

TOWN OF DAVIE
TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Mark Alan, Human Resources Director (954) 797-1169

PREPARED BY: Daniel Lutzke, Human Resources Assistant Director

SUBJECT: Resolution Selecting a Group Health Insurance Provider

AFFECTED DISTRICT: N/A

ITEM REQUEST: **Schedule for Council Meeting**

TITLE OF AGENDA ITEM:

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, SELECTING A PROVIDER AND THIRD PARTY ADMINISTRATOR OF GROUP HEALTH BENEFITS AND AUTHORIZING THE MAYOR TO EXECUTE A ONE (1) YEAR AGREEMENT WITH UNITEDHEALTHCARE FOR THE ADMINISTRATION OF SELF-INSURED GROUP HEALTHCARE COVERAGE TO BE EFFECTIVE JANUARY 1, 2008 AND PROVIDING FOR EXTENDING OR RENEWING THE AGREEMENT FOR UP TO FOUR (4) ADDITIONAL ONE (1) YEAR PERIODS.

REPORT IN BRIEF:

A competitive proposal process was followed that solicited proposals from health insurance providers for the Third-Party Administration of the Town's Self-Insured Health Benefits Plan. This resolution will establish group health insurance benefits for Town of Davie employees for the calendar year 2008 which falls within the fiscal year 2007/2008 approved budget and with the Town of Davie having the option to renew the agreement for up to four (4) additional one (1) year periods.

The Town's designated Health Insurance Broker, Sapoznik Insurance, issued a Request for Proposal (RFP) for the administration of the Town of Davie's self-insured group health benefit plan. Sapoznik Insurance assisted the Town in preparation of the RFP and with the analysis of the submitted proposals.

The Insurance Selection Committee invited the five (5) RFP respondents to make oral presentations to the Selection Committee. Humana, Blue Cross/Blue Shield, UnitedHealthcare (current provider), First Service Administrators and Cigna Health Care were invited. The Bid Selection Committee met on October 8, 2007, during which

respondents made oral presentations to the Committee. The order of presentations was established by random drawing. The Selection Committee had the opportunity to ask the presenters questions. Blue Cross/Blue Shield declined to attend the presentation meeting or to make an oral presentation.

The Selection Committee ranked the proposals utilizing information in the proposals and the oral presentations. The committee ranked the UnitedHealthCare self-insurance proposal first. Attached as Exhibit "A" is the Selection Committee's tally sheet ranking all listed proposers.

PREVIOUS ACTIONS: Not Applicable

CONCURRENCES: The Bid Selection Committee recommends and concurs with the decision to obtain health insurance benefit administration from the top ranked bidder, UnitedHealthCare.

FISCAL IMPACT: Yes

Has request been budgeted? Yes

Account Name: Various Employee Benefit Accounts

Additional Comments: Health Care costs are shared by the Employer and the Employee

RECOMMENDATION(S): Staff recommends that the Councilmembers select UnitedHealthCare self funded insurance proposal; funding the program at the maximum liability level; and approval of this resolution which establishes group health insurance benefits for Town of Davie employees utilizing the current contribution strategy for employer and employee; and which falls within the fiscal year 2007/2008 approved budget; and with the Town of Davie having the option to renew the agreement for up to four (4) additional one (1) year periods.

Attachment(s): - Resolution

- Exhibit "A", Group Health Insurance selection tally
sheet

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, SELECTING A PROVIDER AND THIRD PARTY ADMINISTRATOR OF GROUP HEALTH BENEFITS AND AUTHORIZING THE MAYOR TO EXECUTE A ONE (1) YEAR AGREEMENT WITH UNITEDHEALTHCARE FOR THE ADMINISTRATION OF SELF-INSURED GROUP HEALTHCARE COVERAGE TO BE EFFECTIVE JANUARY 1, 2008 AND PROVIDING FOR EXTENDING OR RENEWING THE AGREEMENT FOR UP TO FOUR (4) ADDITIONAL ONE (1) YEAR PERIODS.

WHEREAS, the Town of Davie has solicited proposals for a self-insured group health benefits plan and the administration of those group health benefits; and

WHEREAS, United Healthcare has been selected as the firm best qualified to provide and administer group health benefits; and

WHEREAS, it is in the Town's best interest to execute appropriate contracts for said benefits.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council of the Town of Davie does hereby accept UnitedHealthCare as provider and administrator of group health benefits with plan design matching the Town's existing health benefit plan and funding at the

maximum liability level utilizing the current contribution strategy for employer and employees.

SECTION 2. The Town Council of the Town of Davie does hereby authorize the Town Administrator or his designee to negotiate the Third-Party Administration contract for said benefits and to present it to the Mayor for signing. Pursuant to Ordinance 97-41, insurance benefits may be renewed for up to four (4) additional one (1) year terms without soliciting proposals. The Town Council of the Town of Davie does hereby authorize said renewals, if appropriate, to be handled administratively by staff, subject to budgetary approval by Town Council.

SECTION 3. This Resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS ____ DAY OF _____, 2007

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS ____ DAY OF _____, 2007

EXHIBIT "A"

		Group Health Insurance			
					First Service Administrators
	Humana	United Healthcare	Blue Cross Blue Shield	Cigna	
COMMITTEE MEMBER					
R. MUNIZ	2	1	5	3	4
L. NGUYEN	3	2	4	1	5
M. DIEZ	3	1	5	2	4
W. ACKERMAN	3	1	4	2	5
D.Lutzke	3	1	4	2	5
K.Cohen	2	1	4	3	5
TOTAL	16	7	26	13	28
RANKING	3	1	4	2	5
* Blue Cross Blue Shield was not able to attend the October 8, 2007 presentation.					