

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: September 6, 2022

Topic:

Approve renewal contracts for Medical/RX Dental, Life AD&D, and Long Term Disability benefits for City employees and retirees with Blue Cross Blue Shield (BCBS), Cigna Health and New Your Life, respectively.

Background:

In May 2022, IPS Advisors, our insurance brokers, solicited and accepted bids for Medical/RX, Dental, Life AD&D, and Long Term Disability benefit coverage.

Several providers responded: 4 medical/RX providers, 11 dental providers, 3 EAP providers along with 5 life AD&D and long term disability providers. IPS Advisors evaluated, scored and ranked each provider using established criteria consisting of cost, financial stability, communication, claims processing, claims management reports, integrated system/technology initiative, and references. We met with IPS Advisors to review their evaluations, scoring, and ranking, and concur with their recommendations which are provided below.

Blue Cross Blue Shield, our current Medical/RX provider proposed a 1.5% increase in premiums while maintaining the current deductibles, co-pays and plan design in both the PPO and HSA plans. BCBS was the lowest provider amongst Cigna, Aetna, and United Healthcare. The cost increase of \$48,870 (1.5%) is funded in the Proposed FY 2023 Budget and will be absorbed by the City.

Cigna Health, also our current provider for Dental benefits, proposed a 1% increase in premiums. Their proposal maintains current deductibles, co-pays and plan design. Cigna Health's proposal was evaluated alongside 10 other providers using established criteria. Their overall rating was best based on their rates and dentist in their network. The cost increase of \$1,432 (1%) is funded in the Proposed FY 2023 Budget and will be absorbed by the City

Five proposals were received for the City's Life AD&D and Long Term Disability benefits. All five providers were higher than our current provided Cigna, who was recently acquired by New York Life. We are in the last year of our contract with New York Life and can exercise the option to renew the contract for one more year at the current rates.

Origination: Human Resources Department

Recommendation:

Staff recommends approval of Blue Cross Blue Shield as our Medical/RX insurance provider, Cigna as our Dental provider, and New York Life (formerly Cigna) as our Life AD&D and Long Term Disability provider.

Party(ies) responsible for placing this item on agenda:

Mary Jo Vargas, Interim HR Director

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: X No: _____

If yes, specify Account Number: FY 2022-2023 Budget

If no, funds will be transferred from account # _____ To account # _____

Signed _____
Staff Member Date

Approved by _____
City Manager Date