
Sponsor: Human Resources

Meeting Date: 10/3/2023

Title: Agreement with WEX for Flexible Spending Accounts
Reimbursement and Health Savings Account Services

File Number: 2023-377

Background and Rationale:

Ramsey County has provided spending account services to employees since 1985 and relies on the services of an administrator for the collection and disbursement of contributions in accordance with Internal Revenue Service regulations. For 2024, proposed sponsored accounts include:

- a) Dependent Care Expense Account (DCEA) - Designed for reimbursement on a pretax basis of eligible work-related dependent care expenses. The DCEA has been offered since 1985;
- b) Health Care Flexible Spending Account (HC FSA) - Designed for reimbursement on a pretax basis of eligible health care expenses not covered by insurance. The HC FSA has been offered since 1989;
- c) The Transportation Expense Reimbursement Account (TERA) - Designed for reimbursement on a pretax basis of eligible work-related commuting expenses. The TERA has been offered since 2003;
- d) In 2024, administration of county and employee contributions to health savings accounts (HSA) who elect the High Deductible medical plan.

Approximately 1200 employees currently participate in at least one of the current spending account options.

Human Resources issued a competitive solicitation for the administration of spending account services beginning January 1, 2024 for up to five years as the previous contract expires December 31, 2023. Solicitation goals included:

- Administrative quality
- Accuracy in claims processing, reimbursement and verification
- Excellent customer service
- Ability to provide spending account products at a competitive cost
- Minimize time and expense to the county to administer the plan
- Ability to provide no-cost/value-added services or enhancements

Below is a competitive solicitation summary:

Request for Proposals (RFP) Cafeteria Plan Administrator

RFP Release Date January 11, 2023

RFP Response Date January 31, 2023

Contractors Notified 750

Respondents ASI, Blue Cross Blue Shield, P&A Group, HealthPartners (incumbent), TASC, WEX, PayFlex

Proposal Evaluation Committee Benefits Manager, Benefits Supervisor, Finance Deputy Director, Labor Relations Specialist, Sr. Business Analyst, Racial and Health Equity Administrator, Deloitte

Consulting

RFP Evaluation Criteria Background, Plan Administration, Implementation, Cost and Presentation

Contractor Recommended WEX

Based on the evaluation committee's selection, which included Deloitte Consulting, Human Resources recommends WEX to administer the county's cafeteria plan program and health savings accounts.

WEX has selected for their rates including a five-year guarantee, customer service ratings, and flexibility with funding options and commuter plan enrollment changes. The current vendor, HealthPartners, does not offer health spending account services. WEX also has the ability to provide health spending account services and a health savings account loan program. WEX waives the HSA admin fee for accounts greater than \$3000. WEX offered a \$7500 implementation credit. WEX can also administer lifestyle accounts in the future if the county decides to add this service to support wellness programming. WEX demonstrated a commitment to the priority of diversity, equity and inclusion.

Rates 2024 (5-year rate guarantee provided)

2023 Administrative cost approximately: \$66,000 (does not include health savings account services)

2024 Estimated Administrative cost depending on enrollment, optional elections and including health savings account services:

| | |
|--|-----------|
| Implementation fee | \$ 0 |
| Dependent & Health Accounts | 40000 |
| Health Savings Accounts (HSA) | 5000 |
| Commuter Accounts | 1000 |
| Custom communication options - up to | 6000 |
| Data File Integration options - up to | 2400 |
| Online Account Integration options - up to | \$ 6000 |
| Estimated Total | \$ 60400 |
| Onboarding credit | \$ (7500) |

Recommendation:

The Ramsey County Board of Commissioners resolved to:

1. Approve the Agreement with WEX Health Inc., 82 Hopmeadow Street, Suite 220, Simsbury, CT 06089 to administer Reimbursement and Health Savings Account Services for the period of September 27, 2023 through December 31, 2026 with the option for two one-year renewals.
2. Authorize the Chair and Chief Clerk to execute the agreement.
3. Authorize the County Manager to enter into agreements 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 Xiong, seconded by Commissioner Reinhardt. Motion passed.

Aye: - 6: Martinson, McGuire, Moran, Ortega, Reinhardt, and Xiong

Absent: - 1: Frethem

By: 

Mee Cheng, Chief Clerk - County Board