



Legislation Text

File #: 2010-0431, Version: 1

Clerk 07/29/2010

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

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

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

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

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

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

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

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

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

1. Any benefits and risks associated with consumer-directed health insurance options;
2. Potential implications of federal healthcare reform on the feasibility of implementing a consumer-directed health insurance option;
3. Analysis of potential cost savings to the county;
4. Discussion of any impacts to King County employees;
5. Information on how other cities, counties and states have implemented consumer-directed health insurance options and the savings achieved; and
6. A plan and timeframe for potentially implementing a consumer-directed health insurance option to reduce the rate of growth of King County employee healthcare costs.

B. The executive is requested to transmit the requested report by February 1, 2011. The report shall be transmitted in electronic form, along with one paper copy, to the clerk of the council, who will electronic forward copies to each councilmember and to the lead staff for the government accountability and oversight committee or its successor.