

**ST. PETERSBURG CITY COUNCIL**  
**Consent Agenda**  
**Meeting of January 13, 2022**

**To: The Honorable Chair and Members of City Council**

**Subject:** Renewing an agreement with UnitedHealthcare Insurance Company for group health program administrative services at an estimated annual cost of \$1,935,904; authorizing the Mayor or his designee to pay claims and costs associated with the City's self-funded group health program and the City's Health and Wellness Center estimated at \$62,342,861; approving a transfer from the unappropriated balance of the General Fund (0001) to the Health Insurance Fund (5121); and authorizing the Mayor or his designee to execute all documents necessary to effectuate this transaction.

**Explanation:** On February 7, 2019, City Council approved a one-year agreement with UnitedHealthcare ('UHC') to provide administrative services for the medical portion of the City's group health program, to provide pharmacy benefit management ('PBM') services for the prescription drug portion of the group health program and to provide Health Reimbursement Account ('HRA') administrative services effective through March 31, 2020 with three one-year renewal options. On January 23, 2020, City Council approved the first renewal. On January 7, 2021, City Council approved the second renewal. This is the third renewal.

The services provided by UnitedHealthcare include medical and pharmacy claims administration, access to a network of contracted providers, communication services including a website and app for members, a full-time onsite representative and an annual \$50,000 Wellness allowance. The services offered by the Health and Wellness Center, robust pharmacy plan management and continuing education and outreach by UnitedHealthcare continue to favorably impact the group health program claim experience.

Claims for the 2021 – 2022 plan year exceeded projections mainly due to an increase in the number of large claimants (claims from \$100,000 - \$249,999) and claims paid due to COVID-19 diagnoses. The actuarial projection for the 2022 – 2023 plan year indicated a premium increase of 10.4%. After careful consideration, City Administration recommended at the December 10, 2021 Budget, Finance and Taxation Committee the utilization of \$3,500,000 of the CARES Act COVID Relief funds to mitigate the effect of COVID-19 claims. The Budget, Finance and Taxation Committee unanimously supported the proposal. Using the CARES funds to offset the increased claims cost will result in a 3.8% premium increase for the 2022 - 2023 plan year.

The group health program is self-funded; revenues are received via premiums charged to the City, employees and retirees; from pharmacy rebates and from other income. The cost of the program includes medical and pharmacy claims, internal and external administrative costs, fees for the Health and Wellness Center and individual stop loss insurance premiums.

The Procurement Department, in cooperation with the Human Resources Department, recommends for renewal:

UnitedHealthcare Insurance Company..... \$ 1,935,904\*

Administrative Services (\$44.09 per member per month)

Total projected cost of group health program ..... \$62,342,861

\*Dependent upon actual enrollment; offset by pharmacy rebates

**Cost/Funding/Assessment Information:** Funds have been previously appropriated in the Health Insurance Fund (5121), Human Resources Department, Group Benefits Division (090-1177). Additionally, during FY21 the city received \$5.4 million in CARES Act funding from Pinellas County. These resources were intended to reimburse the city for expenses related to the Covid 19 pandemic. A portion of these funds were used to support Large Cultural Institutions and other initiative included in the Retention and Resiliency programs. Approximately \$3.5 million of the CARES Act resources were added to the unappropriated fund balance of the General Fund at the end of FY21. The attached resolution will provide for a transfer of up to \$3.5 million from the unappropriated balance of the General Fund (0001) to the Health Insurance Fund (5121) to provide the resources needed to reduce the increase in the 2022 -2023 plan year from an estimated 10.4% increase to a more manageable 3.8% year over year increase.

**Attachments:** Group Health Insurance – Estimated Expenses and Revenues  
Group Health Insurance – Rate History  
Group Health Insurance Rates – Employees  
Group Health Insurance Rates – Pre 2008 Retirees  
Group Health Insurance Rates – Post 2008 Retirees  
Resolution

## City of St. Petersburg

### April 1, 2022- March 31, 2023 Group Health Program \*

#### Estimated Expenses and Revenues

##### Estimated Expenses

1.	Projected Claims April 1, 2022 – March 31, 2023	\$ 56,465,758
2.	Administrative Service Fees – UnitedHealthcare**	\$ 1,935,904
3.	Onsite Clinic Expense	\$ 1,375,000
4.	Estimated Stop Loss Insurance Premiums ***	\$ 2,150,009
5.	Estimated Internal Administration	\$ 365,000
6.	FSA, COBRA and Retiree Billing Administration	\$ 51,190
	<b>Total Estimated Group Health Program Cost</b>	<b>\$ 62,342,861</b>

##### Estimated Revenues\*\*\*\*

1.	Revenues from City	\$ 38,739,311
2.	Revenues from Employees	\$ 10,702,476
3.	Revenues from Retirees	\$ 6,115,844
4.	Estimated pharmacy rebates	\$ 3,621,093
5.	Medicare Part D Reimbursement	\$ 400,000
6.	CARES Recovery funds	\$ 3,500,000
	<b>Total Estimated Group Health Program Revenue</b>	<b>\$ 63,078,724</b>

\*Not including cost for Humana Medicare Plans for retirees.

\*\*Offset by pharmacy rebates

\*\*\*Cost of Stop Loss Insurance to be submitted for approval as a separate Consent Agenda item.

\*\*\*\*Dependent upon actual enrollments, Medicare Part D reimbursement and Pharmacy Rebates.

## City of St. Petersburg

### Group Health Insurance Monthly Rate History

Benefit Plan	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>CHOICE (EPO)</b>					
Single	\$688.36	\$713.50	\$734.91	\$756.96	\$785.72
Two person	\$1,480.00	\$1,534.05	\$1,580.07	\$1,627.47	\$1,689.31
Family	\$1,948.07	\$2,019.21	\$2,079.79	\$2,142.18	\$2,223.59
<b>CHOICE PLUS (PPO)</b>					
Single	\$761.93	\$789.76	\$813.45	\$837.85	\$869.69
Two person	\$1,539.15	\$1,595.36	\$1,643.22	\$1,692.52	\$1,756.84
Family	\$2,133.51	\$2,211.43	\$2,277.77	\$2,346.10	\$2,435.25
<b>CHOICE PLUS BASE (RETIREES)</b>					
Single	\$405.77	\$420.59	\$433.21	\$446.21	\$463.17
Two person	\$819.64	\$849.57	\$875.06	\$901.31	\$935.56
Family	\$1,136.12	\$1,177.61	\$1,212.94	\$1,249.33	\$1,296.80
<b>CHOICE HDP (HIGH DEDUCTIBLE)</b>					
Single	\$592.86	\$614.51	\$632.95	\$651.94	\$676.71
Two person	\$1,274.67	\$1,321.22	\$1,360.86	\$1,401.69	\$1,454.95
Family	\$1,677.84	\$1,739.11	\$1,791.28	\$1,845.02	\$1,915.13
<b>HDP BASIC (HIGH DEDUCTIBLE)</b>					
Single	\$470.71	\$487.90	\$502.54	\$517.62	\$537.29
Two person	\$1,012.06	\$1,049.02	\$1,080.49	\$1,112.90	\$1,155.19
Family	\$1,332.14	\$1,380.79	\$1,422.21	\$1,464.88	\$1,520.55

**City of St. Petersburg**  
**Group Health Insurance Rates - Employees**  
**Effective April 1, 2022**

	<b>TOTAL COST</b>	<b>CITY CONTRIBUTION</b>	<b>EMPLOYEE COST</b>
Benefit Plan	Monthly	Monthly	Monthly
<b>CHOICE (EPO)</b>			
Single	\$785.72	\$589.29	\$196.43
Two-person	\$1,689.31	\$1,266.98	\$422.33
Family	\$2,223.58	\$1,667.69	\$555.89
<b>CHOICE PLUS (PPO)</b>			
Single	\$869.69	\$652.27	\$217.42
Two-person	\$1,756.84	\$1,317.63	\$439.21
Family	\$2,435.25	\$1,826.44	\$608.81
<b>CHOICE HDP (HIGH DEDUCTIBLE)</b>			
Single	\$676.71	\$507.53	\$169.18
Two-person	\$1,454.95	\$1,091.21	\$363.74
Family	\$1,915.13	\$1,436.35	\$478.78
<b>HDP BASIC (HIGH DEDUCTIBLE)</b>			
Single	\$537.29	\$402.97	\$134.32
Two-person	\$1,155.19	\$866.39	\$288.80
Family	\$1,520.55	\$1,140.41	\$380.14

## City of St. Petersburg

### Group Health Insurance Rates – Retirees

(Retired prior to 2008 plan provision change)

**Effective April 1, 2022**

	<b>TOTAL COST</b>	<b>CITY CONTRIBUTION</b>	<b>RETIREE COST</b>
Benefit Plan	Monthly	Monthly	Monthly
<b>CHOICE PLUS - BASE OPTION (PPO)</b>			
Single	\$463.17	\$347.38	\$115.79
Two person	\$935.56	\$701.67	\$233.89
Family	\$1,296.80	\$972.60	\$324.20
<b>CHOICE (EPO)</b>			
Single	\$785.82	\$347.38	\$438.44
Two person	\$1,689.31	\$701.67	\$987.64
Family	\$2,223.58	\$972.60	\$1,250.98
<b>CHOICE PLUS (PPO)</b>			
Single	\$869.69	\$347.38	\$522.31
Two person	\$1,756.84	\$701.67	\$1,055.17
Family	\$2,435.25	\$972.60	\$1,462.65
<b>CHOICE HDP (HIGH DEDUCTIBLE)</b>			
Single	\$676.71	\$347.38	\$329.33
Two person	\$1,454.95	\$701.67	\$753.28
Family	\$1,915.13	\$972.60	\$942.53
<b>HDP BASIC (HIGH DEDUCTIBLE)</b>			
Single	\$537.29	\$347.38	\$189.91
Two person	\$1,155.19	\$701.67	\$453.52
Family	\$1,520.55	\$972.60	\$547.95

## City of St. Petersburg

### Group Health Insurance Rates – Retirees

(Hired prior to 2009 and Retired after 2008 plan provision change)

**Effective April 1, 2022**

	<b>TOTAL COST</b>	<b>CITY CONTRIBUTION</b>	<b>RETIREE COST</b>
Benefit Plan	Monthly	Monthly	Monthly
<b>CHOICE PLUS - BASE OPTION (PPO)</b>			
Single	\$463.17	\$297.72	\$165.45
Two-person	\$935.56	\$601.37	\$334.19
Family	\$1,296.80	\$833.58	\$463.22
<b>CHOICE (EPO)</b>			
Single	\$785.72	\$297.72	\$488.00
Two-person	\$1,689.31	\$601.37	\$1,087.94
Family	\$2,223.58	\$833.58	\$1,390.00
<b>CHOICE PLUS (PPO)</b>			
Single	\$869.69	\$297.72	\$571.97
Two-person	\$1,756.84	\$601.37	\$1,155.47
Family	\$2,435.25	\$833.58	\$1,601.67
<b>CHOICE HDP (HIGH DEDUCTIBLE)</b>			
Single	\$676.71	\$297.72	\$378.99
Two-person	\$1,454.95	\$601.37	\$853.58
Family	\$1,915.13	\$833.58	\$1,081.55
<b>HDP BASIC (HIGH DEDUCTIBLE)</b>			
Single	\$537.29	\$297.72	\$239.57
Two-person	\$1,155.19	\$601.37	\$553.82
Family	\$1,520.55	\$833.58	\$686.97

A RESOLUTION APPROVING THE THIRD RENEWAL OPTION TO THE AGREEMENT BETWEEN THE CITY OF ST. PETERSBURG, FLORIDA AND UNITEDHEALTHCARE INSURANCE COMPANY FOR GROUP HEALTH PROGRAM ADMINISTRATIVE SERVICES FOR THE HUMAN RESOURCES DEPARTMENT DATED APRIL 1, 2019 TO EXTEND THE TERM AND INCREASE THE CONTRACT BY \$1,935,904 FOR THIS RENEWAL TERM; AUTHORIZING THE PAYMENT OF CLAIMS AND COSTS ASSOCIATED WITH (i) THE CITY'S SELF-FUNDED GROUP HEALTH PROGRAM AND THE HEALTH AND WELLNESS CENTER PROGRAM, (ii) PHARMACY BENEFIT MANAGEMENT SERVICES FOR THE PRESCRIPTION DRUG PORTION OF THE CITY'S GROUP HEALTH PROGRAM, AND (iii) HEALTH REIMBURSEMENT ACCOUNT SERVICES FOR THE PERIOD FROM APRIL 1, 2022 THROUGH MARCH 31, 2023 IN AN AMOUNT NOT TO EXCEED \$62,342,861; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE ALL DOCUMENTS NECESSARY TO EFFECTUATE THIS TRANSACTION; APPROVING A TRANSFER OF UP TO \$3.5 MILLION FROM THE UNAPPROPRIATED BALANCE OF THE GENERAL FUND (0001) TO THE HEALTH INSURANCE FUND (5121); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on February 7, 2019, City Council approved a one-year agreement ("Agreement") with three one-year renewal options to UnitedHealthcare Insurance Company for group health program administrative services at an estimated annual cost of \$1,875,674; and

WHEREAS, on January 23, 2020, City Council approved the first one-year renewal option and increased the contract amount by \$1,913,586 for the first renewal term; and

WHEREAS, on January 7, 2021, City Council approved the second one-year renewal option and increased the contract amount by \$1,929,026 for the second renewal term; and

WHEREAS, Administration desires to amend the Agreement to exercise the third and final renewal option and provide funding in the amount of \$1,935,904 for the third renewal term of this Agreement and recommends City Council authorize the payment of claims and costs associated with (i) the City's self-funded group health program and the City's Health and Wellness Center program, (ii) pharmacy benefit management services, and (iii) health reimbursement account services for the term April 1, 2022 through March 31, 2023 in an amount not to exceed \$62,342,861; and



WHEREAS, additional funding for this renewal term will be available after a transfer of up to \$3.5 million from the unappropriated balance of the General Fund (0001) to the Health Insurance Fund (5121); and

WHEREAS, the Procurement & Supply Management Department, in cooperation with the Human Resources Department, recommends approval of this Resolution.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that the third renewal option to the agreement between the City of St. Petersburg, Florida and UnitedHealthcare Insurance Company for group health program administrative services for the Human Resources Department dated April 1, 2019 to extend the term and increase the contract by \$1,935,904 for this renewal term is hereby approved.

BE IT FURTHER RESOLVED that the payment of claims and costs associated with (i) the City's self-funded group health program and the City's Health and Wellness Center program, (ii) pharmacy benefit management services for the prescription drug portion of the City's group health program, and (iii) health reimbursement account services for the period from April 1, 2022 through March 31, 2023 in an amount not to exceed \$62,342,861 is hereby authorized.

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to execute all documents necessary to effectuate this transaction.

BE IT FURTHER RESOLVED that the following transfer of up to \$3.5 million from the unappropriated balance of the General Fund (0001) to the Health Insurance Fund (5121) is hereby approved for FY22:

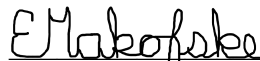
<u>General Fund (0001)</u>	
Transfer to: Health Insurance Fund (5121)	\$3,500,000

This Resolution shall become effective immediately upon its adoption.


Approved by:



City Attorney (Designee)  
00602336



Budget Director

 <p style="text-align: center;">-- City of St. Petersburg Authorization Request --  <b>General Authorization</b></p>					<b>Request #</b>
					141916
Name:	Pocengal, Nicholas W	Request Date:	30-DEC-2021	Status:	APPROVED

Authorization Request	
Subject:	Insurance Group Health, January 13 Council
Message:	Submitted for your approval, please find attached Consent Write-up for Insurance Group Health, scheduled to go before City Council on January 13, 2022. Resolution currently in development and will be included on the finalized version when posted into City Clerk's Office Questys system. Should you have any questions, please contact me at extension 3387. Thank you.
Supporting Documentation:	Approval Request.pdf

	Approver	Completed By	Response	Response Date	Type
0	Pocengal, Nicholas W		SUBMITTED	30-DEC-2021	
1	Griffin, Christopher Michael	Griffin, Christopher Michael	APPROVE	30-DEC-2021	User Defined
2	Greene, Thomas Andrew	Greene, Thomas Andrew	APPROVE	30-DEC-2021	User Defined