

HUB

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Employee Benefits RFP Recommendations



October 2022

Background

- Since January 2021, the City has contracted with Cigna for employee medical insurance. As required by Chapter 252 of the Texas Local Government code, and to ensure the City and its employees receive competitive rates and quality services, the City has worked closely with our insurance broker, HUB International (HUB), to release a Request for Proposal (RFP) and select the best provider for plan year 2023 (Jan – Dec).



RFP Vendor Response List – Scoring (Top 3)

Product	Vendors
Cigna (Incumbent)	Finalist (90 Points)
BCBSTX	Recommended (99 Points)
Scott & White	Responded (95 Points)
UHC	Declined
Aetna	Declined
TML	Declined
Humana	Declined

2023 Benefit Recommendations



Medical / Rx Recommendation – Blue Cross Blue Shield of Texas

It is recommended for the City of Pflugerville to contract with BCBSTX for Medical and Rx coverage for the 2023 plan year. Cigna, the incumbent, presented a best and final offer of +23% with no plan design changes. BCBSTX is presenting a +13.4% increase to rates and \$150K in credits (\$100K transition / \$50K Wellness). This reduces the total medical liability to +9.2%, or \$311,668 above current.

BCBSTX was able to closely match benefits that are in place with Cigna today (ex. deductibles, out of pocket maximums, coinsurance, copays). It is recommended to distribute BCBSTX's formulary list prior to Open Enrollment so employees know if certain medication will move tiers or require prior authorization. Additionally, the network provider match compared to Cigna is 99% and 98.9% of our employees will have access to a primary care provider within 10 miles of their ZIP code.

The City will also receive a free wellness platform, WellonTarget, which includes incentives for completing certain requirements (ex. annual physical). Additionally, each year the City renews, BCBSTX will provide the City a \$30K wellness allowance.

Lastly, BCBSTX has agreed to provide the City a 9.5% rate cap in 2024, regardless of the plan experience.



2023 Benefit Recommendations (Continued)

The following policies are scheduled to renew 1/1/2023 with no changes:

Dental – **Cigna** : In rate guarantee until 1/1/2024.

Vision – **Cigna** : In rate guarantee until 1/1/2025.

Life / AD&D / Disability – **NYLife**: In rate guarantee until 1/1/2025.

Employee Assistance Program – **AWP** : Rate pass with no changes. The program will renew 1/1/2024.

HRA / HSA / COBRA – **Flores & Associates** : In rate guarantee until 1/1/2025.

Legal / ID Theft – **LegalShield** : Rate pass with no changes. The programs will renew 1/1/2024.

Timelines: Renewal Calendar



Timeline	Dates
RFP Analysis Meeting / Council Approval	October
Transition & Implementation Begins with Vendors	October
Continue Implementation / Conduct Open Enrollment	November
Finalize Open Enrollment & Implementation	November / December
New Plans and Carriers Effective	January 1, 2023

Thank you.