
**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT**

CONSENT AGENDA ITEM No. 5E

DATE: January 15, 2014

TO: Fresno Local Agency Formation Commission

FROM: David E. Fey, AICP, Executive Officer

SUBJECT: Consider Authorization: Authorize a Memorandum of Understanding Between LAFCo and the Fresno County Board of Supervisors to Allow LAFCo Employees to Participate in the County's Health Insurance Plans

RECOMMENDATION

That the Commission authorize the Chair to sign the attached Memorandum of Understanding.

BACKGROUND

On August 7, 2013, the Commission authorized the Executive Officer to establish a Memorandum of Understanding between LAFCo and the Fresno County Board of Supervisors to allow LAFCo employees to participate in the County's health insurance plan.

On December 10, 2013, the Fresno County Board of Supervisors authorized its Chair to execute a Memorandum of Understanding (MOU) between the County of Fresno and LAFCo allowing eligible employees of LAFCo to participate in the County Group Health Plan program effective January 1, 2014.

A copy of the MOU approved by the Board of Supervisors is attached to this report as Attachment A.

The Commission has previously authorized payment of the Executive Officer's COBRA payment through June, 2014. This will end when County coverage becomes effective. With the commencement of the County Group Health Plan program, staff recommends that the Commission authorize a contribution toward this benefit similar to that provided by Fresno County, that is a biweekly contribution of \$223.00 for employee only coverage, \$318.00 for employee plus spouse coverage, \$318.00 for employee plus child(ren) coverage, and \$323.00 for employee plus family coverage for all LAFCo employees.

See Attachment B.

EXHIBIT A

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, hereinafter referred to as "MOU", is made and entered into this 1st day of January, 2014, by and between the COUNTY OF FRESNO, a Political Subdivision of the State of California, hereinafter referred to as "COUNTY", and Fresno Local Agency Formation Commission (LAFCo) whose address is 2607 Fresno Street, Suite B, Fresno, California 93721.

WITNESSETH:

WHEREAS, the COUNTY currently provides group health insurance coverage to its employees; and

WHEREAS, LAFCo would like for up to five (5) of its employees to obtain health insurance coverage via COUNTY'S group health insurance plans; and

WHEREAS, the COUNTY understands the insurance companies and/or Joint Powers Authority cooperatives that currently provide group health insurance coverage to COUNTY employees are willing to extend the COUNTY'S group health plans to include up to five (5) LAFCo employees.

NOW, THEREFORE, It is agreed by both parties as follow:

1. OBLIGATIONS OF LAFCo

A. LAFCo shall provide to the COUNTY timely written communication of new and updated information of health insurance eligibility of LAFCo employees and their contact information, , including new enrollees, changes and terminations. This written notice shall be provided to COUNTY in accordance with applicable health plan contractual requirements, COUNTY requirements and/or state and federal requirements.

B. LAFCo shall timely pay health insurance premiums to COUNTY or COUNTY's designee for benefits on behalf of enrolled LAFCo employees. Said payments shall be made no later than thirty (30) days from LAFCo's receipt of an invoice from COUNTY. Failure to pay premiums timely may result in the termination of health insurance coverage and this MOU pursuant to section 4.

C. LAFCo shall comply with the terms of all written health plan agreements that the COUNTY has entered into relating to health plan benefits provided for LAFCo employees.

1 D. LAFCo shall comply with COUNTY policy on health insurance product packaging (e.g.
2 if COUNTY offers insurance as a bundled package, LAFCo must also offer as a bundled package).

3 2. OBLIGATIONS OF THE COUNTY

4 A. COUNTY shall work with the insurance companies or Joint Powers Authority currently
5 providing group health insurance coverage to COUNTY employees, to extend coverage under the
6 COUNTY'S current group plans to up to five (5) LAFCo employees. If necessary to extend coverage to
7 these LAFCo employees, COUNTY shall use its best efforts to execute an amendment to its current
8 agreements to provide for health care coverage to the LAFCo employees.

9 B. When obtaining group health insurance coverage each year, COUNTY shall include
10 coverage for up to five (5) LAFCo employees on the same terms and conditions as coverage provided to
11 COUNTY employees. Should COUNTY fail to enter into group health insurance plan contracts in any
12 given year, or be unable to include LAFCo employees under the group health insurance plan contracts the
13 COUNTY negotiates for its employees, COUNTY shall provide immediate written notice to LAFCo
14 pursuant to section 4 of this MOU.

15 D. COUNTY shall oversee administration of the group health insurance plans on behalf of
16 LAFCo including the gathering, maintaining and communicating of eligibility for LAFCo employees.

17 E. COUNTY will provide monthly premium invoices to LAFCo for health insurance plans
18 based on the eligibility of LAFCo employees during that period.

19 F. COUNTY shall timely communicate with LAFCo regarding benefits structure changes,
20 annual open enrollment periods and other applicable benefit changes affecting coverage for LAFCo
21 employees that may occur.

22 3. TERM

23 This MOU shall become effective on the 1st day of January, 2014, and shall remain in effect
24 until such time as it is terminated pursuant to section 4.

25 4. TERMINATION

26 A. Non-Payment - The COUNTY may immediately terminate this MOU should LAFCo
27 fail to make premium payments as specified by this MOU.

28 B. Breach of Contract - The COUNTY may immediately suspend or terminate this

1 MOU in whole or in part, where in the determination of the COUNTY there is:

- 2 1) An illegal or improper use of funds;
- 3 2) A failure to comply with any term of this MOU;
- 4 3) A substantially incorrect or incomplete report submitted to the COUNTY;
- 5 4) Improper use and/or disclosure of COUNTY confidential information/data.

6 In no event shall any payment by the COUNTY constitute a waiver by the COUNTY of any
7 breach of this MOU or any default which may then exist on the part of LAFCo.

8 C. Without Cause - Under circumstances other than those set forth above, this MOU may
9 be terminated by COUNTY upon the giving of thirty (30) days advance written notice of an intention to
10 terminate to LAFCo. LAFCo must provide a ninety (90) day advance written notice of intent to terminate
11 this MOU.

12 5. COMPENSATION/INVOICING

13 COUNTY shall submit monthly invoices to LAFCo. LAFCo will issue payment within
14 thirty (30) days of receipt of an approved invoice.

15 6. MOU ADMINISTRATION

16 LAFCo and COUNTY shall comply with all applicable provisions of law and the rules and
17 regulations, if any, of governmental authorities having jurisdiction over matters the subject thereof.

18 7. MODIFICATION

19 Any matters of this MOU may be modified from time to time by the written consent of all
20 the parties without, in any way, affecting the remainder.

21 8. NON-ASSIGNMENT

22 Neither party shall assign, transfer or sub-contract this MOU nor their rights or duties under
23 this MOU without the prior written consent of the other party.

1 9. NOTICES

2 The persons and their addresses having authority to give and receive notices under this MOU
3 include the following:

4 <u>COUNTY</u>	LAFCo
5 County of Fresno	Fresno Local Agency Formation Commission
6 Beth Bandy	David Fey
7 Director of Personnel Service	Executive Officer
8 2220 Tulare Street Suite 1600	2607 Fresno Street, Suite B
9 Fresno, CA 93721	Fresno, CA 93721

10 Any and all notices between the COUNTY and LAFCo provided for or permitted under this
11 MOU or by law shall be in writing and shall be deemed duly served when personally delivered to one of
12 the parties, or in lieu of such personal services, when deposited in the United States Mail, postage prepaid,
13 addressed to such party.

14 10. GOVERNING LAW

15 Venue for any action arising out of or related to this MOU shall only be in County of Fresno,
16 California. The rights and obligations of the parties and all interpretation and performance of this MOU
17 shall be governed in all respects by the laws of the State of California.

18 11. ENTIRE MOU

19 This MOU constitutes the entire MOU between LAFCo and COUNTY with respect to the
20 subject matter hereof and supersedes all previous MOU negotiations, proposals, commitments, writings,
21 advertisements, publications, and understanding of any nature whatsoever unless expressly included in this
22 MOU
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1 IN WITNESS WHEREOF, the parties hereto have executed this MOU as of the day and year
2 first hereinabove written.

3 **LAFCo:**
4 Fresno Local Agency Formation Commission

COUNTY OF FRESNO

5 By _____
6 David Fey
7 Executive Officer

By _____
Henry Perea, CHAIRMAN
BOARD OF SUPERVISORS

8 Date: _____

Date: _____

11 By _____
12 Bernice E. Seidel, CLERK
13 BOARD OF SUPERVISORS

14 Date: _____

EXHIBIT B

Employees

RATE SHEET

As of December 10, 2013, the Board of Supervisors approved a biweekly County contribution of \$223.00 for employee only coverage, \$318.00 for employee plus spouse coverage, \$318.00 for employee plus child(ren) coverage, and \$323.00 for employee plus family coverage for all Bargaining Units, Management, Senior Management, and Unrepresented employees.

These rates do not apply to part-time employees who are eligible for health insurance. For a copy of the part-time rates, please visit our website at www.co.fresno.ca.us or call Employee Benefits at (559) 600-1810.

The premiums listed below are paid by the employee, via payroll deduction, on a biweekly basis.

	<i>Plan 1</i>		<i>Plan 2</i>	
Medical / Mental Health	Anthem Blue Cross HMO		Anthem Blue Cross PPO	
Prescription	US Script		US Script	
Vision	VSP		VSP	
Dental Plans	Delta Dental	DeltaCare USA	Delta Dental	DeltaCare USA
	DPPO	OR DHMO	DPPO	OR DHMO
	Employee Cost		Employee Cost	
Employee Only	\$81.13	\$67.44	\$194.78	\$181.09
Employee + Spouse	\$215.40	\$194.84	\$545.22	\$524.66
Employee + Child(ren)	\$153.00	\$137.53	\$463.24	\$447.77
Employee + Family	\$378.11	\$354.91	\$865.76	\$842.56
	<i>Plan 3</i>		<i>Plan 4</i>	
Medical / Mental Health	Anthem Blue Cross HDPPPO		Kaiser Permanente	
Prescription	Anthem Blue Cross		Kaiser Permanente	
Vision	VSP		Kaiser Permanente	
Dental Plans	Delta Dental	DeltaCare USA	Delta Dental	DeltaCare USA
	DPPO	OR DHMO	DPPO	OR DHMO
	Employee Cost		Employee Cost	
Employee Only	\$19.42	\$5.73	\$138.77	\$125.07
Employee + Spouse	\$181.19	\$160.63	\$335.32	\$314.76
Employee + Child(ren)	\$129.15	\$113.68	\$231.38	\$215.91
Employee + Family	\$355.90	\$332.70	\$512.70	\$489.49

As an employee, the health benefits available to you represent a significant component of your compensation package. They also provide important protection for you and your family in case of illness or injury.

Your plan offers a series of health coverage options. Choosing a health coverage option is an important decision. To help you make an informed choice, your plan makes available a Summary of Benefits and Coverage (SBC), which summarizes important information about any health coverage option in a standard format, to help you compare options.

The SBC is available online at www.co.fresno.ca.us/summarybenefits. A paper copy is also available, free of charge, by calling Employee Benefits at (559) 600-1810.