

Approved: 01/15/2014

Effective: 01/27/2014

SNOHOMISH COUNTY COUNCIL
SNOHOMISH COUNTY, WASHINGTON

ORDINANCE NO. 13-115

RELATED TO THE EMPLOYEE BENEFIT PLAN AND TRUST FUND, AMENDING CHAPTER
4.42 SCC

BE IT ORDAINED BY THE SNOHOMISH COUNTY COUNCIL:

Section 1. Snohomish County Code Chapter 4.42 Title, added by Ordinance No. 84-086 on August 6, 1984, is amended to read:

4.42 EMPLOYEE BENEFIT PLAN AND ((TRUST)) FUND

Sections:

- 4.42.010 Creation and purpose.
- 4.42.020 Definitions.
- 4.42.030 Employees benefit plan—Payments—Termination.
- 4.42.040 Administration of plan and fund.
- 4.42.050 Source of funds.
- 4.42.060 Use of fund.
- 4.42.070 Rights in fund.
- 4.42.080 Investment of fund.
- 4.42.090 Payroll deductions.
- 4.42.100 Procedures when employee on leave of absence.
- 4.42.110 Procedures in event of suspension of compensation due to labor dispute.
- 4.42.120 Nonreversion of fund.
- 4.42.130 Attachment/assignment.
- 4.42.140 Amendment of plan.
- 4.42.150 Severability.
- 4.42.200 Self-insurance – program established.
- 4.42.210 Self-insurance – financial structure and funding mechanism.
- 4.42.220 Self-insurance – program financial management policies.
- 4.42.230 Self-insurance – administrator.
- 4.42.240 Self-insurance – third party administrator.
- 4.42.250 Self-insurance – claims administration.
- 4.42.260 Self-insurance – appeal procedures.
- 4.42.270 Self-insurance – risk management.
- 4.42.280 Self-insurance – termination.

Section 2. Snohomish County Code Section 4.42.040, last amended by Amended Ordinance No. 85-065 on July 24, 1985, is amended to read:

4.42.040 Administration of plan and fund.

The plan ~~((and fund))~~ shall be administered by the director of ~~((personnel))~~ human resources, or his designee, who shall ~~((be the only persons authorized to approve disbursements from the fund. The director of personnel shall:(1) Administer))~~ administer the

1 plan and the day-to-day business of the plan in ~~((connection therewith))~~ accordance with this
2 chapter and chapter 200-110 WAC and as the same may be hereafter amended.

3
4 The fund shall be administered by the director of finance or his designee, who shall be
5 the only persons authorized to approve disbursements from the fund. The director of finance
6 shall administer the fund in accordance with this chapter and chapter 200-110 WAC and as the
7 same may be hereafter amended; and shall:

8
9 ~~((2))~~ (1) Execute in the name of the county all documents, other than contracts of
10 insurance or for services and documents relating to investments, necessary to operate
11 the plan and fund;

12
13 ~~((3))~~ (2) Provide or obtain any actuarial services or, at the direction of the executive
14 and on approval of the council, any consulting services necessary for the continued cost
15 effective operation of the plan(;;).

16
17 ~~((4) Prepare-)~~ The directors of finance and human resources shall prepare
18 specifications for group life, health, and/or other insurance benefits as directed by the council,
19 negotiate with brokers of record and/or health care service contractor and recommend
20 placement of contracts of insurance and/or for services with health care service contractors.

21
22 Section 3. Snohomish County Code Section 4.42.080, added by Ordinance 84-086 on
23 August 6, 1984, is amended to read:

24
25 **4.42.080 Investment of fund.** The fund shall be managed, invested and reinvested by
26 the finance director or his designee ~~((after consultation with the director of personnel,))~~ in
27 accordance with applicable state law and administrative regulations.

28
29 Section 4. Snohomish County Code Section 4.42.100, last amended by Amended
30 Ordinance 89-044 on May 24, 1989, is amended to read:

31
32 **4.42.100 Procedures when employee on leave of absence.** Whenever an employee
33 is on leave of absence or other approved non-pay status, he or she may pay to the ~~((personnel))~~
34 finance director or his designee the premium for employee and dependent coverage for such
35 benefits as are provided under the plan. The ~~((personnel))~~ finance director or his designee shall
36 transmit the premium payment in accordance with the contract(s). The county shall pay benefit
37 premiums for employees on industrial leave from fund reserves.

38
39 Section 5. Snohomish County Code Section 4.42.200, re-enacted by Ordinance No. 07-
40 006 on February 14, 2007, is amended to read:

41
42 **4.42.200 Self-insurance – program established.** There is hereby established a self-
43 insurance program to fund certain employee medical and vision benefits. This program shall be
44 administered in accordance with ~~((WAC sections 236-22-010 through 236-22-070))~~ chapter 200-
45 110 WAC and as the same may be hereafter amended. This program will fund those employee
46 medical and vision benefits plans and revisions thereto recommended by the department of
47 human resources and approved by the county council by motion. Medical and vision benefits for
48 retirees may be included in this program, pursuant to RCW 41.04.235 and 41.05.080. Medical
49

1 and vision benefits for employees of other units of local government may be included in this
2 program through interlocal agreements approved pursuant to chapter 39.34-RCW.

3
4 Section 6. Snohomish County Code Section 4.42.210, re-enacted by Ordinance No. 07-
5 006 on February 14, 2007, is amended to read:

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7 **4.42.210 Self-insurance – financial structure and funding mechanism.**

8 The financial activities of the self-insurance program will be administered through the employee
9 benefit plan and ((trust)) fund, as established by and pursuant to this chapter. Existing and
10 available assets, within the employee benefit plan and ((trust)) fund and other sources will be
11 used to fund this program, as provided in SCC 4.42.050.

12
13 Section 7. Snohomish County Code Section 4.42.240, re-enacted by Ordinance No. 07-
14 006 on February 14, 2007, is amended to read:

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16 **4.42.240 Self-insurance – third party administrator.**

17 (1) The county may contract with a third party administrator, in accordance with the standards
18 and procedures set forth in subsections (2) and (3), to handle the claims administration process
19 as defined in WAC ((236-22-050)) 200-110-120 and as the same may be hereafter amended.

20 (2) The director of finance shall select a third party administrator utilizing the following
21 competitive selection process, ((except as provided in subsection (4))):

22 (a) In advance of any negotiation on any contract for third party administrator services,
23 the finance department shall publish an announcement stating concisely the general scope and
24 nature of the services which are required and the address of the finance department to which
25 inquiries for further details can be directed.

26 (b) Prior to award of a contract with a third party administrator, the finance department
27 shall solicit and evaluate statements of qualifications and performance data submitted by
28 potential contractors regarding the proposed contract.

29 (c) The finance department and the human resource department shall select from the
30 interested potential contractors, the potential contractor deemed most highly qualified to provide
31 the services required for the proposed contract.

32 (d) The finance department shall then attempt to negotiate the terms of a contract with
33 the most qualified potential contractor at a price which the finance department determines is fair
34 and reasonable. In making its determination, the finance department shall take into account the
35 estimated value of the services to be rendered as well as the scope, complexity, and
36 professional nature thereof.

37 (e) If the finance department is unable to negotiate a satisfactory contract with a
38 potential contractor selected at a price the finance department determines to be fair and
39 reasonable, negotiations with that potential contractor shall be formally terminated and the
40 finance department shall select other potential contractors in accordance with (b) and (c) of this
41 subsection and continue in accordance with this subsection until an agreement is reached or the
42 process is terminated.

43 (f) After negotiating the terms of a contract acceptable to the finance department with a
44 potential contractor selected as provided above, the finance department shall refer the contract
45 to the executive together with a record of the negotiations conducted with any other potential
46 contractor. The executive may then approve or reject the contract or refer it back to the finance
47 department for further negotiations or for any other reason. An approved contract shall be
48 signed by the executive.

1 (3) Any contract with a third party administrator shall:

2 (a) Include, among other provisions, a written description of the services to be provided,
3 the remuneration levels to be paid the administrator and the contract period;

4 (b) Provide for the confidentiality and ownership of the information, data and other
5 intellectual property developed or shared during the course of the contract;

6 (c) Provide for the ((expressed))express authorization of the county to enter the third
7 party administrator's premises to inspect and audit the records and performance of the third
8 party administrator which pertains to the self-insurance program; and

9 (d) Require that the third party administrator comply with all applicable local, state and
10 federal laws.

11 ~~(4) Compliance with the competitive selection process of subsection (2) is not required if the~~
12 ~~council, by motion, authorizes the director of finance to obtain a waiver of the requirement to~~
13 ~~utilize a competitive selection process from the state risk manager pursuant to WAC 236-22-~~
14 ~~070.~~

15
16 PASSED this 15th day of January 2014.

17
18 SNOHOMISH COUNTY COUNCIL
19 Snohomish County Washington

20
21 
22 _____
23 Chairperson

24 ATTEST:


25 
26 _____
27 Clerk of the Council

28
29 APPROVED

30
31 EMERGENCY

32
33 VETOED

34 DATE:

35 
36 _____
37 County Executive
38 1-17-14

39 ATTEST:

40 
41 _____
42 1/17/14
43

44 Approved as to form only:

45 
46 _____ 11/5/13
47 Deputy Prosecuting Attorney
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