

M Management Committee
For the Metropolitan Council meeting of September 26, 2012

ADVISORY INFORMATION

Date Prepared: September 17, 2012

Subject: Authorization to Extend Health Partners Contract for
Medical Insurance and add Self Insured Option

Proposed Action:

That the Metropolitan Council authorize the Regional Administrator to amend the contract for Medical Insurance with Health Partners to extended for an additional year (1/1/2014-12/31/2014) and add a self insurance option.

Summary of Committee Discussion / Questions:

Ms. Sandi Blaeser, Asst. Human Resources Director, requested the proposed action which allows the Council to transition to a self-funded medical insurance plan while maintaining current plan design and network. This business item is related to business item 2012-280.

Business item 2012-278 was moved by H. Melander, seconded by G. Van Eyll and passed unanimously.

M Management Committee

Business Item

Item: 2012 - 278

Meeting date: September 12, 2012

For Metropolitan Council Meeting: September 26, 2012

ADVISORY INFORMATION

Date:	August 30, 2012
Subject:	Authorization to Extend Health Partners Contract for Medical Insurance and add Self Insured Option
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy and Procedure 4-4g Medical and Dental Insurance;
Staff Prepared/Presented:	Sandi Blaeser, Assistant Director Human Resources; Micky Gutzmann, Director, Contracts and Procurement
Division/Department:	Regional Administration/Finance

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to amend the contract for Medical Insurance with Health Partners to extended for an additional year (1/1/2014-12/31/2014) and add a Self Insured Option.

Background

Health Partners was originally selected through a competitive process in 2009 to provide fully insured medical insurance coverage for three years (2010-2012). In March 2012, the Council approved a one-year extension of the contract through 2013 based on a rate cap offer of 7% for 2013.

Since that time, we have been investigating a self insured option to continue to provide the medical insurance benefits which contribute to the wellbeing of our employees and their families that are market competitive and appropriately manage the Council's claims risk.

Rationale

Extending the Health Partners Contract and adding a Self Insured option will allow:

- Transition to a Self Insured Medical plan with Health Partners beginning January 1, 2013; Health Partners agrees to waive fully insured cancelation penalty in return for one-year extension.
- Maintain our current plan designs and network
- Realize significant savings over the current fully insured plan beginning in 2013

The total saving for medical insurance under a self insured plan is estimated to be \$xx for 2013 and \$xx for 2014.

Funding

The employer share of medical premiums are included in the operating division budgets.

Know Support / Opposition

None