

## Legislation Text

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**File #:** 18-562, **Version:** 1

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A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE PREFERRED PATIENT CARE AND HMO APPLICATIONS, ENROLLMENT SUMMARY, AND ANNUAL ACCOUNTING AND RETENTION AGREEMENT (PROSHARE), BETWEEN THE CITY OF POMPANO BEACH AND BLUE CROSS AND BLUE SHIELD OF FLORIDA, INC., PROVIDING FOR HEALTH CARE SERVICES AND SUPPLIES; PROVIDING AN EFFECTIVE DATE.

(Fiscal Impact: \$8,809,429 representing a savings of 346,910.64 over current year.)

**(Staff Contact:** Eddie Beecher/Cindy Lawrence)

**Summary Explanation/Background:**

A response to the City's RFP was received in July, 2018, and BCBS was selected as the sole responsive bidder. Rates from BCBS, for the upcoming FY are 3.1% below the current medical rates for HMO Plan 55 and PPO Plan 0702. For PPO Plan 0727, with the deductible of \$500/\$750, rates are 3.8% below the current rate. Dental coverage provided by Florida Combined Life and all other benefits remain the same. This provides the City with an approximate savings of \$346,910.64 (based on the current active plan enrollment).

Due to the City's commitment to the Wellness Program for employees, BCBS will provide the City with a \$100,000 one-time payment to be utilized on on-going wellness program activities. Additionally, BCBS has offered a ProShare opportunity whereby they will pay the City 50% of any excess profits, per the defined criteria, at no further cost or obligation to the City. Should no "excess" premium be earned, the City is not responsible for any deficits.

Accordingly, it is the recommendation of the Risk Management Division that the current contract with BCBS be renewed as stated above for group health and dental coverage.

**Origin of request for this action:** Staff

**Fiscal impact and source of funding:** Funds have been allocated in the FY 2018-19 budget process for this purpose to the health insurance accounts.

