
Sponsor: Human Resources

Meeting Date: 9/5/2023

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

File Number: 2023-376

Background and Rationale:

Human Resources issued a competitive solicitation for medical insurance plans for retirees age 65 and over (Regular Retirees) and those under age 65 who are eligible for and receiving Medicare A & B retirees beginning January 1, 2024 for up to five years as the previous contract expires December 31, 2023. Approximately 2000 regular retirees plus their dependents were insured in 2023.

Competitive solicitation summary:

Request for Proposals (RFP) Regular Retiree Insurance
RFP Release Date January 18, 2023
RFP Response Date February 28, 2023
Contractors Notified 169
Respondents Blue Cross Blue Shield of MN (incumbent), HealthPartners (incumbent), Medica,
United Healthcare Insurance Company
Proposal Evaluation Committee Benefits Manager, Benefits Supervisor, Labor Relations Manager,
Sr. Business Analyst, Chief Financial Officer, Racial and Health Equity Administrator, Deloitte
Consulting
RFP Evaluation Criteria Racial Equity, Diversity and Inclusiveness, Background, Plan
Administration, Implementation, Cost and Presentation
Contractor Recommended United Healthcare Insurance Company

Historically, Ramsey County has offered four fully insured retiree plans with two different vendors. Four plans have been offered to accommodate coverage for dependents of retirees not eligible for Medicare.

The solicitation was issued requesting fully insured proposals for the four existing and two alternative plans. Based on the evaluation committee's selection, which included Deloitte Consulting, Human Resources recommends UnitedHealthcare Insurance Company's fully insured proposal for two alternative plans (Premier and Standard). Both the Premier and Standard plans provide a broad network and will provide improved coordination of care and reward retirees for healthy behaviors.

- The Premier plan compares most closely in coverage to the current Journey plan with a 30% reduction in total monthly premium.
- The Standard plan compare most closely to the current Classic plan with a 12% decrease in total monthly premium. Rates are guaranteed for two years, 2024-2025.

Reducing from four to two plans and a single vendor will be significantly easier for the county to administer. Retirees with dependents not eligible for Medicare will be able to insure those individuals on one of the active employee medical plans.

Plans and Total Monthly Premiums 2024-2025

Current Journey Plan	2024 Premier Plan	Current Classic Plan	2024 Standard Plan
Retiree only (over 65)	\$290.40	\$204.38	\$198.50
Retiree + Spouse (both over 65)	\$580.80	\$408.77	\$397.00

County Contribution for Retiree Medical Insurance - Ramsey County contribution towards Regular Retiree monthly premiums will be based on bargaining unit negotiations and subsequent county board resolutions. Contributions vary significantly based on a retiree’s initial date of hire and date of retirement. The Regular Retiree County contribution will continue to be subject to the limitations included in previous county board resolutions. Eligible employees hired on or after January 1, 2006, may participate in the Regular Retiree insurance program but do not receive a county contribution toward coverage.

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the agreement with United Healthcare Insurance Company, 9900 Bren Road East, Minnetonka, MN 55343 for regular retiree medical insurance plans for the period of September 6, 2023 to December 31, 2025 and may be renewed for up to three additional one-year periods.
2. Authorize the Chair and Chief Clerk to execute the agreement.
3. Authorize the County Manager to enter into agreement and 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 Moran, seconded by Commissioner Reinhardt. Motion passed.

Aye: - 7: Frethem, Martinson, McGuire, Moran, Ortega, Reinhardt, and Xiong

By: 
Mee Cheng, Chief Clerk - County Board