



Legislation Text

File #: 20-0949, **Version:** 1

Human Resources recommending the Board take the following actions regarding Health Plan Program and Ancillary Employee Benefit Program benefit administration:

- 1) Approve the transition of the benefits third-party administrator (TPA) from Employee Benefit Specialists, Inc. (EBS) to Benefit Coordinators Corporation (BCC) and authorize Human Resources to terminate EBS services no later than January 1, 2021;
- 2) Authorize the County to pay BCC for any TPA services received under the Master Agreement between PRISM and BCC;
- 3) Authorize the Director of Human Resources, or designee, to execute health and benefit program TPA agreements and associated contract renewals subject to approval by County Counsel; and
- 4) Grant Human Resources the authority to correct any minor clerical errors or adjustments to implementation time frames as needed.

FUNDING: Internal Service Fund.

DISCUSSION / BACKGROUND

On February 15, 2011, the Board of Supervisors entered into a Memorandum of Understanding (MOU) with CSAC-EIA (EIA) to join the CSAC-EIA Health program (EIA Health). The EIA is a Joint Powers Authority (JPA) comprised of California counties, cities, and public agencies organized to jointly develop and fund insurance and related programs with the most favorable terms and costs. The EIA Health MOU states billing and eligibility determinations will be done by a third-party administrator (TPA) selected by the EIA Health Committee; there are currently only three TPAs the County may select from to perform benefit administration services related to billing and eligibility under this MOU. Note: In 2020, EIA changed its name to PRISM.

Since joining EIA Health, the County has used Employee Benefit Specialists, Inc. (EBS) as our TPA, and EBS' online enrollment system called Workterra, under the master agreement between EIA (PRISM) and EBS. To date, the Board has authorized Human Resources to pay EBS for TPA benefit administration services for our health plans and ancillary benefit programs (dental, vision, life insurance, long term disability, and employee assistance program) under the master agreement between EIA (PRISM) and EBS.

This year, the County's broker, Alliant Insurance Services, Inc., recommended the County reconsider the remaining two TPA options in order to evaluate whether one would serve as a better alternative to EBS to meet our current benefit administration needs. Human Resources vetted the two TPAs and determined that one of the two companies, Benefit Coordinators Corporation (BCC), should meet the County's needs. In addition to meeting functional requirements for benefits administration, BCC also fully met the technical and system requirements identified by the Information Technologies Department, and has the ability to meet many desirable functions that will allow us to better meet our administrative needs, therefore, reducing redundancies and inefficient manual processes, as well as provide an improved customer experience from that currently received by EBS.

With Board approval, Human Resources plans to transition from EBS to BCC on an incremental basis to limit disruption to our customers and to provide seamless transition for plan carriers. As such, BCC would provide all services related to open enrollment in 2020, for plan changes that take effect January 1, 2021. EBS would maintain administration for current employee, new hire, retiree health, and COBRA enrollments for coverage through December 31, 2020. Human Resources would terminate EBS services and BCC would assume full TPA services as of January 1, 2021.

The County currently contracts with EBS for services related to Affordable Care Act (ACA) compliance, separate and apart from the EIA (PRISM) master agreement. Should the Board approve the TPA transition from EBS to BCC, Human Resources will return to the Board with a separate item to terminate EBS' ACA contract and adopt a new ACA contract with BCC, effective on or about January 1, 2021.

Upon Board approval, the next steps will consist of the following:

1. Human Resources will notify EBS that the County will not have EBS perform services related to Open Enrollment for the 2021 plan year, and will terminate all services with EBS effective January 1, 2021.
2. Human Resources will notify PRISM and BCC that BCC will conduct the County's Open Enrollment for the 2021 plan year, and all TPA services effective January 1, 2021.
3. Human Resources will return to the Board of Supervisors with a contract for BCC to perform ACA services as of January 1, 2021; and
4. The Human Resources Director, or designee, will sign health and other benefit contracts related to the TPA services subject to County Counsel's approval.

ALTERNATIVES

The Board of Supervisors could override the recommendation to change benefit administration services to BCC and direct Human Resources to continue existing services with the current provider, EBS.

OTHER BOARD ACTION

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Information Technologies
CAO Fiscal Division

CAO RECOMMENDATION

Approve as recommended.

FINANCIAL IMPACT

Costs for implementation of BCC will be included in 2021 health plan rates that will be brought to the Board for approval. It is anticipated that the transition to BCC will reduce benefits administration overhead by reducing redundancies and inefficient manual processes.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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