



# County of El Dorado

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## Legislation Text

File #: 09-1028, Version: 1

Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign a renewal Agreement 066-001011 with Blue Shield of California in the approximate amount of \$635,000 for the period from July 1, 2009 through June 30, 2010 to provide claims administration services and PPO provider network access for the County's self-insured health plan.

**FUNDING:** Risk Management Health Insurance Fund / Employer, Employee and Retiree Contributions

BUDGET SUMMARY:		
Total Estimated Cost		\$635,000
Funding		
Budgeted	\$635,000	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$635,000	
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 \$635,000. Funding for this contract is included in the FY 2009-10 Proposed Budget, and is fully funded within the recently approved rate structure for health benefits.

**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 retirees and COBRA participants over age 65. This year's agreement incorporates no increase to administrative fees, remaining at \$44.92 PEPM (per employee per month).

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:

- 1) Chairman to sign original Agreements.
- 2) Board Clerk's Office to return one (1) original Agreement to Department
- 3) Department to distribute as appropriate.

Contact: Donna Mullens, x6060

Concurrences: County Counsel, Risk Management, Purchasing