



County of El Dorado

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Legislation Text

File #: 07-880, Version: 1

Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign a renewal agreement with Kaiser Foundation Health Plan, Inc. in the amount of \$3,800,000 for the term July 1, 2007 through June 30, 2008 to provide group health benefits for County employees and retirees who elect this health plan.

RECOMMENDED ACTION: Approve.

BUDGET SUMMARY:		
Total Estimated Cost		\$3,800,000
Funding		
Budgeted	\$3,800,000	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost:

The overall 10.5% increase to rates included in this contract was anticipated, and its entire impact is included within the overall "blended" rates approved by the Board. Kaiser premium payments from the Risk Management Fund for current employees and retirees under this contract are estimated to total \$3.8 million by the end of the 07-08 fiscal year and contract period.

Reason for Recommendation:

Kaiser provides expanded provider choice to employees, allowing them to access doctors and medical facilities not available through Blue Shield or PacifiCare. This agreement also provides the only Medicare Advantage ("Part C") program, *Senior Advantage*, available to the County's Medicare-enrolled employees and retirees. Kaiser has been selected by approximately 425 County employees and retirees. As with last year, this agreement continues the "live or work" rule, allowing South County residents and those who live in Pollock Pines and nearby areas to enroll, provided they work in Placerville or to the west. There are no benefit changes in the contract compared to last year's version.

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 Kaiser Permanente 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 Kaiser Permanente is in accordance with Board of Supervisors Policy C-17.

Action to be taken following Board approval:

The Board Chairperson will sign the agreement, and our business relationship with Kaiser will continue for another 12 month period.

Contact:

Sherril Jodar

Concurrences:

County Counsel, Risk Management, Purchasing