



EVELYN MINOR-LAWRENCE  
DIRECTOR

DEPARTMENT OF EMPLOYEE SERVICES  
PUBLIC SERVICES BUILDING  
2051 KAEN ROAD | OREGON CITY, OR 97045

November 9, 2016

Board of County Commissioners

Clackamas County  
Members of the Board:

**Approve an Addendum to the Administrative Services  
Agreement between Clackamas County and Providence Health Plan**

<b>Purpose/Outcomes</b>	Approval of this addendum to the Providence Health Plan Administrative Services Agreement updates charges and changes for claims administration and related medical plan services for the County's self-insured medical benefits.
<b>Dollar Amount and Fiscal Impact</b>	See Exhibit B: Service Fees
<b>Funding Source</b>	Operating budgets of County departments into the Benefits Self-Insurance Fund 760,
<b>Duration</b>	Effective January 1, 2016 until further amended
<b>Previous Board Action</b>	N/A
<b>Strategic Plan Alignment</b>	Building public trust through good government. Also aligns with departmental benefit planning goals.
<b>Contact Person</b>	Laurel Butman, 503-655-8893

**BACKGROUND:**

In 2014, the Board of County Commissioners approved self-funding the medical plans insured with Providence Health Plan and entering into an Administrative Services Agreement with Providence for claims administration and related medical plan services. The proposed addendum to that Agreement updates charge and service changes for the 2016 Plan year.

County Counsel has reviewed and approved this agreement.

**RECOMMENDATION:**

Staff respectfully recommends the Board approve this amendment to the Administrative Services Agreement with Providence Health Plan. Your favorable consideration is requested.

Respectfully submitted,

Kristi Durham, Benefits Manager

THIS ADDENDUM NO. 1 TO THE ADMINISTRATIVE SERVICES AGREEMENT (“**Addendum**”) is entered into as of January 1, 2016, by and between Clackamas County (“**Plan Sponsor**”), and Providence Health Plan (“**Providence**”). Plan Sponsor and Providence are sometimes referred to in this Addendum as a “**Party**” or, collectively, as the “**Parties.**”

**RECITALS**

- A. Plan Sponsor and Providence entered into that certain Administrative Services Agreement dated on or around January 1, 2015 (“**Services Agreement**”).
- B. The Parties wish to amend the Services Agreement as set forth herein.

**ADDENDUM**

**THE PARTIES AGREE AS FOLLOWS:**

- 1. **Revised Exhibit B.** Exhibit B to the Services Agreement is amended and replaced in its entirety with the revised Exhibit B, attached hereto as Schedule 1.

**Capitalized Terms:** All capitalized terms in this Addendum shall have the same meaning given to such terms in the Services Agreement unless otherwise specified in this Addendum.

**Continuation of Services Agreement:** Except as specifically amended pursuant to the foregoing, the Services Agreement shall continue in full force and effect in accordance with the terms in existence as of the date of this Addendum. After the date of this Addendum, any reference to the Services Agreement shall mean the Services Agreement as amended by this Addendum.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date first written above.

By: **Providence Health Plan**  
Signature: \_\_\_\_\_  
Name: Michael White  
Title: Chief Operating Officer  
Date: \_\_\_\_\_

By: **Clackamas County**  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SCHEDULE 1**

**EXHIBIT B: SERVICE FEES**

This Exhibit B lists the service fees you must pay us for our services under the Services Agreement for the period of: January 1, 2016 through December 31, 2016.

**Core Package of Services**

*Note: PEPM means Per Employee Per Month*

Medical Claims Administration	\$25.28 PEPM
Pharmacy Claims Administration / Management	\$4.94 PEPM (0% of rebates retained by Providence)
Providence ASO Network	\$7.72 PEPM
SPD Printing and Distribution	At Our cost

**Optional Services**

**Benefits Administration:**

Medical, Case and Disease Management	\$8.39 PEPM
MHCD with Administration, Utilization Management and Network Services by PBH	\$4.56 PEPM
Fiduciary Fee	Included
Terminal Claims Processing	3 X Fees (one-time fee)
Custom Reporting	\$175/hr (minimum charge of \$350)
Miscellaneous Consulting	\$175/hr (minimum charge of \$350)

**Ancillary Services:**

Alternative Care/Chiropractic Care Administration & Network (ASH Network; PHP processing)	\$2.05 PEPM
Health Coaching – 12 Sessions	\$1.90 PEPM
Diagnostic Imaging Services	No additional fee
Prov RN (not available to CA residents)	No additional fee
Life Balance	No additional fee
HIPAA Administration (HIPAA Cert upon request)	No additional charge
Tru Vision & Tru Hearing (available only in OR and SWWA)	No additional charge
Affinity (available only in OR and SWWA)	No additional charge