

Purchasing Summary

EVENT # 4553	TITLE: Medicare Advantage Plan Benefits	ESTIMATED COST OF: \$1,600,000
TYPE OF PROCUREMENT: Sole Source	ANNUAL CONTRACT <input checked="" type="checkbox"/> ANNUAL MAINTENANCE AGREEMENT <input type="checkbox"/>	ONE TIME PURCHASE <input type="checkbox"/>
CONTRACT TERM (IF APPLICABLE) Expires December 31, 2021		
M/WBE (IF APPLICABLE) N/A		
MATRIX (IF APPLICABLE) N/A		
NOTES		
<p>Recommend approval to renew a contract to provide group Medicare Advantage Plan with Part D coverage for City retirees and their spouses who are Medicare primary with Humana, Inc for up to 1,600,000. Changes in governmental accounting standards require recognizing the cost of post-employment benefits over the working career of an employee. In order to reduce this liability while maintaining retiree medical benefits, the best solution is a group sponsored fully insured Medicare Advantage Plan.</p> <p>Based upon 100% enrollment, the estimated annual cost for the approximately 775 covered retirees and spouses equals \$1,600,000 of which the City will pay on average 52% of the premium. The premium is reflective of a decrease of approximately 24% from the prior year. The decrease in premium is due to a COVID credit provided to program participants as well as a favorable claims experience.</p> <p>This contract will be effective January 1, 2021 and expires on December 31, 2021. This is the most cost-effective plan for the City for based on previous market assessments. The Office of Human Resources will be evaluating the City's current needs and issuing an RFP in 2021 for the years to follow.</p> <p>Vendor - Humana, Inc. (Atlanta, GA)(D) \$1,600,000</p> <p>(D) Indicates non-local, non-DBE business. <u>Recommend approval.</u></p>		