



Mendocino County

Legislation Text

File #: 24-0624, Version: 1

To: BOARD OF SUPERVISORS

From: Executive Office

Meeting Date: June 25, 2024

Department Contact: Cherie Johnson

Phone: 707-463-4441

Department Contact: Emma Saucedo

Phone: 707-463-4441

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval of Retroactive Agreement with Vision Service Plan in the Amount of \$146,000 for a Fully Insured Vision Care Plan for Employees and their Eligible Dependents, for the Period of January 1, 2024, through December 31, 2025

Recommended Action/Motion:

Approve retroactive Agreement with Vision Service Plan in the amount of \$146,000 for a fully insured vision care plan for employees and their eligible dependents, for the period of January 1, 2024, through December 31, 2025; authorize the Chief Executive Officer or designee to approve future amendments that do not exceed a 10% increase to the core plan rates until such time that the next marketing is conducted; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On December 19, 2017, the Board approved Agreement Number 17-158. On December 8, 2020, the Board approved Agreement Number 17-158-A1.

Summary of Request:

Vision Service Plan (VSP) has been providing a vision insurance plan to County employees since 2016. The plan provides high-quality cost-effective care for employees and their eligible dependents. VSP has the nation's largest network of independent doctors, allowing members to save when they choose a provider within the VSP network. A member may also choose to use an out-of-network provider but may incur higher out-of-pocket expenses.

In the summer of 2023, Alliant, consultant/broker to the Employee Health Benefits Plan, presented the PRISMHealth renewal to County administration and to the newly re-established Health Benefits Committee (HBC). The renewal was for all lines of coverage, including vision benefits. Of the two vision insurance carriers approved to provide vision benefits to PRISMHealth members, only VSP provided a quote and guaranteed a rate pass for two years. Eyemed declined to quote due to lack of providers in Mendocino County. VSP also offered the opportunity for employees to enhance or "buy up" their current benefits on a voluntary basis. The HBC unanimously recommended this new opportunity for employees to elect enhanced benefits.

During open enrollment for benefit year 2024, employees were given the opportunity to elect the core benefits or to enhance their benefits with the buy up plan. Employees who elected the buy up plan pay 100% of the

cost difference between the core plan and the enhanced buy up plan, in addition to their usual premium.

County staff has been working with VSP since the fall 2023 to negotiate the language in the new contract which includes the core and buy up plan benefits. While it is standard practice in the industry for insurance carriers to deliver contracts 30 - 60 days after the plan year commences, the intricacies of negotiating plan changes and legal language can occasionally extend this timeline. In this instance, the VSP contract language did take longer than expected to finalize however, the Board is reminded that vision care benefits are one of the negotiated benefits within the employee Health and Welfare Benefits plan and cannot be paused or removed without the agreement of the bargaining units.

Due to the long-standing relationship between VSP and the County, VSP was agreeable to providing the core and buy-up benefits to employees while the contract was negotiated however, the new plan options must still be memorialized in a signed contract. This contract is presented to the Board today with a request to approve retroactively to January 1, 2024.

County staff is working closely with the Alliant to ensure that future contracts are negotiated earlier in the calendar year and delivered in a timely manner. If staff discovers in the future that a contract will not be available prior to the end of the existing contract, staff will bring forward an item to the Board advising of the delay and request the approval to present a retroactive agreement when it becomes available.

Alternative Action/Motion:

Return to staff with further direction.

Strategic Plan Priority Designation: A Safe and Healthy County

Supervisory District: All

Vote Requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: 0715

current f/y cost: \$63,500 (est.)

budget clarification: Employees will pay 100% of the cost difference between core and buy up plans.

annual recurring cost: \$73,000 (est.)

budgeted in current f/y (if no, please describe): Yes

revenue agreement: No

AGREEMENT/RESOLUTION/ORDINANCE APPROVED BY COUNTY COUNSEL: Yes

CEO Liaison: Darcie Antle, CEO

CEO Review: Yes

CEO Comments:

FOR COB USE ONLY

Executed By: Atlas Pearson, Senior Deputy Clerk

Date: June 25, 2024

Final Status: **Approved**

Executed Item Type: Agreement

Number: 24-086

