



City of Mesquite, Texas

Legislation Details (With Text)

File #: 21-5660 **Version:** 1 **Name:** 2021-Medical ASO
Type: Agenda Item **Status:** Passed
File created: 9/23/2021 **In control:** City Council
On agenda: 10/18/2021 **Final action:** 10/18/2021
Title: RFP No. 2021-105 - Administrative Services Only (ASO) for Medical and Pharmacy Benefits. (Authorize the City Manager to finalize and execute a Third-Party Administrator Services Agreement with Blue Cross and Blue Shield of Texas (BCBS) to provide medical coverage for full-time employees and underage 65 retirees effective January 1, 2022 through December 31, 2026. The term of this contract is for a one-year period, with four additional one-year renewal options. The City Manager is authorized to exercise the renewal options, subject to annual appropriation of sufficient funds.)

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2021-Proposal Evaluation Analysis, 2. 2022 ASA Contract Draft

Date	Ver.	Action By	Action	Result
10/18/2021	1	City Council	Approved	Pass

RFP No. 2021-105 - Administrative Services Only (ASO) for Medical and Pharmacy Benefits. (Authorize the City Manager to finalize and execute a Third-Party Administrator Services Agreement with Blue Cross and Blue Shield of Texas (BCBS) to provide medical coverage for full-time employees and underage 65 retirees effective January 1, 2022 through December 31, 2026. The term of this contract is for a one-year period, with four additional one-year renewal options. The City Manager is authorized to exercise the renewal options, subject to annual appropriation of sufficient funds.)

Name of Department

Human Resources

Project/Budgeted Amount

\$245,250

Sum of Bid/Bid Amount

\$245,250

The City of Mesquite issued a Request for Proposal for Administrative Services Only - Medical and Pharmacy Benefits. Bid documents were broadcast through Periscope Holdings electronic bidding system, posted on the City’s website and Advertisement for Bid notice was published in the Daily Commercial Record newspaper.

The City received two bids for a third-party claim’s administrator including one from the City’s current carrier Blue Cross and Blue Shield of Texas (BCBS) and Cigna. The City’s benefits consultants Holmes Murphy and McGriff, Siebel’s and Williams reviewed and evaluated the proposals with staff.

BCBS provided a proposal that would allow the City to continue current services and save \$109,738 in administrative fees for calendar year 2022 through corresponding service credits. BCBS also provides better

network discounts, compared to the other bid received by the City which will save plan participants and the City with respect to health care services. BCBS has a dedicated services team located in Richardson, Texas, and has provided additional performance guarantees in their proposal. Additionally, BCBS committed to continuing to partner with the City of Mesquite to assist in the health of City employees/retiree through various online programs and cost containment initiatives.

Attached is the evaluation scoresheet comparing the two proposals and the benefits of each. Holmes Murphy, McGriff, Siebel's and Williams, and staff recommend that BCBS remain as the City's group health plan administrator effective January 1, 2022. This recommendation was discussed during the Benefits Budget presentation in the Council Budget Workshop on July 17, 2021.

Recommended/Desired Action

Staff recommends the City Manager be authorized to execute the Blue Cross and Blue Shield Administrative Service Agreement.

Attachment(s)

2021 Proposal Evaluation Analysis
2022 ASA Contract Draft

Drafter

Rick French

Head of Department

Rick French