



HUMAN RESOURCES

To: Mayor and Town Council
From: Kala Smith, Director of Human Resources
Through: Harlan Jefferson, Town Manager
Re: Town Council Meeting – September 24, 2019

Agenda Item:

Consider and act upon awarding RFP No. 2019-63-A for ASO Medical and Captive Benefits to UMR, Inc., a subsidiary of United Healthcare, effective January 1, 2020, and authorizing the Town Manager to execute all documents for the same.

Description of Agenda Item:

The Town requested proposals (RFP No. 2019-63-A) from qualified providers for ASO Medical and Captive Benefits Services. The Town received seven responses by the due date and time. Respondents were required to submit information, in order to facilitate evaluation based on the following criteria:

1. Scope of Services, Coverage, and Professional Competence;
2. Cost of Services, Network Discounts, and Rate Guarantees;
3. Reporting Capabilities and Financial Resources; and
4. Reference and Experience with Similar Clients, and Qualifications.

The evaluation committee was comprised of three staff members and representatives from the Town's benefits consultant, McGriff, Seibels & Williams, Inc. The evaluation committee scored each submittal in accordance with the evaluation criteria as stated above. The evaluation scores are attached titled '2019-63-A Evaluation Scores.' The RFP responses and the evaluation committee's recommendations were reviewed by the Council Benefits Subcommittee on August 20, 2019. Based on the direction from the Council Benefits Subcommittee, Best and Final requests were sent to Blue Cross Blue Shield of Texas and UMR, Inc. Based on these evaluations and the Best and Final Offers received, it is the recommendation of the Council Benefits Subcommittee to award the contract to UMR, Inc., the best value proposal for an initial contract term of three years. Also attached is the analysis presented to the Benefits Subcommittee on August 20, 2019, and the Best and Final Analysis presented to the committee on September 16, 2019.

Through awarding the contract for ASO medical services to UMR, Inc., the Town will benefit from added performance guarantees, the ability to carve out pharmacy benefit management, and a decreased percent of auto-adjudicated claims.

Budget Impact:

The Town's FY 2019-2020 budgeted costs for medical claims and administrative services is included in the Town's Health Trust Fund.

Attached Documents:

1. 2019-63-A Evaluation Scores
2. Benefits Committee RFP Analysis Report
3. Best and Final Analysis Report

Town Staff Recommendation:

Town staff recommends awarding RFP No. 2019-63-A for ASO Medical and Captive Benefits to UMR, Inc., a subsidiary of United Healthcare, effective January 1, 2020, and authorizing the Town Manager to execute all documents for the same.

Proposed Motion:

I move to award RFP No. 2019-63-A for ASO Medical and Captive Benefits to UMR, Inc., a subsidiary of United Healthcare, effective January 1, 2020, and authorize the Town Manager to execute all documents for the same.