

**City of Coral Gables City Commission Meeting**  
**Agenda Item I-6**  
**August 27, 2019**  
**City Commission Chambers**  
**405 Biltmore Way, Coral Gables, FL**

**City Commission**

**Mayor Raul Valdes-Fauli**  
**Vice Mayor Vince Lago**  
**Commissioner Pat Keon**  
**Commissioner Michael Mena**  
**Commissioner Jorge Fors**

**City Staff**

**City Manager, Peter Iglesias**  
**City Attorney, Miriam Ramos**  
**City Clerk, Billy Urquia**  
**Assistant Finance Director, Celeste Walker**  
**Human Resources Director, Karla Green**

**Public Speaker(s)**

**Bob Shafer**

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Agenda Item I-6 [0:00:00 p.m.]

A Resolution accepting the recommendation of the Procurement Officer to award the Group Medical Insurance Contract to Cigna Health and Life Insurance Company (CHLIC), the highest ranked responsive-responsible proposer, pursuant to Section 2-763 of the Procurement Code entitled “Contract Award” and Request for Proposals (RFP) 2019-019.

Mayor Valdes-Fauli: I-6.

Assistant Finance Director Walker: Commissioners, this is a resolution to approve the new contract for the medical group insurance. This particular contract was let on behalf of HR. Our current contract expires on September 30, so we issued the RFP competitively and it was evaluated by our evaluation committee. We had three proposers: Blue Cross Blue Shield, Cigna and Humana. The evaluation committee ranked and recommended that Humana -- Cigna be recommended as the highest ranked proposer. So, we are looking for your approval to move forward with the recommendation today.

Commissioner Keon: And you did confirm for me that Baptist Health does Cigna?

Assistant Finance Director Walker: That is correct.

Commissioner Keon: You know, because we had Humana before we had Bap -- before we had...

Human Resources Director Green: Yes, we did, in 2014.

Commissioner Keon: Right. And Humana, the reason we changed was because...

Human Resources Director Green: Because they dropped Baptist.

Commissioner Keon: They dropped Baptist.

Human Resources Director Green: Yes, from their network.

Commissioner Keon: So, there wasn't any coverage...

Human Resources Director Green: That is correct.

Commissioner Keon: So, it depends on what Cigna's contract...

Human Resources Director Green: So, Cigna...

Commissioner Keon: Baptist contract is with Cigna.

Assistant Finance Director Walker: Correct.

Human Resources Director Green: So, Cigna contracts with every hospital in South Florida. That we confirmed through the -- that was one of the requirements actually from the proposal.

Commissioner Keon: Then how did Humana get in there?

Human Resources Director Green: Humana already contracts with Baptist as well. They just started, I believe, like two years ago. I have...

Commissioner Keon: October of last year, they went back to them?

Human Resources Director Green: Yes, they did.

Commissioner Keon: Okay.

Human Resources Director Green: I'm not sure if you have any questions, but I can give you an overview...

Vice Mayor Lago: Yes, please.

Human Resources Director Green: Of all the -- yes. So, we had a -- Procurement tasked us with five members to serve as part of an evaluation committee. We reviewed the three responses on bids, and we scored the proposals based on four criteria: experience and qualifications, proposed

approach and methodology, how the company would perform their services, including understanding the scope, implementation and communication with staff, which is really important. And we looked at the past performance and references from other local municipalities, like we checked Miami, Miami Beach and Naples. They all had excellent references to say about Cigna. We looked at the overall cost with additional incentives that they were providing. So, the committee found Cigna as the most responsive proposer to provide services to all the full-time employees for the City of Coral Gables, as well as retirees that are participants in our plan. Cigna -- just to give you a little bit of -- the background in terms of their experience and qualifications, they have been in -- they're an established company that serves 89 government entities. They have been around for 200 years. Out of those 200 years, they have been in the health field for 107 years. And they have, like I said, a proven record and excellent customer service with the public entities. They are very accessible. Locally, they're -- they have offices in Sunrise with over 41,000 employees worldwide. They are going -- as part of their scope that we asked for, they're willing -- they're going to be assigning a client engagement manager who has over 25 years of experience. And this person is going to provide on-site assistance to the HR staff, as well as our employees whenever somebody has a claim or any customer-service related questions. That person will come on site, will coordinate with Cigna. It will be two days a week. They'll be there part time, and that's provided by them. There's live -- Cigna's one of the only companies that we looked at out of the three that has live dedicated customer service team 24 hours a day, 7 days a week, 365 days a year. They have their 800 number. And one of the things that they mentioned that stood out was that 93 percent of the calls that they get, they're resolved within like the first call. So, customer satisfaction is very high. That's one of the things that the references mentioned about this provider. They do -- one thing that we looked at is we wanted to make sure that they had a very large network and that they had all hospitals -- that they contracted with all hospitals in South Florida and Cigna does. We looked at their access report and the report indicated 92 percent of the participants, based on their zip code where they lived would have access to at least two primary care physicians. That was one thing that was big. We wanted to make sure that, you know, our employees are going to have access to -- as much access -- we looked at Miami-Dade because a major concentration of our employees are in Miami-Dade. And for the HMO plan, there is 2,163 providers. For the PPO,

there's 2,219 healthcare providers. And in Broward County, which is the second-largest -- where -- you know, where we have another concentration -- large concentration of employees, we looked at the HMO and they have 14 -- 1,430 providers; and in the PPO plan, 1,508. So, there's a lot of providers. The network is very rich. That was really a key thing. Another thing that we asked for is that they would offer an integrated digital tools, and they do. They have a public sector benefits administration solution. They call it BenTek. I checked with IT. They were looking into it. I have pamphlets that I'm going to share with you, so you can take a look at them. But what this does is that employees are going to have better accessibility to their finances. Basically, this is a benefits administration platform. That's what it is. And they're willing to give us \$30,000 credit to cover for the first year of this system. And then the second year, they're honoring the price -- the same price for \$30,000. The City will have to pay for that the second year. And in the third year, if we decide to keep the system, that -- they're guaranteeing a three percent increase. They're going to cap it at three percent. So, again, you know, we're going to have access to our benefit plan. We're going to be able to view current and past and future elections. Our employees are going to be able to do that. There's the mobile app and online tool, the live EAP, employee assistance program, chat, telehealth, which is really big. That's something that a lot of companies have nowadays. We didn't have that with Florida Blue. And a customized dashboard for -- all of our employees will have access from like their mobile, which is one thing -- they were -- another thing that we looked for and that we were looking is that they were able to duplicate our current plan design. So, right now, we have two open access plan -- actually, three. We have two HMOs right now and one PPO. Their access plan -- you don't need a referral to go to a specialist, and you don't need to be designated to a particular primary care physician. It's open access completely. One of the HMOs that we have is -- it has lower copayments and higher deductibles and the other one is the flip. It has higher deductibles and lower -- higher copayments and lower deductibles. In addition to that, in terms of pricing, their price range between Florida Blue, Cigna and Humana, they fell in the middle of the proposal. They were priced at -- range in the middle. But some of the things that really stood out is what I talked about, like those incentives. And in addition, they're giving us premium rates for the first month and a half are going to be reduced by a transitional relief credit of \$773,000 -- \$773,304. I'm going to have Mr. Shafer from Digital One, our

consultant, later on come up and explain to you about this credit. They're also providing an annual pro share option which the City receives 50 percent of any surplus if claims run lower than projected, so we get 50 percent of that. A lot of companies don't do that. They keep whatever, you know -- they'll sell us an insurance for this amount and if they have any surplus, they keep 100 percent. They are sharing with us 50 percent, which was one of the options that we had with Florida Blue before. They did that all the years throughout the years when we were with them. They're also giving us a three percent cred -- 3,000 cred -- \$3,000 credit for the City to continue to administer the COBRA benefits through our third-party administrator United Health. Since they didn't have the option to do it with multiple lines, we -- we're going to continue to do that, but they are going to give us that credit. And then the best thing is that they're going to provide - - besides the wellness options and all the wellness assistance that they provide to the City through like offering Lunch & Learns, having nurses on site, having the health assessment yearly and everything that they do to assist us and assist our coordinator or one of the coordinators, they're going to be giving us \$100,000 in wellness money every year. So, that's kind of like the highlights of the plan. I do want to bring up our consultant in case you have any questions -- technical questions that I may not be able to answer. But if you do have any questions regarding the plan, plan design, copayments, feel free to ask.

Vice Mayor Lago: Thank you.

Human Resources Director Green: You're very welcome.

Bob Shafer: Good afternoon. As Ms. Green mentioned, we did look through all the various carriers, the committee did, and ranked them. Cigna just seemed to really respond and truly look to be part of the City of Coral Gables. You might remember you were with Cigna several years back for a long period of time. They were the carrier prior to Humana and Florida Blue for 18 years.

Vice Mayor Lago: Let me ask you a quick question. I have one. How does this look financially? Are we saving money with this new plan? Is it significant?

Mr. Shafer: The situation right now is...

Vice Mayor Lago: All you hear about is the uptick in the cost of healthcare, so...

Mr. Shafer: Right.

Vice Mayor Lago: I just wanted to see where we stand.

Mr. Shafer: Right. As Ms. Green mentioned, they -- Cigna came in right in the middle actually cost wise, and it was an increase of, I believe, 14 percent. However, they're offering that transitional credit of \$700,000. That transitional credit is applied just because of the cost of moving and changing plans. And so, in the first couple of months, the bill will have a reduction in price of 700-plus thousand dollars. When you apply that reduction, the overall cost to the City could be -- would break even and maybe just a little less by about two percent.

Vice Mayor Lago: How long have you been providing consulting services for the City?

Mr. Shafer: I've been with the City for about 25 years, maybe a little more.

Vice Mayor Lago: Alright. Thank you. I appreciate it. Thank you very much.

Mr. Shafer: Sure. Any other questions?

Vice Mayor Lago: No, perfect.

Mayor Valdes-Fauli: Thank you.

Vice Mayor Lago: Thank you.

Commissioner Keon: If somebody is currently -- if you have an employee that's currently being treated for something that's going to require continuous treatment, they just can continue -- they just go seamlessly through that?

Human Resources Director Green: That's one of the questions that they addressed. We wanted to make sure that there is no interruption in service. And what we had -- there is a procedure. You had to fill out a form and, within 30 days -- but they're not going to disrupt your service. They're going to continue to give you your service, but in order for that person to qualify as an in-network service, we have to fill out the form and help them...

Commissioner Keon: Okay.

Human Resources Director Green: Through that.

Commissioner Keon: And when does this go into effect, September 30?

Human Resources Director Green: October.

Assistant Finance Director Walker: Unidentified Speaker: October 1.

Human Resources Director Green: October 1.

Commissioner Keon: October 1.

Assistant Finance Director Walker: Yes.

Commissioner Keon: Thank you.

Mayor Valdes-Fauli: Do I hear a motion?

Vice Mayor Lago: So moved.

Mayor Valdes-Fauli: Second?

Commissioner Mena: Second.

Commissioner Keon: I'll second it.

Mayor Valdes-Fauli: Will you call the roll, please?

Commissioner Keon: Yes.

Vice Mayor Lago: Yes.

Commissioner Mena: Yes.

Commissioner Fors: Yes.

Mayor Valdes-Fauli: Yes.

(Vote: 5-0)

Mayor Valdes-Fauli: Thank you. Thank you very much. Any comments from the Commissioners?