



Mendocino County

Legislation Text

File #: 18-1235, **Version:** 1

To: Board of Supervisors

From: Human Resources

Meeting Date: January 23, 2018

Department Contact: Heidi Dunham

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Department Contact: Jason Claunch

Phone: 234-6600

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval of Retroactive Agreement with InterRemedy Insurance Services (a Sub-Contractor of Voya Financial) to Provide Stop Loss Services for the County's Self-Insured Health Plan, Specific and Aggregate Excess Coverage and Associated Administration in an Amount Not to Exceed \$1,060,000 for the Period of January 1, 2018, Through December 31, 2018, and Authorize the Human Resources Director, Upon Completion of a Marketing Analysis Each Year, to Approve Future Annual Stop Loss Renewals with InterRemedy Insurance Services That Do Not Exceed an Annual 10% Increase Over Existing Rates

Recommended Action/Motion:

Approve retroactive agreement with InterRemedy Insurance Services (a sub-contractor of Voya Financial) to provide stop loss services for the County's Self-Insured Health Plan, specific and aggregate excess coverage and associated administration in an amount not to exceed \$1,060,000 for the period of January 1, 2018, through December 31, 2018, and authorize the Human Resources Director, upon completion of a marketing analysis each year, to approve future annual stop loss renewals with InterRemedy Insurance Services that do not exceed an annual 10% increase over existing rates; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On April 5, 2016 the Board of Supervisors approved a new agreement with InterRemedy Insurance Services to provide stop loss services for the County's Self-Funded Health Plan.

Summary of Request:

Keenan & Associates, the County's Health Plan Consultant marketed the stop loss coverage on behalf of the County's Self-Funded Health Plan. 3 proposals, including the incumbent Voya, were received for the 2018 stop loss coverage on the plan. In order to achieve the most favorable rates and coverage for the plan, Keenan marketed and negotiated until very late in the calendar year 2017 for a January 1, 2018 effective date. On December 7, 2017, a letter was received from the Health Plan consultant, Peter McNamara, informing the County that the stop loss contract documents are produced by the carrier and that the production may go past the January 1, 2018 contract effective date. The final documents were received on December 29, 2017, well after the last Board of Supervisors meeting for 2017 and therefore, the request must be submitted for approval as a retroactive agreement.

Voya does not specifically underwrite risk and case management services. InterRemedy Insurance Services is

the sub-contractor to Voya and provides services the insurance company does not. These services include administration of the plan including invoicing the County for the stop loss premium. InterRemedy will deduct their fee from the County payment and remit the remainder of the premium to the Insurance Company. The stop loss proposal for 2018 is 21% (negotiated down from 27%) above the 2017 rates due to the actual claims total in calendar year 2017.

In addition to approval of this agreement, we request authorization for the Human Resources Director, upon completion of a marketing analysis each year, to approve future annual stop loss renewals with InterRemedy that do not exceed an annual 10 percent increase over the existing rate.

Alternative Action/Motion:

Return to Human Resources with further direction.

Supplemental Information Available Online at: N/A

Fiscal Impact:

Source of Funding: 0715

Current F/Y Cost: \$966,573.50 est.

Budgeted in Current F/Y: Yes

Annual Recurring Cost: \$1,060,000 est.

Supervisory District: All

Vote Requirement: Majority

Agreement/Resolution/Ordinance Approved by County Counsel: Yes

CEO Liaison: Janelle Rau, Deputy CEO

CEO Review: Yes

CEO Comments:



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Executed By: Nadia Tipton

Final Status: **Approved**

Date: January 26, 2018

Executed Item No.: **Agreement** Number: 18-009

Note to Department:

Executed Documents Returned to

Department: Originals 4 Copies

 Hand Delivered 2 Interoffice

Mail Executed Agreement Sent to

Auditor? Y