



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/13/2015

Agenda Placement: 6F

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Jon Gjestvang - Chief Information Officer
Information Technology Services

REPORT BY: Wendi Talley, Staff Services Analyst I - (707) 259-8666

SUBJECT: Amendment No. 1 to Agreement No. 6681-1 with ADP for health compliance software and services related to ACA

RECOMMENDATION

Chief Information Officer requests approval of and authorization for the Chair to sign Amendment No. 1 to Agreement No. 6681-1 with ADP, Inc. increasing the amount by \$118,557 for a new maximum of \$147,729 for the term November 15, 2015 through November 14, 2018 to include software and services for managing compliance of the Affordable Care Act (ACA).

EXECUTIVE SUMMARY

The County initially contracted with ADP, Inc. in July of 2006 to provide the services necessary to sustain automated payroll processing in the event of a disaster. If approved, this amendment would allow ADP, Inc. to also provide a technology and software solution to assist the County in managing compliance needs related to the Affordable Care Act (ACA), including eligibility calculations, affordability determination and regulatory management.

ADP, Inc. is not a local vendor.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Information Technology Services currently budgets for ADP, Inc. for disaster-related payroll services. The addition of ACA compliance services is not

budgeted in this fiscal year, but the ITS budget has sufficient funds in this fiscal year's budget for the cost. Future year costs will be budgeted in Information Technology Services.

Is it Mandatory or Discretionary? Discretionary

Discretionary Justification: The County currently does not have a software and services solution for ACA compliance. ADP, Inc.'s software and services would assist the County in managing compliance needs related to ACA.

Is the general fund affected? No

Future fiscal impact: Cost assumptions for ACA compliance software and services: First year = \$47,604, Second year = \$37,019, Third year = \$37,019; to come from the Information Technology Services budget.

Consequences if not approved: County staff does not have the expertise to configure the ACA compliance software. Without the assistance of the vendor, compliance with ACA might not be met.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

The County initially contracted with ADP, Inc. (hereafter ADP) in July of 2006 to provide the services necessary to sustain automated payroll processing in the event of a disaster. After several recent discussions between Information Technology Staff, Human Resources Staff and Auditor-Controller Staff, we are requesting to amend the agreement to include ADP's technology and software solution related to the Affordable Care Act (ACA) compliance. ADP will assist the County in managing ACA compliance needs including eligibility calculations, affordability determination, regulatory management (notices of coverage, exchange notice management, IRS annual reporting and penalty management) and an auditable compliance method that incorporates changing mandates. ADP software and services include:

Eligibility Assessment

- | Collects data from the County system and tracks employee hours of service;
- | Calculates ACA full-time status based on hours of service;
- | Creates and historically tracks multiple measurement, administrative, and stability periods and employee subgroups; and
- | Provides analytical eligibility trends and change alerts.

Affordability Determination

- | Centrally accesses essential employee payroll and health coverage information;
- | Assess and monitors employee income in relation to the affordability safe harbor tests;

- | Informs benefit platforms of the eligibility indicators needed for employee enrollment; and
- | Provides insights to help increase the effectiveness of the County's ACA strategy.

Regulatory Management

- | Provides required new-hire Notice of Coverage Options;
- | Provides post-enrollment verification information to applicable marketplaces;
- | Manages notices issued by state and federal marketplaces;
- | Supports the calculation of penalties; and
- | Collects data and prepares and files the required Annual Health Coverage Report.

Workforce Planning

- | Collects and calculates actual hours of service tracked in time and labor systems;
- | Leverages reporting to help County track/monitor employee hours of service regarding eligibility thresholds; and
- | Provides indicators to help enable proactive scheduling for employees approaching County defined thresholds.

ADP, Inc. is not a local vendor. ADP provides a combination of software and services to assist the County with ACA compliance, which is not available from a local vendor.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Helene Franchi