

**AGENDA ITEM REPORT**

DATE: June 7, 2022
DEPARTMENT: Human Resources
REQUESTER: Erin Hailstone
TITLE: Approve a Contract Amendment to Extend the Employee Benefit Plan Medical, Pharmacy

I. MOTION REQUESTED

A) Approve the contract extension for the Employee Benefit Plan(s) Medical, Pharmacy for a two-year extension, from Aetna Life Insurance Company, under Solicitation No. RFP170082LKD, through December 31, 2024.

B) Approve Amendment No. 3 with Aetna Life Insurance Company, under Solicitation No. RFP170082LKD, Employee Benefit Plan(s) Medical, Pharmacy, to add additional terms specific to the Medical and Pharmacy Benefit programs as provided on the Fee Schedule.

C) Grant the County Manager or designee the authority to extend the contract(s), for two-years, and to execute all associated documents, as approved in the departments' annual adopted budgets, if doing so is in the best interest of Lee County, and there are no cost increases associated with the extension.

D) Authorize the County Manager or designee to execute the amendment on behalf of the Board of County Commissioners.

II. ITEM SUMMARY

Approves a two-year extension for Aetna Life Insurance Company, for the annual contract for Employee Benefit Plan(s) Medical, Pharmacy, through December 31, 2024. Total expenditures for Aetna Life Insurance Company to provide these services during Fiscal Year 2020-2021 were approximately \$1,609,970. Aon Consulting, benefits consultant, negotiated the following items to be included in the two-year extension:

- Per employee per month administrative fee held flat at \$32.82
- Wellness allowance increased to \$200,000 annually (up \$50,000 annually from current contract)
- Increased pharmacy rebates/discounts (3% year 1 and 4.6% year 2) yielding approximately 2.9 million in savings over the two years.

III. BACKGROUND AND IMPLICATIONS OF ACTIONA) Board Action and Other History

On June 20, 2017, the Board of County Commissioners awarded RFP170082LKD, Employee Benefit Plan(s) Medical and Pharmacy, to Aetna Life Insurance Company to provide a medical and pharmacy plan. The original term of the contract was for three years with an option to renew for two additional one-year periods. Board approval will allow a two-year extension to continue these services through December 31, 2024.

On July 27, 2020, Amendment No. 1 to RFP170082LKD, Employee Benefit Plan(s) Medical and Pharmacy, with Aetna Life Insurance Company was administratively approved to add terms for the mail order prescription program.

On August 10, 2020, Amendment No. 2 to RFP170082LKD, Employee Benefit Plan(s) Medical and Pharmacy, with Aetna Life Insurance Company was administratively approved to add terms to the Teladoc and CVS MinuteClinic Benefit programs.

B) Policy IssuesC) BoCC GoalsD) AnalysisE) Options**IV. FINANCIAL INFORMATION**

A)	Current year dollar amount of item:	\$1,609,970
B)	Is this item approved in the current budget?	Yes
C)	Is this a revenue or expense item?	Expense
D)	Is this Discretionary or Mandatory?	Discretionary
E)	Will this item impact future budgets?	No

	If yes, please include reasons in III(D) above.	
F)	Fund: Program: Project: Account Strings:	
G)	Fund Type?	
H)	Comments:	

V. **RECOMMENDATION**
Approve

VI. **TIMING/IMPLEMENTATION**
Effective 1/1/2023

VII. **FOLLOW UP**

ATTACHMENTS:

Description	Upload Date	Type
<u>Vendor executed amendment</u>	5/27/2022	Contract

REVIEWERS:

Department	Reviewer	Action	Date
Human Resources	Tucker, Mary	Approved	5/27/2022 - 9:12 AM
Human Resources	Hailstone, Erin	Approved	5/31/2022 - 2:51 PM
Budget Services	Henkel, Anne	Approved	6/1/2022 - 11:30 AM
Budget Services	Winton, Peter	Approved	6/1/2022 - 11:50 AM
County Attorney	Fraser, Andrea	Approved	6/1/2022 - 2:24 PM
County Manager	Harner, David	Approved	6/1/2022 - 3:25 PM