



Legislation Text

File #: 21-1610, Version: 1

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 \$12,452.60 and a total award of \$894,869.60

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 Stealth Partner Group, formerly Symetra Insurance Company, on September 15, 2020, for a one-year term from January 1, 2021 to December 31, 2021, to provide 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 an underestimation in total enrollment. The initial award was set based on an estimated total enrollment of 685 people in the City’s PPO plans. After the completion of open enrollment following the award, the City had a greater number of HMO participants switch to one of the PPO plans. The City has averaged just under 695 enrollments in the PPO plans during 2021 and the stop-loss insurance premium is paid monthly based on actual participants in the PPO plans.

The increase in the fees will be offset by other savings in administrative fees related to the City’s medical insurance plans. The decrease in HMO enrollment alone resulted in a projected savings of approximately \$300,000 in budgeted administrative fees for 2021. These savings will be used to offset the proposed change order.

FISCAL IMPACT:

CIP: N/A

Stop-loss insurance coverage is expensed to the administrative fee/other benefits accounts listed below. A total of \$882,417 is budgeted for stop-loss coverage in 2021. The requested change order will be covered by other savings in administrative fees for the City’s medical insurance plans.

Account Number	Fund Description	Total Budget Amount
----------------	------------------	---------------------

60101600-523210	Self-Insurance	\$882,417
-----------------	----------------	-----------