

Memorandum



Date: July 10, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Supplement to
Agenda Item No.
8(O)1a

From: George M. Burgess
County Manager

Subject: Supplement to Recommendation for Approval to Award Contract No. 559 Self-funded Medical Program

This supplemental report has been prepared to provide the proposed 2008 rates for Miami-Dade County and Jackson Health System employees, retirees, and their dependents. As expected, soliciting competitive proposals for a consolidated self-funded health insurance program has yielded significant savings - \$25 million. An additional \$33 million in savings has been achieved through rate re-tiering. We have created four tiers (employee only; employee + spouse; employee + child or children; and employee + family) bringing substantial relief to employees who are covering or wish to cover a child or children, since children are generally less expensive to cover than a spouse. All \$58 million in savings is being applied toward reducing dependent premiums.

The exhibits also reflect what employee premiums would be in 2008 under a standard renewal of the incumbent carriers. The renewal increases ranged from a low of 3.0% (Vista) to a high of 14.0% (Cigna). The proposed premiums represent not only a significant reduction from what the employee would have paid under a standard renewal, but in most instances, the employee will actually be paying less in 2008 than they are currently paying in 2007.

The JMH Health Plan will continue to be offered as a fully insured option for employees. Their premium renewal for 2008 resulted in a 13.9% increase.

I am extremely pleased to deliver actual rates that represent what we have long projected was possible. This truly is a win-win for our employees, retirees, and their dependents and we look forward to implementing this program for the new plan year which begins January 1, 2008.

Assistant County Manager

EXHIBIT I
ACTIVE EMPLOYEES
BI WEEKLY PREMIUMS

2007 Rates		Status Quo Renewal	AvMed High Option HMO		
AvMed HMO	2007 Bi-Weekly Net EE Contribution		2008 Bi-Weekly Net EE Contribution	Proposed EE Contribution	\$ Change to Contribution
EE Only	\$0.00	\$0.00	\$0.00	\$0.00	N/A
EE + Spouse	\$163.23	\$183.68	\$150.24	(\$33.44)	-18.2%
EE + Child	\$163.23	\$183.68	\$130.24	(\$53.44)	-29.1%
EE + Children	\$221.41	\$249.15	\$130.24	(\$118.91)	-47.7%
Family	\$221.41	\$249.15	\$205.29	(\$43.86)	-17.6%
Humana HMO		AvMed High Option HMO			
	2007 Bi-Weekly Net EE Contribution	2008 Bi-Weekly Net EE Contribution	Proposed EE Contribution	\$ Change to Contribution	% Change to Contribution
EE Only	\$0.00	\$0.00	\$0.00	\$0.00	N/A
EE + Spouse	\$182.21	\$189.96	\$150.24	(\$39.72)	-20.9%
EE + Child	\$182.21	\$189.96	\$130.24	(\$59.72)	-31.4%
EE + Children	\$246.38	\$256.85	\$130.24	(\$126.61)	-49.3%
Family	\$246.38	\$256.85	\$205.29	(\$51.56)	-20.1%
Vista HMO		AvMed High Option HMO			
	2007 Bi-Weekly Net EE Contribution	2008 Bi-Weekly Net EE Contribution	Proposed EE Contribution	\$ Change to Contribution	% Change to Contribution
EE Only	\$0.00	\$0.00	\$0.00	\$0.00	N/A
EE + Spouse	\$147.63	\$152.06	\$150.24	(\$1.82)	-1.2%
EE + Child	\$147.63	\$152.06	\$130.24	(\$21.82)	-14.3%
EE + Children	\$199.61	\$205.59	\$130.24	(\$75.35)	-36.6%
Family	\$199.61	\$205.59	\$205.29	(\$0.30)	-0.1%
Cigna POS		AvMed POS			
	2007 Bi-Weekly Net EE Contribution	2008 Bi-Weekly Net EE Contribution	Proposed EE Contribution	\$ Change to Contribution	% Change to Contribution
EE Only	\$10.49	\$11.96	\$11.83	(\$0.13)	-1.0%
EE + Spouse	\$318.10	\$362.63	\$249.06	(\$113.57)	-31.3%
EE + Child	\$318.10	\$362.63	\$206.65	(\$155.98)	-43.0%
EE + Children	\$437.85	\$499.15	\$206.65	(\$292.50)	-58.6%
EE & Family	\$437.85	\$499.15	\$430.54	(\$68.61)	-13.7%
JMH HMO		JMH HMO			
	2007 Bi-Weekly Net EE Contribution	2008 Bi-Weekly Net EE Contribution	Proposed EE Contribution	\$ Change to Contribution	% Change to Contribution
EE Only	\$0.00	\$0.00	\$0.00	N/A	N/A
EE + One	\$162.29	\$184.83	\$184.83	N/A	N/A
EE + Family	\$220.20	\$250.79	\$250.79	N/A	N/A

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EXHIBIT II
PRE 65 RETIREES
MONTHLY PREMIUMS

	2007	2008 Status Quo	AvMed High Option HMO		
			Proposed Premium	\$ Change	% Change
AvMed HMO					
Retiree Only	\$498.27	\$560.69	\$237.68	(\$323.01)	-57.6%
Retiree + Spouse	\$851.93	\$958.67	\$567.41	(\$391.26)	-40.8%
Retiree + Child	\$851.93	\$958.67	\$519.88	(\$438.79)	-45.8%
Retiree + Children	\$977.99	\$1,100.51	\$519.88	(\$580.63)	-52.8%
Family	\$977.99	\$1,100.51	\$713.04	(\$387.47)	-35.2%
Humana HMO					
AvMed High Option HMO					
Retiree Only	\$556.18	\$579.83	\$237.68	(\$342.15)	-59.0%
Retiree + Spouse	\$950.97	\$991.40	\$567.41	(\$423.99)	-42.8%
Retiree + Child	\$950.97	\$991.40	\$519.88	(\$471.52)	-47.6%
Retiree + Children	\$1,090.00	\$1,136.34	\$519.88	(\$616.46)	-54.3%
Family	\$1,090.00	\$1,136.34	\$713.04	(\$423.30)	-37.3%
Vista HMO					
AvMed High Option HMO					
Retiree Only	\$450.54	\$464.06	\$237.68	(\$226.38)	-48.8%
Retiree + Spouse	\$770.40	\$793.52	\$567.41	(\$226.11)	-28.5%
Retiree + Child	\$770.40	\$793.52	\$519.88	(\$273.64)	-34.5%
Retiree + Children	\$883.02	\$909.50	\$519.88	(\$389.62)	-42.8%
Family	\$883.02	\$909.50	\$713.04	(\$196.46)	-21.6%
Cigna POS					
AvMed POS					
Retiree Only	\$757.44	\$863.48	\$676.82	(\$186.66)	-21.6%
Retiree + Spouse	\$1,423.93	\$1,623.28	\$1,324.26	(\$299.02)	-18.4%
Retiree + Child	\$1,423.93	\$1,623.28	\$1,315.98	(\$307.30)	-18.9%
Retiree + Children	\$1,683.39	\$1,919.06	\$1,315.98	(\$603.08)	-31.4%
Family	\$1,683.39	\$1,919.06	\$1,497.10	(\$421.96)	-22.0%
JMH HMO					
JMH HMO					
Retiree Only	\$496.30	\$565.22	\$565.22	N/A	N/A
Retiree + Spouse	\$847.92	\$965.68	\$965.68	N/A	N/A
Retiree + Child	\$847.92	\$965.68	\$965.68	N/A	N/A
Retiree + Children	\$973.40	\$1,108.59	\$1,108.59	N/A	N/A
Family	\$973.40	\$1,108.59	\$1,108.59	N/A	N/A
AvMed Low Option HMO					
Retiree Only	N/A	N/A	\$224.19	N/A	N/A
Retiree + Spouse	N/A	N/A	\$535.20	N/A	N/A
Retiree + Child	N/A	N/A	\$490.37	N/A	N/A
Retiree + Children	N/A	N/A	\$490.37	N/A	N/A
Family	N/A	N/A	\$672.57	N/A	N/A

Final 6/26/07

EXHIBIT III
POST 65 RETIREES (W/DEPENDENTS IN POS)
MONTHLY PREMIUMS

	2007 Rates	Status Quo 2008	Proposed Premium	\$ Change to Premium	% Change to Premium
High OPT Supplement					
Retiree Only	\$579.73	\$721.76	\$488.19	(\$233.57)	-32.4%
Retiree & Spouse 65+	\$1,159.46	\$1,443.53	\$976.38	(\$467.15)	-32.4%
RET 65+, DEP <65	\$1,246.22	\$1,551.54	\$1,149.68	(\$401.86)	-25.9%
RET 65+, DEPS <65	\$1,505.68	\$1,874.57	\$1,267.94	(\$606.63)	-32.4%
Low OPT Supplement		\$644.56	\$435.97	(\$208.59)	-32.4%
Retiree Only	\$517.72	\$1,289.12	\$871.95	(\$417.17)	-32.4%
Retiree & Spouse 65+	\$1,035.44	\$1,474.34	\$1,097.46	(\$376.88)	-25.6%
RET 65+, DEP <65	\$1,184.21	\$1,797.37	\$1,215.72	(\$581.65)	-32.4%
RET 65+, DEPS <65	\$1,443.67				
High OPT Supplement, NoRx					
Retiree Only	\$251.99	\$313.73	\$212.20	(\$101.53)	-32.4%
Retiree & Spouse 65+	\$503.98	\$627.46	\$424.40	(\$203.06)	-32.4%
RET 65+, DEP <65	\$918.48	\$1,143.51	\$873.69	(\$269.82)	-23.6%
RET 65+, DEPS <65	\$1,177.94	\$1,466.54	\$991.95	(\$474.59)	-32.4%

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