



Board Agenda Item 32

DATE: October 22, 2019

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, Director of Human Resources

SUBJECT: Agreement with Retireefirst to Provide Health Benefit Management and Administrative Services to County of Fresno Retirees

RECOMMENDED ACTION(S):

- 1. 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.**
- 2. Approve and authorize the Director of Human Resources, or designee, to execute related health plan documents 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 agreement with Retireefirst to provide management and administrative services for the County's Medicare Supplement and Part D prescription drug retiree population.

ALTERNATIVE ACTION(S):

Your Board may choose to consider remaining with the current administrator of the County's Medicare Supplement and Part D prescription drug programs. However, this would result in accepting the incumbent vendor's retiree premium renewal for Plan Year 2020 that is 22% higher than the proposal from Retireefirst.

SUSPENSION OF COMPETITION/SOLE SOURCE CONTRACT:

On April 23, 2019, 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 2020. 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. Agreements for active employees and non-Medicare retirees for Plan Year 2020 are being negotiated and will be brought to your Board for approval at a future meeting.

FISCAL IMPACT:

On September 24, 2019, your Board approved the monthly health insurance premiums for retirees and their dependents for Plan Year 2020. There is no increase in Net County Cost associated with the recommended actions for FY 2019-20. Retiree health insurance premiums are paid entirely by the participating retirees.

DISCUSSION:

The County currently offers two types of plans to Medicare eligible retirees called Medicare Supplemental (Hartford/Express Scripts) and Medicare Advantage (Kaiser Senior Advantage High/Low). At the September 24, 2019 meeting, your Board approved a recommendation to change from Hartford/Express Scripts to United American/UnitedHealthcare for Plan Year 2020. This recommendation was due in large part to retirees being able to save 22% on premiums when compared to the current plan, while receiving the same level of benefits with enhanced copays on their generic prescriptions.

Retireefirst will provide management and administrative services for the new United American/UnitedHealthcare plan. Services include providing premium renewals for the Medicare Supplemental plan for each subsequent plan year, and those premiums will be brought to your Board for approval prior to the open enrollment period for each plan year.

OTHER REVIEWING AGENCIES:

Keenan & Associates, the County's health benefits consultant, has reviewed the agreement and is recommending approval of the recommended actions.

REFERENCE MATERIAL:

BAI #31, September 24, 2019 - County Health Premiums for Plan Year 2020
BAI #39, April 23, 2019 - Solicitation of Health Benefits Plan Proposal for Plan Year 2020
BAI #42, December 11, 2018 - County Health Plans for Plan Year 2019

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Retireefirst Agreement

CAO ANALYST:

Debbie Paolinelli