



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/22/2019

ALL

Item Creation Date: 9/23/2019

T25089.A1 - Medicare Health, Medicare Supplemental, and Medicare Part D Plans -  
ORDINANCE

Agenda Item#: 35.

### **Summary:**

ORDINANCE approving and authorizing first amendments to contracts between the City of Houston and (1) **AETNA LIFE INSURANCE COMPANY**, (2) **KS PLAN ADMINISTRATORS LLC, dba KELSEY CARE ADVANTAGE**, (3) **SELECTCARE OF TEXAS, INC.**, (4) **HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY, INC.** and (5) **UNITEDHEALTHCARE INSURANCE COMPANY**, respectively, for medicare health plans for eligible City retirees and their eligible dependents; containing provisions relating to the subject; providing for severability; and declaring an emergency

### **Background:**

**S76-T25089.A1 - Approve an Ordinance authorizing first amendments to contracts between the City of Houston and (1) Aetna Life Insurance Company (#4600012945), (2) KS Plan Administrators LLC, dba KelseyCare Advantage, (#4600012947), (3) SelectCare of Texas, Inc. (#4600012947), (4) HealthSpring Life & Health Insurance Company, Inc. (#4600012948) and (5) UnitedHealthcare Insurance Company (#4600012962), respectively (Approved by Ordinance No. 2014-972, passed on October 29, 2014) for Medicare Health Plans for eligible City retirees and their eligible dependents, extending the contract term from January 1, 2020 to December 31, 2020 for the Human Resources Department.**

### **Specific Explanation:**

The Director of the Human Resources Department and the Chief Procurement Officer recommend that City Council approve an ordinance authorizing first amendments to extend the terms from **January 1, 2020 to December 31, 2020** for contracts between the City of Houston and (1) Aetna Life Insurance Company (2) KS Plan Administrators LLC, dba KelseyCare Advantage, (3) SelectCare of Texas, Inc., (4) HealthSpring Life & Health Insurance Company, Inc. and (5) UnitedHealthcare Insurance Company for Medicare Health Plans for eligible City retirees and their eligible dependents for the Human Resources Department.

The original contract was awarded on October 29, 2014 per Ordinance 2014-972, for a three-year term with two one-year options in the amount of \$184,810,976.00. Expenditures as of October 7, 2019 are \$112,483,048.00. No additional spending authority is required. The first amendments will allow the City sufficient time to evaluate proposals for new contracts.

The Scope of Work requires the contractors to provide Medicare Health Plans, Pharmacy benefits, and all related services to eligible City retirees and their eligible dependents who are covered by Medicare. Services include, but are not limited to, network management, claims processing, plan design and administration, customer service, and Medicare and City reporting.

### **M/WBE Participation:**


The contracts were awarded with a 5% M/WBE participation goal. Current participation for each contractor is as follows:

Name	MWBE Vendor	Type of Work	Percentage
Aetna	Cullen Care Pharmacy	Pharmacy	2.98%
Cigna Healthspring	COBA dba Central Delivery Systems	Pharmacy	17.39%
KelseyCare Advantage	The Sunbelt Sower Co	Advertising	5.25%
SelectCare of Texas	At Work Staffing Global Force USA	Temp Worker Services Temp Worker Services	13.05%
UnitedHealthcare	Amazing Awards Bayside Printing	Awards Printing	.45%

The Office of Business Opportunity is currently working with Aetna Life Insurance Company and UnitedHealthcare Insurance Company to develop a plan for each of these contractors to ensure they meet or exceed the 5% goal.

### **Fiscal Note:**

No additional spending authority is required. Therefore, no Fiscal Note is required as stated in the Financial Policies

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10/10/2019

**Jerry Adams, Chief Procurement Officer**  
**Finance/Strategic Procurement Division**

**Department Approval Authority**

**Prior Council Action:**

Ordinance No. 2014-972 passed and adopted on October 29, 2014.

**Amount of Funding:**

No additional spending authority required.

**Contact Information:**

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**ATTACHMENTS:**

Description	Type
Aetna Affidavit of Ownership or Control	Backup Material
Aetna Delinquent Tax Report	Backup Material
Aetna Insurance Certificates	Backup Material
Cigna Healthspring Affidavit of Ownership	Backup Material
Cigna Healthspring Delinquent Tax Report	Backup Material
Cigna Healthspring Insurance	Backup Material
Kelsey Affidavit of Ownership	Backup Material
Kelsey Delinquent Tax Report	Backup Material
Kelsey COI	Backup Material
SelectCare of Texas Affidavit of Ownership	Backup Material
SelectCare of Texas Delinquent Tax Report	Backup Material
SelectCare Insurance Certificates	Backup Material
UHC Affidavit of Ownership	Backup Material
UHC Delinquent Tax Report	Backup Material
UHC Insurance Certificates	Backup Material
Ordinance 2014-972	Ordinance/Resolution/Motion
MWBE Verification Forms	Backup Material
Originals LOI 2014	Other
Previous RCA 2014	Other
United Healthcare_First Amendment	Signed Cover sheet
Health Spring_First Amendment	Signed Cover sheet
Select Care of Texas, Inc_First Amendment	Signed Cover sheet
KS Plan Administrators_First Amendment	Signed Cover sheet
Aetna Medicare Advantage_First Amendment	Signed Cover sheet
Ordinance	Signed Cover sheet