



*Saddle Creek Community Services District, 1000 Saddle Creek Drive, Copperopolis, CA 95228
"Committed to Serving our Community"*

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CSD President & Board Members

Re: Employee Health Insurance

The District currently provides health insurance coverage for five (5) of its full time employees, Maintenance Manager, Maintenance Supervisor, (1) Maintenance II and (2) Maintenance I workers.

Current coverage is the "Premier Plan", provided by Blue Cross of California. Effective May 1, 2007, rates for this plan will increase from \$2,544 to \$2,870 monthly.

Blue Cross offers less costly plans with reduced premiums, one being the "Advantage \$25". This plan, which would call for a monthly premium of \$2,613 a month would result in slightly higher co-pay amounts (from \$20 to \$25) and a slightly greater annual deductible. The plan does however appear to have a better share of cost formula for major expenses (90/10 vs. the current 80/20).

Staff researched the health coverage offered by SDRMA and found their "EPO Plan" appears to have similar coverage to our current Blue Cross "Premier Plan" at a lower rate. The current monthly cost for the SDRMA "EPO Plan" would be \$2,276. The SDRMA advises that rates are expected to increase by 8-12% for this plan within the next few months. Using the high anticipated increase of 12%, the monthly premiums would be \$2,549.

A primary difference between our current insurance (Blue Cross) and the SDRMA, is that age is a rate factor with Blue Cross (we pay considerable higher premiums for are older employees then for the younger ones) and age is not a factor in the SDRMA Plan (the same rate is charged for all employees).

In order to timely address the May 1, 2007 rate increase, staff requests Board Direction on this matter. Copies of the material from Blue Cross and SDRMA are being provided for your review along with this memo.

Charlie Martin, GM
Saddle Creek CSD

