



Legislation Details (With Text)

File #: 22-1515 **Version:** 1
Type: Procurement Change Order **Status:** Passed
File created: 12/6/2022 **In control:** City Council
On agenda: 12/20/2022 **Final action:** 12/20/2022
Title: Approve the award of Change Order #1 for the Specific Stop-Loss Insurance, to Stealth Partner Group, LLC for an amount not to exceed \$61,835 and a total award of \$1,206,185

Sponsors:

Indexes:

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|--------------|----------|--------|
| 12/20/2022 | 1 | City Council | approved | |

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the award of Change Order #1 for the Specific Stop-Loss Insurance, to Stealth Partner Group, LLC for an amount not to exceed \$61,835 and a total award of \$1,206,185

DEPARTMENT: Human Resources

SUBMITTED BY: James Sheehan, Director

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

The City Council approved a recommendation by GCG Financial, the City's insurance broker, to award a contract for stop-loss insurance to Stealth Partner Group, formerly Symetra Insurance Company, on October 19, 2021, for a one-year term from January 1, 2022, to December 31, 2022. Stealth Partner Group provides Specific Stop-Loss Insurance for participants in the City's Preferred Provider Organization (PPO) and PPO High Deductible Health Plan (HDHP).

DISCUSSION:

A change order is requested to add additional funds for expenses incurred during the year due to higher-than-anticipated PPO plan enrollment. The initial award was based on an estimated total enrollment of 694 people in the City's PPO and HDHP plans. After the completion of open enrollment following the award, the number of participants selecting either the PPO or HDHP plan was higher than anticipated. The City has averaged 733 enrolled participants in the PPO and HDHP plans during 2022 and the stop-loss insurance premium is paid monthly based on actual participants in the PPO and HDHP plans.

Staff recommends approval of this change order to pay the final invoice for 2022. If the change order was not approved, the carrier could terminate coverage. Termination of stop-loss insurance presents a significant financial risk to the City as we would become responsible for catastrophic claims as part of our regular self-insured health plan.

FISCAL IMPACT:

CIP #: N/A

Stop-loss insurance coverage is expensed to the Administrative Fee/Other Benefits account listed below. A total of \$1,144,350 is budgeted for stop-loss coverage in 2022. The requested change order can be accommodated by savings in other areas of the health insurance program, including administrative fees for the City's HMO plan and PPO and HDHP medical claims, which are much lower than anticipated through November.

| Account Number | Fund Description | Total Budget Amount |
|-----------------------|-------------------------|----------------------------|
| 60101600-523210 | Self-Insurance | \$1,144,350 |