



MEMORANDUM

Council Agenda
Item No. IX. BN
1/30/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Joint Resolution with the Oklahoma City Municipal Facilities Authority and the Oklahoma City Post-Employment Benefits Trust, as the public entities approving an Administrative Services Only Agreement with Blue Cross and Blue Shield of Oklahoma, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company and Prime Therapeutics LLC, for Stop Loss Insurance for The City of Oklahoma City's PPO and EPO indemnity major medical plans, for City and participating public trusts employees, retirees, and eligible dependents, estimated cost \$4,040,000, effective retroactively to January 1, 2024 through December 31, 2024.

Purpose:

Approval of an Administrative Services Only (ASO) Agreement with Blue Cross and Blue Shield of Oklahoma, a Division of Health Care Service Corporation, a Mutual Legal Reserve Company and Prime Therapeutics LLC, for Stop Loss Insurance for eligible employees, retirees and dependents enrolled in the PPO and EPO insurance plans for The City and participating public trusts.

Background:

The Oklahoma City Municipal Facilities Authority (OCMFA), a public trust, on behalf of the Oklahoma City Post-Employment Benefits Trust (OPEBT), a voluntary employee's beneficiary association trust, and the City of Oklahoma City (The City), the sole beneficiary of the OCMFA, on October 24, 2023 (the Chairman and Trustees (MFA.A.) approved a request-for-proposal (RFP) for Stop Loss Insurance Services for The City of Oklahoma City and participating public trust employees, retirees and eligible dependents covered under the City of Oklahoma City's PPO and EPO indemnity major medical plans. Two (2) responses meeting the proposal submission requirements were received.

A Selection Committee comprised of City Manager designee Ian Hutchinson representing the Budget office; Finance Department designee Chrystal Jackson; and Human Resources Department designee Jeanna Jordan; convened on December 5, 2023, to evaluate the proposal responses. After applying the selection criteria, which included: understanding of the RFP; demonstrated administrative and service capabilities; professional qualifications of the program staff; client and customer support access and availability; and proposed fee schedule and performance guarantees; the Selection Committee determined that Blue Cross and Blue Shield of Oklahoma submitted the best proposal for Stop Loss Insurance Services that met the requirements of the RFP. The Chairman and Trustees adopted a resolution (MFA.E.) on December 19, 2023 approving a one

year Administrative Services Only Agreement with BCBS and Prime Therapeutics minus Stop Loss Insurance.

The resulting Administrative Services Only (ASO) Agreement will add Stop Loss Insurance to the existing ASO one-year agreement with four one-year optional renewals between the approved Proposer and the OCMFA and with concurrence by the City and OPEBT. Contracting with the OCMFA allows for a multi-year agreement between the parties, subject to annual fiscal appropriations by the City Council of The City of Oklahoma City. OPEBT will be concurring on behalf of the retired beneficiaries of the Trust.

Estimated Costs reflect the estimated annual Stop Loss premium.

Estimated Cost:

Year 1: \$ 4,040,000

Source of Funds:

OCMFA Services - Risk/Health Care Ins - Employee Benefits - Indemnity Plan Claims-Active (682-1450-1600450-52190028)

Other Post-Employment Benefits - Post-Employment Benefits - Indemnity Plan Claims Ret <65, Indemnity Plan Claims Ret >64 (053-0960-1600460-51100004, 51100011)

Review:

Human Resources Department

Recommendation: Resolution be adopted.