



## Legislation Text

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**File #:** 22-1521, **Version:** 1

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Human Resources Department recommending the Board:

- 1) Approve and authorize the Chair to execute Amendment I to Agreement 6274 with Self Insured Services Company (doing business as Benefit Coordinators Corporation) to update the Schedule of Fees Exhibit to include the revised Annual COBRA and Retiree Open Enrollment Fulfillment/Communications Services Fee Schedule; and
- 2) Authorize the Purchasing Agent to execute any necessary amendments relating to Agreement 6274, excluding term extensions and increases to the not-to-exceed amount, contingent upon approval by County Counsel and Risk Management.

**FUNDING:** Risk Management 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). In 2020, EIA changed its name to PRISM. PRISM 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 PRISM Health MOU states billing and eligibility determinations will be done by a third-party administrator (TPA) selected by the PRISM 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, including Benefit Coordinators Corporation (BCC).

The Board had authorized Human Resources to pay 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 PRISM and the TPA.

On August 25, 2020, the Board approved Legistar item 20-1072, approving BCC's three-year fee schedule.

On April 19, 2022, the Board approved Legistar item 21-1890, approving and authorizing the Purchasing Agent to execute retroactive agreement 6274 with a three (3) year term beginning January 1, 2021, through December 31, 2023, for third party administration services directly with and by request of BCC, separate from the Master agreement with PRISM, for the County's Health Benefits program.

With the rising cost of postage, inconsistent mail delivery time, and global inflation of materials used for paper mailings, BCC found it necessary to implement changes to their optional COBRA and Retiree Open Enrollment Fulfillment and Communication Service offerings. As of August 1, 2022, BCC will no longer offer the standard printed COBRA and/or Retiree Open Enrollment packet service (except on a limited per individual packet basis, for an increased fee). Instead, BCC offers Custom COBRA and/or Retiree Open Enrollment websites, with mailed Open Enrollment Notification Letters to COBRA Beneficiaries and/or Retirees. In order to use this service, the County would need to

amend our existing contract with BCC and adopt the new service fee.

### **ALTERNATIVES**

The Board could choose to not approve the amendment to Agreement 6274 with Benefit Coordinators Corporation (BCC), in which case the County would have to assume any retiree open enrollment and COBRA notification services currently performed by BCC.

### **PRIOR BOARD ACTION**

20-0949: On July 21, 2020, the Board approve Human Resources to transition from EBS to BCC as the County's benefits TPA.

20-1072: On August 25, 2020, the Board approved BCC's three-year fee schedule.

21-1890: On April 19, 2022, the Board approved and authorized the Purchasing Agent to execute retroactive Agreement 6274 with a three-year term beginning January 1, 2021 through December 31, 2023 with BCC for third party administration services for the County's Health Benefits program.

### **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

Human Resources Risk Management Department, CAO, Procurement and Contracts

### **CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

### **FINANCIAL IMPACT**

The revised fee schedule includes the Annual COBRA and Retiree Open Enrollment Fulfillment/Communication Services which reflects a \$250 per Website fee and a \$4 per Notification Letter fee. Human Resources will have a maximum of two Websites, one for Retirees and one for COBRA, for a total of \$500. BCC is our COBRA administrator and is responsible for mailing our COBRA notification letters. Since the mail notice method has changed, the fee has decreased 50% from \$8 to \$4 per Notification Letter.

There is an increase to the printed open enrollment packets from \$8 to \$25 per packet. As of August 1, 2022, BCC will only provide this service on an exceptional case basis.

These fees are absorbed by the Health Program and are included in the Health Internal Service Fund budget. It is anticipated that there will not be an overall increase due to additional website fee being offset by the lowered notification letter fee.

### **CLERK OF THE BOARD FOLLOW UP ACTIONS**

Obtain the Chair's signature on Amendment I to Agreement 6274.

Route the executed agreement to CAO Fiscal, Attention Kelley Lawrie for further processing.

### **STRATEGIC PLAN COMPONENT**

Good Governance

### **CONTACT**

Joseph Carruesco, Director of Human Resources