

646



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

FROM: Human Resources Department

SUBMITTAL DATE:
December 18, 2014

SUBJECT: Medical Plan and Agreements with Health Net of California, Inc., Health Net Life Insurance Company, and SilverScript Insurance Company for the 2014 Calendar Year. [District- All] [Total Cost - \$0] [SOURCE OF FUNDS - Employee and Retiree Health Premiums]

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, 2014 through December 31, 2014 (Attachment A-D);
2. Ratify and approve the Medical Plan, Supplemental Agreements, and Administrative Services Agreement between Health Net Life Insurance Company and the County for the period of January 1, 2014 through December 31, 2014 (Attachments E-I);
3. Ratify and approve the Employer Group Waiver Plan Agreement between SilverScript Insurance Company and the County for the period of January 1, 2014 through December 31, 2014 (Attachment J);
4. Authorize the Chairperson to sign (4) copies of the Agreement; and
5. Retain one (1) copy of each agreement and return three (3) copies of each Agreement to Human Resources for distribution.

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: Employee and Retiree Health Premiums				Budget Adjustment: No	
				For Fiscal Year: 13/14-14/15	

C.E.O. RECOMMENDATION:

APPROVE

BY:
Samuel Wong

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

FORM APPROVED COUNTY COUNSEL
BY:
ANITA C. WILLIS
DATE: 12-22-14
Departmental Conference

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

Prev. Agn. Ref.: 08/20/13, 3.49 District: All Agenda Number:

3-27

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Medical Plan and Agreements with Health Net of California, Inc., Health Net Life
Insurance Company, and SilverScript Insurance Company for the 2014 Calendar Year. [District-
All] [Total Cost - \$0] [SOURCE OF FUNDS - Employee and Retiree Health Premiums]**

DATE: December 18, 2014

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BACKGROUND:

Summary

On August 10, 2010, Item. 3.47, the Board of Supervisors approved the Health Net of California, Inc., (Health Net) as one of the County's Health Maintenance Organizations (HMO) and Preferred Provider Organizations (PPO) plans for the 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 SilverScript Insurance Company. As a result, the 2013 Agreements 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, along with an Employer Group Waiver Plan Agreement between the County and SilverScript Insurance Company, was established.

The 2013 Agreements were finalized on June 3, 2014. Agreement terms for active and retiree plans have been honored since January 1, 2013. The 2014 Agreements represent the final year that the County will be contracting for medical benefits with Health Net of California, Inc. On April 22, 2014, the Board of Supervisors directed the Human Resources Department to conduct a Request for Proposal (RFP) to review current medical plans in the market to ensure the most competitive options are being offered to County employees and retirees. On July 15, 2014, the Board of Supervisors approved to select United Health Care (UHC) as replacement to Health Net. UHC offered the most competitive plan design, premiums, and innovative solutions.

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 2014 plan rates were previously approved by the Board on August 20, 2013, Item 3-49 for active employees & early retirees, and on October 8, 2013, Item 3-10 for medicare eligible retirees.

The premiums were estimated to cost \$137 million in the 2014 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. Due to the recent RFP, the Health Net medical agreement will be discontinued on December 31, 2014. Health Net will continue to provide quality service to County employees, retirees, and their dependents.

UHC, selected as the replacement medical provider for Health Net, offers County employees and retirees greater network access and lower costs on national and local levels.

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ATTACHMENTS (if needed, in this order):

- 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 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;
- C.** Health Net Group Hospital and Professional Service Agreement, Group Number: 69381S and Supplement to Group Hospital and Professional Service Agreement;
- D.** Health Net Group Hospital and Professional Service Agreement, Group Number: 69381T and Supplement to Group Hospital and Professional Service Agreement;
- E.** Health Net PPO Group Insurance Policy, Group Number: N5432A, E, G, H, J, K and Supplement to Health Net PPO Group Insurance Policy;
- F.** Health Net PPO Group Insurance Policy, Group Number: 15834A, E, G, H and Supplement to Health Net PPO Group Insurance Policy;
- G.** Health Net PPO Medicare Coordination of Benefits (COB) Riverside, Group Insurance Policy, Group Number: N5432M and Supplement to Health Net PPO Group Insurance Policy;
- H.** Health Net Flex Net Insurance Policy; Group Number: N1658A and Supplement to Health Net PPO Group Insurance Policy;
- I.** Health Net Life Insurance Company Administrative Services Agreement;
- J.** SilverScript Insurance Company Employer Group Waiver Plan Agreement;