



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

September 28, 2010

Motion 13343

Proposed No. 2010-0431.1

Sponsors Phillips, Dunn, Lambert, Patterson,
Hague and Drago

1 A MOTION requiring the executive to transmit a report on
2 the feasibility of and potential savings from offering
3 consumer-directed health insurance options, such as health
4 savings accounts, to King County employees.

5 WHEREAS, King County is experiencing sustained fiscal challenges resulting in
6 a \$60 million shortfall in the amount of funding needed to sustain the current level of
7 general operations in 2011, and

8 WHEREAS, King County employee benefits costs rose from \$158 million in
9 2005 to a projected cost of \$222 million in 2010, a forty-one percent increase, driven by
10 growing medical claim costs, and

11 WHEREAS, the cost of providing benefits to employees has increased by an
12 average of eight percent annually since 2004 compared to a national inflation rate of three
13 percent, and

14 WHEREAS, continued increases in employee benefits costs are anticipated
15 despite increases in employee cost sharing through higher copays and deductibles that
16 took effect in 2010 and are projected to save \$37 million from 2010 through 2012, and

17 WHEREAS, other jurisdictions and private sector employers have begun offering
18 consumer-directed health plans to help reduce the cost of providing health coverage for
19 employees, and

20 WHEREAS, Mercer Consulting's nationwide survey on employer-sponsored
21 health benefits found that the predicted 2009 cost growth for surveyed employers offering
22 consumer-directed health plans, such as health savings accounts, was four and one-half
23 percent compared to six and four-tenths percent for employers not offering such plans;

24 NOW, THEREFORE, BE IT MOVED by the Council of King County:

25 A. The executive is requested to transmit a report to the council on the feasibility
26 of offering consumer-directed health insurance options, such as health savings accounts
27 and health reimbursement accounts, to King County employees. The report shall identify
28 the consumer-directed health insurance options available to the county and shall include:

29 1. Any benefits and risks associated with consumer-directed health insurance
30 options;

31 2. Potential implications of federal healthcare reform on the feasibility of
32 implementing a consumer-directed health insurance option;

33 3. Analysis of potential cost savings to the county;

34 4. Discussion of any impacts to King County employees;

35 5. Information on how other cities, counties and states have implemented
36 consumer-directed health insurance options and the savings achieved; and

37 6. A plan and timeframe for potentially implementing a consumer-directed
38 health insurance option to reduce the rate of growth of King County employee healthcare
39 costs.

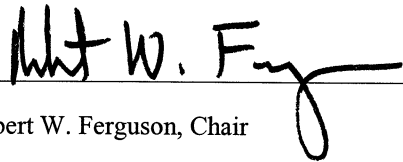
40 B. The executive is requested to transmit the requested report by February 1,
41 2011. The report shall be transmitted in electronic form, along with one paper copy, to

42 the clerk of the council, who will electronic forward copies to each councilmember and to
43 the lead staff for the government accountability and oversight committee or its successor.
44

Motion 13343 was introduced on 8/23/2010 and passed by the Metropolitan King
County Council on 9/27/2010, by the following vote:

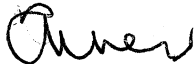
Yes: 9 - Ms. Drago, Mr. Phillips, Mr. von Reichbauer, Mr. Gossett,
Ms. Hague, Ms. Patterson, Ms. Lambert, Mr. Ferguson and Mr. Dunn
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Robert W. Ferguson, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments: None