



**AGENDA ITEM REPORT**

**DATE:** August 20, 2024  
**DEPARTMENT:** Human Resources  
**REQUESTER:** Angela Pruitt  
**TITLE:** Award Contract for Group Medical and Pharmacy Benefits

**I. MOTION REQUESTED**

- A) Award Request for Proposal No. RFP230580CJV, Employee Benefits – Group Medical and Pharmacy Plan to Aetna Life Insurance Company, Inc. for group medical and pharmacy benefits, on an as needed basis, for an initial term of three (3) years, as approved in the departments’ annual adopted budget.
- B) Authorize the Chair to execute the contract documents on behalf of the Board of County Commissioners.
- C) Grant the County Manager or designee the authority to renew the contract, for up to three (3) additional years, as approved in the departments’ annual adopted budgets, if doing so is in the best interest of Lee County.

**II. ITEM SUMMARY**

Awards a contract with the top ranked firm, Aetna Life Insurance Company Inc, for group medical and pharmacy benefits commencing on January 1, 2025. The initial contract is for three years with up to three additional one-year renewals.

The administrative fee will increase from \$32.72 per employee per month to \$40.40 guaranteed for plan years 2025-2027. The new contract will include a one-time fee holiday credit of \$500,000, annual fee holiday credit of \$100,000, annual communication allowance of \$20,000, annual wellness allowance of \$200,000 and audit allowance of \$50,000 for years 2026-2030.

The administrative fees for the contract are:

- 2025: approximately \$2,121,000.
- Renewal year 1: \$41.55 per employee per month, approximate annual cost: \$2,181,375.
- Renewal year 2: \$42.74 per employee per month, approximate annual cost: \$2,243,850
- Renewal year 3: \$43.96 per employee per month, approximate annual cost: \$2,307,900

**III. BACKGROUND AND IMPLICATIONS OF ACTION**

- A) Board Action and Other History  
RFP230580CJV was advertised and published on November 14, 2023. On the due date of December 19, 2023 the County received and opened two proposals. The proposal evaluation meeting was held on February 27, 2024. Following the evaluation meeting and scoring, the committee recommended the contract be awarded to Aetna Life Insurance Company, Inc.
- B) Policy Issues
- C) BoCC Goals
- D) Analysis
- E) Options

**IV. FINANCIAL INFORMATION**

A)	Current year dollar amount of item:	See Comments below.
B)	Is this item approved in the current budget?	Yes
C)	Is this a revenue or expense item?	Expense
D)	Is this Discretionary or Mandatory?	Discretionary
E)	Will this item impact future budgets? If yes, please include reasons in III(D) above.	
F)	Fund: Self-Insurance Health Fund Program: Project: Account Strings: GC5133757602.503190	
G)	Fund Type?	Other: Self-Insurance Health Fund
H)	Comments: FY23-24 expenditures \$1,645,144	

**V. RECOMMENDATION**  
Approve

**VI. TIMING/IMPLEMENTATION**  
Effective 1/1/2025

**VII. FOLLOW UP**

**ATTACHMENTS:**

Description	Upload Date	Type
<a href="#">Aetna Medical Contract</a>	7/24/2024	Contract
<a href="#">Aetna Signature Authorization</a>	7/24/2024	Backup Material

**REVIEWERS:**

Department	Reviewer	Action	Date
Human Resources	Tucker, Mary	Approved	8/9/2024 - 6:53 AM
Human Resources	Pruitt, Angela	Approved	8/9/2024 - 9:21 AM
Budget Services	Guttery, Angela	Approved	8/9/2024 - 11:07 AM
Budget Services	Winton, Peter	Approved	8/9/2024 - 11:12 AM
County Attorney	Fraser, Andrea	Approved	8/9/2024 - 11:26 AM
County Manager	Harner, David	Approved	8/13/2024 - 3:05 PM