



SUMMARY REPORT

Agenda Date: 7/23/2019

To: Sonoma County Board of Supervisors, Board of Directors of the Sonoma County Water Agency, Board of Commissioners of the Community Development Commission, Board of Directors of the Sonoma County Agricultural Preservation and Open Space District, Board of Directors of the Northern California Air Pollution Control District

Department or Agency Name(s): Human Resources

Staff Name and Phone Number: Cheryl Thibault, Employee Benefits Manager - 565-3033

Vote Requirement: Majority

Supervisory District(s): All

Title:

Health Benefits Contract Renewals

Recommended Action:

Authorize the Director of Human Resources to execute an amendment to the Administrative Services Agreement with Anthem Blue Cross for third-party claims administration and provider network access for the County of Sonoma Health Plans, for the term 6/1/2019 to 5/31/2020; and execute an amendment with CareCounsel to provide healthcare advocacy services for County employees, retirees, and eligible dependents for the term 8/1/2019 to 7/31/2021.

Executive Summary:

The recommended actions authorize the Human Resources Director to execute amendments to the agreements with Anthem Blue Cross to provide Administrative Services Only (ASO) for the County Health Plans (CHP) and CareCounsel to provide healthcare advocacy for County employees, retirees, and their eligible dependents. These agreements provide third-party administration services for the County Health Plans and healthcare advocacy.

Discussion:

Anthem Blue Cross (Anthem BC) provides Administrative Services Only, which includes third-party claims administration for the County Health Plans, 24-hour nurse hotline, customer service, excess stop loss claims filing services, and discounted network access services. Services also include access to the "Blue Card" Program, for CHP members outside California through other Blue Cross/Blue Shield affiliates, nationwide. The amendment extends the agreement term through May 31, 2020, and increases the monthly administrative fee from \$32.25 to \$36.45 per subscriber per month. Human Resources received this agreement amendment from Anthem BC on June 21, 2019, which caused the delay in presenting the amendment to the Board for approval. There was no interruption of services due to this delay. As of June 1, 2019, there are 825 total subscribers in the County Health Plan - 26 active employees and 799 retirees.

Following an extensive request for proposal (RFP) process in 2016, Anthem BC was selected; Anthem BC had been providing these services since 2005. The Board authorized the Human Resources Director to continue service as a result of the RFP. At that time, Anthem offered a significant rate reduction from \$52.01 to \$32.25

per subscriber per month with a three-year rate guarantee. The proposed rate is a 12% increase. Given the deep rate reduction in 2016, a 12% increase is reasonable.

CareCounsel provides healthcare advocacy services offering County employees, retirees, and their families with confidential benefits advice, support and assistance, health plan issues resolution, and health claims troubleshooting. Following a Request for Proposal process in 2016, CareCounsel was selected to continue to provide these services. Amendment No. 1 extends the agreement term through July 31, 2021 with fees remaining the same at \$1.40 per employee/retiree per month.

As with most of the County's benefit programs, the Joint Labor Management Benefits Committee actively participated in the RFP processes in 2016 resulting in the selection of these vendors.

Prior Board Actions:

3/1/2016: Board authorized agreement Anthem Blue Cross

7/19/2016: Board authorized agreement with CareCounsel

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	\$523,194	\$481,780	\$481,780
Additional Appropriation Requested			
Total Expenditures	\$523,194	\$481,780	\$481,780
Funding Sources			
General Fund/WA GF	\$24,729	\$22,772	\$22,772
State/Federal	\$12,365	\$11,386	\$11,386
Fees/Other	\$486,100	\$447,622	\$447,622
Use of Fund Balance			
Contingencies			
Total Sources	\$523,194	\$481,780	\$481,780

Narrative Explanation of Fiscal Impacts:

Costs associated with Anthem BC are funded through County Health Plan premiums paid by employer, employee, and retiree contributions.

Costs associated with CareCounsel services are funded through the Benefits Administration and County Health Plan budgets. These costs are recovered through the Benefits Administration rates charged to departments and through County Health Plan premiums. Appropriations for future years will be included in appropriate budget cycle requests.

Staffing Impacts:

Agenda Date: 7/23/2019

Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

None

Related Items “On File” with the Clerk of the Board:

Amendment to the Administrative Services Agreement with Anthem Blue Cross

Amendment to the Administrative Services Agreement with CareCounsel