

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

946



FROM: Human Resources

SUBMITTAL DATE:
July 21, 2006

SUBJECT: Annual Renewal of Administrative Services Agreement with Voluntary Plan Administrators, Inc., a Sedgwick CMS Holdings Company

RECOMMENDED MOTION: 1) Approve and ratify the attached fifth amendment of the Administrative Services Agreement with Voluntary Plan Administrators, (VPA) for the Short-Term Disability Program; and 2) Authorize the Chairperson to sign four (4) copies of the attached amendment; retain one (1) copy of the signed amendment and return three (3) copies to Human Resources for distribution.

BACKGROUND: In 1999, the Board approved an agreement with VPA, Inc., to provide administrative services for the County's Self-Funded Short-Term Disability (STD) Plan. VPA has collaborated with the County of Riverside to ensure quality customer service, while controlling annual cost. In the current fiscal year, VPA and the County have successfully implemented policies and procedures reducing claims turn-around processes and a more efficient PeopleSoft integration automating benefit payments with the County's regular pay cycles.

(Continued on page 2)

FORM APPROVED
COUNTY COUNSEL

JUL 24 2006

BY *[Signature]* *[Signature]* Concurring

[Signature]

Ronald W. Komers
Asst. County Executive Officer/Human Resources Dir.

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 3,212,722	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2006-07

SOURCE OF FUNDS: Short-Term Disability ISF Fund	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature *[Signature]*

- Policy
- Consent
- Policy
- Consent

Dept. Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: | District: | Agenda Number:

BACKGROUND continued

This Fifth Amendment will provide administrative services from July 15, 2006 through July 14, 2007, for short-term disability benefits. The estimation of fees for Fiscal Year 2006/07 is based on our plan's current YTD utilization (annualized). The current cost of \$217, 531 will increase to \$225,096 annually.

The increased annual cost reflects a change in the administrative fee for initiating a new claim, which has increased by 1.55%, from \$128.00 per file to \$130.00. All other fees remain at the previously negotiated rate.