

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: June 17, 2008 (X) Consent () Regular
 () Ordinance () Public Hearing

Department
 Submitted By: Risk Management

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file: the letter from CIGNA which replaces its original letter dated September 14, 2007, confirming the renewal rates for the self-insured health plan for the period January 1, through December 31, 2008, allowing and authorizing payment of all outstanding Health Insurance Portability and Accountability Act (HIPAA) and Pharmacy fees for the current plan year.

Summary: At its October 16, 2007 meeting, the Board approved the first annual option to renew the Amended and Restated Administrative Service Only Agreement (R2006 2287) dated October 17, 2006, with Connecticut General Life Insurance Company (CIGNA) for claims administration services for the County's self-funded triple option (HMO, POS, PPO) health insurance plan for the period January 1, 2008 through December 31, 2008, which included a letter from CIGNA summarizing its proposed administrative fees and specific stop loss premiums for plan year 2008. However, the letter unintentionally omitted two agreed-upon monthly rates. The rates omitted were the HIPAA fees, in the amount of .16 cents per employee/per month, and the Pharmacy Fee, in the amount of \$2.30 per employee/per month. (Countywide) (TKF)

Background and Justification: Following an RFP in 2006, CIGNA was selected as the administrative services provider for the County's self-insured health plan. As part of the selection process, a multi-year rate guarantee was considered for the administrative services being proposed, including a fee for HIPAA and pharmaceutical services. Fees for these services were paid to CIGNA during plan year 2007, and, according to CIGNA's proposal, they are capped at a fixed amount for each of the annual renewal options, as are the Network and Access Fees. However, CIGNA unintentionally left these fees out of its September 14, 2007 renewal confirmation letter which was attached to Agenda Item # 3Z2 and approved by the Board on October 16, 2007. The Finance Department will not pay these fees until the revised letter has been received and filed, fully disclosing the 2008 HIPAA and pharmacy fees.

Attachments:

1. Revised letter from CIGNA confirming 2008 administrative fees

Recommended by: Nancy L. Bolden Department Director 6/4/08 Date

Approved by: Paul M. ... Assistant County Administrator 6/12/08 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures					
Operating Costs	<u>97,500</u>	<u>32,500</u>			
External Revenues					
Program Income (County)					
In Kind Match (County)					
NET FISCAL IMPACT	<u>97,500</u>	<u>32,500</u>			
# ADDITIONAL FTE POSITIONS (Cumulative)	-----0-----	-----0-----			

Is Item Included In Current Budget? Yes No.
 Budget Account No.: Fund 5012 Dept 700 Unit 7300 Object 4511
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:
 Fiscal impact is estimated based on anticipated enrollment for calendar year 2008.

C. Departmental Fiscal Review: Gary Koubler

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Administration Comments:

atwillhite 6-9-08
 82 6/9/08 OFMB CN 6/9/08
Dr. J. J. J... 6/10/08
 Contract Administration 6/10/08

B. Legal Sufficiency:

[Signature] 6/11/08
 Assistant County Attorney

C. Other Department Review:

 Department Director

Leanne Jacone
Senior Client Manager



April 1, 2008

Nancy Bolton
Director, Risk Management
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Dear Nancy,

This letter replaces my original letter dated September 14th, 2007 confirming the renewal rates for the period January 1st, 2008 – December 31st, 2008. In the original letter, two agreed upon monthly rates were unintentionally omitted. They were disclosed as part of the multi-year rate guarantee in the original proposal, and confirmed during the renewal process; however they were unintentionally omitted from the September 14, 2007 letter. The rates omitted were the HIPAA fee, in the amount of .16 cents per employee/per month, and the Pharmacy Fee, in the amount of \$2.30 per employee/per month. The HIPAA fee will be combined with the Administrative Fee on the monthly invoices.

Administrative Fee	
Network	\$21.85 per employee per month
Network Point of Service	\$21.85 per employee per month
PPO	\$21.85 per employee per month
Access Fee	
Network	\$12.50 per employee per month
Network Point of Service	\$12.50 per employee per month
PPO	\$9.90 per employee per month
Specific Stop Loss @\$500,000	
Network	\$7.87 per employee per month
Network Point of Service	\$7.87 per employee per month
PPO	\$7.87 per employee per month
HIPAA	\$.16 per employee per month
Pharmacy Fee	\$2.30 per employee per month

Thank you for your continued partnership and if you need any additional assistance please feel free to contact me.

Sincerely,

Leanne Jacone
Senior Client Manager