



County of El Dorado

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Legislation Details (With Text)

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On agenda: 6/19/2007 **Final action:** 6/19/2007

Title: Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign Agreement with Pacificare of California in the estimated amount of \$1,750,000 for the term July 1, 2007 through June 30, 2008 for group health benefits for County employees.
RECOMMENDED ACTION: Approve.

Sponsors:

Indexes:

Code sections:

Attachments: 1. signature page and contract 5-2007.pdf, 2. pac care blue routing approval 5-2007.pdf

Date	Ver.	Action By	Action	Result
6/19/2007	1	Board Of Supervisors	Approved	Pass

Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign Agreement with Pacificare of California in the estimated amount of \$1,750,000 for the term July 1, 2007 through June 30, 2008 for group health benefits for County employees.

RECOMMENDED ACTION: Approve.

BUDGET SUMMARY:		
Total Estimated Cost		\$1,750,000
Funding		
Budgeted	\$1,750,000	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$ 0

Fiscal Impact/Change to Net County Cost:

The impact on overall program costs of this 7.1% rate increase by PacifiCare has been anticipated and is included within our recommendation for health benefit funding rates for the next fiscal year. PacifiCare premium payments under the proposed contract are estimated to be \$1.75 million during FY 2007-08, assuming constant enrollment at current levels. This is an increase in cost of approximately \$150,000 compared to FY 2006-07 cost estimates.

Reason for Recommendation:

This HMO provides a health care option for the County employees who live within PacifiCare's

Service Area allowing access to care through the U.C. Davis, Sutter, and Catholic Health Care West systems. Approximately 180 employees and their families are currently enrolled. The increase of 7.1% compares favorably to last year's increase of 17%.

Pursuant to Board of Supervisors Policy C-17, Sections 7.5 and 7.10, the Purchasing agent concurs that it is appropriate to contract with PacifiCare of California for the purpose of providing health benefits for employees of El Dorado County without engaging in a competitive selection process. The County currently contracts with three (3) of the largest medical service providers that offer the broadest range of medical coverage and options available to County employees. The Board of Supervisors has approved the continued independent contract services of Aon Consulting, Inc. for the outside review of employee benefits available under existing medical service providers. Aon Consulting, Inc. reviews the current and proposed rates to ensure competitiveness and appropriateness within the specific medical industry, and provides a review and analysis for service levels provided with each medical service provider. The County Purchasing Agent concurs that the continued contract with PacifiCare of California is in accordance with Board of Supervisors Policy C-17.

Action to be taken following Board approval:

The impact on overall program costs of this 7.1% rate increase by PacifiCare has been anticipated and is included within our recommendation for health benefit funding rates for the next fiscal year. PacifiCare premium payments under the proposed contract are estimated to be \$1.75 million during FY 2007-08, assuming constant enrollment at current levels. This is an increase in cost of approximately \$150,000 compared to FY 2006-07 cost estimates

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Concurrences: County Counsel, Risk Management