

County of Santa Clara

Employee Services Agency

Employee Benefits Department

400 Race St., Suite 201

San Jose, California 95126



DATE: December 19, 2022

TO: Honorable Members of the Board of Supervisors
Jeffrey V. Smith, County Executive

FROM: John P. Mills, Director, Employee Services Agency

DocuSigned by:
John P. Mills
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SUBJECT: Holding Health Plans Accountable for Compliance with Mental Health Parity Laws

At the November 1, 2022 meeting of the Board of Supervisors, under Agenda Item No. 25, Supervisor Chavez requested that Administration provide an off-agenda report relating to embedding data in future contracts regarding medical providers making payments for any lack of access and services to County employees.

Administration has successfully negotiated with several insurance providers to include performance guarantees in their contracts, including vision, dental, and life insurance. Performance guarantees stipulate that an agreed-to percentage of premium is at risk to be payable to the County of Santa Clara if the provider fails to meet stated performance measures. Common performance measures include, but are not limited to:

- Customer satisfaction ratings
- Speed of answer for customer calls
- Turn-around time to process claims
- Accuracy of claim payments
- Successful implementation (for a new vendor)

Each performance measure includes a metric that defines what successfully meeting the requirement means. For example, 85% of all customer calls will be answered within 30 seconds. Providers are required to report on performance measures quarterly and annually. Success or failure is determined on an annual basis.

It is unusual to have a performance measure around successful compliance with certain laws but not out of the question. Administration will pursue negotiation with the medical plan providers to include performance guarantees regarding compliance with mental healthcare wait times and access during the next contract renewal process for the 2023-2024 plan year. Negotiations for these contracts begin in January 2023.

If you have any questions regarding this information, please contact Rhonda Schmidt, Employee Benefits Director, at (408) 970-2605 or rhonda.schmidt@esa.sccgov.org.

c: Chief Board Aides
Greta S. Hansen, Chief Operating Officer
James R. Williams, County Counsel
Tiffany Lennear, Clerk of the Board of Supervisors
Thuy Pham, Office of Budget & Analysis
Gina Donnelly, Deputy Director, Employee Services Agency
Rhonda Schmidt, Employee Benefits Director, Employee Services Agency