



City Council Regular Meeting AGENDA ITEM

NUMBER: 7

SUBJECT:

City Health Plan with UMR for Third Party Administration for the Medical Benefit Plans for the Period of January 1, 2025 through December 31, 2025 and Authorization for the City Manager or Her Designee to Execute and Deliver All Plan Documents and Agreements Necessary to Effectuate the Proposed Plans. (Citywide) (For Possible Action; Recommendation – Approve and Authorize)

REQUESTED BY:

Wilson Edgell, Director of Human Resources

WARD:

(Citywide)

RECOMMENDATION OR RECOMMEND MOTION:

Approve the City Health Plan Summary Plan Description with UMR and authorize City Manager or her designee to execute and deliver all plan documents and agreements necessary to effectuate the proposed plans for employees on the City Health Plan.

FISCAL IMPACT:

2025 medical administration fee of \$15.82 per employee per month (PEPM) from previous years' 2024 administration fee of \$13.82 (+\$2.00 PEPM an additional charge for the new Pharmacy Benefit Manager)

(Condition Management – CARE, Network Access, Telemedicine/TeleDoc, and Case Management/Nurse line are not changing; Prescription rebates will be managed by a separate vendor beginning January 1, 2025.)

EXPLANATION: The current Plan administrative provisions will increase by an incremental \$2.00 per employee per month to accommodate the interface fee required for the new Pharmacy Benefit Manager. The total estimated cost is \$22,466 monthly and \$269,595 annually for plan year January 1, 2025 through December 31, 2025.

ACCOUNT NUMBER:

721-170111-430673

STAFF COMMENTS AND BACKGROUND INFORMATION:

The City plans to continue using UMR, a national network, to analyze health care claims, trends, and manage health care costs. The medical plan administered by UMR is available to non-represented and Police-represented employee groups. The plan provisions and administrative fees have increased for the plan year January 1, 2025 through December 31, 2025. The net total cost per employee per month paid to UMR for administrative services and network access fees (excluding rebates) is currently \$40.19, which is increasing to \$42.19 for plan year 2025, an incremental cost of \$2.00 (approximately a 5% increase).

CIP No.	Related Item:	
LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management		
PREPARED BY:	Respectfully Submitted	MEETING DATE:
Wilson Edgell, Director of Human Resources	Micaela R. Moore, City Manager	December 4, 2024