Executive Committee

Employee Benefits Update and Proposal

August 8, 2019
Current Employee Benefits - Medical

• Options
  - Aetna PPO
  - Aetna HMO
  - Kaiser

• Coverage and Contribution
  - PCE pays cost of Employee-only coverage up to $1,000 per month
  - No PCE contribution for dependent coverage (spouse, domestic partner or family)

• Cost of Employee-Only Coverage (as of January 1, 2020)
  - Aetna PPO - $975.12 per month
  - Aetna HMO - $924.12 per month
  - Kaiser - $848.64 per month

• Cost of Dependent Coverage (as of January 1, 2020) – Employee pays 100% of cost
  - Aetna PPO
    - +1 - $974.10 per month
    - +2 or more - $1,560.60 per month
  - Aetna HMO
    - +1 - $924.88 per month
    - +2 or more - $1,479.00 per month
  - Kaiser
    - +1 - $828.24 per month
    - +2 or more - $1,324.98 per month

• Participation (18 of 21 employees)
  - Employee-Only → 17
  - Employee +1 → 1
  - Employee +2 → 0
Current Employee Benefits - Dental

• Delta Dental

• Coverage and Contribution
  - PCE pays full cost of Employee-only coverage
  - PCE pays up to $300/year ($25/month) per enrolled dependent

• Cost of Employee-Only Coverage (as of January 1, 2020)
  - $39.47 per month

• Cost of Dependent Coverage (as of January 1, 2020)
  - +1
    - PCE pays $25.00 per month
    - Employee pays $6.83 per month (21%)
  - +2
    - PCE pays $50.00 per month
    - Employee pays $25.89 per month (34%)

• Participation (20 of 21 employees)
  - Employee-Only → 17
  - Employee +1 → 2
  - Employee +2 → 1
Current Employee Benefits - Vision

- **Vision Service Plan (VSP)**

- **Coverage and Contribution**
  - PCE pays full cost of Employee and Dependents coverage

- **Cost of Employee-Only Coverage (as of January 1, 2020)**
  - $7.96 per month

- **Cost of Dependent Coverage (as of January 1, 2020)**
  - +1
    - PCE pays $7.34 per month
    - Employee pays $0.00 per month (0%)
  - +2
    - PCE pays $16.42 per month
    - Employee pays $0.00 per month (0%)

- **Participation (20 of 21 employees)**
  - Employee-Only → 17
  - Employee +1 → 2
  - Employee +2 → 1
Dependent Coverage - Examples

• **San Mateo County**
  - Employee-Only – County pays 75-85% (depending on plan selected)
  - +1 – County pays 75-85% (depending on plan selected)
  - +2 – County pays 75-85% (depending on plan selected)

• **SVCE**
  - Employee-Only – SVCE pays up to $1,000 per employee (same as PCE)
  - Dependents – SVCE contributes $700 per month per employee to FSA/HRA

• **MBCP**
  - EE/Dependents – MBCP pays up to $1,200 per employee for Med/Dent/Vision (more than PCE)
    - Estimate that this would equate to:
      - PCE paying $1,000 toward medical
      - PCE paying $177 toward dependent medical (11-61% depending on coverage selected)
  - Note: Employees can opt out of Medical insurance coverage and receive $600 cash in-lieu of benefits
Proposed Change – Add Dependent Medical Contribution

• Introduce 50% PCE contribution for dependent medical insurance
  ➢ Current contribution is not “family-friendly”
  ➢ Difficult to recruit candidates who have families (without spousal coverage)

• Coverage and Contribution
  ➢ PCE continues to pay cost of Employee-only coverage up to $1,000 per month (expect this number to be reached starting 2021)

• Proposed Cost of Dependent Coverage (as of January 1, 2020)
  ➢ Aetna PPO
    o +1 - $487.05 per month (50%)
    o +2 or more - $780.30 per month (50%)
  ➢ Aetna HMO
    o +1 - $462.44 per month (50%)
    o +2 or more - $739.50 per month (50%)
  ➢ Kaiser
    o +1 - $414.12 per month (50%)
    o +2 or more - $662.49 per month (50%)

• Annual Financial Impact (conservative estimates)
  ➢ Employee +1 ➔ 4 enrollees – $24,000
  ➢ Employee +2 ➔ 2 enrollees – $18,000
    ➢ Possibly less than these estimates
Proposed Addition – Long-Term Disability

• Introduce Long-Term Disability Coverage for Employees
  - Provide steady income in the event of an employee's extended disability (injury or illness)

• Coverage
  - Pays equivalent of 60% of salary
  - Maximum benefit is $5,000 per month (equivalent to maximum base salary of $100,000 per year)
  - Benefits begin after 90 days (CA state SDI starts after 7 days)
  - Other terms and conditions must be satisfied

• Annual Financial Impact (estimated)
  - All employees – approx. $14,000/year