

Business Item

Management Committee



Committee Meeting Date: March 23, 2022

For the Metropolitan Council: April 14, 2022

Business Item: 2022-74

HealthPartners Contract 19P020 Extension

District(s), Member(s):	All
Policy/Legal Reference:	FM14-2 - Expenditures for the Procurement of Goods and Services Greater than \$500,000
Staff Prepared/Presented:	Terri Bopp, HR Manager, Benefits, 651-602-1370
Division/Department:	RA Human Resources - Benefits

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute an amendment for contract 19P020 with HealthPartners that will extend the contract term for medical claims administration, retiree Medicare supplement plans and wellness programming, in an amount not to exceed \$25,000,000, for a total contract value not to exceed amount of \$71,617,500.

Background

The current three-year contract with HealthPartners expires December 31, 2022. HealthPartners was selected to administer medical and RX claims, wellness programming and a fully insured retiree Medicare supplement program through an official RFP process. A formal Request for Proposals was issued March 14, 2019. The Council approved the three-year, in an amount not to exceed \$46,617,500, contract on July 24, 2019, with the option to extend for two additional years.

Rationale

HealthPartners is offering a 3% rate cap for year four which matches the rate cap offered for years one through three. They are offering no increase in fees for year five. It is in the best interest of the Council and employees to avoid any possible network disruption while we are still dealing with the impact of COVID. Additionally, there are new Medicare Supplement Plan providers entering the market in Minnesota and an extension of the current contract will allow time for the market to settle and time for exploration of issuing a separate RFP for retiree Medicare Plans in two years.

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 market competitive rates over the course of the next two years.

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 Medicare Supplement

Plans is considered in each operating Division's budget.

Small Business Inclusion

The Office of Equity and Equal Opportunity reviewed the original solicitation for inclusion of a sub-contracting goal. No MCUBs were identified that could provide the requested services and the Office of Equity and Equal Opportunity did not assign an MCUB goal.

