



OREGON

MARION COUNTY BOARD OF COMMISSIONERS

# Work Session Summary Minutes

## Benefits Renewals Discussion

August 21, 2025. 4:30 PM

Courthouse Square, 555 Court St. NE, Salem  
5th Floor, Suite 5232, Commissioners Board Room

### ATTENDANCE:

**Commissioners:** Kevin Cameron, Colm Willis, and Danielle Bethell.

**Board's Office:** Matt Lawyer, Chris Eppley and Jan Fritz.

**Legal Counsel:** Steve Elzinga.

**Human Resources:** Salvador Llerenas, and Lori Klemsen.

Commissioner Danielle Bethell called the meeting to order at 4:42 p.m.

### Benefits Renewal Discussion

- The 2026 benefits renewal process for Marion County:
  - Review of current and proposed health insurance rates and options.
- Brown and Brown (county's broker) engaged the current carriers:
  - Kaiser and Pacific Source and conducting an RFP to solicit quotes from additional carriers.
- Kaiser's initial renewal rate was a 20% increase, which is their cap:
  - After negotiations, it was reduced to 16.7%.
- Pacific Source's initial renewal was 19.1%, negotiated down to 10.9%.
- Rates from other carriers:
  - Aetna and Cigna declined due to inability to compete with current rates.
  - Moda provided a 16.8% increase.
  - Regence provided 16.4% increase.
  - United Healthcare provided a 9.3% increase.
  - Providence expected to provide a competitive quote soon.
- High renewal rates and concerns of county and employee out-of-pocket costs.
- Design changes for Kaiser considered:
  - Raise deductibles, out-of-pocket maximums, and adjust copays.
  - Three Kaiser plan options presented:
    - Most significant reducing the increase to 6.9% above current rates.
- The implications of splitting out the law enforcement group for separate quotes:
  - Higher rates for smaller populations.
- Effect of changes on employees, especially those with high medical needs:
  - Balance premium savings with potential increases in out-of-pocket costs.
- Reviewed the \$500,000 credit from Pacific Source:
  - Spreading the credit across all employees or only those on specific plans.
  - Calculations to be redone to ensure accuracy.

- The county's increased financial contribution to health benefits is \$100 increase in the cap:
  - Total investment increase of approximately \$3.8 million.
  - Need clear communication to employees about the county's investment.
- Dental plan renewals:
  - Kaiser dental negotiated down to a 6.8% increase.
  - Delta Dental up 1.5%.
- Reduction in life and long-term disability insurance rates:
  - Savings of about \$57,000 annually.

### **Other**

- Expiration of the Brown and Brown contract at the end of the year:
  - Consider a one-year extension.
  - Possible second extension to allow time for a full RFP process in the future.
- The value and performance of the broker:
  - Scope of their access to insurance providers.
  - Compensation of approximately \$100,000 per year:
    - Not a percentage of premiums.
    - A 3% increase for next year.
- In-depth review of the contract and relationship before approving any extensions.
- Transparency and communication with employees is important:
  - County's increased investment in benefits and financial pressures on the general fund.

### **Next Steps:**

- Schedule a more in-depth discussion on the Brown and Brown contract before approving an extension.
- Redo the calculations on how to apply the \$500,000 credit from Pacific Source:
  - Include scenarios for splitting it between Kaiser and Pacific Source plans.
- Request Brown and Brown to provide a quote for the law enforcement group separately:
  - To understand the impact of splitting out this population.
- Prepare clear communication materials to explain the county's increased investment in health benefits to employees.
- Await rates from Providence and use to negotiate further with PacificSource and Kaiser.
- Present information and options to the Health Insurance Study Committee (HISC).
- Prepare for upcoming bargaining sessions with employee groups.

**Adjourned** – time: 5:26 p.m.

**Minutes by:** Mary Vityukova

**Reviewed by:** Gary L. White