

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

662



FROM: Human Resources Department

SUBMITTAL DATE:
May 19, 2014

SUBJECT: Health Net of California, Inc., Medical Plan and Supplemental Agreements and Silver Script Employer Group Waiver Plan Agreements for the 2013 calendar year [District- All] [Total Cost - \$0] [SOURCE OF FUNDS - N/A]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Medical Plan and Supplemental agreements between Health Net of California, Inc., and the County for the period of January 1, 2013 through December 31, 2013 (Attachments A - I);
2. Ratify and approve the Employer Group Waiver Plan agreements between Silver Script Insurance Company and the County for the period of January 1, 2013 through December 31, 2013 (Attachment J);
3. Authorize the Chairperson to sign four (4) copies of each agreement;
4. Retain one (1) copy of each agreement and return three (3) copies of each agreement to Human Resources for distribution.

FORM APPROVED COUNTY COUNSEL
BY: NEAL R. KIPNIS
Date: DATE

Michael T. Stock
Asst. County Executive Officer/
Human Resources Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS:	Budget Adjustment: No
	For Fiscal Year: 12/13 - 13/14

C.E.O. RECOMMENDATION: **APPROVE**
BY: Samuel Wong 5/26/14
Samuel Wong
County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- Positions Added
- 4/5 Vote
- Change Order

Prev. Agn. Ref.: 08/20/2013, 3-49 | **District:** All | **Agenda Number:**

3-15

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Health Net of California, Inc., Medical Plan and Supplemental Agreements and Silver
Script Employer Group Waiver Plan Agreements for the 2013 calendar year [District- All] [Total
Cost - \$0] [SOURCE OF FUNDS - N/A]**

DATE: May 19, 2014

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BACKGROUND:

Summary

On August 10, 2010, Item 3.47, the Board of Supervisors approved Health Net of California, Inc. (Health Net) as one of the County's Health Maintenance Organizations (HMO) and Preferred Provider Organizations (PPO) plans for County active employees and retirees. At that time, Health Net offered the most competitive and cost-efficient plans.

In 2012, Health Net changed its Medicare Prescription Drug Plan (PDP) provider to Silver Script Insurance Company. As a result, the 2013 Agreements (Attachments A-H) were delayed due to the negotiation and clarification of terms in the PDP Agreement and to ensure a Third Party Administrative Agreement between the County and Health Net (Attachment I), along with an Employer Group Waiver Plan Agreement (Attachment J) between the County and Silver Script Insurance Company, was established. These Agreements clarify the responsibilities of Health Net and Silver Script as it relates to the County's Health Net PDP plans.

The 2013 Agreements were recently finalized and reviewed by County Counsel. Agreement terms for active and retiree plans have been honored since January 1, 2013. Human Resources and Health Net are finalizing the terms of the 2014 Agreements.

Impact on Residents and Businesses

There is no direct impact to private residents or private businesses in the County of Riverside.

SUPPLEMENTAL:

Additional Fiscal Information

The 2013 plan rates were previously approved by the Board on July 31, 2012, Item 3-28 for active employees and on September 11, 2012, Item 3-25 for retirees.

The premiums were estimated to cost \$38 million in the 2013 calendar year. There is no direct cost to the County for this recommended action. Medical premiums are paid by employees and retirees.

Contract History and Price Reasonableness

Human Resources initially commenced an agreement with Health Net on January 1, 2011. Health Net was selected through a formal request for proposal (RFP) and offered the most competitive rate for the County's health plan designs. Health Net is among the most respected health care companies in California, with an extensive network of physicians, physician groups and affiliates and pharmacies, serving members in California for over 20 years. Health Net continues to provide quality service to County employees and their dependents, offering a two-tier HMO plan and in-network and out-of-network PPO plan. Based on County utilization and claims experience, the plan rates are aligned with the average market trend.

ATTACHMENTS:

- A. Health Net Elect Open Access (EOA) Group Hospital and Professional Service Agreement, Group Number: 76617A, E, G, H and Supplement to Group Hospital and Professional Service Agreement;
- B. Health Net PPO Group Insurance Policy, Group Number: N5432A, E, G, H, J, K and Supplement to Health Net PPO Group Insurance Policy;
- C. Health Net PPO Group Insurance Policy, Group Number: 15834A, E, G, H and Supplement to Health Net PPO Group Insurance Policy;
- D. Health Net HMO Medicare Coordination of Benefits (COB) Riverside Group Hospital and Professional Service Agreement, Group Number: 69381M and Supplement to Group Hospital and Professional Service Agreement;

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- E.** Health Net PPO Medicare Coordination of Benefits (COB) Riverside, Group Insurance Policy, Group Number: N5432M and Supplement to Health Net PPO Group Insurance Policy;
- F.** Health Net Flex Net Insurance Policy; Group Number: N1658A and Supplement to Health Net PPO Group Insurance Policy;
- G.** Health Net Group Hospital and Professional Service Agreement, Group Number: 69381S and Supplement to Group Hospital and Professional Service Agreement;
- H.** Health Net Group Hospital and Professional Service Agreement, Group Number: 69381T and Supplement to Group Hospital and Professional Service Agreement;
- I.** Health Net Life Insurance Administrative Service Agreement;
- J.** Silver Script Employer Group Waiver Plan Agreement