



San Bernardino County

Legislation Text

File #: 1502, Agenda Item #: 28

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF THE COUNTY OF SAN BERNARDINO
AND RECORD OF ACTION**

December 17, 2019

FROM

DIANE RUNDLES, Director, Human Resources Department

SUBJECT

Approval of Retiree Medical Plan Contracts

RECOMMENDATION(S)

1. Approve the contract with Blue Shield of California to provide group medical plan benefits for retired employees, eligible dependents and Consolidated Omnibus Budget Reconciliation Act retiree participants for plan years 2020 through 2022, with the option to extend for one additional two-year term.
 2. Approve the contract with Kaiser Foundation Health Plan, Inc. to provide group medical plan benefits for retired employees, eligible dependents and Consolidated Omnibus Budget Reconciliation Act retiree participants, for plan years 2020 through 2022, with the option to extend for one additional two-year term.
- (Presenter: Diane Rundles, Director, 387-5570)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of additional Discretionary General Funding (Net County Cost). There is no additional cost to the County associated with the approval of this item, as the County does not contribute to the cost of premiums for retired employees, their eligible dependents or Consolidated Omnibus Budget Reconciliation Act (COBRA) retiree participants.

BACKGROUND INFORMATION

Approval of this item authorizes the contracts for retiree benefits between the County of San Bernardino (County) and the group health plan providers, Blue Shield of California (Blue Shield) and Kaiser Foundation Health Plan, Inc. (Kaiser).

On May 28, 2019 (Item No. 4), the Board of Supervisors (Board) approved Blue Shield and Kaiser as the group health plan providers for retired employees, eligible dependents, and retiree Consolidated Omnibus Budget Reconciliation Act participants for retiree benefit plan years 2020 through 2022, with the option to extend for one additional two-year term. The item also directed Human Resources staff to negotiate plan design, rates, and contracts with both carriers.

On October 22, 2019 (Item No. 18) the Board approved retiree medical premium rates for the Blue Shield and Kaiser Plans for the 2020 retiree benefit plan year. Approval of this item by the Board provides the final action

required in the negotiation of retiree benefits between the County, Blue Shield, and Kaiser for group medical plan benefits for retiree participants for plan years 2020 through 2022.

Key provisions of the contracts with the carriers include the following:

Blue Shield

- An addition of a Non-Medicare HMO plan option with lower premium costs and a narrow network.
- Performance guarantees in the amount of 2% of premium at risk to ensure a high level of services are provided. Performance guarantees address the following areas: account management, access to care and patient treatment.

Kaiser

- An addition of a Non-Medicare High Deductible Health Plan (HDHP) with lower premium and higher coinsurance costs for retirees and their dependents.
- Kaiser will continue to provide benefits under the same plan design as those currently offered.

PROCUREMENT

As a result of a competitive process, on May 28, 2019 (Item No. 4) the Board approved Blue Shield and Kaiser as the group health plan providers for all eligible retirees and their dependents for plan years 2019-20 through 2021-22, with the option to extend for one additional two-year term.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on November 13, 2019; Purchasing (Leo Gomez, Purchasing Manager, 387-2063) on November 14, 2019; Finance (Jessica Trillo, Administrative Analyst, 387-4222) on November 15, 2019; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on November 19, 2019.