



Chatham County, NC

Legislation Details (With Text)

File #: 19-3150 **Version:** 1

Type: Contract **Status:** Passed

File created: 6/11/2019 **In control:** Human Resources

On agenda: 6/17/2019 **Final action:** 6/17/2019

Title: Vote on a request to approve the administrative service agreement, specific stop loss contract, aggregate stop loss contract, and stop loss notice with Blue Cross Blue Shield of NC for the administration of the Chatham County Health Plan in the amount of \$761,410 and authorize the County Manager to execute the contract.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2019 ASL- Chatham County, 2. 2019 ASO Renewal Amendment Chatham County, 3. 2019 SLN Chatham County, 4. 2019 SSL- Chatham County

Date	Ver.	Action By	Action	Result
6/17/2019	1	Board of Commissioners	approved	Pass

Vote on a request to approve the administrative service agreement, specific stop loss contract, aggregate stop loss contract, and stop loss notice with Blue Cross Blue Shield of NC for the administration of the Chatham County Health Plan in the amount of \$761,410 and authorize the County Manager to execute the contract.

Action Requested: Vote to approve the administrative service agreement, specific stop loss contract, aggregate stop loss contract, and stop loss notice with Blue Cross Blue Shield of NC for the administration of the Chatham County Health Plan in the amount of \$761,410 and authorize the county manager to execute the contract

Introduction & Background: Blue Cross and Blue Shield of North Carolina is the administrator of our self-funded health insurance plan. Attached within this file are the following supporting documents regarding the health insurance renewal: 2019 Notice for Stop Loss Insurance Coverage, 2019 Aggregate Stop Loss Insurance Contract, 2019 Specific Stop Loss Insurance Contract and 2019 ASO Renewal Amendment.

Discussion & Analysis: As the administrator of our health plan, Blue Cross Blue Shield of NC assess and administrative fee per employee per month. This includes various aspects of the administration of the plan, including pharmacy management, chronic disease management, and general claims management. Per employee per month cost is \$33.85, with estimated annual cost of \$207,568.

Chatham County also contracts with BCBS of NC to provide coverage for catastrophic claims that exceed our deductible of \$135,000 (stop-loss coverage, including specific claim and aggregate total). Once a claim exceeds the deductible we are reimbursed 100% of the on-going cost of the claim. Per employee per month cost is \$90.32, with an estimated annual cost of \$553,842.

For all fixed costs related to the health plan (admin and stop-loss) is \$124.17 per employee per

month, with an estimated annual cost of \$761,410.

How does this relate to the Comprehensive Plan: N/A

Budgetary Impact: The insurance renewal has already been budgeted for FY2020 out of the self-insurance funds account.

Recommendation: Motion to approve the administrative service agreement, specific stop loss contract, aggregate stop loss contract, and stop loss notice with Blue Cross Blue Shield of NC for the administration of the Chatham County Health Plan for FY2020.