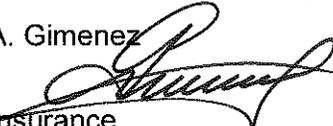


Memorandum



Date: April 11, 2013

To: Honorable Chairwoman Rebeca Sosa
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Health Insurance

Recently there has been much discussion and confusion regarding the issuance of a Request for Proposals (RFP) for the County's Group Health Insurance Program. I provided a response at the end of March to a series of questions proffered by several Members of the Board of County Commissioners. However, there remains uncertainty regarding the intended outcome of the RFP and concerns amongst our employees about a critically important benefit and any potential changes. For this reason, at your last BCC meeting, it was requested that a workshop be scheduled to discuss the issue.

The intent of the RFP that is still in draft form was to solicit for a plan "to provide bargaining unit members with health insurance options that provide benefits actuarially equivalent to the benefits provided by the County's self-insurance plan..., at a cost advantage to employees,...as an alternative to the County's self-insured plan" as called for by the contract with the Police Benevolent Association (PBA). Pursuant to the PBA contract, this alternative is to have an average per employee County contribution the same as the average per employee contribution of the self-insured plan. In addition, it was the intent to re-solicit our third-party administration contract for our self-insured plan in order to glean any potential savings from improved contracts with hospitals and other providers, as well as prescription discounts. Also, information was requested regarding alternative plans to give our employees more options. The information provided was not be used in scoring the responses. Of course, any changes to the plans we provide must be negotiated with our labor unions and, as has been done in the past, representatives of the labor organizations were invited to participate on the selection committee.

I agree with Board Members that it is important to communicate clearly on this issue and to share as much information as possible throughout the process and I welcome the option of holding a workshop. At this time, however, in order to provide more time for serious contemplation of this issue, I recommend we move forward with only the first element of identifying any actuarially equivalent alternative to the County's self-insured plan, as necessary to comply with our agreement with the PBA. We should be seeking alternatives to the extent they benefit our employees and implementation of any identified alternate could be accomplished in time for open enrollment for 2014.

I plan to release the solicitation for third-party administrator services at the beginning of the next fiscal year so that any changes necessitated by the successful proposals can be negotiated as part of the next three-year collective bargaining agreements. The results of proposals for third-party administrator services and any changes to plans will require significant

analysis. This gives us enough time to accomplish a transition, should we come to that conclusion, prior to the time for open enrollment for 2015.

Should you have any questions, please feel free to contact Deputy Mayor Edward Marquez at 305-375-1451.

- c: Robert A. Cuevas, Jr., County Attorney
- Office of the Mayor Senior Staff
- Charles Anderson, Commission Auditor
- Department Directors
- Emilio Azoy, President, AFSCME Local 121
- Greg Blackman, President, GSAF Local 100
- Benjamin Borges, Administrator, AFSCME Local 199
- Antonio Eiora, President, AFSCME Local 1542
- Joel Hernandez, President, AFSCME Local 3292
- Jeanette Lebrecht, Field Services Director, AFSCME Local 199
- John Rivera, President, DCPBA
- Rowan Taylor, President, IAFF
- Clarence Washington, President, TWU Local 291