



MEMORANDUM

Date: November 15, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: Funding for Health Savings Accounts (HSA)

At the February 17, 2015 Board of Supervisors meeting, the Board adopted a High Deductible Health Plan (HDHP) for all employees and eliminated the Preferred Provider Organization (PPO) healthcare plan. This resulted in employees who were members of the PPO plan having to transition into the HDHP. At the 2015 meeting, the Board directed staff to implement a strategy to fund those employees transitioning from the PPO to the HDHP a contribution of \$500 into their Health Savings Accounts (HSA) to be available at the beginning of the fiscal year.

In order to fund the HSA for the employees transitioning into the HDHP, the County changed the way it funded the employer portion of HSA contributions for all employees from a bi-weekly basis to a semi-annual basis. The change provided transitioning enrollees with up front funds to help offset deductible expenses. We are now in the third year of having only an HDHP, and employees are now familiar with the functionality of the plan. The County contributes slightly more than \$8 million into employees' HSAs each year. I have directed Human Resources to resume the practice of bi-weekly funding starting in July 2018 and to begin communicating this to all employees during their Annual Enrollment and New Employee Orientation sessions. The \$1,000 annual contribution for Employee Only coverage will be \$38.46 each pay period and the \$2,000 contribution for Employee with covered dependents will be \$76.92 each pay period.

CHH/tb