



## COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER  
130 W. CONGRESS, TUCSON, AZ 85701-1317  
(520) 740-8661 FAX (520) 740-8171

C. H. HUCKELBERRY  
County Administrator

May 8, 2009

David Mitchell, Pima Chapter President  
Evelina Marquez, Pima Chapter Coordinator  
SEIU Local 5  
201 West Cushing Street  
Tucson, Arizona 85701

Re: **Employee Health Insurance**

Dear Mr. Mitchell and Ms. Marquez:

In order to ease the transition for some employees from the HMO plan that will be offered through the County into a lower cost employee premium, I am considering offering as a one-time, one-year transition, County payment to those employees who select the Choice Plus plan, previously referred to as the "PPO Plan", \$250 for the employee only tier and \$500 for all other tiers (the same proportion of payment as the High Deductible Health Plan). Since the employees transitioning to this plan are not eligible to open an HSA account, the deductible payment would be made through equal, biweekly payments and since such payment would be considered compensation, it would be taxable under the Internal Revenue Service code.

This is one strategy where employees who wish to avoid the increased employee premiums could reduce their perceived risk of switching from the HMO plan to the High Deductible Health Plan. This option is now being considered and I would appreciate your input on the proposal.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. Huckelberry", is written over a large, sweeping flourish that extends to the right and then curves back down towards the typed name below.

C.H. Huckelberry  
County Administrator

CHH/jj

c: Gwyn Hatcher, Human Resources Director  
Tom Burke, Finance and Risk Management Director