



# Board Agenda Item 42

DATE: December 10, 2019

TO: Board of Supervisors

SUBMITTED BY: Paul Nerland, Director of Human Resources

SUBJECT: County Health Plan Agreements for Plan Year 2020

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), dental insurance (Delta Dental) and vision insurance (Vision Service Plan) for employees and retirees, effective December 16, 2019 through December 31, 2020.**
2. **Approve and authorize the Chairman to execute an Agreement with Kaiser Permanente for group medical services for the period January 1, 2020 through December 31, 2020, for retirees.**
3. **Approve and authorize the Chairman to execute an Agreement with UnitedHealthcare for Part D Medicare prescription services for the period January 1, 2020 through December 31, 2020, for retirees.**
4. **Approve and authorize the Chairman to execute Agreements with MyWorkplace, Inc. and Administrative Solutions, Inc. for Medicare retiree eligibility, billing, and accounting services, effective January 1, 2020 through December 31, 2020.**
5. **Approve the correct monthly premiums for retirees and dependents enrolled in the Medicare plans for Plan Year 2020, effective January 1, 2020.**
6. **Approve and authorize the Chairman to execute First Amendment to Agreement No. 16-433 with Keenan & Associates for benefit plan consulting services effective December 10, 2019.**
7. **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 2020 for employees, retirees, and their dependents. This item is countywide.

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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 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.

FISCAL IMPACT:

On September 24, 2019, your Board approved the biweekly and monthly health insurance premiums for active employees, retirees, and their dependents for Plan Year 2020. Appropriations and related projected revenue of \$97.7 million has been included in the Risk Management Org. 8925 FY 2019-20 Recommended Budget for pass-through health insurance premiums of County employees, retirees, and dependent coverage. Of this amount, approximately \$88.9 million is for active employees and \$8.8 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 2020 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 2020:

1. Health Plans - Active & Pre-65 Retirees:
  - a. Anthem Blue Cross (SJVIA):
    - An EPO plan that is similar to a traditional HMO plan, but allows access to doctors and hospitals within its PPO network.
    - A PPO plan with a \$250 deductible for employee or \$500 deductible for family.
    - A PPO plan with a \$1,000 deductible for employee or \$2,000 deductible for family.
    - A High Deductible PPO with a \$1,500 deductible for employee or \$3,000 for family.
    - A High Deductible PPO with a \$3,000 deductible for employee or \$6,000 deductible for family.
      - Participants in either 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.

In addition, the SJVIA will enter into the final year of a three-year 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. (formerly Hourglass Systems, Inc.), and Administrative Solutions, Inc. Recommended Action No. 4 would execute separate County agreements with MyWorkplace, Inc. and Administrative 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 new plan replaces the Hartford/Express Scripts plan for 2020.

Recommended Action Nos. 2 - 3 would execute agreements with Kaiser and UnitedHealthcare to provide these Medicare plan services for Plan Year 2020.

The County's health benefits consultant, Keenan & Associates (Keenan), was responsible for securing the services of Retiree First to manage and administer the Medicare Supplemental plan offered through United American/UnitedHealthcare. The agreement with Retiree First includes a \$15.00 broker fee for each participating retired member of the Medicare Supplemental plan. The fee is already included in the total premium, so there is no additional cost to members of the plan or the County. The current agreement with Keenan does not permit them to be compensated for this fee; therefore, an amendment to the Keenan agreement is necessary.

Recommended Action No. 6 would execute an amendment to the agreement with Keenan effective December 10, 2019.

At the September 24, 2019 Board meeting, the monthly premiums for retirees and dependents for Plan Year 2020 were presented and approved by your Board; however, the rates for the Medicare plans were incorrectly shown on Exhibit B of that agenda item. The correct rates were included in the open enrollment material for Plan Year 2020, and are now being presented for your Board's approval.

Recommended Action No. 5 would approve the correct rates for the Medicare plans included in the attached Exhibit A.

3. 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.

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 2020.

4. Vision Plan (SJVIA):

Employees enrolled in the Anthem Blue Cross EPO, PPO, and HDPPO, 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 Services 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 2020.

OTHER REVIEWING AGENCIES:

Keenan & Associates, the County's Health and Benefits consultant, has reviewed the agreements and is recommending approval of the recommended actions.

REFERENCE MATERIAL:

BAI #32, October 22, 2019 - Agreement with Retiree First to Provide Health Benefit Management and Administrative Services to County of Fresno Retirees

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 Plan Agreements for Plan Year 2019

BAI #38, July 12, 2016 - Agreement with Keenan & Associates to Provide Employee Benefits Consulting Service

BAI #35, July 9, 2013 - Amended & Restated SJVIA Agreement

BAI #9, October 6, 2009 - SJVIA Agreement jointly purchasing health insurance

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - SJVIA Participation Agreement

On file with Clerk - Kaiser Permanente Agreement

On file with Clerk - UnitedHealthcare Agreement

On file with Clerk - MyWorkplace, Inc. Agreement

On file with Clerk - Administrative Solutions, Inc. Agreement

On file with Clerk - First Amendment to Agreement with Keenan & Associates

Exhibit A - Medicare Retiree and Dependent Monthly Premiums

CAO ANALYST:

Debbie Paolinelli