



# County of El Dorado

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## Legislation Text

File #: 07-896, Version: 1

Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign Agreement with Blue Shield of California in the estimated amount of \$600,000 for the term July 1, 2007 through June 30, 2008 for claims administration services and Preferred Provider Organization (PPO) provider network access for the County's self-insured health plan.

**RECOMMENDED ACTION:** Approve.

BUDGET SUMMARY:		
Total Estimated Cost		\$600,000
Funding		
Budgeted	\$	600,000
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$0

### Fiscal Impact/Change to Net County Cost:

We estimate the cost of this contract to be \$600,000. This expense was anticipated in the budget, and is fully funded within the recently approved rate structure for health benefits.

### Reason for Recommendation:

Blue Shield of California provides administrative services as well as the network for the County's self-insured health plan and prescription services for retirees and cobra participants over 65. This year's contract incorporates a 4% increase to administrative fees, from \$43.04 to \$44.92 PEPM (per employee per month).

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 Blue Shield 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 Blue Shield of California is in accordance with Board of Supervisors Policy C-

17.

Action to be taken following Board approval:

The Board Chair will sign the agreement, and our business relationship with Blue Shield will continue for another year.

Contact: Sherril Jodar

Concurrences: Risk Management, County Counsel