

## Management Committee

Meeting date: May 24, 2017

For the Metropolitan Council meeting of June 14, 2017

**Subject:** HealthPartners Medical Claims Administration and Well@Work Clinic

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-3 Expenditures more than \$500,000

**Staff Prepared/Presented:** Marcy Cordes, Chief Labor Relations Officer, 651-602-1582 and Terri Bopp, Benefits Manager, 651-602-1370

**Division/Department:** Regional Administration, Human Resources

### Proposed Action

That the Metropolitan Council authorizes the Regional Administrator to amend and extend the contract with HealthPartners for medical claims administration and the Well@Work clinic for a two-year period through December 31, 2019 with \$8,136,450 in additional funds for medical claims administration and \$1,224,000 additional funds for the Well@Work clinic. We will re-examine going out for bid for the 2020 year.

### Background

HealthPartners was selected as the medical claims administrator through a competitive process in 2014 and a three-year contract was signed effective January 1, 2015 through December 31, 2017. The contract covered:

- Medical claims administration
- Stop loss insurance
- Medical and pharmacy network and access
- Care management and wellness programming/support
- Communication and tools to support employee health care consumerism

The Council approved the amendment of the administrative services agreement to include the build-out, administration and staffing of the Well@Work clinic on June 20, 2015. The Well@Work clinic opened on February 26, 2016.

### Rationale

We are just four years into the self-funded medical insurance model where we are closely monitoring our claims experience. Human Resources regularly extends three-year vendor contracts to five years when we are satisfied with the performance of the vendor and we can obtain acceptable terms. Deloitte, our benefit consultant, confirms that HealthPartners' annual renewal rates are fair and reasonable in our current benefits market. We have been happy with the HealthPartners networks, care management, wellness support and clinic staff. The pilot of the on-site clinic is very successful after one year and would benefit from two more years with a consistent provider to maximize our investment.

### Thrive Lens Analysis

Authorization to amend and extend the contract with HealthPartners for medical claims administration and the Well@Work clinic supports the Thrive outcome of

stewardship by providing quality health care coverage at affordable cost to our employees.

**Funding**

The Council self-insures healthcare benefits.

**Known Support / Opposition**

No opposition is known at this time.