



Board Agenda Item 46

DATE: December 17, 2024
TO: Board of Supervisors
SUBMITTED BY: Hollis Magill, Director of Human Resources
SUBJECT: County Health Plan Agreements for Plan Year 2025

RECOMMENDED ACTION(S):

1. **Approve and authorize the Chairman to execute Participation Agreement with the San Joaquin Valley Insurance Authority (SJVIA), for the purpose of participating in the SJVIA health insurance (Anthem Blue Cross and Kaiser), pharmacy program (EmpiRx Health), dental insurance (Delta Dental) and vision insurance (Vision Service Plan) for employees and retirees, effective January 1, 2025 through December 31, 2025;**
2. **Approve and authorize the Chairman to execute Agreement with Kaiser Permanente for group medical services for the period January 1, 2025 through December 31, 2025 for retirees;**
3. **Approve and authorize the Chairman to execute Agreement with MyWorkplace, Inc. for Medicare retiree eligibility and accounting services, effective January 1, 2025 through December 31, 2025;**
4. **Approve and authorize the Chairman to execute Agreement with Navia Benefit Solutions, Inc. for retiree billing and accounting services, effective January 1, 2025 through December 31, 2025;**
5. **Approve and authorize the Chairman to execute Agreement with RetireeFirst for the purpose of providing management and administrative services relating to health benefits for retirees, effective January 1, 2025 through December 31, 2025; and**
6. **Approve and authorize the Director of Human Resources, or designee, to approve and execute any health plan documents, business associate agreements and any other related agreements, or amendments, to the foregoing, to implement such agreement in recommended actions 1 through 5, subject to review and approval by County Counsel as to legal form and the Auditor-Controller/Treasurer-Tax Collector as to accounting form.**

Approval of the recommended actions will authorize the Chairman to execute the recommended health insurance agreements for Plan year 2025 for employees, retirees, and their dependents, as well as authorize the Director of Human Resources, or designee, to approve and execute any health plan documents, business associate agreements, and any other related agreements or amendments to the foregoing, to implement the recommended agreements, that would implement the foregoing health insurance agreements. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may choose to consider benefit modifications that would affect premiums, copayments or deductibles. However, benefit modifications for plans through the San Joaquin Valley Insurance Authority (SJVIA) would require approval by the SJVIA Board.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

On April 9, 2024, your Board made a finding that it was in the best interest of the County to suspend the competitive bidding process consistent with Administrative Policy No. 34 under the “unusual or extraordinary circumstances” exception for the solicitation of health benefits plan proposals for Plan Year 2025. This allowed the County the flexibility needed to negotiate directly with health insurance providers and maximize cost effective alternatives that best meet the needs of the County, its active employees, retirees, and their dependents.

FISCAL IMPACT:

On October 8, 2024, your Board approved the biweekly and monthly health insurance premiums for active employees, retirees, and their dependents for Plan Year 2025. Appropriations and related projected revenue of \$113 million has been included in the Risk Management Org 8925 FY 2024-25 Adopted Budget for pass-through health insurance premiums of County employees, retirees, and dependent coverage. Of this amount, approximately \$107 million is for active employees and \$6 million is for retirees.

DISCUSSION:

The County has traditionally offered multiple plans to allow employees the choice of the doctor, hospital or delivery system that meets their needs. The current plans and networks allow access to all local hospitals depending on the plan selected.

Beginning in 2010, the County began participating in the SJVIA with the County of Tulare to contribute to lower fixed costs and additional value-added services. The plans offered through Anthem Blue Cross are self-insured with the SJVIA.

The following plans will be available to employees and their dependents for Plan Year 2025:

Health Plans - Active & Pre-65 Retirees

- Three EPO health insurance plans offered through Anthem Blue Cross that allow access to doctors and hospitals within Anthem’s PPO network. The plans are differentiated by varying copays for office and hospital visits, and annual out-of-pocket limits.
- A High Deductible PPO health insurance plan offered through Anthem Blue Cross that provides flexibility when picking a doctor or hospital. It features a network of providers, and fewer restrictions on seeing non-network providers. The Anthem Blue Cross High Deductible PPO plan has a \$3,300 deductible for employee or \$6,000 deductible for family.
 - Participants in the HDPPPO plan may contribute to a Health Savings Account (HSA). HSAs are tax-favored savings accounts that are combined with a qualifying high deductible health insurance plan.
- An HMO health insurance plan offered through Kaiser that features an integrated, pre-paid health delivery system. The entire range of care for members is provided and coordinated through their system, including doctors, hospitals, and pharmacies.
- A High Deductible PPO health insurance plan offered through Kaiser with a \$3,300 deductible for employee or \$6,000 deductible for family.
- In addition, the SJVIA has entered into an agreement with its pharmacy benefit manager, EmpiRx Health, to provide prescription coverage to participants.

Administrative Services (SJVIA)

The SJVIA continues to offer additional services as part of the total rate structure, including Consolidated Omnibus Budget Reconciliation Act (COBRA) administration and billing, Family Medical Leave Act (FMLA) billing and consolidated eligibility/billing services. These services are contracted through the SJVIA with

MyWorkplace, Inc. (MyWorkplace) and Navia Benefit Solutions. (formerly known as Administrative Solutions, Inc.), to match pricing and services offered through the SJVIA, ensuring consistency and efficiency in services offered with the health plans.

Recommended action No. 1 would authorize the County to enter into the County's Participation Agreement with the SJVIA for Plan Year 2025 and allow the County to continue to take part in the plans and services available through the SJVIA.

Recommended Action No. 3 and 4 would authorize the County to enter into separate County agreements with MyWorkplace, Inc, and Navia Benefit Solutions, Inc to match pricing and services offered through the SJVIA, ensuring consistency and efficiency in services offered with the health plans.

Health Plans - Post-65 / Medicare Retirees

The County currently offers two types of plans to Medicare eligible retirees called Medicare Supplemental (Retiree First) and Medicare Advantage (Kaiser Senior Advantage High/Low).

Recommended action No. 2 would execute an agreement with Kaiser to provide Medicare plan services for Plan Year 2025. The Agreement does not contain indemnification language and the sole remedy, except where specified, is binding arbitration.

Recommended action No. 5 would authorize the County to enter into an agreement with RetireeFirst to provide management and administrative services relating to health benefits for retirees for Plan Year 2025.

Dental Plans (SJVIA)

The DPPO and DHMO Delta Dental plans are made available to the County through its participation in the SJVIA. The DHMO offers a limited network of providers in exchange for enhanced coverage, whereas the DPPO offers access to an expanded network of providers and specialists in exchange for higher deductibles.

Vision Plan (SJVIA)

Employees enrolled in the Anthem Blue Cross EPO, and HDPPPO, pre-65 retirees enrolled in the Anthem Blue Cross HDPPPO, and post-65 retirees enrolled in the Retiree First plan all receive vision coverage through the SJVIA in an agreement with Vision Services Plan (VSP).

OTHER REVIEWING AGENCIES:

HUB International Insurance Services, Inc., the County's Health and Benefits consultant has reviewed the recommended agreements and is recommending approval of the recommended actions.

REFERENCE MATERIAL:

- BAI #41, April 9, 2024
- BAI #34, October 8, 2024
- BAI #10, September 19, 2023
- BAI #36, February 28, 2023
- BAI #35, July 9, 2013
- BAI #9, October 6, 2009

ATTACHMENTS INCLUDED AND/OR ON FILE:

- On file with Clerk - Participation Agreement with SJVIA
- On file with Clerk - Agreement with Kaiser Permanente
- On file with Clerk - Agreement with MyWorkplace, Inc.
- On file with Clerk - Agreement with Navia Benefit Solutions, Inc.

On file with Clerk - Agreement with RetireeFirst

CAO ANALYST:

Paige Benavides