
Sponsor: Human Resources

Meeting Date: 10/8/2024

Title: Amendment to Agreement with United Healthcare Insurance Company for Regular Retiree Medical Insurance

File Number: 2024-464

Background and Rationale:

After a competitive solicitation and Ramsey County Board approval in 2023, Ramsey County entered into an agreement with United Healthcare Insurance Company to provide the county retiree group health and prescription drug insurance coverage. For year 2024, coverage options are two United Healthcare Medicare Advantage Plans (Premier and Standard) for retirees eligible for and receiving Medicare A & B beginning January 1, 2024 through December 31, 2025. The original solicitation and agreement provided the option to renew for up to three additional one-year periods for 2026, 2027 and 2028.

About 45% of the county's 2,400 retirees and spouses insured by the county contracted United Healthcare Medicare Advantage Plans seek care from HealthPartners providers.

In July of 2024, HealthPartners notified patients that starting in 2025, HealthPartners would no longer be an in-network provider for United Healthcare Medicare Advantage Plans. The county retiree insurance program provides two United Healthcare Medicare Advantage plans with in- and out-of-network coverage for HealthPartners providers. Ramsey County retirees started contacting Human Resources about the letter. At the time of the HealthPartners notification, it was understood that retirees enrolled in United Healthcare Medicare Advantage Plans could treat with HealthPartners providers through December 31, 2024 as in-network and that because the United Healthcare Medicare Advantage Plans also covers at the same level for out-of-network, could continue treating in 2025.

On August 27, 2024, HealthPartners notified Ramsey County that starting January 1, 2025, the HealthPartners care system would not schedule appointments for patients with a United Healthcare Medicare Advantage Plan on an out-of-network basis either.

Under the county's current contract with United Healthcare, retirees who treat with a HealthPartners provider and want to continue treating with that provider have the following options for 2025;

1. Switch providers and re-enroll in one of the United Healthcare Medicare Advantage Plans (Premier or Standard) or continue treating with their HealthPartners provider and pay out of pocket.
2. Leave the county retiree insurance program. Since retirees are only eligible for a county contribution to Ramsey County provided plans, retirees who leave the county program would no longer receive a county contribution. Also, county past practice has been that retirees who leave the county retiree insurance program have not been allowed to return to the program to avoid unpredictable enrollment changes.

Given the high utilization of HealthPartners providers, strong likelihood of significant change in plan provider network and the impact on retirees of leaving the county program, Human Resources requested United Healthcare quote a Senior Supplemental and Prescription Drug Plan for 2025 to provide retirees with an additional plan choice that includes coverage for HealthPartners providers.

The network access dispute between HealthPartners and United Healthcare only applies to United Healthcare Medicare Advantage Plans.

Retirees who leave the county program in 2025 will be allowed to return during 2025 or for 2026. This would be a one-time exception afforded to retirees by Ramsey County.

2025 Cost Difference

United Healthcare Medicare Advantage Plans rates - no premium increase from 2024

- Premier - \$204.38/month/single coverage \$408.76/month/retiree + spouse
- Standard - \$174.19/month/single coverage \$348.38/month/retiree + spouse

New for 2025: United Healthcare Senior Supplemental and Prescription Drug Plan rates

- \$422.07/month/single coverage \$844.14/month/retiree + spouse. Provides network access to HealthPartners providers.

County Contributions to Retiree Insurance Premiums

The Ramsey County defined contribution towards monthly premiums is based on bargaining unit negotiations and past Ramsey County Board Resolutions. Contributions vary significantly based on a retiree's initial date of hire, years of service and date of retirement. Some retirees who participate in the county's program are not eligible for a county contribution and pay 100% of the premium.

2025 Defined County Contribution for Eligible Retirees

1. United Healthcare Medicare Advantage Plans (Premier or Standard) - will remain the same as in 2024 based on retiree date of retirement or date of hire and years of service as outlined in bargaining unit negotiations and county board resolutions. Employees hired on or after January 1, 2006, may participate in the Regular Retiree insurance program but do not receive a county contribution.
2. Senior Supplemental and Prescription Drug Plan - the defined county contribution will be 45% of the monthly premium (\$189.93 single, \$379.86 retiree + spouse) for all retirees eligible for a contribution. The amount the retiree will pay will depend on retiree date of retirement or date of hire and years of service as outlined in bargaining unit negotiations and county board resolutions. Employees hired on or after January 1, 2006, may elect the Senior Supplemental and Prescription Drug Plan but will not receive a county contribution.

The additional cost to the Ramsey County of supplementing the retirees increased cost for the Senior Supplemental and Prescription Drug Plan is estimated at up to \$1.2 million depending on how many retirees elect to change plans.

If United Healthcare and HealthPartners reach a network access agreement by December 31, 2024, Ramsey County can administer a special open enrollment in January of 2025 allowing retirees to elect to move back to a less expensive United Healthcare Medicare Advantage Plan.

Regardless, Ramsey County anticipates issuing a Request for Proposal in early 2025 for Regular Retiree Insurance plans in response to any ongoing uncertainty and to explore the best options available for county retirees in the retiree health and prescription drug insurance coverage market.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the amendment to the agreement with United Healthcare Insurance Company, 9900 Bren Road East, Minnetonka, MN 55343 for regular retiree medical insurance plans for the period of January 1, 2025 to December 31, 2025 and may be renewed for up to three additional one-year periods.
2. Authorize the County Manager to finalize negotiations and execute the amendment.
3. Authorize the County Manager to execute amendments to the agreement in accordance with the county's procurement policies and procedures provided the amounts are within the limits of available funding.

A motion to approve was made by Commissioner Ortega, seconded by Commissioner Xiong.

Motion passed.

Aye: - 5: McGuire, Moran, Ortega, Reinhardt, and Xiong

Nay: - 1: Frethem

By: 

Mee Cheng, Chief Clerk - County Board