

Management Committee

Meeting date: July 10, 2019

For the Metropolitan Council meeting of July 24, 2019

Subject: Medical Plan Administration

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$500,000

Staff Prepared/Presented: Terri Bopp, HR Manager, Benefits, 651-602-1370; Marcy Syman, Director, Human Resources, 651-602-1417

Division/Department: RA Human Resources - Benefits

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a contract with HealthPartners in an amount not to exceed \$46,617,500 to provide medical claims administration, retiree Medicare supplement plans and wellness programming for a period of three years, January 1, 2020 through December 31, 2022 with the option to extend two years.

Background

The current contract with HealthPartners expires December 31, 2019. A formal Request for Proposals was issued March 14, 2019. Proposals were due April 18, 2019. Proposals were submitted by the following companies: Allina/Aetna; Blue Cross/Blue Shield; HealthPartners; Preferred One; United Healthcare. All proposals were evaluated individually by each panel member without collaboration with any other panel member. Proposals were evaluated on the following criteria: administrative; cost; network and access; care management and wellness; communications and tools; qualifications. A consensus meeting was held June 3, 2019 where consensus was reached.

Rationale

The evaluation panel reached consensus that the proposal submitted by HealthPartners represents the best value to the Council. Their proposal matches current plan design and provider access and provides no increase in administrative fees for the next two years with a maximum increase of 3% for the third year. Other proposers were not able to match current plan designs.

Thrive Lens Analysis

Authorization to enter into a contract with HealthPartners for medical plan administration, retiree Medicare supplement plans and wellness programming supports the Thrive outcome of Stewardship by providing medical plan administration, Medicare supplement plans and wellness programming at reasonable rates over the course of the next three years.

The Office of Equal Opportunity reviewed the scope of work and did not assign an MCUB goal, and no potential MCUB vendors were identified. The President & CEO of HealthPartners is a woman.

Funding

Funding for medical claims administration and wellness programming is considered in premium rate setting for the self-funded medical reserve account. Funding for the fully-insured Medicare supplement plans is considered in each division operating budget.

Known Support / Opposition

None