

April 30, 2024

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**To the Mayor and Members of the City Council****SUBJECT: REQUEST FOR PROPOSAL (RFP) PROCESS FOR A THIRD-PARTY ADMINISTRATOR FOR THE CITY'S SELF-FUNDED GROUP MEDICAL BENEFIT PLAN**

The purpose of this Informal Report is to provide an update on the Human Resource Department's release of a Request for Proposal (RFP) for a Third-Party Administrator (TPA) for the City's Self-Funded Group Medical Benefit Plan (Plan).

The City has an internal service fund for Health Insurance Benefits. This fund pays for healthcare claims administration and provides healthcare options for General and Police Employees. A TPA typically delivers administrative services and assists with the ongoing management of a health plan.

Currently, the City's TPA, Meritain Health, Inc., has been the medical benefit administrator for the City's Plan since January 1, 2021 and is responsible for medical claims administration, network access to providers, preparing reports, and coordinating with other point solution providers to include the City's stop loss provider. The initial contract was for three years with two one-year renewals. The City entered into the first of the two one-year renewals on January 1, 2024. The decision to initiate an RFP was made in discussion with the City's benefit consultant, IMA Corporation (IMA). As part of the ongoing claims review, IMA noted the providers' negotiated rates appeared to be higher than other carriers and this effort is made in attempt to mitigate overall claims costs.

Request for Proposal (RFP)

The RFP process serves to create a competitive environment for the best value in administrative fees and plan performance for the City and its employees.

The outline below provides a timeline of the proposed RFP process:

- RFP Published – April 15, 2024
- RFP Closes – May 9, 2024
- RFP Evaluation – May-June 2024
 - Council Approval – August 2024
- New TPA Contract Effective – January 1, 2025

For any questions on this report, please contact Dianna Giordano, Human Resources Director, at (817) 392-7783 or Holly Moyer, Assistant Human Resources Director, at (817) 392-7847.

David Cooke
City Manager