

Legislation Details (With Text)

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| File #: | 17-607 | Name: | |
| Type: | Report | Status: | Consent Item Ready |
| File created: | 9/8/2017 | In control: | City Council |
| On agenda: | 9/25/2017 | Final action: | |
| Title: | Approval of the renewal of an annual contract with Aetna Life Insurance Company for the provision of administrative services for the City's medical insurance. | | |
| Sponsors: | | | |
| Indexes: | | | |
| Code sections: | | | |
| Attachments: | | | |

| Date | Ver. | Action By | Action | Result |
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Presenter/Contact
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SUBJECT:

Approval of the renewal of an annual contract with Aetna Life Insurance Company for the provision of administrative services for the City's medical insurance.

BACKGROUND / RATIONALE:

A Request for Proposals (RFP) was released June 14, 2013 to obtain an administrator to process, review, and pay claims on behalf of the City's self-funded medical, prescription, dental, and vision employee benefit plans. In addition, it was the City's intent to utilize the carrier's network and associated discounts. Effective September 2017, the City no longer utilizes Aetna for dental and vision administrative services as those products have been removed from the plan and established as stand alone, voluntary products.

The City entered into an annual contract for these services with Aetna Life Insurance Company on August 12, 2013.

This contract has an option to renew, in one year increments, for a combined total of five years. The City is exercising the final year renewal option which will expire September 30, 2018.

The awarded contractor has agreed to renew the contract for a cost of \$36.76 per employee, per month. This amount fluctuates monthly throughout the year as attrition and new hires occur. Therefore the annual cost will range between \$230,000 and \$260,000 in FY 2017-18.

ADDRESSES A NEED/ISSUE IN A CITY PLAN OR COUNCIL PRIORITY:

| | | | |
|-------------------------------------|-----|------------------------------|---|
| <input checked="" type="checkbox"/> | Yes | Strategic Priorities: | 9. Maintain fiscal stability of City operations |
|-------------------------------------|-----|------------------------------|---|

FISCAL IMPACT:

Funding for the contract described above has been incorporated into the adopted FY 2017-18 Self Insurance Fund budget. Therefore, sufficient funds are available for the referenced annual contract.

COMMITTEE RECOMMENDATION:

N/A

STAFF RECOMMENDATION:

Staff recommends approval of the renewal of an annual contract with Aetna Life Insurance Company for the provision of administrative services for the City's medical insurance.