

County of Santa Clara

Santa Clara County In-Home Supportive Services (IHSS) Public Authority



IHSS01 091509

Prepared by: James Ramoni
Social Services Program Manager
Autumn Arias
Budget and Public Policy Analyst

Submitted by: Peter Ng
Employee Benefits Director

DATE: September 15, 2009

TO: Governing Board of the Public Authority for In-home Supportive Services

FROM:

A handwritten signature in cursive script that reads "Luke Leung".

Luke Leung
Deputy County Executive

SUBJECT: Delegation of Authority to the County Executive Regarding Health, Dental and Vision Benefits Agreements for In-Home Supportive Services (IHSS) Individual Providers

RECOMMENDED ACTION

Consider recommendations relating to the extension of agreements for the provision of insurance benefit plans for eligible In-Home Supportive Services Independent Providers (IP).

Possible action:

- a. Approve delegation of authority to the County Executive, or designee, to amend the existing medical benefit plan agreement with Valley Health Plan and take any and all necessary or advisable actions relating to this agreement, to extend the term of the

agreement from the current September 30, 2009 expiration date to November 30, 2009, in an amount not to exceed the current monthly rate of \$430.39 per eligible participating IP enrollee, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on November 30, 2009.

- b. Approve delegation of authority to the County Executive, or designee, to amend the existing dental benefit plan agreement with Liberty Dental and take any and all necessary or advisable actions relating to this agreement, to extend the term of the agreement from the current September 30, 2009 expiration date to November 30, 2009, in an amount not to exceed the current monthly rate of \$25.80 per eligible participating IP enrollee, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on November 30, 2009.
- c. Approve delegation of authority to the County Executive, or designee, to amend the existing vision benefit plan agreement with Vision Service Plan (VSP) and take any and all necessary or advisable actions relating to this agreement, to extend the term of the agreement from the current September 30, 2009 expiration date to November 30, 2009, in an amount not to exceed the current monthly rate of \$8.58 per eligible participating IP enrollee, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on November 30, 2009.
- d. Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, terminate, and take any and all necessary or advisable actions relating to a health benefit plan with Valley Health Plan, subject to negotiations with SEIU Local 521 currently underway regarding the labor contract for Independent Providers, at a monthly rate still to be determined per eligible, participating IP enrollee for the period beginning December 1, 2009 through November 30, 2010, with two additional one-year extensions that are each subject to a possible new premium rate and annual appropriation of funds, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of authority shall expire on November 30, 2012.
- e. Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, terminate, and take any and all necessary or advisable actions relating to a three-year dental benefit plan with Liberty Dental, subject to negotiations with SEIU Local 521 currently underway regarding the labor contract for Independent Providers, at a monthly rate of \$26.96 per eligible, participating IP enrollee for the period beginning December 1, 2009 through November 30, 2010, a monthly rate of \$27.36 for the period beginning December 1, 2010 through November 30, 2011, and a monthly rate of \$28.32 for the period beginning December 1, 2011 through November

30, 2012, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive, and subject to annual appropriation of funds. Delegation of authority shall expire on November 30, 2012.

- f. Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, terminate, and take any and all necessary or advisable actions relating to a three-year vision benefit plan with Vision Plan of America, subject to negotiations with SEIU Local 521 currently underway regarding the labor contract for Independent Providers, at a monthly rate of \$6.81 per eligible, participating IP enrollee for the period beginning December 1, 2009 through November 30, 2012, following approval by County Counsel as to form and legality, approval by the Office of the County Executive, and subject to annual appropriation of funds. Delegation of authority shall expire on November 30, 2012.

FISCAL IMPLICATIONS

Funding for the extension and continuation of the health insurance benefit plan agreements has been included in the FY 2010 Approved Budget, and is estimated at \$45.8 million for the entire fiscal year, dependent upon the actual number of enrollees in the benefit plans. A portion of this funding is reimbursed by the State and Federal government. This figure does not take into account any possible changes that could be a result of the negotiations currently underway with SEIU Local 521 for the Independent Providers labor agreement. Funding for the second and third year periods of coverage are subject to annual appropriation of funds.

CONTRACT HISTORY

Valley Health Plan insurance benefits have been offered to eligible independent providers since September 2000.

Liberty Dental has provided dental insurance coverage since September 2007. The previous dental insurance provider was Pacific Union Dental.

Vision Service Plan has provided vision insurance coverage since October 2001.

REASONS FOR RECOMMENDATION

The current Memorandum of Agreement between the Santa Clara County Public Authority for In-Home Supportive Services and SEIU Local 521 representing IHSS homecare providers is set to expire on September 30, 2009. This contract includes health, vision and dental insurance benefits made available to eligible homecare providers, all of which are set to expire on September 30, 2009 as well.

Negotiations have commenced with SEIU Local 521 and are expected to conclude with a newly negotiated contract no later than September 30, 2009. In the event that negotiations take longer than anticipated, the recommended delegation of authority will ensure continuity of all present benefits at the current rates through November 30, 2009.

It is unknown at this time what the final negotiated contract with SEIU Local 521 will include. In the meantime, the Public Authority would like to be prepared to have benefit contracts in place subject to ratification of the new agreement. The Public Authority recommends delegation of authority to the County Executive or designee to negotiate, execute, amend and terminate health, vision and dental plans for a three-year period in order to procure the lowest rate and provide continuity of the benefit plans. All contracts will have a standard termination clause which allows the Public

Authority to terminate the agreements sooner with proper notice. Delegation of authority shall expire on November 30, 2012.

Dental Plan:

The two-month extension of the Liberty Dental plan is offered at the current monthly rate of \$25.80 per eligible enrollee through November 30, 2009. Beginning December 1, 2009 Liberty Dental is offering a three-year contract at the monthly rate of \$26.96 from December 1, 2009 - November 30, 2010, a monthly rate of \$27.36 per enrollee from December 1, 2010 - November 30, 2011, and a monthly rate of \$28.32 from December 1, 2011 - November 30, 2012.

Council on Aging Silicon Valley (COA) Public Authority staff requested broker Nancy Gyles and Associates to obtain three bids for dental services to ensure the best value dental service plan for the most competitive price. The broker obtained and presented bids from Liberty Dental, California Dental Network, and United Health Care Special Services (Pacific Union Dental), and a comparison of plans and rates was completed and reviewed. Staff recommends contracting with Liberty Dental for the following reasons: California Dental Network could not match the current plan with a zero co-pay for workers, and although United Health Care Special Services' bid was competitive with the current plan, enrollees had previously had problems with this company's plan in the past. Liberty Dental has provided a bid for three years that would maintain the current level of coverage for IP enrollees.

Vision Plan:

The two-month extension of the Vision Service Plan is offered at the current monthly rate of \$8.58 per eligible enrollee through November 30, 2009. Beginning December 1, 2009, the Public Authority recommends contracting for a three-year period with a new provider for vision services, Vision Plan of America. Vision Plan of America has offered a monthly premium rate of \$6.81 per IP enrollee from December 1, 2009 through November 30, 2010, for a savings of \$1.77 or 21% per enrollee per month under the current provider.

Council on Aging Silicon Valley (COA) Public Authority staff requested broker Nancy Gyles and Associates to obtain three bids for vision services to ensure the best value vision service plan for the most competitive price. The broker presented bids from Vision Service Plan, Vision Plan of America and Advantica Eyecare, and a comparison of plans and rates was completed. It is recommended that Vision Plan of America be chosen due to the lower rate being offered. Like the current plan, this plan charges \$15 for office visits, but offers more frequent contact lens replacement every 12 months versus 24 months under the current plan.

Valley Health Plan:

The two-month extension of the Valley Health Plan is offered at the current monthly rate of \$430.39 per eligible enrollee through November 30, 2009. The rate will be re-negotiated with Valley Health Plan for the time period beginning December 1, 2009 and the new amount is unknown at this time.

BACKGROUND

In 1992, California enacted legislation to define the role of Public Authorities established by County Boards of Supervisors to provide for the delivery of IHSS. In December 1996, the Santa Clara County Board of Supervisors adopted an ordinance creating the In-Home Supportive Services Public Authority to act as the employer of record of IHSS providers for purposes of collective bargaining. In addition to being the employer of record, Public Authorities are required to establish and operate a provider registry of available and qualified independent providers for referral, to investigate the qualifications and background of potential providers, and to provide access to training for providers and recipients.

The current Memorandum of Agreement between SEIU Local 521 and IHSS Independent Providers continues to offer benefit insurance plans for health, dental and vision services to eligible providers who participate in these plans. Participating providers pay a monthly participation rate of \$11.00 for the VHP health benefit.

CONSEQUENCES OF NEGATIVE ACTION

Failure to authorize this action would result in the termination of health, dental and vision plan services for eligible IHSS independent providers on their expiration dates of September 30, 2009.

STEPS FOLLOWING APPROVAL

The Office of the County Executive will send an executed copy of the Agreements to the Clerk of the Board within 30 days of execution.