

**THE CITY OF LAKE FOREST  
PCA COMMITTEE  
AGENDA**

**Monday, November 4, 2019  
5:30 p.m.  
City Hall Manager's Conference Room**

**I. Roll Call and Call to Order**

**II. Consideration of Recommendations for Health Insurance Renewals**

Staff and Benefits Consultant Peter Wright are recommending the following renewals of the City's various health insurance vendors:

- **Retain Serve You Rx Pharmacy Benefit Administration for Prescription Drug Card for the Final Two Years of a Three-Year Contract.** Serve You Pharmacy Card services are in the first year of a three-year contract following evaluation against two leading providers for the 2019 calendar year. Serve You services are integrated into the City health plan. Contractual discounts and fees are remaining the same. Drug rebates are expected to decrease based on lower utilization of brand drugs. Serve You is meeting expectations.
- **Retain Professional Benefit Administrators (PBA) for Administration and Billing Services** PBA medical administration fees increased slightly by \$1,928. PBA is a low-cost provider for administration of the City health plan, including claims administration and coordination of medical plan services and administration of the City flexible spending account. Staff and the City's insurance consultant recommend retaining PBA based on their service and the nature of the City's benefit structure, as costs are similar to other providers. PBA is meeting expectations.
- **Retain preferred provider network administration with CIGNA through PBA** Cigna provides networks and managed care services through a contracted relationship with PBA. CIGNA provides broad access and favorable discounts. Services are meeting expectations.
- **Retain Voya for stop loss coverage and retain Optum Health for Transplant coverage.** Voya provides Specific reinsurance for large claims over \$150,000 and Aggregate reinsurance for total claims in a calendar year. Staff requested bids for stop loss coverage for the 2019 calendar year, and Voya was the lowest cost carrier. For 2020, Voya agreed to reduce the renewal to an adjustment in rates below industry trend, providing full coverage for ongoing conditions without exclusions.
- **Retain CIGNA Group Life Insurance for a Two-Year Period.** Cigna provides City paid Basic Life insurance together with offering voluntary, employee-paid life insurance for employees and dependents. Cigna provides a benefit structure that meets the City's benefit design including the voluntary employee insurance. Cigna's costs are not changing and are guaranteed for two years. Cigna is meeting expectations.

Funding Source: Self-Insurance Fund Spread over FY20 and FY21 budgets	Current	Amount Requested	Budgeted?
Summary Pricing Serve You Rx			
• Dispensing Fees	\$2,590	\$2,547	Yes
• Generic Discount Retail/Mail Order	76%/81%	76%/81%	Yes
• Rebates Paid to Plan	\$(87,290)	\$(76,040)	Yes
Summary Pricing PBA	\$93,736	\$95,664	Yes
Summary Pricing CIGNA PPO	\$48,262	\$50,234	Yes
Summary Pricing Voya			
• Specific Premium	\$689,737	\$741,056	Yes
• Aggregate Premium	\$12,820	\$13,737	Yes
• Transplant Premium (Optum)	\$28,262	\$29,385	Yes
• Total	\$731,240	\$784,178	Yes
Summary Pricing CIGNA Life Funding Source: Operating Budgets	\$22,731	\$22,731	Yes

- III. **Adjournment into Executive Session pursuant to 5ILCS 120/2 (c) (21) to discuss minutes of October 25, 2019**
- IV. **Reconvene into open session**
- V. **Adjournment**