



# County of El Dorado

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## Legislation Text

File #: 07-1249, Version: 1

Human Resources Department, Risk Management Division, recommending Chairman be authorized Amendment 1 to Agreement with Blue Shield of California in the amount of \$3,100 to provide for administration fees for Medicare Part D participants and increasing the stop loss attachment point from the previous \$150,000 to \$175,000.

**RECOMMENDED ACTION:** Approve.

BUDGET SUMMARY:		
Total Estimated Cost		\$3,100
Funding		
Budgeted	\$3,100	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	\$3,100
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: There is no fiscal impact because the FY 07/08 Health program budget included the additional \$3,100 cost for Medicare Part D participants, discussed in this amendment.

Background:/Reason for Recommendation:: Blue Shield inadvertently left out of the FY 07/08 contract, increased administration costs for Medicare Part D participants. The Non-Medicare Part D participants cost is \$44.92 per employee per month; this was approved in the contract that was before your Board on June 19. The additional \$2.56 charge for Medicare Part D participants, for a total of \$47.48 per retiree per month, will cover the extra cost of administering the pharmaceutical coverage. We estimate this cost to be \$3,100. Finally, our Benefits Consultants, AON, has recommended that our excess stop loss coverage attachment point be increased to \$175,000, from \$150,000.

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 amendment.

Contact: Sherril Jodar x 5597

Concurrences: County Counsel