9.90%	\$507.81	\$558.08	9.90%
Maxicare	\$166.00	\$177.05	6.66%	\$332.00	\$354.10	6.66%	\$431.60	\$460.33	6.66%
Pacificare	\$174.54	\$188.17	7.81%	\$349.04	\$376.34	7.82%	\$453.73	\$489.24	7.83%
PERS - Care PPO/Indemnity	\$296.00	\$361.00	21.96%	\$592.00	\$722.00	21.96%	\$770.00	\$939.00	21.95%
PERS - Choice PPO/Indemnity	\$174.00	\$214.00	22.99%	\$352.00	\$428.00	21.59%	\$458.00	\$556.00	21.40%

Plan Name	Single			2-Party			Family		
	2001	2002	Difference	2001	2002	Difference	2001	2002	Difference
Aetna	\$194.00	N/A	N/A	\$388.00	N/A	N/A	\$504.40	N/A	N/A
Blue Shield HMO	\$207.17	\$216.66	4.58%	\$402.34	\$433.32	7.70%	\$523.04	\$563.32	7.70%
Cigna	\$185.30	N/A	N/A	\$370.60	N/A	N/A	\$481.78	N/A	N/A
Health Net	\$197.26	\$211.87	7.41%	\$394.52	\$423.74	7.41%	\$512.55	\$550.86	7.47%
Health Plan of Redwoods	\$199.17	\$206.58	3.72%	\$398.34	\$413.16	3.72%	\$517.84	\$537.11	3.72%
Kaiser Fdn Health Plan HMO	\$202.21	\$210.17	3.94%	\$404.42	\$420.34	3.94%	\$525.75	\$546.44	3.94%
Lifeguard	\$214.65	N/A	N/A	\$429.29	N/A	N/A	\$558.08	N/A	N/A
Maxicare	\$177.05	N/A	N/A	\$354.10	N/A	N/A	\$460.33	N/A	N/A
Pacificare	\$188.17	\$205.48	9.20%	\$376.34	\$410.96	9.20%	\$489.24	\$534.25	9.20%
PERS - Care PPO/Indemnity	\$361.00	\$449.00	24.38%	\$722.00	\$898.00	24.38%	\$939.00	\$1,167.00	24.28%
PERS - Choice PPO/Indemnity	\$214.00	\$249.00	16.36%	\$428.00	\$498.00	16.36%	\$556.00	\$647.00	16.37%

Plan Name	Single			2-Party			Family		
	2002	2003	Difference	2002	2003	Difference	2002	2003	Difference
Blue Shield HMO	\$216.66	\$267.25	23.35%	\$433.32	\$534.50	23.35%	\$563.32	\$694.86	23.35%
Kaiser Fdn Health Plan HMO	\$210.17	\$259.21	23.33%	\$420.34	\$518.42	23.33%	\$546.44	\$673.95	23.33%
PERS - Care PPO/Indemnity	\$449.00	\$548.00	22.05%	\$898.00	\$1,096.00	22.05%	\$1,167.00	\$1,425.00	22.11%
PERS - Choice PPO/Indemnity	\$249.00	\$296.00	18.88%	\$498.00	\$592.00	18.88%	\$647.00	\$770.00	19.01%

Plan Name	Single			2-Party			Family		
	2003	2004	Difference	2003	2004	Difference	2003	2004	Difference
Blue Shield HMO	\$267.25	\$315.22	17.95%	\$534.50	\$630.44	17.95%	\$694.86	\$819.57	17.95%
Kaiser Fdn Health Plan HMO	\$259.21	\$305.42	17.83%	\$518.42	\$610.84	17.83%	\$673.95	\$794.09	17.83%
PERS - Care PPO/Indemnity	\$548.00	\$544.77	-0.59%	\$1,096.00	\$1,089.54	-0.59%	\$1,425.00	\$1,416.40	-0.60%
PERS - Choice PPO/Indemnity	\$296.00	\$349.41	18.04%	\$592.00	\$698.82	18.04%	\$770.00	\$908.47	17.98%

Plan Name	Single			2-Party			Family		
	2004	2005	Difference	2004	2005	Difference	2004	2005	Difference
Blue Shield HMO	\$315.22	\$389.96	23.71%	\$630.44	\$779.92	23.71%	\$819.57	\$1,013.90	23.71%
Kaiser Fdn Health Plan HMO	\$305.42	\$354.69	16.13%	\$610.84	\$709.38	16.13%	\$794.09	\$922.19	16.13%
PERS - Care PPO/Indemnity	\$544.77	\$619.93	13.80%	\$1,089.54	\$1,239.86	13.80%	\$1,416.40	\$1,611.82	13.80%
PERS - Choice PPO/Indemnity	\$349.41	\$369.74	5.82%	\$698.82	\$739.48	5.82%	\$908.47	\$961.32	5.82%

HEALTH RATE COMPARISON

2000-2010

Plan Name	Single			2-Party			Family		
	2005	2006	Difference	2005	2006	Difference	2005	2006	Difference
Blue Shield HMO	\$389.96	\$425.50	9.11%	\$779.92	\$851.00	9.11%	\$1,013.90	\$1,106.30	9.11%
Kaiser Fdn Health Plan HMO	\$354.69	\$389.38	9.78%	\$709.38	\$778.76	9.78%	\$922.19	\$1,012.39	9.78%
PERS-Care PPO/Indemnity	\$619.93	\$680.43	9.76%	\$1,239.86	\$1,360.86	9.76%	\$1,611.82	\$1,769.12	9.76%
PERS Choice PPO/Indemnity	\$369.74	\$404.59	9.43%	\$739.48	\$809.18	9.43%	\$961.32	\$1,051.93	9.43%
Plan Name	Single			2-Party			Family		
	2006	2007	Difference	2006	2007	Difference	Family 2006	Family 2007	Difference
Blue Shield HMO	\$425.50	\$484.21	13.80%	\$851.00	\$968.42	13.80%	\$1,106.30	\$1,258.95	13.80%
Kaiser Fdn Health Plan HMO	\$389.38	\$431.17	10.73%	\$778.76	\$862.34	10.73%	\$1,012.39	\$1,121.04	10.73%
PERS-Care PPO/Indemnity	\$680.43	\$769.50	13.09%	\$1,360.86	\$1,539.00	13.09%	\$1,769.12	\$2,000.70	13.09%
PERS Choice PPO/Indemnity	\$404.59	\$455.18	12.50%	\$809.18	\$910.36	12.50%	\$1,051.93	\$1,183.47	12.50%
Plan Name	Single			2-Party			Family		
	2007	2008	Difference	2007	2008	Difference	2007	2008	Difference
Blue Shield HMO	\$484.21	\$532.93	10.06%	\$968.42	\$1,065.86	10.06%	\$1,258.95	\$1,385.62	10.06%
Blue Shield NetValue HMO***	N/A	\$478.22	N/A	N/A	\$956.44	N/A	N/A	\$1,243.37	N/A
Kaiser Fdn Health Plan HMO	\$431.17	\$470.67	9.16%	\$862.34	\$941.34	9.16%	\$1,121.04	\$1,223.74	9.16%
PERS-Care PPO/Indemnity	\$769.50	\$749.83	-2.56%	\$1,539.00	\$1,499.66	-2.56%	\$2,000.70	\$1,949.56	-2.56%
PERS Choice PPO/Indemnity	\$455.18	\$482.48	6.00%	\$910.36	\$964.96	6.00%	\$1,183.47	\$1,254.45	6.00%
PERS Select PPO/Indemnity****	N/A	\$467.18	N/A	N/A	\$934.36	N/A	N/A	\$1,214.67	N/A
Plan Name	Single			2-Party			Family		
	2008	2009	Difference	2008	2009	Difference	2008	2009	Difference
Blue Shield HMO	\$532.93	\$560.57	5.19%	\$1,065.86	\$1,121.14	5.19%	\$1,385.62	\$1,457.48	5.19%
Blue Shield NetValue HMO***	\$478.22	\$495.50	3.61%	\$956.44	\$991.00	3.61%	\$1,243.37	\$1,288.30	3.61%
Kaiser Fdn Health Plan HMO	\$470.67	\$508.30	7.99%	\$941.34	\$1,016.00	7.93%	\$1,223.74	\$1,321.58	8.00%
PERS-Care PPO/Indemnity	\$749.83	\$749.83	0.00%	\$1,499.66	\$1,499.66	0.00%	\$1,949.56	\$1,949.56	0.00%
PERS Choice PPO/Indemnity	\$482.48	\$482.48	0.00%	\$964.96	\$964.96	0.00%	\$1,254.45	\$1,254.45	0.00%
PERS Select PPO/Indemnity****	\$467.18	\$453.16	-3.00%	\$934.36	\$906.32	-3.00%	\$1,214.67	\$1,178.22	-3.00%
Plan Name	Single			2-Party			Family		
	2009	2010	Difference	2009	2010	Difference	2009	2010	Difference
Blue Shield HMO	\$560.57	\$577.33	2.99%	\$1,121.14	\$1,154.66	2.99%	\$1,457.48	\$1,501.06	2.99%
Blue Shield NetValue HMO***	\$495.50	\$500.35	0.98%	\$991.00	\$1,000.70	0.98%	\$1,288.30	\$1,300.91	0.98%
Kaiser Fdn Health Plan HMO	\$508.30	\$532.56	4.77%	\$1,016.00	\$1,065.12	4.83%	\$1,321.58	\$1,384.66	4.77%
PERS-Care PPO/Indemnity	\$749.83	\$868.17	15.78%	\$1,499.66	\$1,736.34	15.78%	\$1,949.56	\$2,257.24	15.78%
PERS Choice PPO/Indemnity	\$482.48	\$508.74	5.44%	\$964.96	\$1,017.48	5.44%	\$1,254.45	\$1,322.72	5.44%
PERS Select PPO/Indemnity****	\$453.16	\$474.93	4.80%	\$906.32	\$949.86	4.80%	\$1,178.22	\$1,234.82	4.80%
10 -Year Average Increase	Single			2-Party			Family		
	2000	2010	Avg Difference	2000	2010	Avg Difference	2000	2010	Avg Difference
Kaiser Fdn Health Plan HMO	\$187.06	\$532.56	11.03%	\$368.12	\$1,065.12	11.21%	\$478.56	\$1,384.66	11.21%

City of Oakland
Active Sworn and NonSworn Employees Medical Premium Costs
January 1, 2010

Plan	Plan Level	Count	Total Monthly Employee Contribution	Total Monthly Employer Contribution	Average Monthly Employer Contribution
Blue Shield HMO	Single	206	9,133	109,624	532
	2-Party	169	15,043	179,979	1,065
	Family	441	50,909	610,466	1,384
Blue Shield NetValue HMO	Single	2	-	974	487
	2-Party	2	-	2,001	1,001
	Family	7	-	9,037	1,291
Kaiser Fdn Health Plan HMO	Single	694	14	369,240	532
	2-Party	531	42	565,205	1,064
	Family	1,026	162	1,419,078	1,383
PERS - Choice PPO/indemnity	Single	51	-	25,946	509
	2-Party	39	-	39,649	1,017
	Family	67	-	88,321	1,318
PERS Select PPO/Indemnity	Single	1	-	475	475
	2-Party	-	-	-	-
	Family	-	-	-	-
PERS-Care PPO/Indemnity	Single	5	1,650	2,663	533
	2-Party	-	-	-	-
	Family	-	-	-	-
PORAC PPO	Single	5	-	2,420	484
	2-Party	2	-	1,812	-
	Family	17	-	19,567	-
Total	Single	964	10,797	511,341	530
	2-Party	743	15,084	788,646	1,061
	Family	1,558	51,071	2,146,469	1,378
	ALL	3,265	76,952	3,446,456	1,056

Note: Data based on Active CalPERS monthly bill as of 01.01.10

HEALTH BENEFIT COMPARISON
2010 BENEFIT AND SUBSIDY

ATTACHMENT E

JURISDICTION	MEDICAL	DENTAL	VISION	LIFE INSURANCE	DISABILITY INSURANCE
Oakland					
Miscellaneous	Kaiser Rate	Fully paid	Fully paid	One times annual salary to maximum of \$200,000	Fully paid
Management	Kaiser Rate	Fully paid	Fully paid		Fully paid
Police	Kaiser Rate	Fully paid	N/A		N/A
Fire	Kaiser Rate	Fully paid	N/A		N/A
Retirees	PERS statutory subsidy + \$425.42 per month if with the City for 10+ yrs.	N/A	N/A	N/A	N/A
Contra Costa County					
Miscellaneous	87% of Kaiser Rate	Fully paid	Fully paid	Info not available	Info not available
Management	87% of Kaiser Rate	Fully paid	Fully paid		
Police	87% of Kaiser Rate	Fully paid	Fully paid		
Fire	87% of Kaiser Rate	Fully paid	Fully paid		
Retirees	N/A	N/A	N/A		
Fremont					
Miscellaneous				Info not available	Info not available
Classified	\$1383 mo. (medical, dental and vision)	See medical	See medical		
Professional Eng.	\$1489 mo. (medical, dental and vision)	See medical	See medical		
Teamsters	\$1512 mo (medical, dental and vision)	See medical	See medical		
Management	\$1518 mo (medical and dental)	See medical	Fully paid		

HEALTH BENEFIT COMPARISON
2010 BENEFIT AND SUBSIDY

ATTACHMENT E

JURISDICTION	MEDICAL	DENTAL	VISION	LIFE INSURANCE	DISABILITY INSURANCE
Operating Eng.	Actual premium or \$718 mo. employee only; \$1397 2-party; \$1820 family (medical and dental)	See medical	Fully paid		
Police	\$1436 mo. (medical and dental)	See medical	No info available		
Fire	\$1472 mo. (medical and dental)	See medical	No info available		
Retirees	N/A	N/A	N/A		
San Francisco					
<i>Three plans offered—2 HMOs and 1 PPO</i>					
Miscellaneous	Subsidy ranges from \$232 to \$542 bi-weekly for majority of classifications	Fully paid	Fully paid	\$50,000	State Disability Insurance (SDI)
Management	Subsidy of \$224 bi-weekly plus Cafeteria Plan - \$317.95 Flexible Credit allocation twice monthly to apply toward an array of pre- and post-tax benefits. Same as Miscellaneous.	Fully paid	Fully paid	\$50,000	State Disability Insurance (SDI)
Police	Same as Miscellaneous	Fully paid	Fully paid	\$50,000	
Fire	Same as Miscellaneous	Fully paid	Fully Paid	\$50,000	
Retirees	Subsidy from \$667 to \$1406 per month based on plan and coverage level	N/A	N/A	N/A	N/A
San Mateo County					
Miscellaneous	90% of HMO Premiums; 80% of PPO Premium for miscellaneous and sworn employees.	90% of premium	Fully paid	Info not available	Info not available

HEALTH BENEFIT COMPARISON
2010 BENEFIT AND SUBSIDY

ATTACHMENT E

JURISDICTION	MEDICAL	DENTAL	VISION	LIFE INSURANCE	DISABILITY INSURANCE
Management	90% of HMO Premiums; 80% of PPO Premium for miscellaneous and sworn employees.	90% of premium	Fully paid		
Police	90% of HMO Premiums; 80% of PPO Premium for miscellaneous and sworn employees.	90% of premium	Fully paid		
Fire	90% of HMO Premiums; 80% of PPO Premium for miscellaneous and sworn employees.	90% of premium	Fully paid		
Retirees	Info not available				
Santa Rosa					
Miscellaneous	87.5% of premiums subsidized	Fully paid	Fully paid	\$20,000	Long Term Disability-Fully paid – all employees – miscellaneous and safety
Police	Maximum subsidy of \$1384 for family coverage (Kaiser)	Fully paid	Fully paid	\$12,000	
Fire	Maximum subsidy of \$1501 for family coverage (Blue Shield Access+)	Fully paid	Fully paid	Fully paid	
Retirees	No info available	N/A	N/A		
Alameda County					
Miscellaneous	100% of lowest HMO subsidy	Fully paid	\$250 reimbursement every 24 mos.	\$9,000	No benefit offered
Management	Cafeteria Plan - \$2,600 for medical, supplemental life insurance, AD &D, DCAP, MCAP	Fully paid	Fully paid	\$25,000	
Sheriff	90% of premiums subsidized; employee pays 10% Cafeteria Plan - \$300 County contribution for FSA (MCAP & DCAP)	Fully paid	\$200 reimbursement every 24 mos.	\$12,000	

HEALTH BENEFIT COMPARISON
2010 BENEFIT AND SUBSIDY

ATTACHMENT E

JURISDICTION	MEDICAL	DENTAL	VISION	LIFE INSURANCE	DISABILITY INSURANCE
Fire	Info not available	No info available		No info available	
Retirees	Premiums subsidized: 50% - 10 years of service 75% - 15 years of service 100% - 20 years of service	N/A	N/A		