

Resolution #21-0401
2021 Resolution Book, Page 149

**RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A
CONTRACT WITH CIGNA TO ADMINISTER THE CITY'S SELF-FUNDED HEALTH
INSRUANCE PLANS**

WHEREAS, the City of Winston-Salem maintains a health reserve fund to fund health insurance claims and contracts for management services and claims processing for its medical and pharmacy plans covering active employees certified for benefits and retirees who have not attained the age of 65; and

WHEREAS, the City offers two Preferred Provider Organization health insurance plans for employees certified for benefits and retirees who have attained the age of 65; and

WHEREAS, currently there are 2,226 active employees certified for benefits and 408 retirees who have not attained the age of 65 and the current contract for medical administrative services ends on December 31, 2021; and

WHEREAS, in preparation for the 2022 health insurance plan year, the Human Resources Department directed the City's benefits consultant Willis Towers Watson to manage a Request for Proposals process for medical administrative services; and

WHEREAS, the proposal from Cigna received 400 points in the Request for Proposal process which represented the highest aggregate score of all submitted proposals; and

WHEREAS, the proposal from Cigna included the following provisions on a three year rate guarantee: (1) administrative fee of \$35.36 per member, per month (2) \$75,000 administrative fee credit for the first year (3) \$45,000 implementation fund for the first year (4) \$80,000 annual wellness, communication technology and audit credit for the life of the contract (5) \$160,000 annual commitment to supporting local Minority and Women-owned business initiatives (6) \$25,453,978 overall projected expenses.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and Winston-Salem City Council hereby authorize the City Manager to enter into a three-year contract with Cigna to administer the City's healthcare plans at an administrative fee of \$35.36 per member per month.

BE IT FURTHER RESOLVED, that this resolution is effective upon adoption.