



Legislation Text

File #: ID#23-0861, **Version:** 1

SUBJECT/RECOMMENDATION:

Approve an agreement with Evernorth Direct Health LLC dba Cigna for onsite medical and prescription drug services for the period of October 1, 2023, through September 30, 2026, in the not-to-exceed amount of \$5,000,000.00 pursuant to Request for Proposal No. 22-23 and authorize the appropriate officials to execute same. (consent)

SUMMARY:

The City of Clearwater is currently comprised of approximately 1,655 Active benefit-eligible employees and 895 Retirees. The City of Clearwater offers a comprehensive group benefits program to its employees and their dependents. Persons covered by the City's insurance plan have access to the Employee Health Center. The Employee Health Center allows employees to receive medical services such as primary care, urgent care, medication dispensing, and lab work at no cost to the employees or their dependents. The center is staffed by a doctor, nurse practitioner, and support staff and is open 50 hours per week.

On April 7, 2023, the City issued RFP No. 22-23, OnSite Medical and Prescription Drug Services and received nine proposals on May 8, 2023. A team of city staff from Clearwater Fire & Rescue, Clearwater Police, and Human Resources departments independently reviewed all of the proposals, and on May 31, 2023, met to discuss and rank them, with Evernorth ranking the highest.

Evernorth, our current provider, proposed maintaining the current level of staffing and services for the City and a fee schedule below current for Years 1 and 2. In Year 3, the cost will be 1.8% more than the current cost. Alternative proposals that were received proposed reduced staffing (e.g. only a nurse practitioner instead of a doctor), failed to provide costs beyond the first year, or did not include the same services the clinic currently offers. This would reduce the current offering to employees and shift costs away from the Health Center to the medical plan at more costly rates.

Taking these items from vendors into consideration, the committee selected Evernorth Direct Health the top ranked proposer.

The estimated amounts for the next three years are as follows:

Year 1 - \$1,483,823 (2023-2024)

Year 2 - \$1,524,223 (2024-2025)

Year 3 - \$1,564,223 (2025-2026)

Since these figures are only cost estimates, additional funding is being requested.

APPROPRIATION CODE AND AMOUNT:

Funds for the first year of this agreement are available in the Employee Health Center cost center 5909835 which covers administrative and anticipated operating costs. Funding for future years will be included in the annual budget request.