



## Legislation Text

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**File #:** 2020-0449, **Version:** 1

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**To:** The Board of Supervisors of Sonoma County, 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 Sonoma County 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 Health Plan Contract Renewal

**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 June 1, 2020 to May 31, 2021.

**Executive Summary:**

The recommended action authorizes the Human Resources Director to execute an amendment to the agreement with Anthem Blue Cross to provide Administrative Services Only (ASO) for the County Health Plans (CHP).

**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, 2021, and increases the monthly administrative fee from \$36.45 to \$38.81 per subscriber per month. As of April 1, 2020, there were 825 total subscribers in the County Health Plan - 25 active employees and 780 retirees.

Anthem BC had been providing these services since 2005. In 2016, following an extensive request for proposal (RFP) process, Anthem BC was selected to continue providing these services. 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 County also went out for a RFP in July 2017 to replace the self-funded County Health Plan with a fully-insured medical plan. The County received two proposals that quoted premium costs that were significantly more costly than our current rates and did not meet the County's needs. The marketplace has not changed significantly to warrant or justify another RFP for a replacement of the County Health Plan in the 2020-2021 Fiscal Year. For June 1, 2019 to May 31, 2020, there was a 12% increase for the services provided, and for June

1, 2020 to May 31, 2021. The proposed rate is a 6.5% increase. This increase is reasonable considering the rate reduction from 2016 - 2019.

**Prior Board Actions:**

3/1/2016: Board Authorized agreement with Anthem Blue Cross

7/23/2019: Board authorized Anthem Blue Cross renewal amendment

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 19-20 Adopted</b>	<b>FY20-21 Projected</b>	<b>FY 21-22 Projected</b>
Budgeted Expenses	\$412,150	\$406,507	\$406,507
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$412,150</b>	<b>\$406,507</b>	<b>\$406,507</b>
<b>Funding Sources</b>			
General Fund/WA GF	\$16,486	\$16,260	\$16,260
State/Federal	4,122	4,065	4,065
Fees/Other	391,542	386,182	386,182
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>\$412,150</b>	<b>\$406,507</b>	<b>\$406,507</b>

**Narrative Explanation of Fiscal Impacts:**

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

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

**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

