



## Legislation Text

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**File #:** #17-824, **Version:** 1

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**AGENDA CAPTION:**

Consider approval, by motion, of Authorization of Change in Services (ACIS) No. 2 with United Healthcare for renewal of Stop Loss coverage for the 2018 Employee Medical Plan Year in the not to exceed amount of \$483,000, increasing the total amount of the contract to \$3,561,337.00.

**Meeting date:** November 21, 2017

**Department:** Human Resources

**Funds Required:** \$483,000

**Account Number:** 30030260.51035

**Funds Available:** \$483,000

**Account Name:** Stop Loss Premiums

**CITY COUNCIL GOAL:**

**COMPREHENSIVE PLAN ELEMENT(s):** N/A

**BACKGROUND:**

Staff is requesting a contract amendment with United Healthcare to renew Stop Loss coverage for the 2018 medical plan year (January 1 thru December 31, 2018). Stop Loss coverage is a separate insurance policy designed to pay the cost of large or catastrophic medical claims to a specific amount for each covered individual and to provide coverage for excess or aggregate claims for the plan. This provides financial protection to the City's self-funded medical plan.

The cost of this coverage is estimated at \$483,000 and is based upon the current number of employees enrolled in the medical plan. The estimated premium amount will be added to the current 8-year contract amount of \$3,078,337 with United Healthcare for our medical and dental plan. We are currently in our second year of this 8-year contract.

If approved by Council, the new stop loss coverage will be effective January 1, 2018. Our current coverage with United Healthcare for this policy will expire on December 31, 2017.

Each future renewal may be awarded administratively in the form of an Authorization of Change of Services and signed by the City Manager.