



Memo

To: Commissioners, First 5 Ventura County

From: Jennifer Johnson, Director of Operations (On behalf of the Administration/Finance Committee)

Date: September 19, 2019

Re: Recommendation to Update Provision for Employee Health Care Benefits

Background

The Commission's employee benefits package includes medical, dental, and vision coverage for the employee and their dependents, including domestic partners. Under the Patient Protection and Affordable Care Act (ACA), full time is defined as 30 hours per week and the provision to receive cash back if you opt-out of health coverage is not allowable.

To align with the guidelines of ACA, the Commission's employee health care benefits provision needs to be updated. The attached excerpt includes the proposed changes to update the Commission's Employee Handbook accordingly to:

- 1) Change the current full time definition from 40 hours per week (80 hours per pay period) to 30 hours (or 60 hours per pay period).
- 2) Eliminate text related to a cash back option, which is not allowable with the passage of ACA and was previously discontinued.

Benefits are prorated for employees working less than full time, which would now be 30 hours per week (60 hours per pay period). Therefore, any employee regularly scheduled between 20* hours and 29 hours per week (40 – 59 hours per pay period) would contribute a prorated share of the premiums. The proposed proration schedule is based upon using 30 hours per week (60 hours per pay period) as the base for allocating the prorated share between Commission and employee. For efficiency, a two-tier proration schedule would be implemented (as opposed to calculating the exact proration on an hour for hour basis) using the median as the rate for each of the two identified tiers as follows:

	Hours per Pay Period	Commission Contribution	Employee Contribution
Tier 1	50-59 hours	90%	10%
Tier 2	40-49 hours	75%	25%

* Note: Employees regularly scheduled to work less than 20 hours per week (40 hours per pay period) are not eligible for benefits.

Recommendation

The recommended action is to update employee health care benefits, as attached, related to the definition of full time and opting out of health care coverage, in accordance with the Affordable Care Act.

Excerpt from First 5 Ventura County Employee Handbook

Changes are proposed to align with the Patient Protection and Affordable Care Act (ACA):

Health Insurance (from page 14 of the Employee Handbook)

The Commission will pay for an ~~employee health care~~ benefits package for ~~full time~~ employees regularly scheduled to work 60 hours or more per pay period that includes medical, dental, and vision coverage for the employee and their immediate family, including domestic partners. Employees demonstrating they have access to other coverage can choose to opt out of the Commission sponsored plan. ~~Employees opting out completely, for themselves and their families, may receive a monthly "cash back" option of up to \$100.~~ Health insurance benefits for part time employees who are regularly scheduled to work 40 to ~~79-59~~ hours per pay period will be pro-rated, with the Commission paying the pro-rated share of 75% for regular schedules of 40-49 hours per pay period and 90% for regular schedules of 50-59 hours per pay period ~~based on the employee's regularly scheduled hours~~ and the employee paying the balance.