



# COMMISSIONERS OF CUMBERLAND COUNTY

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**FOR IMMEDIATE RELEASE**

**MEDIA CONTACT: Megan Silverstrim, Communications Specialist**  
**717.729.7019**

## ***Cumberland County Realizes Medical Coverage Rate Reduction for 2017***

**Cumberland County, Pennsylvania**– Cumberland County Human Resources announced today that in the final year of its three-year agreement with Capital Blue Cross, the County was presented with a rate renewal for 2017 that reflects a 2.4% rate decrease for medical benefits. Though the medical rates are decreasing for 2017, the same level of medical benefits that was provided in 2016 will remain. The 2.4% rate decrease for 2017 will result in \$315,000 in savings to the County.

Health insurance rates have increased steadily and significantly in recent years. The increasing cost of employee benefits was cited by Public Financial Management, Inc. (PFM), a Philadelphia based firm, as a key driver of the structural imbalance between the County's revenues and expenses in the Fiscal, Operational, and Mission Management study it undertook in 2013. This study was done under the auspices of the Commonwealth of Pennsylvania's Early Intervention Program.

Starting in 2014, the County began to make changes to the Employee Medical Benefit Plan to bring those costs under control. A surcharge was implemented for those employees whose spouses were covered under the County who had the option to receive coverage with their employer. Financial reforms were coupled with programs to reduce utilization by providing incentives to adopt healthier lifestyles. A comprehensive Wellness Initiative was implemented in phases and to date, has contributed to a reduction in the County's claims loss ratio. With 81% of employees participating, the Wellness Initiative is a key factor in the rate decrease for 2017.

These new approaches are necessary as the County prepares for the implementation of the Patient Protection and Affordable Care Act's (PPACA) Cadillac Tax slated to take effect in 2020. This 40% excise tax on medical benefit plans that exceed prescribed thresholds could impact Cumberland County and employers nationwide when it is implemented. County officials continue to work diligently to explore options that will ease the financial burden this excise tax will bring, while maintaining an attractive benefits package for employees.

Cumberland County remains steadfast in its pursuit of opportunities to reduce costs, increase efficiencies and modernize the delivery of services while demonstrating fiscal accountability to taxpayers and retain a skilled workforce. For more information about Cumberland County Government visit [www.ccpa.net](http://www.ccpa.net).

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