



Mendocino County

Legislation Text

File #: 19-1014, **Version:** 1

To: Board of Supervisors

From: Human Resources

Meeting Date: January 21, 2020

Department Contact: Cherie Johnson

Phone: 234-6600

Item Type: Consent Agenda

Time Allocated for Item: N/A

Agenda Title:

Approval of Retroactive Amendment to Agreement No. 16-106 with J&K Consultants in the amount of \$62,000 Annually For a New Agreement Total of \$304,000, to Continue to Provide a Medical Expense Reimbursement Program (MERP) to Eligible County Employees and their Dependents, Effective January 1, 2020 through December 31, 2021

Recommended Action/Motion:

Approve retroactive Amendment to Board of Supervisors Agreement No. 16-106 with J&K Consultants in the amount of \$62,000 annually for a new Agreement total of \$304,000, to continue to provide a Medical Expense Reimbursement Program (MERP) to eligible employees and their dependents, effective January 1, 2020 through December 31, 2021; and authorize the Human Resources Director to approve and sign future amendments to the Agreement that may update the process or services provided but do not impact the cost of the contract for a period not to exceed two (2) years; and authorize Chair to sign same.

Previous Board/Board Committee Actions:

On December 20, 2016, the Board approved Agreement No. 16-106 with J&K Consultants for a Medical Expense Reimbursement Program.

Summary of Request:

In 2016, Keenan and Associates, the County's Health Plan Consultant, proposed to Human Resources and the Executive Office, an opportunity to save money on the County's Health Plan by offering a voluntary Medical Reimbursement Program (MERP). Eligible employees must have group Medical and Prescription Drug Coverage available to them elsewhere (i.e. spouse's plan or retiree benefits, but not Medicare, TriCare Retiree or a Health Savings Account).

Employees enrolled in the MERP will receive the benefit of small or no deductibles, co-pays or coinsurance costs under this coverage. Employees must (1) Enroll in spouse's employer sponsored or retiree group medical plan; (2) Waive coverage in the County of Mendocino Self-Funded Health Plan; and (3) Enroll in MERP. Employees and their eligible dependents will be reimbursed up to the Affordable Care Act (ACA) out-of-pocket maximums set at \$8,200/single and \$16,400/family for eligible plan costs in calendar year 2020.

The costs include a fee of \$25.00 per employee per month enrolled in MERP for plan administration services, and a J&K Consultants fee of 30% of the savings to the Health Plan, as a direct result of the MERP. The

County's savings is in respect to the difference between the County's medical plan aggregate costs and the County's MERP aggregate costs.

This item is presented as retroactive because the contractor did not provide Human Resources with a signed copy of the Agreement in enough time to bring the item forward to the Board of Supervisors in calendar year 2019.

Alternative Action/Motion:

Do not approve Agreement and return to staff with direction.

Supervisory District: All

vote requirement: Majority

Supplemental Information Available Online At: N/A

Fiscal Details:

source of funding: Health Plan Trust

budgeted in current f/y: Yes

current f/y cost: \$62,000 offset by estimated savings of \$166,000 **if no, please describe:**

annual recurring cost: \$62,000 offset by estimated savings of \$166,000 **revenue agreement:** No

budget clarification: Savings is based on premium amounts only.

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: Karla Van Hagen, Senior Deputy Clerk

Final Status: Approved

Date: January 23, 2020

Executed Item Number: Agreement 16-106-A1

Note to Department Number of Original Agreements

Returned to Dept: 1 **Original Agreement Delivered to**

Auditor? Yes

