



Human Resources & Development COUNTY OF TULARE AGENDA ITEM

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

CONNIE CONWAY
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: September 25, 2007

Public Hearing Required	Yes	<input type="checkbox"/>	No	x	N/A	<input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input type="checkbox"/>	No	x	N/A	<input type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	No	x	N/A	<input type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	No	x	N/A	<input type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	No	x	N/A	<input type="checkbox"/>
Electronic file(s) has been sent	Yes	x	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	x
Personnel Resolution attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	x
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)	Yes	x	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>

CONTACT PERSON: Tim Huntley PHONE: 733-6266, ext 6316

SUBJECT: Participation in the California State Association of Counties Excess Insurance Authority (CSAC-EIA) Pooled Health Insurance Benefit Program.

REQUEST(S):

That the Board of Supervisors:

1. Approve the memorandum of understanding with the CSAC-EIA for participation in the CSAC-EIA Pooled Health Insurance Benefit Program and authorize the Chairman to sign the attached memorandum of understanding.
2. Ratify the selection of Chimienti and Associates as the designated eligibility and billing administrator for Tulare County effective September 1, 2007.

SUMMARY:

During the fall of 2006 the County and its consultant solicited proposals for a health benefit package for 2007. Ultimately the County elected to join the CSAC-EIA pooled medical insurance program.

As a condition for participation in the plan the County was obligated to agree to participate for a minimum of three calendar years.

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Also the County was assured that the premium setting policies would provide that any percentage change in the County's premium in years two and three of the contract would be based on the pool's aggregate experience. Essentially this means that the County would have premiums adjusted based on the loss experience of all the members in the pool.

Should the County wish to renew its participation in the program in 2010 our premium would be adjusted in part based on our actual loss experience as well as the pool's experience.

These representations had not been included in the existing operating memorandum of understanding or premium setting policies of the EIA at the time we joined the plan. Accordingly we declined to execute the memorandum of understanding until the EIA (Authority) updated its memorandum of understanding and premium setting policies. (Please see the attached letter confirming the premium setting policy per the representations of the EIA at the time we decided to join the Authority.)

During the period in calendar year 2007 that the Authority was conforming its policies and memorandum of understanding to the conditions under which we agreed to join, the County experienced significant implementation problems with the Authority's third party administrator charged with managing the Authority's eligibility and billing interfaces with the participating agencies and the various insurance carriers and other entities serving the Authority.

At the behest of the County the Authority issued a request for proposals for either a successor to, or alternate administrator to manage eligibility and billing services. The County proposed and the Authority agreed that the County would be permitted to hire its own administrator if one acceptable to the County were not identified through the RFP process. For that reason staff did not bring the memorandum of understanding with the Authority to the Board for action pending the results of the RFP process.

On August 29, 2007, the EIA Health Insurance Committee selected three administrators as qualified to service the Authority.

Based upon the County's participation in the RFP process as well as its prior independent association with Chimienti and Associates staff now recommends that the Board approve the memorandum of understanding with the CSAC-EIA for participation in the CSAC-EIA Pooled Health Insurance Benefit Program for the period commencing 1/1/2007 and ratify the selection of Chimienti and Associates as the designated eligibility and billing administrator for Tulare County effective

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September 1, 2007.

FISCAL IMPACT/FINANCING:

All the fees for all the services through the CSAC-EIA are contained in the County's quoted premium for insurance and administrative services. For 2008 the medical premium portion of that agreement has increased by 9.33%. Chimienti's services are \$6.60 per employee per month (PEPM) the lowest of the three bidders offering administrative services. Employee Benefit Services, the former administrator was the second low bidder at \$6.70 PEPM and Benefit Consulting Coordinators quoted a fee of \$7.25 per employee per month, plus additional charges for COBRA \$0.50 PEPM and Flexible Spending Accounts at \$4.75 PEPM but declined to offer services to Tulare County. The 2007-08 budget contemplated a health benefits program increase of 10% therefore these costs are within the approved budget.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

Strategic Initiative 4 – Organizational Performance call for the County to promote an organization that continuously demonstrates the value of its employees in fulfilling the County mission. Mitigating employee insurance costs is the basis for this program.

ALTERNATIVES:

Withdraw from the CSAC-EIA and set up a self insured program.

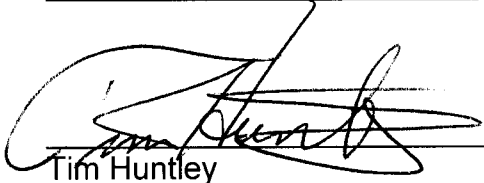
INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

County Administrative Office

SUBJECT: Participation in the California State Association of Counties Excess Insurance Authority (CSAC-EIA) Pooled Health Insurance Benefit Program.

DATE: September 25, 2007

ADMINISTRATIVE SIGN-OFF:

A handwritten signature in black ink, appearing to read 'Tim Huntley', is written over a horizontal line.

Tim Huntley
Human Resources Director

Cc: Auditor/Controller
County Counsel
County Administrative Office (2)

Attachment(s)

BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

IN THE MATTER OF Participation in) RESOLUTION NO. _____
the California State Association of Counties) AGREEMENT NO. _____
Excess Insurance Authority (CSAC-EIA))
Pooled Health Insurance Benefit Program)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

That the Board of Supervisors:

1. Approved the memorandum of understanding with the CSAC-EIA for participation in the CSAC-EIA Pooled Health Insurance Benefit Program and authorized the Chairman to sign the attached memorandum of understanding.
2. Ratified the selection of Chimienti and Associates as the designated eligibility and billing administrator for Tulare County effective September 1, 2007.