

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE A FIVE-YEAR AGREEMENT WITH CIGNA FOR MEDICAL AND PRESCRIPTION DRUG ADMINISTRATION IN AN ANNUAL AMOUNT NOT TO EXCEED \$915,385.90.

WHEREAS, the City's current medical and prescription drug administrator is Cigna, and the contract with Cigna will expire on December 31, 2021; and

WHEREAS, the City's benefits consultant, the Gehring Group, issued a Request for Proposals on April 23, 2021 seeking proposals for medical and prescription drug administration; and

WHEREAS, Aetna, AvMed, Cigna, Humana and United Healthcare provided proposals for medical and prescription drug administrative services; and

WHEREAS, Humana was disqualified due to network service area deficiencies; and

WHEREAS, both Cigna and United Healthcare proposed a bundled program of medical administration, pharmacy benefit management, and integrated stop loss insurance; and

WHEREAS, when analyzing this line of coverage, many factors are compared including plan design, fixed costs, claims expenditures, prescription rebates, provider network access, prescription formulary disruption and other available funds; and

WHEREAS, while both proposed plan designs are very similar with minimal differences, Cigna's provider network is at a 98.3% match and United HealthCare's is at a 96.4% match; and

WHEREAS, United HealthCare's prescription formulary would result in 2.2% of scripts going into a more expensive formulary, and 3.3% of scripts would be totally excluded; and

WHEREAS, Cigna is proposing to provide a total of \$2,925,000.00 additional funds to be used towards the medical plan during the life of the contract and United HealthCare only proposed an additional \$1,813,240.00; and

WHEREAS, Cigna's proposed additional funds include \$150,000.00 in wellness funds, \$70,000.00 in technology funds, \$5,000.00 for COBRA administration, \$100,000.00 for on-site representation services for each year of the five-year contract, and up to \$1,300,000.00 in discretionary funding for entire length of contract; and

WHEREAS, Cigna proposed a 6.6% reduction in medical administration service fees from the previous contract period; and

WHEREAS, the Gehring Group and the City are recommending retaining Cigna for continued medical and prescription drug administration services for an annual amount not to exceed \$915,385.90, which includes a ten percent buffer to allow for fluctuations in cost; and

WHEREAS, funding for this agreement has been appropriated and exists in account number 558.112006.51900.591990.000000.000.000.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA.

Section 1: That the foregoing "WHEREAS" clauses are ratified and confirmed as being true and correct and are incorporated in this Resolution.

Section 2: That it approves and authorizes the execution, by the appropriate City officials, of an agreement with Cigna, in a form acceptable to the City Manager and approved as to form and legal sufficiency by the City Attorney.

Section 3: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
JOSH LEVY, MAYOR

ATTEST:

\_\_\_\_\_  
PATRICIA A. CERNY, MMC  
CITY CLERK

APPROVED AS TO FORM AND LEGAL  
SUFFICIENCY for the use and reliance  
of the City of Hollywood, Florida, only.

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DOUGLAS R. GONZALES  
CITY ATTORNEY