



Contra Costa County

To: Board of Supervisors
From: David Twa, County Administrator
Date: March 31, 2015

Subject: Contract Services with Alliant for Education and Affordable Health Care Act Projects

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute a contract with Alliant Insurance Services, Inc., effective April 1, 2015, including modified indemnification language, in an amount not to exceed \$300,000 to act as the County's agent to secure a third party administrator to ensure compliance with Affordable Care Act tracking and reporting requirements and related implementation duties in the law for up to a three year term.

FISCAL IMPACT:

Program costs for these services will be paid from the Benefits Funds that receive revenues from monthly premiums charged to County Departments.

BACKGROUND:

For large employers like the County, the Affordable Care Act (ACA) created two new reporting requirements about health insurance that is offered to employees; beginning in 2015, coverage must be offered to employees working 130 hours per month and the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD
COMMITTEE

Action of Board On: **03/31/2015** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: Candace Andersen, District II
Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor

ABSENT: John Gioia, District I Supervisor
Federal D. Glover, District V
Supervisor

Contact: Theresa Speiker, Chief Assistant
County Administrator, (925) 335-1080

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 31, 2015

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Chris Heck, Deputy

employee's contribution to the cost of single coverage cannot exceed a certain amount set by the law. This reporting to the federal government begins in calendar year 2016. At that time, we must provide each full time County employee, as defined by the ACA, a statement about their health insurance coverage for each month

BACKGROUND: (CONT'D)

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of the 2015 calendar year and to transmit to the IRS aggregate data for the County as well as copies of the individual forms issued to employees. The 2016 reports will cover calendar year 2015, with the process and time frames very closely resembling Form W2 distribution and reporting. We do not anticipate that tracking and reporting requirements will be eliminated while the law is in effect, because they are integrally interwoven with the ACA individual mandate to have health insurance coverage.

The law allows large employers to contract with a third party administrator to track month-to-month records of insurance availability for individual employees, perform look-back analysis and federal audit support, facilitate filing returns with the IRS and preparing/delivering employee statements. At this time, we are requesting that the Board give us authority to work with an outside employee benefits firm, Alliant, to seek a third party administrator to act as our agent in complying with the ACA tracking and reporting requirements.

Alliant is a national employee benefits firm, with regional offices located in San Francisco. Their area of specialization is in the public sector. Since the passage of the ACA, they have been working with both the California State Association of Counties and the National Association of Counties to assist local units of government to fully understand and comply with health care reform and the law's implementation requirements, from the employer perspective. Some of their current clients include San Joaquin, San Mateo, Santa Clara and Solano counties.

CONSEQUENCE OF NEGATIVE ACTION:

Successfully implementing this new tracking and reporting mandate requires access to information housed in both the County's payroll and HR benefits systems. Human Resources Employee Benefits does not currently have the capacity to perform this role, so an interface between these information, payroll and benefit tracking systems and a third party administrator must be developed as quickly as possible, to comply with the law's requirements. The maximum federal penalty that can be assessed for non-compliance or inaccurate tracking or reporting is \$1.5M per year.