

**MEMORANDUM  
PERSONNEL DEPARTMENT  
COUNTY OF PLACER**

**To:** Board of Supervisors  
**From:** Lori Walsh, Personnel Director  
Judy LaPorte, Assistant Personnel Director   
**Date:** June 16, 2015  
**Subject:** Vision Service Plan Contract Renewal

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**ACTION REQUESTED:** Approve the renewal of the Vision Service Plan (VSP) contract for administrative and claims processing services for the County's vision plan, on the terms contained in the Renewal Agreement and Exhibit, for the period of July 1, 2015 through June 30, 2018, in the amount of \$50,000 per year which is an estimated increase over the prior contract of \$2,800 per year, and authorize the Director of Personnel to sign the VSP Renewal Agreement and amendments up to 10 percent of the original contract amount with approval by County Counsel and Risk Management. Funding will be provided in the Dental and Vision Internal Service Fund.

**BACKGROUND:** Placer County has been self-insured for vision plan benefits since 1984. Through the competitive bid process the County has contracted with VSP since 2001 for administration of the vision insurance program. VSP provides claims processing, reporting and billing services, claims trends analysis, and excellent customer service for our employees.

The administration fee the County pays to VSP is an amount per enrollee based on number of individuals covered. We have not had an increase in these fees since 2012. VSP has reviewed the County's program and proposed an increase based on several factors including plan utilization, claim frequency and plan design. Based on these factors, VSP is requesting a five percent increase in the administrative fees which is consistent with industry standards. These fees would remain constant during the three year period of the renewal.

The current and proposed administrative fees are as follows:

	<u>Current</u>	<u>Proposed</u>
Employee only	\$0.84/month	\$0.88/month
Employee + 1 dependent	\$1.22/month	\$1.28/month
Employee + family	\$2.18/month	\$2.29/month

It is recommended that the cost increase for the period July 1 – December 31, 2015 (approximately \$1400) be absorbed by the fund. An analysis of the fund will be performed to determine if premium amounts should be adjusted January 1, 2016 to cover the increased costs.

The Personnel Department is recommending approval of the attached renewal agreement with VSP.

**FISCAL IMPACT:** Employer and employee premiums fund the Dental and Vision Internal Service Fund. The five percent increase in the administrative fee is estimated to be \$2,800 on an annual basis. For the balance of this calendar year, the increase (approximately \$1,400) is included in the FY 2015-16 Dental and Vision Insurance Internal Service Fund requested budget.



**VSP Renewal Exhibit for County of Placer**  
**Self-Insured rates are effective July 1, 2015 and guaranteed for 36 months**

VSP Signature Plan Policy #12168909	Current Plan Choice Plan C (with Retail)	Proposed Renewal Plan Choice Plan C (with Retail)
Frequency Exam/Lenses/Frame (based on service year)	12 / 12 / 12	12 / 12 / 12
<b>Copayments</b>		
Exam / Materials (Lenses and/or Frame)	\$20 Total	\$20 Total
Primary Eyecare	\$20 (as needed)	\$20 (as needed)
<b>VSP Participating Provider</b>		
Exam	Covered after copay	Covered after copay
Contact Lens Exam	15% off provider professional services	15% off provider professional services
<b>Lenses</b>		
Single Vision	Covered after copay	Covered after copay
Lined Bifocal	Covered after copay	Covered after copay
Lined Trifocal	Covered after copay	Covered after copay
<b>Lens Enhancements</b>		
Polycarbonate (Dependent Children Only)	Covered	
Progressives	Covered	
Blended Bifocal	Covered	
Solid Tints & Dyes, Transitions	Covered	
Scratch Resistant	Covered	
Edge Polish	Covered	
Other Lens Enhancements	Covered with a copay, saving our members an average of 20 – 25% off usual & customary fees	
<b>Allowances</b>		
Frame	\$75 Retail (\$45 Costco)	\$75 Retail (\$45 Costco)
Elective Contact Lenses (in lieu of glasses)	\$100	\$100
<b>Value Added Benefits</b>		
Additional Glasses	20% off glasses/sunglasses when obtained through any VSP doctor within 12 months of an eye exam	
Laser VisionCare <sup>SM</sup> Program	Average 15% off regular price or 5% off promotional price	
<b>Non-Participating Provider</b>		
Examination	\$45.00	\$45.00
Lens:		
• Single Vision Lenses	\$30.00	\$30.00
• Lined Bifocal Lenses	\$50.00	\$50.00
• Lined Trifocal Lenses	\$65.00	\$65.00
• Progressive Lenses	\$50.00	\$50.00
• Tints	\$5.00	\$5.00
Frame	\$45.00	\$45.00
Elective Contact Lenses	\$75.00	\$75.00
Necessary Contact Lenses	\$210.00	\$210.00
<b>Dependent Age Limit</b>	<b>26 – at Date of Birth</b>	<b>26 – at Date of Birth</b>

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**Renewal Agreement**  
**County of Placer, Policy 12168909**  
**Renewal: July 1, 2015 through June 30, 2018**

		Current Plan Choice Plan C (with Retail)			Proposed Renewal Plan Choice Plan C (with Retail)
		Monthly			Monthly
<b>Self-Insured Rates</b>	<b>3-Tier Admin</b>	\$0.84 – Employee Only \$1.22 – Employee + Spouse \$2.18 – Employee + Family	<b>3-Tier Admin</b>	\$0.88 – Employee Only \$1.28 – Employee + Spouse \$2.29 – Employee + Family	

To renew your contract and maintain continuous service, please have the appropriate representative review this information, sign and return the Renewal Agreement to Rob Tomas via fax at 916.858.2209, or email at rob.tomas@vsp.com. VSP will produce your Plan Policy upon receipt of your confirmation of renewal. Please review the new contract carefully, since some of the provisions may have changed from your prior contract. Additionally, please keep a copy of this Renewal Agreement and accompanying letter, given that they serve as your Notice of Renewal.

By:

\_\_\_\_\_  
 Print Name and Title

\_\_\_\_\_  
 Authorized Signature

\_\_\_\_\_  
 Date

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