



County of El Dorado

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Legislation Text

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Human Resources Department, Risk Management Division, recommending Chairman be authorized to sign retroactive Amendment 3 to Agreement for Services 146-S0611, Groups 6178, 6179 and 6180 with Managed Health Network (MHN) in the amount of \$350,000 for a one year term extending the term through June 30, 2010 and a rate increase for Group 6180 for the provision of the County's Employee Assistance Program (EAP).

BUDGET SUMMARY:		
Total Estimated Cost		\$350,000
Funding		
Budgeted	\$350,000	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$350,000	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: The FY 09/10 cost will be \$350,000 (\$200,000 for EAP and \$150,000 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.

This perpetual agreement was brought to the Board for renewal on June 23, 2009 in conjunction with several other perpetual agreements. At that time, Amendment III was not forwarded for the Chairman's signature, nor was the Board apprised of the changes to the rate structure for Group 6180 (retirees). Pursuant to the agreement, the rate increase was effective July 1st. This amendment memorializes the change. The change in the rate structure does not change the overall estimated cost for the fiscal year.

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 exiting 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 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 09/10 to provide for the payment of MHN charges. Human Resources - Risk Management Division shall process payments upon receipt and approval of incoming invoices.

Contact: Donna Mullens x6060

Concurrences: County Counsel, Risk Management, CAO