

**Henry P. Roybal**  
*Commissioner, District 1*

**Miguel M. Chavez**  
*Commissioner, District 2*

**Robert A. Anaya**  
*Commissioner, District 3*



**Kathy Holian**  
*Commissioner, District 4*

**Liz Stefanics**  
*Commissioner, District 5*

**Katherine Miller**  
*County Manager*

## Memorandum

**Date:** October 25, 2016

**To:** Board of County Commissioners

**From:** Bernadette Salazar, Human Resources Division Director  
Sonya Quintana, Assistant Human Resources Division Director  
Tony Flores, Deputy County Manager

**Via:** Katherine Miller, County Manager

**Subject:** **RESOLUTION NO. 2016 - \_\_\_\_\_, A RESOLUTION DELEGATING THE COUNTY MANAGER AUTHORITY TO NEGOTIATE AND EXECUTE ALL NECESSARY DOCUMENTS AND AGREEMENTS NECESSARY TO EFFECTUATE THE SANTA FE COUNTY SELF-FUNDED EMPLOYEE BENEFITS PROGRAM**

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### Background and Summary:

In the spring of 2015, Santa Fe County (County) began the process of evaluating the establishment of a Santa Fe County Self-Funded Employee Benefits Program (Program). To undertake this evaluation, the County Manager required that the team consider the following factors prior to making a recommendation to establish such a Program:

- Identify if such a Program was in the best interest of the County in terms of plan design, control of costs, and delivery of service and benefits to County employees.
- If determined to be in the best interest to the County, examine and identify ways to minimize potential disruption to the employees of Santa Fe County.

At the conclusion of the 2015 evaluation, staff was directed to continue collecting claims data for one (1) additional year and re-solicit for the Program in the spring of 2016. Armed with the additional year of data, in April of 2016, Arthur J. Gallagher (Gallagher) assisted the County in preparing and soliciting (RFP #2016-EBP-CM/HR) for formal proposals with the County's Program becoming effective January 1, 2017.

As a result of the solicitation, Gallagher and the County received the following responsive proposals in each of the Program components:

- Medical (including Prescription/Pharmacy)
  - **Presbyterian Health Services**
  - CIGNA
  - Blue Cross/Blue Shield of New Mexico
  - New Mexico Health Connections
  
- Dental
  - Blue Cross/Blue Shield of New Mexico
  - **Delta Dental**
  - CIGNA
  - Guardian
  - MetLife
  - United Concordia
  
- Vision
  - CIGNA
  - **VSP**
  - Davis Vision
  - EyeMed
  - Guardian
  - MetLife
  
- Basic Life Insurance and Disability
  - **Minnesota Life/Securian**
  - **MetLife**
  - CIGNA/LINA
  - Prudential
  
- COBRA Administration
  - **ASI COBRA**
  - CIGNA (Allegiance COBRA Services)
  - Discovery
  - New Mexico Health Connections
  
- Employee Assistance Program
  - **Presbyterian (The Solutions Group)**
  - CIGNA
  - CuraLinc
  - Mines & Associates

Each of the proposals was evaluated using the criteria set forth in the solicitation and as a result of the overall rankings, and in accordance with the solicitation, Gallagher contacted each of the highest rated offerors (in bold above) to begin the best and final element and to initiate the negotiation of each Program component.

Running a parallel track, the County was required to provide notice to the State of New Mexico of its termination from the State's plan. On September 27, 2016, the Board approved the termination from the State's program and the termination letter was provided to the State (via email, facsimile and hand delivery).

Due to the timing necessary for the establishment of the Program which includes elements such as the plan design, open enrollment, education of County employees, financial management and testing, etc., staff is requesting that the Board delegate authority to the County Manager to complete the negotiations and execute all the contractual documents necessary for the Program.

Staff will provide an update to the Board at its December 13, 2016, meeting on the establishment and status of the Program.

**Recommendation:**

The Board of County Commission approves the attached resolution delegating the County Manager to finalize negotiations and execute all documents and agreements

**Exhibit:**

A – Proposed Resolution

B – September 27, 2016, Termination Letter to State of New Mexico



THE BOARD OF COUNTY COMMISSIONERS  
OF SANTA FE COUNTY

RESOLUTION NO. 2016 –

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A RESOLUTION DELEGATING TO THE COUNTY MANAGER AUTHORITY TO  
NEGOTIATE AND EXECUTE ALL DOCUMENTS AND AGREEMENTS  
NECESSARY TO EFFECTUATE THE  
SANTA FE COUNTY SELF-FUNDED EMPLOYEE BENEFITS PROGRAM

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WHEREAS, historically Santa Fe County (County) has provided insurance benefits, including medical (including prescription/pharmacy), dental, vision, basic life, and long and short term disability, as well as employee assistance programs and flexible spending accounts, for its employees through the State of New Mexico's General Services Department – Risk Management Division's health benefits program; and

WHEREAS, as a member of the State of New Mexico's program, the County does not have control of plan design or cost; and

WHEREAS, to address this lack of control, in the Spring of 2015, the County began evaluating whether to develop a Self-Funded Employee Benefits Program; and

WHEREAS, as part of the implementation of this evaluation, the County, through a formal procurement solicitation, contracted with Arthur J. Gallagher to assist the County in preparing, soliciting and evaluating offers for its Self-Funded Employee Benefits Program; and

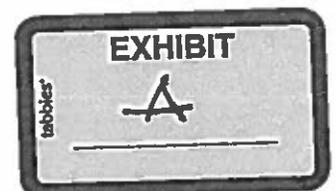
WHEREAS, the County Manager set forth the following stated goals for the Self-Funded Employee Benefits Program:

- Minimize disruption for employees of the County
- Determine whether a Self-Funded Employee Benefit Program is in the best interest of the County in terms of plan design, control of costs, and delivery of services to County employees; and

WHEREAS, with the assistance of Arthur J. Gallagher, the County issued a Request for Proposals (#2016-EMP-CM/HR) for a Self-Funded Employee Benefits Program; and

WHEREAS, in order to facilitate the transition from the State's plan to the County's plan, with the assistance of Arthur J. Gallagher, the County has ranked the highest rated offerors for each program component, and has begun the application process, plan design and contract negotiations; and

WHEREAS, as a result of the aforementioned Request for Proposals, on September 27, 2016, the Santa Fe County Board of County Commissioners (Board) elected to establish a Self-Funded Employee Benefits program and approved a letter addressed to the State of New Mexico's General Services Department – Risk Management Division, which provided notice that Santa Fe County was terminating its participation in the State's Health Benefits Program on December 31, 2016; and



**WHEREAS**, in order to facilitate the transition to a Self-Funded Employee Benefits Program without a gap in benefits, all contracts and related materials have to be in place as soon as practical to have the transition effective by January 1, 2017.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board delegates to the County Manager authority to negotiate and execute all documents and agreements necessary to effectuate the Santa Fe County Self-Funded Employee Benefits Program.

**PASSED, APPROVED, AND ADOPTED THIS 25<sup>th</sup> day of October, 2016.**

**THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY**

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Miguel P. Chavez, Chair

**ATTEST:**

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Geraldine Salazar, County Clerk

**APPROVED AS TO FORM:**



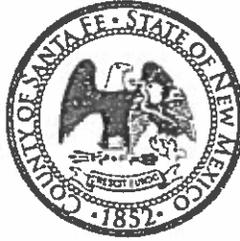
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Gregory S. Shaffer, County Attorney

Henry P. Roybal  
Commissioner, District 1

Miguel M. Chavez  
Commissioner, District 2

Robert A. Anaya  
Commissioner, District 3



Kathy Holian  
Commissioner, District 4

Liz Stefanics  
Commissioner, District 5

Katherine Miller  
County Manager

September 27, 2016

**BY HAND AND FACSIMILE**

Lara White-Davis  
Risk Management Division Director  
General Services Department  
Joseph Montoya Building  
1100 St. Francis Dr., Room 2073  
Santa Fe NM 87502  
Facsimile: 505.827.2108

*Re: Written Notice of Termination of Santa Fe County's Participation in State of New Mexico Group Benefits Plan, Pursuant to Section 10-7B-6(F) NMSA 1978*

Dear Ms. White-Davis:

On September 27, 2016, the Board of County Commissioners of Santa Fe County (County) elected to terminate the County's participation in the State of New Mexico's Group Benefits Plan, effective at the end of December 31, 2016. Pursuant to Section 10-7B-6(F) NMSA 1978 and Benefits Administration Letter No. 13-001, I am writing to provide you with written notice of termination.

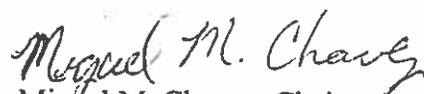
The County elects to pay the Claims Run-Out Administrative Service Fee and One Month's Average Claims Costs monthly over the three month (90) day run out period for claims processing.

Any questions or requests for additional information concerning the County's termination of its participation in the State plans should be directed to Deputy County Manager Tony T. Flores. Mr. Flores can be reached at [tflores@santafecountynm.gov](mailto:tflores@santafecountynm.gov) or 505.986.6216.

Otherwise, please confirm via letter to Mr. Flores that this notification has been received no later than October 14, 2016, and that it is considered timely and sufficient to accomplish the County's termination of its participation in the State plans at the end of December 31, 2016. If the County does not receive notification this letter has been received, the County will continue to terminate participation in the State of New Mexico's Group Benefits Plan effective December 31, 2016.

We appreciate the services and efforts that the State has provided to the County and its employees over the past several years.

Sincerely,

  
Miguel M. Chavez, Chair  
Board of County Commission







