



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 2/4/2020

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): Countywide

Title:

County of Sonoma Health Plan Summary Plan Description

Recommended Action:

Authorize the Human Resources Director to execute changes and restatement of the County of Sonoma Health Plan- Summary Plan Description effective January 1, 2020.

Executive Summary:

The recommended action authorizes the Human Resources Director to execute the amended Summary Plan Description (SPD) for the self-insured County of Sonoma Health Plan (CHP). The SPD details benefit coverages and how the plan is administered. From time to time, it is necessary to amend the SPD to ensure compliance with changes in Federal and State regulations. The amendments also bring administration and description of the plan into alignment with current processes and advancements in medical care services, updated definitions and other minor edits, while providing an easy to understand preventive care reference guide. The changes are administrative in nature and do not change the benefits, costs to the county, or the individuals covered by the County Health Plan, nor is there any fiscal impact.

Discussion:

The County of Sonoma established a self-insured health plan in July 1976, commonly referred to as the County Health Plan (CHP). Over the years as benefits and administrative processes change sometimes due to health insurance related rules and regulations, controlling documents are periodically amended to reflect these changes. The County uses third-party administrators to administer the CHP. The Summary Plan Description (SPD) is a critical document for these administrators.

A SPD describes the provisions of an employer sponsored plan such as health, life or disability and provides a written summary of the plan benefits such as coverages, limits to coverages, claims administration, appeals, grievances, etc.. Maintaining a comprehensive SPD is important to provide a clear understanding of what is covered to the plan participants. The Employee Retirement Income and Security Act of 1974 (ERISA) is the Act that most employers must follow regarding the requirement for a SPD. While the County is an exception and not subject to ERISA regulations, voluntary adherence to these regulations is an industry best practice.

The following provides a summary of changes in the CHP - SPD Restatement:

- Patient Protection Affordable Care Act continues to mandate covered benefits by medical plans, specifically, essential coverage and preventive care services. These include at-home colon cancer screening kits, tobacco cessation, breast cancer preventive medication, and eye exams, as preventive care are covered in-network at 100%. In addition, durable medical equipment now includes coverage for a standard breast pump for females who are breastfeeding at no charge.
 - Outpatient mental health and substance use disorders services patient costs are being reduced from a 10% coinsurance after deductible to a \$20 Copayment.
 - FDA approved gene therapies are better clarified as a covered benefit.
 - Updates eligibility requirements pursuant to the Sonoma County Association of Retirees, et. al. v. Sonoma County Final Court order
 - Clarification of mid-year election, which are now consistent with Internal Revenue Service (IRS) regulations
 - Updates definitions as recommended by Anthem Blue Cross, our third party claims administrators and Segal Consulting, the County's benefits consultant
 - Updates language regarding: binding arbitration, when member must repay plan benefits language, and continuity of care as recommended by Anthem Blue Cross and the County's benefits consultant
- Updates the address of the County Privacy Officer in the Department of Health Services

Prior Board Actions:

5/24/2011: Board approved restatement of Summary Plan Description to comply with PPACA, to incorporate benefits changes previously approved by the Board, and to bring administration of the Plan into alignment with current administrative processes.

3/2/2010: Board approved resolution to create a CHP PPO and CHP EPO and mandatory mail order & generic prescription services.

6/28/2005: Board authorized initial agreement with Anthem BC for third party administration and PPO network access.

6/29/2004: Authorized Risk Manager to execute Health Insurance Portability and Accountability Act (HIPAA) amendment to the CHP.

6/29/1999: Authorized amendments to the CHP to comply with the Mental Health Parity Act of 1996

4/1/1986: Ratified the Rules and Regulations of the CHP.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses	12,017,860		

Additional Appropriation Requested			
Total Expenditures	12,017,860		
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	12,017,860		
Use of Fund Balance			
Contingencies			
Total Sources	12,017,860		

Narrative Explanation of Fiscal Impacts:

There are no direct fiscal impacts from these changes. The budgeted expenditures of \$12,017,860 are costs associated to operate and provide the self-insured medical plan benefit to current employees and retirees, which are charged to the CHP Internal Service Fund. Funding to support the plan are paid through payroll deductions from current employee and employer contributions budgeted in departments, (\$700/Mo - EE Only/ \$1,400/Mo - EE + 1/\$1,700 - EE+ Family) as well as contributions from participating retirees and employer contributions (up to \$500 per month) provided through the OPEB Internal Service Fund.

The December 2019 CHP participants consist of 24 current employees whose contributions of \$271,000 are paid by participating employees and \$304,000 are paid by the County. Of the 792 participating retirees, annual contributions of \$4,114,000 are paid by retirees and \$4,850,000 are paid by the County.

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

Narrative Explanation of Staffing Impacts (If Required):

Not Applicable

Attachments:

Not Applicable

Related Items "On File" with the Clerk of the Board:

Amended County Health Plan Summary Plan Description, and Member Friendly Preventive Care Guidelines

