



Board Agenda Item 41

DATE: December 14, 2021
TO: Board of Supervisors
SUBMITTED BY: Hollis Magill, Director of Human Resources
SUBJECT: County Health Plan Agreements for Plan Year 2022

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 December 13, 2021 through December 11, 2022.**
- 2. Approve and authorize the Chairman to execute an Agreement with Kaiser Permanente for group medical services for the period January 1, 2022 through December 31, 2022, for retirees.**
- 3. Approve and authorize the Chairman to execute Agreements with MyWorkplace, Inc. and Navia Benefit Solutions, Inc. for Medicare retiree eligibility, billing, and accounting services, effective January 1, 2022 through December 31, 2022.**
- 4. Approve and authorize the Director of Human Resources, or designee, to execute related health plan documents, business associate agreements and other agreements, amendments, thereto, subject to review and approval by County Counsel and the Auditor-Controller/Treasurer-Tax Collector.**

Approval of the recommended actions will authorize the Chairman to execute health insurance agreements for Plan Year 2022 for employees, retirees, and their dependents. 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 SJVIA would require approval by the SJVIA Board.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

On April 13, 2021, your Board made a finding that it was in the best interest of the County to waive 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 2022. 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 September 21, 2021, your Board approved the biweekly and monthly health insurance premiums for active employees, retirees, and their dependents for Plan Year 2022. Appropriations and related projected revenue of \$100.1 million has been included in the Risk Management Org 8925 FY 2021-22 Adopted Budget for pass-through health insurance premiums of County employees, retirees, and dependent coverage. Of this amount, approximately \$93.2 million is for active employees and \$6.9 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 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. Additionally, the plans offered through Anthem Blue Cross are self-insured with the SJVIA. Recommended Action No. 1 would execute the County's Participation Agreement with the SJVIA for Plan Year 2022 and allow the County to continue to take part in the plans and services available through the SJVIA.

Below is a summary of the plans and services being offered for Plan Year 2022:

1. Health Plans - Active & Pre-65 Retirees:

a. Anthem Blue Cross (SJVIA):

- o Three EPO plans with a \$0 deductible that are similar to a traditional HMO plan by allowing access to doctors and hospitals within the Anthem PPO network.
- o A PPO plan with a \$250 deductible for employee or \$500 deductible for family.
- o A High Deductible PPO with a \$3,000 deductible for employee or \$6,000 deductible for family.
 - Participants in the HDPPO 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.

In addition, the SJVIA has entered into an agreement with its pharmacy benefit manager, EmpiRx Health, to provide prescription coverage to participants.

b. Kaiser (SJVIA): An HMO option through Kaiser is offered as 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.

c. 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. and Navia Benefit Solutions, Inc.

Recommended Action No. 3 would execute 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.

2. Health Plans - Post-65 / Medicare Retirees:

The County offers two types of plans to Medicare eligible retirees called Medicare Supplemental (United American/UnitedHealthcare) and Medicare Advantage (Kaiser Senior Advantage High/Low). On October 22, 2019, your Board approved an agreement with Retiree First to provide health benefit management and administrative services for the United American/UnitedHealthcare Supplemental plan. The agreement with Retiree First is effective through December 31, 2022.

Recommended Action No. 2 would execute an agreement with Kaiser to provide Medicare plan services for Plan Year 2022.

3. Dental Plans (SJVIA):

The Delta Dental DPPO and DHMO 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.

Recommended Action No. 1 would authorize the Chair to execute the Participation Agreement with the SJVIA which would include Delta Dental DPPO and DHMO for Plan Year 2022.

4. Vision Plan (SJVIA):

Employees enrolled in the Anthem Blue Cross plans, pre-65 retirees enrolled in the Anthem Blue Cross HDPPO, and post-65 retirees enrolled in the United American/UnitedHealthcare plan all receive vision coverage through the SJVIA in an agreement with Vision Service Plan (VSP).

Recommended Action No. 1 would authorize the Chair to execute the Participation Agreement with the SJVIA which would include VSP for Plan Year 2022.

OTHER REVIEWING AGENCIES:

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

REFERENCE MATERIAL:

- BAI #37, September 21, 2021
- BAI #44, June 22, 2021
- BAI #39, April 13, 2021
- BAI #62, December 15, 2020
- BAI #49, September 22, 2020
- BAI #35, July 9, 2013
- BAI #9, October 6, 2009

ATTACHMENTS INCLUDED AND/OR ON FILE:

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

CAO ANALYST:

Yussel Zalapa