



Health and Welfare Employee Benefits

Service Agreement for Third-Party Administration of the City's Self-Funded Employee Health Insurance Plans with BlueCross BlueShield and Caremark/CVS



Council Presentation
July 18, 2023



Health and Welfare Employee Benefits Overview



- The City provides Medical, Dental, Pharmacy, Vision, Life Insurance, and Long-Term Disability Insurance for employees and their dependents
 - For Medical insurance, the City offers two plans: PPO and CDHP
 - For Dental insurance, the City offers two plans: Basic and Extended



Health and Welfare Employee Benefits Breakdown



Blue Cross Blue Shield of Texas and Caremark/CVS

Medical	2,979 Subscribers	\$ 1,669,644
Dental	2,236 Subscribers	\$80,496
Pharmacy	2,979 Subscribers	\$11,121
Year 1 Total (FY24)		\$1,761,261



Health and Welfare Employee Benefits



BlueCross BlueShield
of Texas

Third-Party Administration Fees Include the following services:

- Managing, processing, and paying an estimated \$24.9 million in medical insurance claims and \$1.7 million in dental claims according to the City's specified plan designs
- Providing customer service and administering wellbeing management services
- Providing reporting and analysis tools
- Providing access to BlueCross BlueShield network contract discounts



Health and Welfare Employee Benefits



CVS/caremark™

Pharmacy Benefit Management Includes the following services:

- Managing, processing, and paying an estimated \$8.3 million in pharmacy claims according to the City's specified plan designs
- Caremark/CVS formulary pricing and rebates
- Providing a plan participant customer service call center, smartphone app and medication pricing tool
- Account management, consultative services, analytics and reporting tools, and group communication services
- Administering clinical programs including utilization management



Health and Welfare Employee Benefits Blue Cross Blue Shield of Texas



Fully Insured LTD Premiums

Long-Term Disability Insurance – City Paid	\$106,451
Long-Term Disability Insurance - Emp Paid	\$115,700
Year 1 Total (FY24)	\$222,151

Fully Insured Life Premiums

Life Insurance - City Paid	\$97,464
Life Insurance - Emp Paid	\$750,000
Year 1 Total (FY24)	\$847,464



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	Current	Year 1 Repricing	% Chng
Medical + Dental TPA	\$1,753,628.00	\$1,750,140.00	-0.19%
PBM	\$12,194.00	\$11,121.00	-8.79%
Life-City paid	\$97,464.00	\$97,464.00	0.00%
LTD-City paid	\$162,870.00	\$106,451.00	-34.64%
Grand Total	\$2,026,156.00	\$1,965,176.00	-3.01%
5yr Comparison	\$10,130,780.00	\$9,825,880.00	-3.01%