

DATE: April 20, 2010  
TO: All Employees  
FROM: Commissioners Court  
RE: Changes to Smith County's Group Healthcare Plan

This memo is to notify all Smith County employees of the proposed changes to the county's group healthcare plan. Changes that will take place impact procedures and coverage. They are effective July 1, 2010, with payroll deductions to begin with the first paycheck in June.

For the past several years, Smith County has subsidized a large portion of employee premiums as a benefit to employees. Currently, Smith County is no longer financially able to absorb all of the increases associated with rising healthcare costs and the growing number of claims.

Since our goal is to continue to provide employees with a high quality healthcare plan, we believe the proposed changes listed below are necessary to ensure the long-term stability of the county's group healthcare plan.

Major changes to the plan are as follows (additional plan information to be posted on the county's intranet):

- 1) Smith County will pay 100% of the **employee portion** of health, dental & life insurance and will **remove the \$30 payroll deduction** for active employees.
- 2) Premium rates for dependent coverage will be at the following levels:

<b>Dependent</b>	<b>Monthly Premium</b>
Spouse	\$458.00
1 Child	\$130.00
2 Children	\$250.00
3 or more children	\$377.00
Spouse & 1 Child	\$553.00
Spouse & 2 or more children	\$615.00

- 3) There will be a slight increase in co pays. There will be a \$500 annual deductible for individuals and a \$1500 annual deductible for families covered by the healthcare plan.
- 4) Prescription drug coverage will continue with modifications, based on generic or brand name.
- 5) All employees enrolled in Smith County's group healthcare plan will be required to attend scheduled, mandatory healthcare informational meetings during open enrollment, in order to retain active enrollment status in the county's healthcare plan.

The Commissioners Court has not taken lightly the need to modify the County's health insurance plan. It is because the Court wants to continue to provide for its employees that we approved these changes in court today. While we understand that you will not agree with these changes, we hope you understand the need for them, and that, even with the new changes, our group healthcare plan remains an excellent value.