

AGENDA

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY OF STANISLAUS COUNTY

1010 10TH STREET, BASEMENT LEVEL, MODESTO

DECEMBER 15, 2009

6:35 p.m.

- I. CALL TO ORDER
- II. CONSENT CALENDAR (Those items marked with an *)
 - *A. APPROVAL OF THE MINUTES OF JUNE 24, 2008
- III. CORRESPONDENCE
 - A. NONE
- IV. PUBLIC HEARINGS
 - A. NONE
- V. AGENDA ITEMS
 - A. ACCEPTANCE OF WELLS FARGO OF CALIFORNIA INSURANCE SERVICES, INC. AS THE INSURANCE BROKER FOR LINK2CARE THE IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY OF STANISLAUS COUNTY.
- VI. PUBLIC FORUM
 - A. NONE
- VII. ADJOURNMENT

MINUTES

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY OF STANISLAUS COUNTY JUNE 24, 2008

The In-Home Supportive Services Public Authority met in the Joint Chambers at 1010 10th Street, Basement Level, Modesto, California.

I. CALL TO ORDER

The meeting was called to order at 9:51 am
Members present: All Supervisors Present
Members absent: none

Staff present: Jeff Lambaren

II. CONSENT CALENDAR (Those items marked with an *)

DeMartini/Monteith (unan.) 9:15am Approved the consent calendar.
9:15 am *II-A Approved the minutes of 09/18/07

III. CORRESPONDENCE

A. None

IV. PUBLIC HEARINGS

A. None

V. AGENDA ITEMS

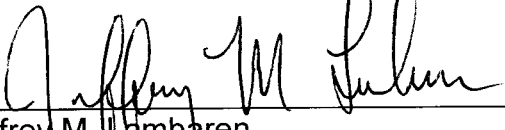
A. DeMartini/Grover unan. 9:15 am (V-A) Accepted the In-Home Supportive Services Advisory Committee FY 2007-2008 Report to the Community

VI. PUBLIC FORUM

A. None

VII. ADJOURNMENT

A. Adjourned as the Stanislaus County In-Home Supportive Services Public Authority at 10:03 am



Jeffrey M. Lambaren
Executive Director

SITTING AS THE IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY OF STANISLAUS COUNTY
THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: In-Home Supportive Services Public Authority *juu* BOARD AGENDA# 6:35 P.M. V-A
Urgent _____ Routine X AGENDA DATE December 15, 2009
CEO Concurs with Recommendation YES phk NO _____ 4/5 Vote Required YES _____ NO X
(Information Attached)

SUBJECT:

Acceptance of Wells Fargo of California Insurance Services, Inc. as the Insurance Broker for Link2Care the In-Home Supportive Services Public Authority of Stanislaus County

STAFF RECOMMENDATIONS:

1. Accept the selection of Wells Fargo of California Insurance Services, Inc. as the Insurance Broker for Link2Care the In-Home Supportive Services Public Authority of Stanislaus County.
2. Authorize the Link2Care Director to sign the necessary documents to execute a contract with Wells Fargo of California Insurance Services, Inc. for an initial three-year period with an option for two additional years.

FISCAL IMPACT:

The fiscal impact of this item for the first year is approximately \$88,620 dollars. The fiscal impact is determined by the dollar amount of the health care premiums, currently budgeted at \$3.5 million dollars, multiplied by the insurance broker commission of two and a half percent (2.5%). The fiscal impact of this item over three years is approximately \$265,860 dollars. This cost is included in the premiums paid for health insurance for In-Home Supportive Services (IHSS) Providers in IHSS Public Authority-Benefits budget.

(Fiscal Impact continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-833

On motion of Supervisor Chiesa Seconded by Supervisor Grover
and approved by the following vote,
Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) X Approved as recommended
- 2) _____ Denied
- 3) _____ Approved as amended
- 4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Acceptance of Wells Fargo of California Insurance Services, Inc. as the Insurance Broker for Link2Care the In-Home Supportive Services Public Authority of Stanislaus County

2

FISCAL IMPACT (CONT'D):

Other than the two and a half percent (2.5%) commission, the insurance broker will not receive contingent or other remunerations for its services. The current level of health care premiums budgeted in IHSS Public Authority–Benefits is approximately \$3.5 million dollars based on the Fiscal Year 2009-2010 Final Budget estimate of 5.4 million paid hours for IHSS Providers at \$0.60 cents per hour. The IHSS Public Authority–Benefits budget includes a County Match requirement of approximately 13.66%, using the higher Federal Medicaid Assistance Percentage (FMAP) rate, or \$441,467 dollars, which is accounted for within the Community Services Agency–Services and Support budget. An Operating Transfer Out equal to the County Match amount, from Community Services Agency–Services and Support budget to IHSS Public Authority–Benefits budget, allows all appropriations and estimated revenues to be accounted for within the IHSS Public Authority–Benefits budget. Therefore, there are no anticipated additional County costs associated with this action for the current fiscal year.

DISCUSSION:

This item asks for authorization to accept the selection of an insurance broker for the In-Home Supportive Services Public Authority of Stanislaus County, hereafter referred to as Link2Care, for multiple years. Upon approval, the Link2Care Director will sign the necessary documents to execute a contract with Wells Fargo of California Insurance Services, Inc. to act as the broker of record for an initial three-year period with an option for two additional years.

Why is an insurance broker necessary? The insurance broker is an important component in the provision of health care for eligible IHSS Providers. Not only does the insurance broker negotiate with insurance carriers for the lowest renewal rates; the insurance broker provides other valuable services for Link2Care such as: assisting with communications, facilitating problem resolutions, providing specialized insurance training and ensuring required notices are sent timely. Additionally, Link2Care's insurance broker pays for Consolidated Omnibus Budget Reconciliation Act (COBRA) enrollment fees for all covered IHSS Providers, thereby saving funds that can be used to provide additional health care coverage.

The price of health insurance is a critical factor in determining how many IHSS Providers can be covered. The Memorandum of Understanding with the United Domestic Workers of America specifies that the County will contribute \$0.60 cents per paid hour towards health insurance for eligible IHSS Providers. In addition each covered IHSS Provider pays a \$20 per month premium. Each month Link2Care receives information from the State specifying the amount of paid hours of the IHSS Providers. The paid hours multiplied by \$0.60 cents plus the monthly premiums determines how much money is available to purchase health insurance. For the most

Acceptance of Wells Fargo of California Insurance Services, Inc. as the Insurance Broker for Link2Care the In-Home Supportive Services Public Authority of Stanislaus County

3

recent 12 months, October 2008 through September 2009, the average monthly amount was \$273,447 dollars. Using this average monthly amount divided by the current health insurance costs of \$537.46 dollars, Link2Care currently has the capacity to provide health insurance for 510 IHSS Providers per month.

On May 9, 2006, the Board of Supervisors, sitting as the Public Authority Board, approved the selection of ABD Insurance and Financial Services as the insurance broker for Link2Care for up to five years. In mid-2008 ABD Insurance and Financial Services was acquired by Wells Fargo and began doing business as Wells Fargo of California Insurance Services, Inc.

In late 2008, Link2Care met with the United Domestic Workers of America (UDWA) to discuss health insurance options and costs. During the meetings with UDWA, the union indicated a desire to participate in the next selection process for an insurance broker. As the initial three-year period had expired, it was decided to do a Request for Proposal (RFP) for an insurance broker and allow the union to assist with the selection process. In mid-August 2009, the Link2Care Director met with General Services Agency (GSA) Purchasing Division to develop an RFP for an insurance broker for Link2Care. On September 11, 2009, the RFP was posted with a response date of October 9, 2009. Seven vendors responded to the RFP by the final date.

A six person RFP review team was assembled, consisting of individuals with insurance and/or IHSS experience. Team members were charged with independently reviewing and rating each proposal based on the established criteria of: methodology, ability & experience, presentation, price, financial strength and overall strength. A maximum score of 100 points per vendor was possible from each reviewer. After independently reviewing each vendor, the RFP review team met on November 5, 2009, at GSA Purchasing to complete the scoring process by reviewing and rating each vendor's financial strength information. The scores were then tabulated and the seven vendors were ranked from first to last. Wells Fargo of California Insurance Services, Inc. was top ranked candidate by the RFP review team.

POLICY ISSUE:

Approval of this item will allow Link2Care to finalize the selection of an insurance broker and allow the broker to represent Link2Care for multiple years. This item is consistent with the Board of Supervisors' priorities of a healthy community and efficient delivery of public services.

STAFFING IMPACT:

There is no staffing impact associated with this item.



Selection of an Insurance Broker

PowerPoint Presentation

Recommendations

- Accept the selection of Wells Fargo as the insurance broker for Link2Care for up to 5 years
- Authorized the Link2Care Director to sign the necessary contracts

Insurance Broker

- Why is an insurance broker necessary?
 - Help Link2Care obtain lowest insurance rates
 - Facilitate problem resolution
 - Provide specialized training
 - Ensure required notices are sent timely
 - COBRA fees

RFP Timeline

- May 6th 2006, The Board of Supervisors sitting as the Public Authority Board authorized selection of ABD Insurance for up to 5 years
- In mid-2008 ABD Insurance was acquired by Wells Fargo
- In late-2008 Union (UDWA) request to participate in next selection process for an insurance broker

RFP Timeline

- RFP criteria updated and RFP issued September 11th - due October 9th
- RFP team final review and selection recommendation November 5th
- Request approval of the selection by Public Authority Board December 15th

RFP Process

- 7 Vendors responded to RFP
- 6 Person evaluation team assembled, team members with insurance and/or IHSS experience
- Independent evaluations by team members of 5 of the 6 criteria
- Team met in GSA Purchasing to review financial strength and finish evaluation process

Evaluation Criteria

- Proposed Methodology (35%)
- Ability & Experience (20%)
- Presentation, Professionalism & Responsiveness (20%)
- Financial Strength (5%)
- Price (10%)
- Overall (10%)

Selection

- Wells Fargo was selected as the top rated candidate by the RFP evaluation team
- Accept the selection of Wells Fargo as the insurance broker for Link2Care for up to 5 years
- Authorized the Link2Care Director to sign the necessary contracts



Selection of an Insurance Broker