

City of Mesquite, Texas

Legislation Text

File #: 18-3619, **Version:** 2

RFP No. 2018-070 - Medical 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 Blue Shield of Texas to provide medical coverage for full-time employees and under age 65 retirees effective January 1, 2019.)

Name of Department

Human Resources

Project/Budgeted Amount

\$475,200.00

Sum of Bid Amount

\$125,200.00

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

The City received four bids for a third-party claims administrator including one from the City's current carrier, Blue Cross Blue Shield of Texas. The City's benefits consultants, Holmes Murphy and McGriff, Seibels, and Williams reviewed and evaluated the proposals with staff. All four proposers were interviewed twice and fully vetted.

Blue Cross Blue Shield (BCBS) of Texas provided a proposal that would allow the City to save \$350,000 in administrative fees in calendar year 2019 through corresponding service credits. BCBS also provides the best network discounts of any of the proposers which will save plan participants and the City on 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/retirees through a number of online programs and cost containment initiatives.

Using the evaluation criteria of a 100 point rating scale, as specified in the RFP, the final analysis resulted in carrier scores of: BCBS (94); CIGNA (93); Aetna (92); and United Healthcare (91). Attached is the evaluation scoresheet comparing all four proposals and the benefits of each. Holmes Murphy, McGriff, Seibels, and Williams, and staff recommends that BCBS remain as the City's group health plan administrator effective January 1, 2019. This recommendation was discussed during the Benefits budget presentation in the Council Budget Retreat on July 28, 2018.

Recommended/Desired Action

Staff recommends that the City Manager be authorized to renew the existing Administrative Service Agreement with BCBS of Texas effective January 1, 2019, through December 31, 2024, implementing the proposed

benefits and services negotiated under RFP No. 2018-070. The City retains the right to review this agreement on an annual basis during the five-year time period referenced herein.

Attachments

Criteria Evaluation
Analysis of Proposals

Drafter

Rick French

Head of Department

Rick French