

ANNE ARUNDEL COUNTY, MARYLAND  
OFFICE OF THE BUDGET

BILL NO. 24-19

DATE: **April 1, 2019**

**FISCAL NOTE**

**BILL: AN ORDINANCE CONCERNING: PERSONNEL AND PURCHASING –  
EMPLOYEE AND RETIREE HEALTH BENEFITS PROGRAM**

**SUMMARY OF LEGISLATION**

The purpose of this ordinance is to modify the County health benefit plans to eliminate the lowest cost plan provisions and allow for collective bargaining for employer subsidies and components of the health insurance plan. Employees represented by a union may negotiate the components of the health insurance plan during a period of time commencing 18 months prior to the expiration of the health insurance plan or prescription drug plan. In addition, union employees may negotiate employer subsidies (the portion of the annual benefit cost to be paid by the employer) as part of the collective bargaining cycle.

**FISCAL IMPACT**

The fiscal impact of this bill will be realized in future health care plan design or subsidy changes as a result of collective bargaining.

The fiscal benefit of the lowest cost plan was quantified in the analysis of bill 85-13. In addition, the actuary does a biannual actuarial evaluation of the retiree health insurance plan. Their next valuation is scheduled to be delivered later in the second calendar quarter. When last evaluated in 2017 it was estimated that eliminating the lowest cost plan provision of the current plan would increase the County's liability by approximately \$2.6 million annually.

  
\_\_\_\_\_  
Jessica A. Leys  
Acting Budget Officer

4/1/19  
\_\_\_\_\_  
Date

Prepared by: Jessica Leys

cc: Karin McQuade, Controller