

AGENDA ITEM REPORT

DATE: December 3, 2024
DEPARTMENT: Human Resources
REQUESTER: Angela Pruitt
TITLE: Approve Amending & Renewing Aetna Group Medicare Advantage Plan Contract

I. MOTION REQUESTED

- A. Approve Amendment No. 2 to the contract with vendor Aetna Health Management, LLC, under Solicitation No. RFP210280CJV Group Medicare Advantage Plan, to increase the Medicare Advantage Medical and Pharmacy Rates per member, per month. The amendment will increase the contract amount by approximately \$352,986 annually, with total annual anticipated expenditures of approximately \$2,849,501.
- B. Approve contract renewal for the retiree Group Medicare Advantage medical and pharmacy benefits plan, from Aetna Health Management, LLC, under Solicitation No. RFP210280CJV, through 12/31/25, with an annual amount of approximately \$2,849,501. The 2025 monthly retiree premium will increase from \$324.56 to \$370.45.
- C. Authorize the County Manager or designee to execute the amendment and renewal on behalf of the Board of County Commissioners.

II. ITEM SUMMARY

The county's Medicare Advantage Plan is a less costly option for county retirees age 65 (Medicare eligible) and above. It is a full insurance plan (not county self-insured) with a 60 percent premium subsidy from the county. This item approves amending the contract with Aetna Health Management, LLC for retiree Group Medicare Advantage medical and pharmacy benefits, to increase the Medicare Advantage medical and pharmacy rates per member, per month. The monthly premium will increase from \$324.56 to \$370.45 with annual anticipated expenditures of \$2,849,501 of which 60% is paid for by the county. Approves the contract renewal through December 31, 2025.

III. BACKGROUND AND IMPLICATIONS OF ACTION

On September 21, 2021, the Board of County Commissioners awarded RFP210280CJV, Group Medical Advantage Plan, to Aetna Life Insurance Company for the retiree Group Medicare Advantage medical and pharmacy benefit plan on an as-needed basis. The original term of the contract was for three years with an option to renew for up to three (3) additional years. On September 8, 2023, Amendment 1 was executed by the parties which assigned the Agreement from Aetna Life Insurance Company to Aetna Health Management, LLC.

IV. FINANCIAL INFORMATION

Current Year Dollar Amount: \$2,463,982
Included in the Current Budget?: Yes
Fund: General Fund
Comments:

Is this a revenue or expense item? Expense
Is this Discretionary or Mandatory? Discretionary
Will this item impact future budgets?
Program: Non Departmental
Project:
Account Strings: GC5190300100.503190
Fund Type? General Fund

V. RECOMMENDATION

Approve

ATTACHMENTS:

RFP210280CJV - Group Advantage Medicare Plan - Rates Increase - Amendment 2 - VENDOR OCR, Aetna Affidavit ,
Rick Frommeyer_Delegation for Signature (1), Signed Aetna.Renewal Letter.1 Year.Aetna Health.Updated
11.22.24_EXECUTED

REVIEWERS:

Lynne Peterson, Human Resources
Mary Tucker, Procurement
Angela Pruitt, Human Resources
Anne Henkel, Budget Services
Peter Winton, County Manager
Andrea Fraser, County Attorney
Dave Harner, County Manager

Created/Initiated - 11/20/2024
Approved - 11/22/2024
Approved - 11/25/2024
Approved - 11/25/2024
Approved - 11/25/2024
Approved - 11/25/2024
Final Approval - 11/26/2024