



City of Broken Arrow

Request for Action

File #: 19-1327, **Version:** 1

Broken Arrow City Council
Meeting of: 11-05-2019

Title:

Approval of and authorization to execute an Agreement with CoreSource, Inc. utilizing Aetna Signature Administrators PPO Managed Care Services to provide third party administration for the employee health plan for calendar year 2020

Background:

The City provides a comprehensive health program for its employees and their families. Since 1989, the City's plan has been self-insured. With this concept, the City contracts with a third party administrator to administer the plan and pay claims.

To ensure the fees associated with the services remain competitive with the market, Staff solicited proposals from third party administrators. Employer Advocates, the City's benefits consultant, developed the Request for Proposal and performed an analysis of the proposals received. Six proposals were received and four selected as finalists that were interviewed. After due consideration and research, it was determined to accept the City's current administrators', CoreSource, Inc., proposal utilizing Aetna Signature Administrators PPO Managed Care Services (Aetna Signature) as the network of providers.

CoreSource, Inc. has over forty years of experience as an independent administrator of self-funded health plans. It has a rating of A- (Excellent) by A.M. Best. Aetna Signature provides on average 15-20% deeper discounts for the plan compared to our existing network with very little disruption to members. It is ranked first in discounts in Tulsa. In addition, CoreSource, Inc. and Aetna Signature will offer the City the greatest flexibility to incorporate cost containment measures specific to transparency, provider performance analysis and provider steerage strategy.

The proposed annual fee for CoreSource, Inc. third party administration services, including access to the Aetna Signature's provider network, is \$268,896

Cost: \$268,896

Funding Source: Group Health and Life Fund

Requested By: Jannette McCormick, Human Resources Director

Approved By: City Manager Office

Attachments: CoreSource Agreement, Amendment to Agreement, Aetna Signature Administrators PPO Managed Care Services Agreement

Recommendation:

Approve and authorize execution of the Agreement with CoreSource, Inc. utilizing Aetna Signature Administrators PPO Managed Care Services to provide third party administration for the employee health plan.

