

**MEMORANDUM
PERSONNEL DEPARTMENT
COUNTY OF PLACER**

To: Board of Supervisors
From: Nancy Nittler, Personnel Director *NN*
By: Ann Craig, Personnel Services Manager *AC*
Date: July 13, 2010
Subject: Vision Service Plan Contract Renewal

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 from July 1, 2010, through June 30, 2012.

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 changes and implementation. In January of 2003, Placer Public Employees Organization (PPEO) negotiated to include dependent vision coverage to be 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 administrative fee proposed by VSP includes a 2.8% cost reduction as follows:

	<u>Current</u>	<u>Proposed</u>
Employee only	\$.96/month	\$.93/month
Employee + dependent	\$1.39/month	\$1.35/month
Employee + family	\$2.49/month	\$2.42/month

VSP originally proposed a three year rate guarantee at the existing rates. The County requested options for a one year, two year and three year terms along with a rate reduction. VSP offered a reduction in rates with all three options with a 3.5% rate reduction for a one year term to 2.1% rate reduction for a three year term. The Personnel Department is recommending a two year agreement at an estimated cost savings \$1450 per fiscal year. VSP processes in excess of 2700 claims each year for the 2775 participants and their families.

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

FISCAL IMPACT: The vision plan administrative cost for 2010-2011 fiscal year is estimated to be \$51,550 and is included in the Dental and Vision budget.



Date: June 25, 2010

RE: JULY 1ST, 2010 VSP CONTRACT RENEWAL - COUNTY OF PLACER

Dear Ms. Craig:

County of Placer is a valued VSP client and we are pleased to offer another period of quality vision coverage from the nation's leader in eye care.

Below is confirmation of the plan, rate and renewal period:

Client Name:	COUNTY OF PLACER
Contract Number:	12168909
Renewal Period:	07/01/2010 THRU 07/01/2012- 24 MONTH POLICY
Current Admin Rate:	\$.96/\$1.39/\$2.49
Renewal Rate:	\$.93/\$1.35/\$2.42

At this time, we ask for your assistance in updating the eligibility information for the upcoming contract period. Please complete the information below:

Child/Student Age Verification:

____ Child Age limit
____ Student Age limit

Same as Current

Child/Student Age Changes:

____ Child Age limit
____ Student Age limit

New age limits

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

Please sign and return this renewal notice via e-mail or fax. If you have any questions at all regarding this renewal, please contact me directly at 800 852 7600 x 5093 or via email at Lucinda@vsp.com

Cordially,

Authorized Client/Broker Representative Signature

LUCINDA WARD
Regional Manager

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