



# County of El Dorado

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## Legislation Text

**File #:** 08-1516, **Version:** 1

Human Resources Director requesting his signature be ratified on Amendment I to Agreements 6178, 6179 and 6180 with Managed Health Network for the provision of the County's Employee Assistance Program (EAP); and recommending Chairman be authorized to sign retroactive Amendment II to Agreements 6178, 6179 and 6180 with Managed Health Network in the amount \$385,000 for a one year term for same.

**FUNDING:** Risk Management Internal Service Fund.

BUDGET SUMMARY:		
Total Estimated Cost		\$385,000
Funding		
Budgeted	\$385,000	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$385,000	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost:

The FY 08/09 cost will be \$385,000 (\$225,000 for EAP and \$160,000 for major medical). These expenditures are budgeted within the Risk Management internal service fund, health benefits sub-fund.

Reason for Recommendation:

Managed Health Network (MHN) - provides employee assistance programs (EAP) for all eligible employees and former employees enrolled in COBRA coverage. In addition, MHN provides mental health and substance abuse services to employees enrolled in the self-insured Blue Shield plan. The County has three separate agreements with MHN: one for employees enrolled in fully-insured health plans, one for employees enrolled in the self-insured health plan, and one for former employees enrolled in COBRA coverage.

The initial term of each of the contracts covered the period of July 1, 2005 through June 30, 2007, with a provision for automatic one-year extensions subject to adjustment of fees. Amendment I to each of the agreements covered the period of July 1, 2007 through June 30, 2008, and did not include a fee increase. The Human Resources Director signed these amendments in 2007, but did not have the authority to do so. Consequently, Board ratification of the signatures is requested.

Amendment II to the agreements, covering the period of July 1, 2008 through June 30, 2009, approve the fee adjustments as noted in the attached MHN Compensation Changes spreadsheet. They also incorporate changes requested by County Counsel to preserve County's privacy compliance with the California Public Records Act. They are retroactive due to the signing of the amendments by the Human Resources Director in June 2008 and him determining that he did not have signatory authority. When the agreements were ultimately sent thru County Counsel there was a subsequent months-long negotiation process to secure the privacy compliance changes with the vendor. While Amendment II is retroactive with regard to the fee structure, the original agreement has remained in effect throughout the entire period. No services have been rendered out of contract.

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 MHN 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 one of the largest mental health service providers in California. 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 MHN is in accordance with Board of Supervisors Policy C-17.

Action to be taken following Board approval:

Purchasing Agent shall establish appropriate documents for FY 08/09 to provide for the payment of MHN charges. Human Resources - Risk Management Division shall process payments upon receipt and approval of incoming invoices.

Contact: Larry Costello, x.6625

Concurrences: County Counsel, Risk Management, CAO