



97772

DATE: August 13, 2019

TO: Board of Supervisors

FROM: Debra Halladay, Interim Chief Executive Officer, Valley Health Plan

SUBJECT: Zipari Agreement

RECOMMENDED ACTION

Approve Agreement with Zipari, Inc., relating to providing sales automation and related services in an amount not to exceed \$1,435,000 for period August 13, 2019 through August 12, 2024, that has been reviewed and approved by County Counsel as to form and legality.

FISCAL IMPLICATIONS

There is no impact to the County General Fund as of the approval of this action. Funds to support this action are available in the Approved FY2020 budget for Valley Health Plan (VHP).

CONTRACT HISTORY

The agreement with Zipari, Inc. is a new contract with VHP that will be executed as a result of a competitive bid process.

On February 7, 2019, VHP issued RFP-VHP-FY19-0198 for a Sales Automation Solution and Related Services to identify vendors able to provide solutions such as but not limited to shop quote and enroll tools and portals that increase operational efficiency and improve the VHP shopper, broker, member, and provider experience.

The evaluation committee completed evaluations of the written proposals received from four vendors along with on-site demonstrations from the highest scoring vendors. The committee identified Zipari, Inc. as the vendor best suited to meet the operational and strategic needs of VHP.

REASONS FOR RECOMMENDATION

Approval of the requested execution of an agreement with Zipari, Inc. will allow VHP to pursue individual and small group opportunities, as well as enhance the experience of VHP's appointed brokers and shoppers interested in becoming VHP members by providing a sales automation solution and related services. Below are some of the benefits of utilizing this tool.

- **Enhanced user experience and convenience for shoppers and appointed brokers.** The solution will offer shoppers and appointed brokers a web-based shopping, quoting, and enrollment tool for those interested in VHP’s Covered California or VHP Direct Individual & Family Plans specifically based on filtered preferences and the user’s selected language of choice. The solution will also give the VHP Sales and Broker Relations Team and appointed brokers valuable market insights and interested shopper information improving VHP’s ability to follow-up on warm leads.
- **Increased broker resources that will improve performance related to areas such as enrollment and member retention.** The compensation management system will allow brokers to identify which clients are making their premium payments on time, calculate expected commission and bonus payments, create on-demand payment statements, and customized compensation and client reports. The solution will increase enrollment and retention rates, while reducing potential lapses in coverage by providing the ability for appointed brokers to view their book of business; track client premium payments; and receive communications from VHP through alerts, updates, and focused broker trainings.
- **Improved operational efficiencies and productivity.** Brokers will be able to have self-service, personalized access to their VHP book of business and compensation information outside of regular business hours, providing flexibility to service their clients more effectively, promoting broker satisfaction. By integrating VHP data, the solution will allow appointed brokers to manage their book of business through on-demand access to client billing and enrollment information, increase transparency around broker compensation data, and improve the accuracy of broker commission payments.

Internally, this solution will help VHP to:

- Accelerate sales productivity and the number of leads;
- Promote a focus on relationship building strategies;
- Reduce frequent calls for information that will be available to the Sales and Broker Relations and Member Services Teams in the broker portal; and
- Reduce manual processes and the risk of processing errors for the Sales and Broker Relations and Finance Teams.

CHILD IMPACT

The recommended action will have no/neutral impact on children and youth.

SENIOR IMPACT

The recommended action will have no/neutral impact on seniors.

SUSTAINABILITY IMPLICATIONS

The recommended action will have no/neutral sustainability implications.

BACKGROUND

Brokers have expressed concerns with VHP's lack of industry standard technology for health plans including a sales automation solution. The lack of an automated solution leads to unnecessary delays and/or inaccurate commission payments that cause broker dissatisfaction. With considerable influence on their clients, brokers are currently responsible for approximately 59% of all VHP individual and family plan enrollments.

The current semi-manual process for VHP Sales and Broker Relations is outdated and inflexible when business processes or requirements change. VHP currently processes on average of 9,900 enrollment records per month from more than 980 brokers. A Sales Automation Solution and portal tool would positively impact satisfaction, revenue, and process improvement including, but not limited to:

- Broker compliance monitoring;
- Accurate business performance metrics;
- Self-service broker portal and dashboard capabilities;
- On-demand, transparent reporting and processing broker compensation;
- Improved accuracy of broker commission payments;
- Shop, quote, and enroll tool for prospective leads.

CONSEQUENCES OF NEGATIVE ACTION

Failure to approve the Agreement with Zipari, Inc. will negatively impact broker, shopper, and staff satisfaction levels, and curb membership growth potential.

STEPS FOLLOWING APPROVAL

Please notify Mark Ramirez, VHP, Business Contracts at mark.ramirez@vhp.sccgov.org and Stacy Burnell, VHP, Business Contracts at stacy.burnell@vhp.sccgov when Agreement has been executed.

ATTACHMENTS:

- Zipari_Agreement (PDF)