

San Joaquin Valley Insurance Authority

BOARD OF DIRECTORS

SUSAN B. ANDERSON

JUDITH CASE

MIKE ENNIS

ALLEN ISHIDA

PHIL LARSON

DEBORAH POOCHIGIAN

PETE VANDER POEL

Meeting Location:
Tulare County Employee Retirement
Association Board Chambers
136 N. Akers Street
Visalia, CA 93291
January 20, 2012
9:00 AM

AGENDA DATE: January 20, 2012

ITEM NUMBER: 6(b)(ii)

SUBJECT: Receive and File Report on the SJVIA RFP for Health Administrative Services

REQUEST(S): That the Board Receive and File the Report the SJVIA RFP for Health Administrative Services

DESCRIPTION:

The Manager and Assistant Manager of San Joaquin Valley Insurance Authority (SJVIA) have instructed Gallagher Benefit Services (GBS) to conduct a Request for Proposal (RFP) for Administration Services Only (ASO) and Third Party Administration (TPA) bids for the group medical PPO portion of the SJVIA plan. The RFP will anticipate a January 1, 2013 potential effective date. GBS is also requesting HMO Minimum Premium bids or other alternate funding options for the HMO portion of the SJVIA plan, with a potential effective date of December 10, 2012. For a TPA, GBS is also requesting a provider network access bid, as part of the TPA proposal. These proposals will compete for the business currently with Anthem Blue Cross, the SJVIA primary carrier.

An additional request made within the RFP will be for a Second Carrier Option. The current plan is administered by Anthem Blue Cross; however, the SJVIA RFP is also requesting proposals for a “second” carrier to work alongside Anthem as an alternative choice within SJVIA, presuming Anthem is retained. SJVIA will select a second carrier to offer plans to new members wanting to join the SJVIA who are currently contracted with Anthem and may be precluded from entering SJVIA because of Anthem’s “Blue on Blue” bid restriction. Potential business for the second carrier may be effective as early as July 1, 2012. A request has been made that they provide HMO and PPO Administrative Services Only rates assuming the same demographics of the in force business.

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The RFP includes a request for claims re-pricing to substantiate professional and institutional providers' contracted cost differences using the most recent 12 months paid claims. The RFP, released on December 22nd, is due to GBS late January. Staff will return to your Board with recommendations and/or recommended contracts for approval at either a regularly scheduled meeting or a special meeting if required. The RFP process may or may not result in a primary carrier change, however, it is likely a second carrier option will be recommended.

FISCAL IMPACT/FINANCING:

None.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Jeffrey Cardell
Assistant SJVIA Manager

**BEFORE THE BOARD OF DIRECTORS
SAN JOAQUIN VALLEY INSURANCE
AUTHORITY**

IN THE MATTER OF Receive and File Report on SJVIA RFP for Health Plan Administrative Services

RESOLUTION NO. _____
AGREEMENT NO. _____

UPON MOTION OF DIRECTOR _____, SECONDED BY DIRECTOR _____, THE FOLLOWING WAS ADOPTED BY THE BOARD OF DIRECTORS, AT AN OFFICIAL MEETING HELD _____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

BY: _____

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That the Board Received and Filed the Report on SJVIA RFP for Health Plan Administrative Services