



Legislation Details (With Board Report)

**File #:** 17-0906      **Name:** PHA Revised Agreement #3  
**Type:** General Agenda Item      **Status:** Passed  
**File created:** 8/29/2017      **In control:** Board of Supervisors  
**On agenda:** 9/12/2017      **Final action:** 9/12/2017  
**Title:** Approve and authorize the Contracts/Purchasing Officer to sign a Revised Amendment No. 3 to the Agreement No. 12022 between the County of Monterey and Pacific Health Alliance (PHA) for Third-Party Administration of the County Self-Insured Dental Program, extending the term of the original agreement for two additional years through December 31, 2019.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Board Report, 2. PHA Original Contract, 3. PHA Amendment #1, 4. PHA Amendment #2, 5. PHA Amendment #3, 6. PHA Amendment #3.Revised, 7. Completed Board Order, 8. Fully Executed Agreement between the County of Monterey and Pacific Health Alliance

Date	Ver.	Action By	Action	Result
9/12/2017	1	Board of Supervisors		

Approve and authorize the Contracts/Purchasing Officer to sign a Revised Amendment No. 3 to the Agreement No. 12022 between the County of Monterey and Pacific Health Alliance (PHA) for Third-Party Administration of the County Self-Insured Dental Program, extending the term of the original agreement for two additional years through December 31, 2019.

**RECOMMENDATION:**

It is recommended that the Board of Supervisors:  
Approve and authorize the Contracts/Purchasing Officer to sign a Revised Amendment No. 3 to the Agreement No. 12022 between the County of Monterey and Pacific Health Alliance (PHA) for Third-Party Administration of the County Self-Insured Dental Program, extending the term of the original agreement for two additional years through December 31, 2019.

**SUMMARY/DISCUSSION:**

On June 28, 2011, the Board of Supervisors approved an Agreement No. 12022 (Agreement) between the County of Monterey and Pacific Health Alliance (PHA) for Third-Party Administration (TPA) of the County Self-Insured Dental Program. The initial term commenced with the signing of the agreement on July 25, 2011, and ran through December 31, 2015. The Contracts/Purchasing Officer was also authorized by the Board to sign future amendment options to the Agreement. The County elected to exercise those amendment options and has renewed the Agreement for two additional one-year periods, thereby extending the term through December 31, 2017.

On July 25, 2017, the Board of Supervisors approved and authorized the Contracts/Purchasing Officer to sign Amendment No. 3 to the Agreement No. 12022 between the County of Monterey and Pacific Health Alliance (PHA). The Board Report and the original Amendment No. 3 contained some scrivener’s errors regarding the

dates; therefore, this matter is being brought before the Board of Supervisors now to correct those scrivener's errors.

As in the July 25, 2017 matter, the Human Resources Department-Benefits Division (HRD) requests that the term of this Agreement be extended for two additional years, through December 31, 2019, to allow continuation of the TPA services until the County can issue concurrently Requests for Proposals (RFP) for both its dental and vision programs. As the vendors have agreed to guarantee the rates for both programs through December 31, 2019, it is expedient and efficient for the County to align the solicitation of the two RFPs. HRD anticipates issuing these RFPs for future TPA services at the start of FY 2019-20, and returning to the Board of Supervisors for approval to award the new five-year contracts for the County self-insured Dental and Vision programs in September 2019. Approval of the recommended action will enable HRD to continue the provision of TPA Services for the County's self-insured Dental Program, which is available to all County employees, as well as enrollment services for Consolidated Omnibus Budget Reconciliation Act (COBRA) participants, at the current rate of participation. The monthly fee for all enrolled participants approximates \$17,500 or \$210,000 per year. Average enrollment in the Program includes 4,300 employees, 60 COBRA participants and 230 retirees.

OTHER AGENCY INVOLVEMENT:

The Offices of the County Counsel and Auditor-Controller have reviewed and approved the Revised Amendment No. 3 as to form and legality and fiscal provisions, respectively.

FINANCING:

There is no financial impact to the General Fund related to the approval of the Revised Amendment No. 3 to the Agreement. Costs for the self-insured dental program are paid by County departments for employee-only coverage, and by the employees for their dependent coverage. Retirees and COBRA participants pay 100 percent of the premiums. Sufficient appropriations are available in the FY 2017-18 Adopted Budget for Benefits Internal Service Fund 477 for costs associated with the administration of dental program.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The recommended action addresses the Board of Supervisors' Administration Strategic Initiative. The proposed action will provide for the continuation of a quality dental program for County employees in support of the County's commitment to meeting the Board's initiative in attracting, recruiting, and retaining a diverse, talented work force that supports the mission of Monterey County.

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

Prepared By: Paulette Clark, Benefits Program Manager

Approved By: Irma Ramirez-Bough, Director of Human Resources

Attachments:

Revised Amendment No. 3 to Agreement No. 12022

Amendment No. 3 to Agreement No. 12022

Amendment No. 2 to Agreement No. 12022  
Amendment No. 1 to Agreement No. 12022  
Agreement No. 12022 between County and PHA