



Pinellas County

Staff Report

File #: 20-2327A, **Version:** 1

Subject:

Ranking of firms and agreement with Cigna Health and Life Insurance for requirements of group medical, employee assistance and managed behavioral and mental health benefits.

Recommended Action:

Approval of the ranking of firms and agreement with the number one ranked firm, Cigna Health and Life Insurance (Cigna) for requirements of group medical, employee assistance and managed behavioral and mental health benefits. Approval and execution of the 2022 Premium Rider Policy.

- The agreement provides third party administrator services for the County's employee medical benefits plan.
- Three firms submitted proposals, Cigna was selected as the highest ranked firm and is recommended for award by the Human Resources Department.
- The agreement has a term of sixty-months with a service start date of January 1, 2022 with total expenditure of \$9,040,000.00.
- Agreement may be extended for two 12-month periods.
- This contract replaces a current contract that is expiring on December 31, 2021.
- This agreement also contains a 2022 stoploss rider application with an individual excess risk benefit level of \$550,000.00. The 2022 Rider reflects an individual excess risk premium of \$36.03 per employee per month totaling an estimated annual premium rate of \$1,419,000.00.

Contract No. 21-0162-P(LN) in the annual amount of \$1,808,000.00 for a sixty-month contract value of \$9,040,000.00, plus one-year stoploss rider estimated at \$1,419,000.00. Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

Strategic Plan:

Create a Quality Workforce in a Positive, Supportive Organization

1.3 Make workforce safety and wellness a priority

1.4 Maintain a fair and competitive compensation package

Summary:

This contract provides third party administration services for the County's sponsored and self-insured employee health plan, and a comprehensive and consolidated Employee Assistance Program (EAP) and Managed Behavioral Health Benefits for employees and their covered dependents. The contract includes the stop-loss insurance policy protecting the County from catastrophic claims costs. The policy covers the full cost of any individual claim in excess of \$550,000.00, consistent with current coverage. Stop-loss premiums are impacted by the market and the County's specific experience. To estimate the sixty (60) month expenditure, a 25% annual renewal increase range was used, this percentage may vary year to year for this policy.

Background Information:

A two-step request for proposal (RFP) was released on January 22, 2021, requiring qualification submittals in step-one. Three (3) responsive submittals were received in Step-two with Cigna selected as the highest ranked firm. Negotiations yielded \$837,000.00 in savings over the five-year agreement due to bundling the medical, prescription, and dental services.

The proposed program provides employees with the same choice of plans, both point-of-service (POS) and a high deductible plan (HDHP) with a health savings account (HSA). Enhancements include four onsite representatives, including a claims administration representative.

The firms in order of ranking are on the attached ranking spreadsheet.

Fiscal Impact:

Estimated sixty (60) month claims liability not to exceed: \$232,104,000.00 *

Sixty (60) month Administrative fees not to exceed: \$9,040,000.00

Sixty (60) month Stop-Loss premium not to exceed: \$11,650,000.00**

Funding for this Agreement is derived from the Employee Health Benefits Fund and is consistent with the FY22 Adopted Budget.

*Note that the liability claims are not part of this agreement and are paid by the County as a self-insured plan using the premiums paid by both the County and employees.

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Staff Member Responsible:

Kimberly Crum, Director, Human Resources Department

Merry Celeste, Division Director, Purchasing and Risk Management, Administrative Services

Joe Lauro, Director, Administrative Services.

Partners:

N/A

Attachments:

Services Agreement

Ranking Spreadsheet