



# City of Grand Island

Tuesday, July 26, 2022

Council Session

## Item G-18

**#2022-195 - Approving Agreement for Health Insurance Administration with BlueCross BlueShield Nebraska**

Staff Contact: Aaron Schmid, Human Resources Director

# Council Agenda Memo

**From:** Aaron Schmid, Human Resources Director

**Meeting:** July 26, 2022

**Subject:** Approval of Agreement for Health Insurance  
Administration with BlueCross BlueShield Nebraska

**Presenter(s):** Aaron Schmid, Human Resources Director

## Background

The City of Grand Island subscribes to health insurance for its employees and other eligible participants, as authorized by the City of Grand Island Personnel Rules and Regulations, collective bargaining agreements and federal regulations.

## Discussion

The City recently completed a request for proposal for an administrator of the City of Grand Island medical and prescription health plan. The City received two bids in response. The Health Insurance Committee consisting of union, non-union, management and non-management employees, along with Human Resources, Finance, the City's consultant, and the Attorney/Purchasing Agent met and reviewed the bids along with hearing presentations from the bidders.

Administration is recommending BlueCross BlueShield (BCBS) Nebraska as the administrator for the City's health insurance plan. BCBS is offering a three year rate lock. Administrative fees will be \$12.00 per employee per month and \$0.25 per employee per month for telehealth services. BCBS is offering a \$30,000 implementation credit per the three year agreement. The pharmacy benefit manager (PBM) will be administered by Prime Therapeutics LLC.

## Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve the agreement for health insurance administration with BlueCross BlueShield Nebraska.

## **Sample Motion**

Move to approve the agreement for health insurance administration with BlueCross BlueShield Nebraska.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL  
FOR  
HEALTH PLAN 2022**

**RFP DUE DATE:** June 30, 2022 at 4:00 p.m.

**DEPARTMENT:** Human Resources

**PUBLICATION DATE:** May 31, 2022

**NO. POTENTIAL BIDDERS:**

**PROPOSALS RECEIVED**

**UMR**  
Wausau, WI

**Blue Cross Blue Shield of Nebraska**  
Omaha, NE

cc: Aaron Schmid, Human Resource Director  
Patrick Brown, Finance Director

Jerry Janulewicz, City Administrator  
Stacy Nonhof, Purchasing Agent

**P2375**

RESOLUTION 2022-195

WHEREAS, the City subscribes to health insurance for its employees and other eligible participants, as authorized by the City of Grand Island Personnel Rules and Regulations, collective bargaining agreements and federal regulations; and

WHEREAS, the City conducted a request for proposal for an administrator of the City of Grand Island medical and prescription health plan; and

WHEREAS, BlueCross BlueShield (BCBS) Nebraska is the recommended Administrator for the City's health insurance plan; and

WHEREAS, the reinsurance coverage for the health plan will be quoted annually and the best bid shall be selected; and

WHEREAS, a three year agreement with BCBS is as follows: administrative fees of \$12.00 per employee per month and telehealth fees of \$0.25 per employee per month. Stop loss fees shall be negotiated on an annual basis prior to renewal.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the agreement with BCBS for the administration of health insurance for the life of the contract is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 26, 2022.

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Roger G. Steele, Mayor

Attest:

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RaNae Edwards, City Clerk

Approved as to Form    ☐  
July 22, 2022            ☐ City Attorn