

INDIAN RIVER COUNTY
MEMORANDUM

TO: Jason Brown
County Administrator

FROM: Suzanne Boyll *SB*
Human Resources Director

DATE: March 5, 2018

SUBJECT: Approval of Amendment to the Florida Blue Administrative Services Agreement Exhibit "B" Reducing the Administrative Service Fee from \$51.50 to \$50.00 PEPM for the Period October 1, 2017 through September 30, 2018

BACKGROUND:

The Board of County Commissioners approved an agreement effective October 1, 1996 with Blue Cross and Blue Shield of Florida, Inc. to provide administrative services with respect to the Group Health Plan. The agreement was amended on the following dates:

October 1, 1998	October 1, 2008	October 1, 2015
October 1, 2001	July 1, 2010	January 1, 2017
October 1, 2003	May 1, 2013	

The administrative service agreement with Florida Blue included compensation for the County's prior benefit consultant/broker, Gehring Group. This amount was \$1.50 pepm.

Effective October 1, 2017 Lockton Companies was selected as the new benefits consultant/broker and compensation for the consultant/broker is now paid quarterly as a flat fee. The total annual fee is \$89,500 per year.

The attached amendment to Exhibit "B" reflects a reduced administrative fee to Florida Blue from \$51.50 pepm to \$50.00 pepm removing the consultant/broker compensation.

ANALYSIS:

There is no additional cost associated with this amendment.

RECOMMENDATION:

Staff recommends the Board approve the amendment to the Florida Blue Administrative Services Agreement Exhibit "B" reducing the administrative service fee from \$51.50 to \$50.00 pepm for the Period October 1, 2017 through September 30, 2018 and authorize the Chairman to sign the revised agreement.