

M Management Committee

Item: 2009-322

For the Metropolitan Council meeting of September 23, 2009

ADVISORY INFORMATION

Date Prepared: September 10, 2009

Subject: Authorization to Award Health Insurance Contract

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to negotiate and enter into a contract for the fully insured medical plan for the period of January 1, 2010, through December 31, 2012.

Summary of Committee Discussion / Questions:

Sandi Blaeser presented the final medical insurance offer from HealthPartners to the Committee, which is an increase of 9.5% for 2010, 14.5% for 2011, and 14.5% for 2012. The offer also guaranteed a maximum increase of 11% for years 2011 and 2012 if the Council were to make specified plan changes. These plan changes include incentives for employees to become more engaged consumers in their healthcare, while not impeding access to necessary care. Plan changes would involve some increases in deductibles and co-pays. These changes are contingent, in part, to the outcome of labor negotiations. There was brief discussion about other possible changes to the rate structure and the benefit of wellness programs. A committee member questioned how this contract would be affected if there were changes required by the proposed national healthcare bill. Ms. Blaeser responded that our Contracts and Procurement department is currently negotiating plan language to allow us to pursue opportunities available as a result of opportunities that may develop from changes to state and federal policy. A Committee member noted that the contract date on the Business Item was incorrectly showed January 1, 2010 through December 31, 2010, it should be January 1, 2010 through December 31, 2012. The business item was amended to correct this technical error.

The Committee approved authorizing the Regional Administrator to negotiate and enter into a contract for the fully insured medical plan for the period of January 1, 2010, through December 31, 2012.

M Management Committee
Meeting date: September 9, 2009

ADVISORY INFORMATION

Date: September 3, 2009
Subject: Authorization to Award Health Insurance Contract
District(s), Member(s): All
Policy/Legal Reference: None
Staff Prepared/Presented: Sandi Blaeser, Assistant HR Director, Employee Relations – (651) 602-1582
Division/Department: Human Resources

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and enter into a contract for the fully insured medical plan for the period of January 1, 2010, through December 31, 2010.

Issues/Background

In June 2009, the Council issued a request for proposal (RFP) for medical coverage. The recently formed Labor Management Committee, made up of representatives from Metropolitan Council HR Department and representatives from each union, were involved in reviewing the costs and trends of our current plans. The Labor Management Committee provided input for the RFP scope. The RFP requested quotes for not only the current plans but also several variations on the plans.

The RFP included the following evaluation criteria in order of importance.

- *Administrative* - Ability to administer negotiated benefits as proposed including plan design and claims payments.
- *Cost* - Provides competitive premium rates, multi-year guarantees, rate caps, etc.
- *Care Management and Wellness* - Quality of health management programs available
- *Network Management and Access* - Ability to meet the provider access requirements and minimize disruption
- *Communication and Tools* - Written communication tools, phone and web technology to assist members and employees.

An evaluation panel of Council staff and union representatives (HR, Finance, ES, and Transit, ATU and MANA) reviewed the two RFP responses (HealthPartners and Medica). The panel has reached consensus and is currently involved in rate negotiation. We will present our recommendations at the meeting on Wednesday.