



CITY COUNCIL COMMUNICATION

April 26, 2016

SUBJECT: Third Party Administration, Utilization Management/Large Case Management, Pre-Certification, PPO Network

SUBMITTED BY: Carolyn Marshall, HR/Risk Administrator

REFERENCE NO: RFP No. 006-16

ACTION REQUESTED:

Consider award of RFP No. 006-16 including third party administration and utilization management/large case management to WebTPA, and precertification and network access to Aetna.

ALTERNATIVES:

- Table the request
- Deny the request

SUMMARY OF SUBJECT:

The City of Euless requested proposals for services related to the City's health insurance plan including third party administration, utilization management, large case management, precertification and network access.

We evaluated third party administrators based on service delivery, costs, and references. Staff recommends WebTPA, our current carrier. WebTPA has provided the City with excellent service and claims processing for the past 12 years. They work well with our current precertification provider and our network (Aetna). WebTPA has been accessible and responsive to the City's needs and have the full ability to provide us with flexibility in plan design as well as in other components. They also provide convenient on-line access to claims information and reporting and have submitted a competitive quote.

A utilization and large case management company was recommended by each third party administrator. WebTPA provides this service in house. Staff recommends using WebTPA for both administration services and for utilization and large claims management as it will streamline the claim and approval process and allow for additional integration of claims data.

WebTPA continues to recommend Aetna for both precertification and network services.

Aetna provides excellent precertification service and works well with WebTPA. Aetna provides an extensive Medical and Dental network in the DFW area and nationwide. The Aetna network has continued to provide high discounts on medical and dental claims. Staff recommends approval of the Aetna's precertification service and medical and dental network.

We believe these vendors will provide the City with the best value and assist with cost containment measures, good customer support for our employees, extensive provider access, and overall support in managing the cost of health care.

FINANCIAL CONSIDERATIONS:

Revenue Sources: City Contributions, Employee/Retiree Premiums

Expenditure Accounts: 610-5015-519-52.07
610-5015-519-52.15

Budgeted Fiscal Year(s): FY2017

Budgeted Expenditure:

Estimated Expenditure: Administrative Fees: \$91,464
Pre-Certification & Network Access: \$76,590
(Other services – as needed basis)

Over/Under Projection By:

Other Comments:

SUPPORTING DOCUMENTS:

- TPA Ranking – RFP No. 006-16
- Pricing Analysis of Insurance Proposals
- Vendor List

APPROVED BY:

_____ **LG** _____ City Manager's Office

_____ **KS** _____ City Secretary's Office