

# COUNTY OF NEVADA

## DEPARTMENT OF HUMAN RESOURCES

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### NEVADA COUNTY BOARD OF SUPERVISORS

#### Board Agenda Memo

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**MEETING DATE:** December 5, 2023

**TO:** Board of Supervisors

**FROM:** Steven Rose, Director of Human Resources

**SUBJECT:** Resolution approving a Personal Services Renewal Contract between the County of Nevada and Keenan & Associates pertaining to benefits brokerage services in the amount of \$125,000 in the first year, for the period January 1, 2024 through December 31, 2026, and authorizing the Chair of the Board of Supervisors to execute the Contract and authorizing the Human Resources Director to approval annual renewal documents

**RECOMMENDATION:** Approve the attached contract and resolution

**FUNDING:** As compensation for its provision of the Services, Keenan shall receive commissions from insurance carriers and/or other vendors for the placement of insurance coverage. The County shall have no responsibility for the payment of any such commission to Keenan. Commissions paid by insurers to Keenan that are directly related to the insurance coverage purchased by County as part of the Plans may impact the pricing that Keenan is able to obtain for County for such coverage.

Each annual renewal, the excess agreed upon commission to Keenan, per calendar year, will be returned to the County. For the first year of the agreement (January 1 through December 31, 2024), the agreed upon commission maximum is \$75,000. Each subsequent renewal document and commission will be approved by the Health Benefits Officer or Plan Administrator, which shall reflect then market conditions and plan options.

Additionally, in exchange for the Client's use of the Platform and Platform Services, Client acknowledges Keenan will receive \$3.00 per employee per month ("PEPM") through user fees, where "Employee" is defined as any individual loaded into the application with any of the following statuses: full-time, part-time, leave of absence, new

hires, active, COBRA and COBRA pending. The term "Employee" does not include terminated employees, retired, or any spouse or dependent of an Employee. The \$3.00 PEPM will not increase for the duration of this Agreement (from the Effective Date through December 31, 2026), and in no event will the charges by Keenan exceed the agreed upon formula of \$3.00 per month for each eligible Employee, as defined above and it may be less depending on commissions, and is estimated not to exceed \$50,000.

These fees are included in the payments that the County makes to the providers and are passed through from the providers to Keenan.

This contract excludes voluntary benefits paid for solely by employees.

#### Open Enrollment Fee

Client is entitled to one annual online Open Enrollment at no charge during each year of this Agreement. Client shall be charged a flat fee of \$15,000.00 for each additional online Open Enrollment that is performed in a given plan year.

#### **BACKGROUND:**

On April 28, 2020, by Resolution 20-151, the Board approved a Personal Services Contract with Keenan & Associates for the provision of benefits brokerage services for Nevada County health and welfare plans for the period of May 1, 2020, through December 31, 2023.

Benefit broker services have the overall purpose of helping ensure that the County of Nevada offers a cost effective, quality suite of health and welfare plans. Benefit brokers assess the structure and type of plans we offer and may make recommendations for change based on empirical market data. Benefit brokers advocate for the lowest possible rates and best possible customer service from selected vendors. Rounding out their services to us are education and legal compliance services. Keenan and Associates stands out due to their BenefitBridge product for online employee self-service functionality.

Keenan & Associates is recognized as a leader in the public agency arena, with the ability to upload data directly to the CalPERS system. They are the only identified company that can do this consistently for every life event and not just at open enrollment time. Because of Keenan and Associates' large presence in the public agency market, it is well versed not only on the nuances of local government but their likely budget concerns as well. Keenan and Associates keeps well-informed about the ever-changing health care environment and can be relied upon for their expert educational assistance.

This Resolution will also authorize the Human Resources Director, as Plan Administrator, to work with Keenan and Associates at year end each year to review the annual report of commissions and fees they receive and to determine the appropriate commission and fee cap for the following plan year based on plans services, and market conditions.

The County wishes to continue to engage the services of Keenan & Associates for said brokerage services for the period of January 1, 2024, through December 31, 2026.

The County and Keenan & Associates have agreed that commissions shall continue at the rate not to exceed \$75,000 in the first year, which shall be paid through fees and commissions from non-voluntary products and shall be assessed at the end of the calendar year through an itemized report made to the County. For each annual renewal, the excess agreed upon commission to Keenan, per calendar year, will be returned to the County. Each subsequent renewal document and commission will be approved by the Health Benefits Officer or Plan Administrator, which shall reflect then market conditions and plan options.

The County and Keenan & Associates also agree that the \$3.00 PEPM fees for the use of the BenefitBridge Platform and Platform Services shall not exceed \$50,000 per year.

This contract excludes voluntary benefits paid for solely by employees.

**Item Initiated and Approved by:** Steven Rose, Director of Human Resources

Submitted Date: November 15, 2023

Resubmitted: November 21, 2023