

COMMITTEE OF THE WHOLE

10-0465R

RESOLUTION AUTHORIZING FIVE YEAR SERVICE AGREEMENT WITH HEALTHPARTNERS ADMINISTRATORS, INC., TO PROVIDE ADMINISTRATIVE SERVICES AND STOP LOSS INSURANCE FOR THE CITY'S HEALTH PLAN EFFECTIVE JANUARY 1, 2011, FOR AN ESTIMATED ANNUAL COST OF \$1,100,000.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to execute a service agreement, together with supporting documents, with HealthPartners Administrators, Inc., substantially the same as that on file in the office of the city clerk as Public Document No. _____, to provide administrative services and stop loss insurance to the city's group health insurance plans for a period of five years, effective January 1, 2011, for an estimated annual cost of \$1,100,000 funds payable from the city's group health fund.

Approved for presentation to council:

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

HR/ATTY SBH:cjk 8/31/2010

STATEMENT OF PURPOSE: This resolution authorizes the city to enter into a third-party administrator ("TPA") service agreement with HealthPartners Administrators, Inc. ("HealthPartners") to administer the city's employee health plan, under which HealthPartners services the administrative tasks of the city's health plan, including access to network providers, claims processing, and payments, to covered persons under the city's plan. This agreement is for five years unless terminated earlier by the city or HealthPartners. This agreement cannot continue beyond December 31, 2015 without further council approval.

In recognition and anticipation of claims run-out fees after the transfer of TPA services from Blue Cross Blue Shield to HealthPartners, HealthPartners is waiving the first six months of administrative fees, which has a calculated value of approximately \$303,000.