

Mayor and Council Communication

DATE: 08/08/23

M&C FILE NUMBER: M&C 23-0621

LOG NAME: 13P RFP 23-0068 MEDICARE ADVANTAGE PLAN TD HR

SUBJECT

(ALL) Authorize Execution of an Agreement with Aetna Life Insurance Company for a Fully Insured Medicare Advantage Prescription Drug Preferred Provider Organization Plan for a Three-Year Initial Term for an Annual Amount Up to \$9,000,000.00 for the Human Resources Department

RECOMMENDATION:

It is recommended that the City Council authorize execution of an agreement with Aetna Life Insurance Company for a fully insured preferred provider organization Medicare advantage prescription drug plan for a three-year initial term for an annual amount up to \$9,000,000.00 and authorize two, one-year renewals for the same amount for the Human Resources Department.

DISCUSSION:

The Human Resources Department approached the Purchasing Division to procure an agreement for a fully insured Medicare Advantage Prescription Drug Plan (MAPD). The MAPD will be for post-65 Medicare eligible and non-eligible retirees and spouses as part of the City's health benefits program. This plan assists retirees and spouses with costs not covered by Medicare.

In order to procure these goods, staff issued Invitation to Bid (RFP) No. 23-0068. The RFP consisted of detailed specifications for the MAPD. The RFP was advertised in the *Fort Worth Star-Telegram* on May 3, 2023, May 10, 2023, May 17, 2023, May 24, 2023, and May 31, 2023. The City received two (2) responses.

An evaluation panel consisting of representatives of the Human Resources Department and retirees reviewed and scored the remaining submittals using Best Value criteria. The individuals scores were averaged for each criteria and the final scores are listed in the table below.

| Bidders | Evaluation Factors | | | | | |
|---|--------------------|-------|-------|-------|-------|--------------|
| | a | b | c | d | e | Total Scores |
| Aetna Life Insurance Company | 19.38 | 14.00 | 10.50 | 10.50 | 16.67 | 71.05 |
| Blue Cross and Blue Shield of Texas, a Division of Health Care Service Corporation (HCSC), a Mutual Legal Reserve Company | 12.50 | 10.50 | 7.88 | 7.88 | 25.00 | 63.75 |

Best Value Criteria:

- a. Administration & Services (Includes Customer Service/Account Management/Technology Resources)
- b. Ability to provide a Medicare Advantage product on a local and/or national basis
- c. Quality Performance: Centers for Medicare and Medicaid Services (CMS) Five-Star Quality Ratings and accreditations
- d. Ability to offer access to network proprietary facilities and providers of choice
- e. Cost

After evaluation, the panel concluded that Aetna Life Insurance Company presented the best value to the City. Therefore, the panel recommends that Council authorize this purchase with Aetna Life Insurance Company and certifies that the recommended vendor bid met specifications.

Funding will be budgeted in the Retiree Healthcare Trust Fund for Fiscal Year 2024.

DIVERSITY AND INCLUSION (DVIN) - A waiver of the goal for Business Equity subcontracting requirement is approved by the DVIN-BE, in accordance with the Business Equity Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

AGREEMENT TERMS - Upon City Council approval, this agreement shall begin upon execution and expire three years from that date.

RENEWAL TERMS -This agreement may be renewed for two additional one-year renewal periods. This action does not require specific City

Council approval provided that the City Council has appropriated sufficient funds to satisfy the City's obligations during the renewal term.

ADMINISTRATIVE CHANGE ORDER: An administrative change order or increase may be made by the City Manager up to the amount allowed by relevant law and the Fort Worth City Code and does not require specific City Council approval as long as sufficient funds have been appropriated.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the Fiscal Year 2024 Budget by the City Council, funds will be available in the Fiscal Year 2024 operating budget, as appropriated, in the Retiree Healthcare Trust Fund. Prior to an expenditure being incurred, the Human Resources Department has the responsibility to validate the availability of funds.

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