



MENDOCINO COUNTY BOARD OF SUPERVISORS

ONLINE AGENDA SUMMARY

BOARD AGENDA # 4(r)

Electronic Agenda Transmission Checklist: ☒ Agenda Summary ☒ Records ☐ If applicable, list other online information below

TO: Board of Supervisors DATE: January 11, 2012

FROM: Human Resources MEETING DATE: January 24, 2012

DEPT RESOURCE/CONTACT: Sue A. Goodrick, HR Mgr PHONE: 463-4261 Present ☐ On Call ☒
Pat Meek, HR Director

Consent Agenda ☒ Regular Agenda ☐ Noticed Public Hearing ☐ Time Allocated for Item: _____

■ **AGENDA TITLE:** Ratify Approval of Agreement with CCHI (Cost Contained Health Innovations) in the Amount of Approximately \$853,186 for the Period January 1, 2012 through December 31, 2012, to Provide Stop Loss/Risk Management Services, Specific & Aggregate Excess Coverage and Associated Administration for the Mendocino County Health Plan through Sun Life Assurance Company

■ **PREVIOUS BOARD/BOARD COMMITTEE ACTIONS:** The Board of Supervisors has approved stop loss agreements for the Employee Health Plan annually.

■ **SUMMARY OF REQUEST:** Due to time constraints associated with marketing and negotiating for stop loss insurance at the best possible rates, Keenan & Associates, the County's Active Employee Health Plan Consulting firm, in conjunction with CCHI (Cost Contained Health Innovations), marketed and obtained proposals for the 2012 stop loss coverage for both the Employee and the Non-Medicare Eligible Retiree Health Plans in December 2011. As the coverage needed to be effective January 1, 2012, the Executive Office authorized the Human Resources Department to enter into the attached agreement on the County's behalf. Although the specific stop loss rates were not identified at the time, an estimate was included in the 2012 Employee Health plan costs/premiums which the Board approved on September 27, 2011. That estimate is consistent with the rates in this contract. This coverage protects the Health Plan and the County from catastrophic losses by individuals. The coverage provides for individual coverage on medical and prescription claims in excess of \$225,000 to \$3,000,000. The coverage also provides for aggregate stop loss at 125% of expected claims with a maximum calendar year reimbursement of \$3,000,000, with an unlimited lifetime maximum for medical and prescription claims. This program also provides for early intervention of high dollar claims by providing: Pharmaceutical Utility Analysis, Pre-certification Encounter Analysis, and CCHI Nurse interface with the Plan's Case Management firm.

Keenan's Stop Loss Renewal marketing analysis/renewal recommendation is attached. Although this agreement represents a 12% increase over last year due to 3 months of unfavorable stop loss on the Employee Health Plan in 2011, they were able to obtain the best possible discounts, through economies of scale by obtaining quotes combining both the Non-Medicare Eligible Retiree and Active Employee populations.

■ **SUPPLEMENTAL INFORMATION AVAILABLE ONLINE:**

■ **ADDITIONAL INFORMATION ON FILE WITH THE CLERK OF THE BOARD (CHECKED BY COB IF APPLICABLE):** ☐

FISCAL IMPACT:			
Source of Funding	Current F/Y Cost	Annual Recurring Cost	Budgeted in Current F/Y
Health Benefits Trust	\$853,186	\$	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

■ **SUPERVISORIAL DISTRICT:** 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ All ☒ ■ **VOTE REQUIREMENT:** Majority ☒ 4/5ths ☐

BOARD ACTION (DATE: _____): ☐ Approved ☐ Referred to _____ ☐ Other _____

RECORDS EXECUTED: ☐ Agreement: _____ ☐ Resolution: _____ ☐ Ordinance: _____ ☐ Other _____



MENDOCINO COUNTY BOARD OF SUPERVISORS
ONLINE AGENDA SUMMARY

BOARD AGENDA # 4 (S)

■ **RECOMMENDED ACTION/MOTION:** Ratify Action of Human Resources Department's Approval of Agreement with CCHI in the Amount of Approximately \$853,186 for the Period January 1, 2012 through December 31, 2012, to Provide Stop Loss/Risk Management Services, Specific & Aggregate Excess Coverage and Associated Administration for the Mendocino County Health Plan through Sun Life Assurance Company; and authorize the Human Resources Director, upon completion of a marketing analysis each year, to approve future annual stop loss renewals that do not exceed an annual 10% increase over existing rates.

■ **ALTERNATIVES:** Do not ratify approved agreement and return to Human Resource/Benefits Division for further consideration.

■ **CEO REVIEW (NAME):** _____ **PHONE:** 463-4441

RECOMMENDATION: Agree ☐ Disagree ☐ No Opinion ☐ Alternate ☐ Staff Report Attached ☐

BOARD ACTION

☐ Approved _____

☐ Records Executed _____

Date of Meeting _____

☐ Referred to _____

☐ Other _____