

Management Committee

For the Metropolitan Council meeting of September 10, 2014

Subject: Authorization to enter into a contract with HealthPartners for medical claims administration.

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and award a contract with HealthPartners for medical claims administration in the amount of \$9,930,500 for a period of three years (1/1/2015 – 12/31/2017).

Summary of Committee Discussion/Questions

Staff presented the business item and answered committee members' questions. The motion passed unanimously.

Management Committee

Meeting date: August 27, 2014

For the Metropolitan Council meeting of September 10, 2014

Subject: Authorization to enter into a contract with HealthPartners for medical claims administration.

District(s), Member(s): All

Policy/Legal Reference: Council Policy 3-3, Expenditures

Staff Prepared/Presented: Terri Bopp, 651-602-1370; Marcy Syman, 651-602-1417

Division/Department: RA c/o Wes Kooistra, 651-602-1567

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and award a contract with HealthPartners for medical claims administration in the amount of \$9,930,500 for a period of three years (1/1/2015 – 12/31/2017).

Background

In April 2014, the Council issued a Request for Proposal for medical claims administration. We received responses from three carriers: HealthPartners (incumbent), Preferred One, and Blue Cross/Blue Shield.

Rationale

The RFP included five evaluation criteria:

- Administrative – Ability to administer negotiated benefits exactly as negotiated, ability to adhere to other administrative reporting requirements, terms and conditions of proposed Group Policy contract language, electronic eligibility, ability to interface with PeopleSoft software, billing administration, HRA administration, etc.
- Cost – Administrative fees, underwriting trend rates, stop loss premium, network discounts, performance guarantees with “at risk” fees and other performance incentives, ability to provide management reports and meaningful data on cost, utilization and quality indicators.
- Network and Access – Ability to match current tiered network structure and/or provide a viable alternative tiered network approach. Ability to meet the provider access requirements and ability of your network to minimize disruption of patient and provider relationships.
- Care Management and Wellness – Breadth and quality of health management programs available, provider contracting, plan designs and program features such as health promotion programs and managed care options.
- Communications and Tools – Employee self-service utilizing IVR, phone and web technology and employer self-service technology, written communications for members and employers as well as education tools.

The Council received three competitive proposals. Based on the evaluation criteria, the evaluation panel reached consensus that HealthPartners submitted the most complete proposal and had the lowest overall costs based on the financial and network analysis done by Deloitte Consulting.

Additionally, the panel agreed that HealthPartners portrayed the most suitable ability to offer and administer the type, quantity and quality of wellness services required by the Council given the ongoing focus on wellness.

The panel reached the consensus that the proposal submitted by HealthPartners provides the best value to the Council

Funding

The Council self-insures healthcare benefits.

Known Support / Opposition

No opposition is known at this time.