



County of El Dorado

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Legislation Text

File #: 10-0899, Version: 1

Human Resources Department, Risk Management Division, recommending the Board approve and authorize the Chair to sign Agreement 140-S1111, with Blue Shield of California in the approximate amount of \$600,000 for the period of July 1, 2010 through June 30, 2011 to provide claims administration services and PPO provider network access for the County's self-insured health plan.

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

Fiscal Impact/Change to Net County Cost: The estimated cost of services to be provided under this agreement is \$600,000. Funding for this contract is included in the FY 2010-11 Proposed Budget, fully funded within the recently approved rate structure for health benefits.

Background:

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 active employees, retirees, including over age 65, and COBRA participants. This year's agreement incorporates no increase to administrative fees for non-Medicare Participants, remaining at \$44.92 PEPM (per employee per month) and Medicare Participants, which remains at \$47.48 PEPM (per employee per month).

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 independent contract services of Alliant Insurance Services, Inc. for the outside review of employee benefits available under existing medical service providers. Alliant reviewed the current and proposed rates to ensure competitiveness and appropriateness within the specific medical industry, and provided a review and analysis for service levels provided with each medical service provider.

The contract is retroactive to July 1, 2010, due to the fact that we did not receive this agreement from the vendor until mid-July. This is usually the case with these agreements, as the final negotiations

are often not concluded until late Spring, early Summer.

Action to be taken following Board approval: The Board Chair to sign agreement and our business relationship with Blue Shield will continue for another 12 month period.

Contact: Donna Mullens x6060

Concurrences: County Counsel, Risk Management and Procurement