

Request for Board Action Details

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|-----------------------|---|----------------------|------------------------|
| File #: | 2021-230 | Status: | Passed |
| Type: | Administrative Item | In control: | Board of Commissioners |
| On agenda: | 5/11/2021 | Final action: | 5/11/2021 |
| Title: | Agreement with HealthPartners Administrators Inc. for Cafeteria Plan Administration Services (also known as Flexible Spending Account Administration) | | |
| Sponsors: | Human Resources | | |
| Indexes: | | | |
| Code sections: | | | |
| Attachments: | 1. Proposed professional services agreement with HealthPartners Administrators, Inc., 2. Resolution | | |

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------|----------|--------|
| 5/11/2021 | 1 | Board of Commissioners | approved | Pass |

Sponsor: Human Resources

Title
Agreement with HealthPartners Administrators Inc. for Cafeteria Plan Administration Services (also known as Flexible Spending Account Administration)

Recommendation

1. Approve the Agreement with HealthPartners Administrators, Inc., 8170 33rd Ave South, P.O. Box 1309, Bloomington MN 55440 for administrative services for the County's Flexible Spending Account (FSA) program which includes Health Care, Dependent Care and Transportation expense reimbursement accounts, for the period of May 12, 2021 to December 31, 2023 and may be renewed for up to one (1) additional three-year period.
2. Authorize the Chair and Chief Clerk to execute the agreement.
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

Background and Rationale

The Human Resources Department sought proposals from qualified vendors for assistance with the administration of the County's flexible spending accounts. These accounts include employee health care expense, dependent care expense and transportation expense reimbursement accounts. Human Resources relies on the services of a flexible spending account (FSA) program administrator to help in the collection and disbursement of employee contributions made in accordance with IRS regulations.

Human Resources issued a competitive solicitation for these services on June 22, 2020. The County received four proposals as of the August 20, 2020 due date.

Below is a competitive solicitation summary:

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|-----------------------------------|------------------------------|
| Request for Proposals (RFP Title) | Cafeteria Plan Administrator |
| RFP Release Date | June 22, 2020 |

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|--------------------------------|--|
| RFP Response Date | August 20, 2020 |
| Number of Contractors Notified | 189 |
| Respondents | HealthPartners Administrators Inc., Total Administrative Services Corporation, Further, Application Software Inc. |
| Proposal Evaluation Committee | Human Resources Benefits Manager, Human Resources Benefits Supervisor, Payroll Manager, Deputy Director of Finance, Human Resources Accountant |
| RFP Evaluation Criteria | Contractor Qualifications, Key Personnel Qualifications, Project Understanding and Approach, Cost, Customer Service, Administrative/Reporting, Company Reliability and Stability |
| Contractor Recommended | HealthPartners Administrators, Inc. |

The proposal evaluation committee recommends HealthPartners Administrators Inc., 8170 33rd Ave South, P.O. Box 1309, Bloomington MN 55440 to provide services for a period up to December 31, 2025. These services involve administration of the following employee expense programs on the County's behalf:

- Health Care Reimbursement Program designed for reimbursement on a pretax basis of eligible health care expenses not covered by health insurance.
- Dependent Care Reimbursement Program designed for reimbursement on a pretax basis of eligible work-related dependent care expenses.
- Transportation Expense Reimbursement Program designed for reimbursement on a pretax basis of eligible work-related commuting expenses.

HealthPartners has been offering FSA plan administration for more than a decade, with nearly 200 clients and approximately 30,000 members currently. Participating employees will experience a seamless connection between their health care and ability to fund and pay out-of-pocket medical expenses if enrolled in a HealthPartners medical or dental plan. With HealthPartners as the County's medical and dental insurance provider, "claims crossover" is a feature that minimizes reliance on paper claims submission to recover out-of-pocket expense. The medical/dental claims system automatically connects to the FSA claims system, eliminating the need for employees to submit a claim.

Many County FSA program participants have experience with HealthPartners using their Member Services, smart phone application and website content. Reimbursements for dependent care and transportation expense are handled through the same website access as the health care expense program with member services resources available to assist participants as needed.

HealthPartners has proposed a rate of \$2.50 per participant per month for the first two years and a rate cap guarantee not to exceed 3% for each of the last three calendar years of this contract.

County Goals (Check those advanced by Action)

☒ Well-being ☒ Prosperity ☐ Opportunity ☒ Accountability

Racial Equity Impact

No racial equity impact. This contract allows any eligible County employee to contribute earned wages on a pre-tax basis to fund certain medical care, dependent care and transportation expenses. Through pre-tax deductions, participants have the ability to reduce their taxable income while setting aside funds needed for these expenses.

Community Participation Level and Impact

The community is informed of this action through county board documentation that is published at <https://ramseycountymn.legistar.com/Calendar.aspx>.

☒ Inform ☐ Consult ☐ Involve ☐ Collaborate ☐ Empower

Fiscal Impact

Sufficient funding is available in the Human Resources 2021 operating budget to cover this program's expense

Historical data of expense payments

2020 - \$54,859 (\$3.75 per participant per month for all 12 months)

2021 - \$18,120 (\$3.75 per participant per month for first four months)

County Manager Comments

County Board approval is required for new professional or client services agreements resulting from the Request for Proposals process.

Last Previous Action

None.

Attachments

1. Professional services agreement with HealthPartners Administrators, Inc.