

CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Human Resource/Insurance & Benefits

AGENDA DATE: January 27, 2015

CONTACT PERSON(S) NAME(S)

AND PHONE NUMBER(S): Linda Thomas, Human Resources Director, 212-21240
Irene Y. Morales, Human Resources Deputy Director, 212-1270
Bruce Collins, Purchasing Director, 212-1181

DISTRICT(S) AFFECTED: All

SUBJECT:

Approve the award for Specific and Aggregate Stop Loss Insurance to Aetna Life Insurance Company for an initial contract period of February 1, 2015, 2015 through December 31, 2017 with a first year cost of \$3,582,438.60 with a \$225,000 specific deductible.

BACKGROUND / DISCUSSION:

Request for Qualifications #2015-386R was released seeking proposals for Specific and Aggregate Stop Loss Insurance for the City of El Paso Health Benefit Plan. One proposal was received by the current carrier, Aetna Life Insurance Company. HUB International, Inc. assisted the City with the evaluation of the proposal. The evaluation criteria and weight of each is attached. The evaluation committee is recommending awarding the contract to Aetna Life Insurance Company.

Aetna is the current specific and aggregate stop loss carrier for City's Health Benefit Plan and the current third party administrator. By awarding the stop loss coverage to Aetna, any claims over the specific deductible are automatically covered by Aetna, thus offering a better cash flow for the City. The City would not pay the amount above the \$225,000 deductible on any claim. Prior to 2010, when the payment on a claim exceeded \$225,000 during a plan year, the previous stop loss carrier requested a claim form from the City along with the appropriate eligibility documentation, reviewed the claim payments and reimbursed the City for any excess eligible payment made by the City over \$225,000.00. The time frame for reimbursement directly to the City was usually 30-60 days.

Aetna has agreed to an extension of the current contract thru January 31, 2015. There would be no lapse in specific or aggregate or specific coverage for the City.

The proposed Aetna specific and aggregate stop loss composite rate of \$56.81 per employee per month is 8.9% higher than the current rate of \$52.17 per employee per month. The Aetna RFP rate is 1.8% lower than the 2015 proposed renewal rate.

SELECTION SUMMARY:

This solicitation was advertised on October 21, 2014 and opened on November 26, 2014. The solicitation was posted on the city website on October 21, 2014. Post cards and purmail were sent the week of October 21, 2014. At total of eight (8) vendors were solicited with two (0) being local. One (1) proposal was received.

PRIOR COUNCIL ACTION:

Council awarded the specific and aggregate stop loss coverage to Aetna effective January 1, 2011.

AMOUNT AND SOURCE OF FUNDING:

Health Benefit Fund, 521370 – 14045 – 3560 -209 –P1414

BOARD / COMMISSION ACTION: NA

DEPARTMENT HEAD:

Linda Ball Thomas, Human Resources Director

**COUNCIL PROJECT FORM
(RFP)**

*******POSTING LANGUAGE BELOW*******

Please place the following item on the **REGULAR** agenda for the Council Meeting of **JANUARY 27, 2015**.

Discussion and action on the award of Solicitation No. 2015-386R (Stop Loss) to Aetna Life Insurance Company for an initial three (3) year term in the estimated amount of \$10,747,315.80.

Department:	Human Resources
Award to:	Aetna Life Insurance Company Hartford, CT
Item(s):	All
Initial Term:	3 years
Option:	none
Annual Estimated Amount:	\$ 3,582,438.60 (1 year)
Total Estimated Award:	\$10,747,315.80 (3 years)
Account No.:	209 – 521370 – 14045 - 3530 – P1414
Funding Source:	Health Benefits
District(s):	All

This is a Request for Proposal, service contract.

[CITY ATTORNEY'S OFFICE CONFIRMATION FOR THIS STATEMENT]

Additionally, it is requested that the City Attorney's Office review and that the City Manager be authorized to execute any related contract documents and agreements necessary to effectuate this award.

Purchasing & Strategic Sourcing and Human Resources recommend award as indicated to Aetna Life Insurance Company, the highest ranked proposer based on evaluation factors established for this procurement. In accordance with this award the City Manager or designee is authorized to exercise future options if needed.

*******ADDITIONAL INFO BELOW*******

Committee Score Sheet
RFP : 2015-386R STOP LOSS

Evaluation Factors			
Evaluation Factor		Maximum Amount of Points	Score
<u>Evaluation Factor A</u>	50	50.00	
FEE PROPOSAL			
<u>Evaluation Factor B</u>	30	28.00	
QUALITY OF RESPONSE			
<u>Evaluation Factor C</u>	10	9.67	
FINANCIAL STABILITY			
<u>Evaluation Factor D</u>	10	9.33	
REFERENCES			
Totals	100 Points	97.00	0.00



CITY OF EL PASO REQUEST FOR PROPOSAL TABULATION FORM



Bid Opening Date: NOVEMBER 26, 2014
Project Name: STOP LOSS INSURANCE

Solicitation #: 2015-386R
Department: HUMAN RESOURCES

AETNA LIFE INSURANCE COMPANY	HARTFORD, CT
RFPs SOLICITED: 8	LOCAL RFPs SOLICITED: 0
RFPs RECEIVED: 1	LOCAL RFPs RECEIVED: 0
	NO BIDS: 0

NOTE: The information contained in this RFP tabulation is for information only and does not constitute actual award/execution of contract.

APPROVED: _____

DATE: _____

AETNA INC.
ATTN; LOUIE HEERWAGEN
151 FARMINGTON AVENUE
HARTFORD CONNECTICUT 06156

PAN AMERICAN LIFE INSURANCE CO.
ATTN: WILLIAM LUTZ
601 POLYDRAS STREET
NEW ORLEANS, LA 70130

SYMETRA LIFE INSURANCE COMPANY
3740 DAVINCI COURT
NORCROSS, GA 30092

SYMETRA LIFE INSURANCE CO.
777 108TH AVENUE
SUITE 1200
BELLEVUE, WA 98004-5135

HEALTH SCOPE BENEFITS
ATTN; MARY CATHERINE
HEADQUARTERS
27 CORPORATE HILL DR.
LITTLE ROCK, AR 72205

HIGHMARK INC
ATTN: ALBERT LUCION
FIFTH AVENUE PLACE 120 FIFTH AVE
PLACE
PITTSBURG PA 15222

SA BENIFT SERVICES LLC
ATTN; STEPHANIE CHTATA
PO BOX 1596
HELOTES, TX 78023

VOYA FINANCIAL INC
ATTN; CLIFTON BROWNING
20 WASHINGTON AVENUE SOUTH
MINNEAPOLIS, MINNESOTA 55401