

# Executive Summary

- ❖ Following is a summary of the proposed administration fees for the three finalists, Cigna, Cenben and Fiserv. For comparison purposes, the current combined medical and dental fees paid to Lumenos and SWA are roughly \$840,000 per year.
- ❖ The fees illustrated for Cenben and Fiserv are lower than the original proposed fees presented to the insurance committee. We have negotiated with both TPAs to have the city retain the current direct contract with Beechstreet. PPO access through the TPAs was significantly more expensive.
- ❖ We have negotiated a flat 3 year guaranteed administration fee for all three finalists in place of the original fees that would increase each year.
- ❖ Following a detailed analysis of the proposed pharmacy benefit management options, we recommend retaining Catalyst Rx PBM, the PBM currently used by the CHIP plan. The history of good service to the city's PPO plan members along with very competitive pharmacy discounts makes Catalyst Rx an attractive option. Either Cenben or Fiserv can integrate Catalyst into their proposed administration services. Cigna requires the use of their own PBM.
- ❖ Each of the finalists have offered financial based performance guarantees. A summary of the performance objectives and the financial penalties is included.
- ❖ The committee requested a contractual commitment which would allow the city to terminate the agreement with the selected TPA should the initial implementation and service be unacceptable. Both Cenben and Fiserv have agreed to waive the run out fees if the contract is terminated due to poor service within the first six months.

