

**ANNE ARUNDEL COUNTY, MARYLAND
OFFICE OF THE BUDGET**

RES. NUMBER: 35-21

INTRO. DATE: July 6, 2021

FISCAL NOTE

RESOLUTION: APPROVING ESTIMATES OF THE ANNUAL COSTS OF PROVIDING HEALTH INSURANCE BENEFITS AND THE EMPLOYER SUBSIDIES USED TO DETERMINE THE RATES FOR CERTAIN PARTICIPANTS UNDER THE COUNTY EMPLOYEE AND RETIREE HEALTH BENEFITS PROGRAM

SUMMARY OF LEGISLATION

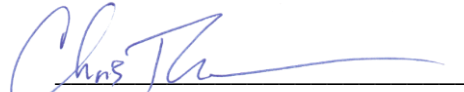
The purpose of this resolution is to approve the annual cost estimates, the employer subsidy, and the rates for health insurance benefits under the County's various insurance plans.

FISCAL IMPACT

As a result of the evaluation of proposals received for the County's health care contract for active and pre-65 retirees, the request for proposals (RFP) committee selected a new vendor. The selected proposal establishes a national health maintenance organization (HMO)/exclusive provider organization (EPO) plan and a triple option preferred provider organization (PPO) plan, whereas the County's current contract offers an EPO plan, HMO plan, and triple option PPO plan. Due to the blending of the EPO plan and the HMO plan under the new contract, the total annual cost of the national HMO/EPO plan increases approximately 10% over the calendar year 2021 rate for the HMO plan. There is no cost increase for participants currently enrolled in either the triple option PPO or EPO plans. Additionally, there is a minimal change in the rates for the vision and dental plans.

The County cost for the employer subsidies will depend on participant plan selection during open enrollment for calendar year 2022, but is estimated to increase by roughly \$1.0 million in fiscal year 2022. The health care contract was still under review by the RFP committee during FY2022 budget formulation and approval. Therefore, the FY2022 budget does not include the employer subsidy rate increases. Proposals for the Medicare Advantage program are still under review by an additional RFP committee. As such, this resolution reflects the calendar year 2021 rates for that program.

The Office of the Budget and the Office of Personnel will monitor personal services spending and address any potential need for additional appropriation in a future appropriation bill.


Chris Trumbauer
Budget Officer

7/2/2021
Date

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cc: Karin McQuade, Controller