



**Contra
Costa
County**

To: Board of Supervisors
From: Kathy Gallagher, Employment & Human Services Director
Date: October 18, 2016

Subject: Layoff of Positions in EHSD due to Covered California Contract (Health Benefit Exchange) Termination

RECOMMENDATION(S):

ADOPT Resolution No. 2016/569 to abolish 202 position, as stated in Attachment A, and layoff employees in the Employment and Human Services Department effective November 30, 2016, resulting from the cancellation of the call center contract between the County and Covered California's Health Benefits Exchange.

FISCAL IMPACT:

The California Health Benefits Exchange ("HBEX") contract is 100% State reimbursable, via Federal funds as authorized under the Affordable Care Act. The original FY 2016-17 budget amount for this contract was up to \$14,411,972. The State subsequently reduced the contract to a maximum of \$4 million for FY 16-17. The \$4 million revenue is projected to be sufficient to continue operations only through November 30, 2016, followed by the closure of the facility and termination of the contract with HBEX effective December 31, 2016.

BACKGROUND:

On March 13, 2013, the Board of Supervisors authorized the Employment and Human

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/18/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Mary N. Piepho, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

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: October 18, 2016

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

By: June McHuen, Deputy

Contact: Kathy Gallagher,
EHSD Director

Services Department (“EHSD”) to execute a contract with Covered California’s HBEX for call center services through January 31, 2015. The Board and HBEX later extended this contract through June 30, 2017. On May 5, 2016, EHSD was notified by Covered California that the HBEX call center contract would not be renewed past the June 30, 2017 termination date. However, on July 29, 2016, EHSD received notification from Covered California that the contracted budget amount would be reduced to a maximum of \$4 million for FY 16-17, a 72% reduction from the approved budget of \$14,411,972.

BACKGROUND: (CONT'D)

> On August 16, 2016, the Board authorized termination of the HBEX call center contract between the County and HBEX effective December 31, 2016, and authorized staff to send a required ninety-day termination notice to Covered California. The Board directed EHSD to prepare a lay-off resolution for Board approval necessary to implement the Board action on the HBEX contract. The Board also directed EHSD to work closely with Human Resources and our union labor partners to transition affected employees to alternative County employment, including implementing the Tactical Employment Team (“TET”) in the Human Resources Department, to mitigate the negative impact that anticipated layoffs will have on County employees.

In order to avoid any County general fund costs for expenses not covered by the HBEX contract, EHSD recommends the elimination of 202 positions effective November 30, 2016, of which 84 are currently filled. The list below specifies the number of affected positions within each classification and how many positions are filled. Attachment A provides a list of each classification with the specific position numbers to be deleted.

Affected Classifications	Allocated Positions	Allocated Positions Filled as of 10/12/16
Employment and Human Services Division Manager	2	2
Exchange Customer Service Supervisor	12	6
Social Service Staff Development Specialist	1	1
Social Service Staff Development Specialist Project	1	0
Clerical Supervisor	1	1
Exchange Call Center Quality Assurance Monitor	1	1
Exchange Customer Service Agent I	151	51
Exchange Customer Service Agent II	29	18
Clerk - Experienced Level	3	3
Secretary - Journey Level	1	1
Total:	202	84

On August 9, 2016, Labor Relations notified the unions that represent the affected classifications about this action and offered to meet and confer on the impacts on this decision. The majority of the 84 positions still filled are Customer Service Agent I/II's which are equivalent to the EHSD classification of Eligibility Worker for which there are a large number of current vacancies. EHSD and Human Resources have identified positions for 76 incumbents. Both Departments are actively working to identify vacancies for the remaining 9 incumbents with the goal of avoiding layoffs of permanent staff.

CONSEQUENCE OF NEGATIVE ACTION:

If the allocated positions funded by the HBEX contract are not cancelled effective November 30, 2016, the County's general fund will be negatively impacted by staffing expenses that will exceed the \$4 million for FY 2016-17 from the HBEX contract.

ATTACHMENTS

Resolution No. 2016/569

Attachment A to Resolution No. 2016/569