

**MEMORANDUM  
PERSONNEL DEPARTMENT  
COUNTY OF PLACER**

**To:** Board of Supervisors  
**From:** Nancy Nittler, Personnel Director  
**By:** Ann Craig, Personnel Services Manager *AN*  
**Date:** June 12, 2007  
**Subject:** Vision Service Plan Contract Renewal

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**ACTION REQUESTED:** Authorize the Personnel Director to sign the attached renewal agreement with Vision Service Plan for administration of the County's vision insurance program. Effective July 1, 2007, the renewal agreement maintains the existing fee structure for the next 36 month period from July 1, 2007, through June 30, 2010.

**BACKGROUND:** Placer County has been self insured for the Vision plan benefits since 1984. Through the competitive bid process the County has contracted with Vision Service Plan (VSP) for administration of the insurance program since 2001. VSP has been very responsive to the County's requests for assistance in claims handling and plan design implementation. In January of 2003, Placer Public Employees Organization (PPEO) enhanced the vision package for their members to include dependent vision availability paid for by the employee. In January of 2005, Placer County Deputy Sheriff's Association (PCDSA) added dependent vision to their benefit package which is also paid for by the employee.

The administrative fee charged by VSP is incorporated into the overall premium rate charged to the departments and the employees. The VSP administrative fee rate structure will remain as follows:

Employee only	\$ .96/month
Employee + dependent	\$ 1.39/month
Employee + family	\$ 2.49/month

VSP originally proposed a two year rate guarantee and the County requested a three year contract. VSP agreed to extend the current administrative fee for the full three year period as part of the negotiations. The majority of VSP's clients are on a flat rate schedule rather than on a percentage of paid claims basis. If the administrative fees were calculated on a percentage of claims basis, it would equate to approximately 11.9% of claims based upon the 2007 - 2008 fiscal year budget, costing the County and our employees more than is being charged through the flat rate.

The administrative fee not only pays for claims processing, but provider credentialing, network development, reporting, billing services, claims trends analysis, and plan design assistance and recommendations as well as excellent customer service for our employees.

**FISCAL IMPACT:** The vision plan administrative cost for 2007-2008 fiscal year is estimated to be \$47,695 and is included in the Dental and Vision budget.

March 30<sup>th</sup>, 2007



LUCINDA WARD  
REGIONAL MANAGER

Ms. Ann Craig  
COUNTY OF PLACER  
145 Fulweiler Avenue, Suite 200  
Auburn, CA 95603

**COPY**

**RE: JULY 1, 2007 RENEWAL CONFIRMATION NOTICE**

Dear Ms. Craig:

As a valued customer of Vision Service Plan (VSP) it is our pleasure to offer County of Placer another period of quality coverage from the nation's leader in eye care.

Group Name:	COUNTY OF PLACER
Group Number:	12168909
Renewal Period:	July 1, 2007 – June 30, 2010 (36 month policy period)
Plan Design:	Value Plan C (12/12/12)
Current Rates:	\$.96/\$1.39/\$2.49
Renewal Rate:	RATE GUARANTEE

**Child/Student Age Verification:**

Child Age limit  
Student Age limit

**Domestic Partner Coverage:**     Yes     No

If YES checked above, please check the appropriate box(es) below.

- Same Sex Only
- Opposite Sex Only
- Both Same and Opposite Sex
- Children of Domestic Partner

To renew the contract, please have the appropriate group representative sign and return this renewal notice to the contact below via mail or fax.

Cordially,

LUCINDA WARD  
Regional Manager

\_\_\_\_\_  
Authorized Group Representative Signature

Please provide your signed renewal notice to:

Katrina Holtzen – VSP Sales Office  
Phone: (916) 851 4832    Fax: (916) 851 4854  
Email: Katrina.Holtzen@vsp.com

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