

RESOLUTION NO. 070670

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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RESOLUTION A) WAIVING THE REQUEST FOR PROPOSAL PROCESS AND AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE AN AGREEMENT WITH BLUE SHIELD TO OFFER COUNTY EMPLOYEES, RETIREES AND THEIR DEPENDENTS A HMO PLAN FOR THE PERIOD FROM APRIL 1, 2010 TO DECEMBER 31, 2010 WITH THE AMOUNT NOT TO EXCEED \$15,468,000 (\$14,561,000 FOR ACTIVES AND \$907,000 FOR RETIREES); AND B) AUTHORIZING THE HUMAN RESOURCES DIRECTOR OR THE DIRECTOR'S DESIGNEE TO EXECUTE CONTRACT AMENDMENTS WHICH MODIFY THE COUNTY'S MAXIMUM FISCAL OBLIGATION BY NO MORE THAN \$25,000 (IN AGGREGATE), AND/OR MODIFY THE CONTRACT TERM AND/OR SERVICES SO LONG AS THE MODIFIED TERM OR SERVICES IS/ARE WITHIN THE CURRENT OR REVISED FISCAL PROVISIONS.

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, each year prior to open enrollment, the County negotiates health plan premium rates; and

WHEREAS, in June 2009, Aetna provided the County a preliminary rate increase of 19.3% (rate increases for Kaiser and Blue Shield POS were 4.3% and 0% respectively); and

WHEREAS, given Aetna's disproportionately high rate increase, the County requested a rate quote from Blue Shield for an HMO plan similar to Aetna's and Blue Shield quoted a 6.8% increase for its HMO plan; and

WHEREAS, the County met with all employee organizations in the Fall of 2009

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to discuss changing from an Aetna to Blue Shield HMO plan; and

WHEREAS, on November 10th and December 1st, the Board of Supervisors approved AFSCME and SEIU Memoranda of Understanding (MOUs) that included the Aetna to Blue Shield change. Agreement was reached with all other bargaining units regarding this change in January 2010; and

WHEREAS, it is in the County's best interests to waive the formal request for proposal process because: 1) the timing of Aetna's notice of rate increase precluded the issuance of an RFP for an HMO plan for the time period covered by the agreement; 2) although Aetna subsequently revised its rate quote to an 11% increase, the Aetna plan was still \$740,000 more expensive per year than the Blue Shield HMO plan; 3) the proposed agreement will result in \$740,000 savings per year for the County and employees as compared to Aetna's final rate quote; 4) the proposed agreement will strengthen the County's future negotiating power; 5) the proposed agreement will not disrupt existing patient / primary care physician relationships; 6) the proposed agreement will allow the HMO participants access to a larger primary care physician network, enhanced benefits, and participate in Blue Shield's Healthy Lifestyle Rewards Program at no cost to the County; and 7) the County will be conducting a formal RFP within the next two to three years regarding all medical plans.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Supervisors hereby waives the Request for Proposal process and authorizes the President of the Board to execute an Agreement with Blue Shield to offer County

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employees, retirees and their dependents an HMO plan for the period from April 1, 2010 to December 31, 2010 with the amount not to exceed \$15,468,000 (\$14,561,000 for actives and \$907,000 for retirees); and

BE IT FURTHER RESOLVED that the Board of Supervisors hereby authorizes the Human Resources Director or the Director's designee to execute contract amendments which modify the County's maximum fiscal obligation by no more than \$25,000 (in aggregate), and/or modify the contract term and/or services so long as the modified term or services is/are within the current or revised fiscal provisions.

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Regularly passed and adopted this 23rd day of March, 2010.

AYES and in favor of said resolution:

Supervisors:

MARK CHURCH

CAROLE GROOM

RICHARD S. GORDON

ROSE JACOBS GIBSON

ADRIENNE J. TISSIER


NOES and against said resolution:

Supervisors:

NONE

Absent Supervisors:


NONE



President, Board of Supervisors
County of San Mateo
State of California

Certificate of Delivery

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.



Marie L. Peterson, Deputy
Clerk of the Board of Supervisors

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