



AGENDA ITEM REPORT

DATE: December 7, 2021
DEPARTMENT: Human Resources
REQUESTER: Erin Hailstone
TITLE: Award Contract for Medical Stop Loss Insurance Policy

I. MOTION REQUESTED

- A) Award Request for Proposal No. RFP210494CJV Medical Stop Loss Insurance Policy to Aetna Life Insurance Company for the medical stop loss insurance on an as needed basis, for an initial term of one (1) year, in the approximate amount of \$2,386,914.
- B.) Authorize staff to negotiate a Contract/Agreement with selected firm, Aetna Life Insurance Company, to provide Medical Stop Loss Policy.
- C.) Authorize the Chair to execute the contract documents upon approval of the negotiated agreements by Administration, County Attorney, and Human Recourse Director or acting representative.

II. ITEM SUMMARY

Approves the award of a contract to Aetna Life Insurance Company for Medical Stop Loss coverage. Aetna Life Insurance Company submitted the only proposal to the Request for Proposal and was found to be a responsive and responsible bidder. The contract provides Medical Stop Loss coverage for Lee County and its participating entities beginning January 1, 2022. The initial contract is for one year with three one-year renewal options.

Anticipated savings for the new contract are \$276,248 or a reduction of 10.4%. Current contract is employer paid at an annual premium of approximately \$2,663,163 or \$51.48 per employee per month. The submitted proposal is \$2,386,914 annually or \$46.14 per employer per month.

Stop Loss Insurance provides protection for the County's self-funded employee benefit plan against catastrophic or unpredictable losses. Aetna assumes liability for losses arising from medical events with costs in excess of \$425,000.

III. BACKGROUND AND IMPLICATIONS OF ACTION

A) Board Action and Other History

On the established deadline of October 19, 2021 for Request for Proposal No. RFP210494CJV, a single proposal was received. As part of the due diligence process, Procurement reached out to the two plan holders who did not submit proposals. One firm was a broker, and the other a provider with only private sector experience. The single proposal submitted by Aetna Life Insurance Company was considered by the Evaluation Committee on November 2, 2021. On the basis of the information submitted by the firm in their proposal, the Committee unanimously voted to enter into negotiations with Aetna Life Insurance Company. The initial contract agreement term will be for one year, beginning January 1, 2022, with three one-year renewal options upon mutual agreement by both parties. Staff to negotiate the agreement/contract to be reviewed and approved by County Administration, the County Attorney and Human Resources Director before presenting to the Chair for execution.

Current contract is employer paid at an annual premium of approximately \$2,663,163 or \$51.48 per employee per month. The submitted proposal is \$2,386,914 annually or \$46.14 per employer per month. Anticipated savings for the new contract are \$276,248 or a reduction of 10.4%.

Stop Loss Insurance provides protection for the County's self-funded employee benefit plan against catastrophic or unpredictable losses. Aetna assumes liability for losses arising from medical events with costs in excess of \$425,000.

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: Approximately \$2,663,163 or \$51.48 per employee per month paid by the County. | |

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

Contract effective 1/1/2022

VII. FOLLOW UP

ATTACHMENTS:

| Description | Upload Date | Type |
|---|-------------|-----------|
| Draft Lee County Stop Loss Agreement 2022 | 11/22/2021 | Agreement |

REVIEWERS:

| Department | Reviewer | Action | Date |
|-----------------|-------------------|----------|-----------------------|
| Human Resources | Hailstone, Erin | Approved | 11/16/2021 - 3:40 PM |
| Budget Services | Henkel, Anne | Approved | 11/18/2021 - 11:05 AM |
| Budget Services | Winton, Peter | Approved | 11/18/2021 - 11:38 AM |
| County Attorney | Fraser, Andrea R. | Approved | 11/18/2021 - 2:27 PM |
| County Manager | Brady, Christine | Approved | 11/19/2021 - 2:51 PM |