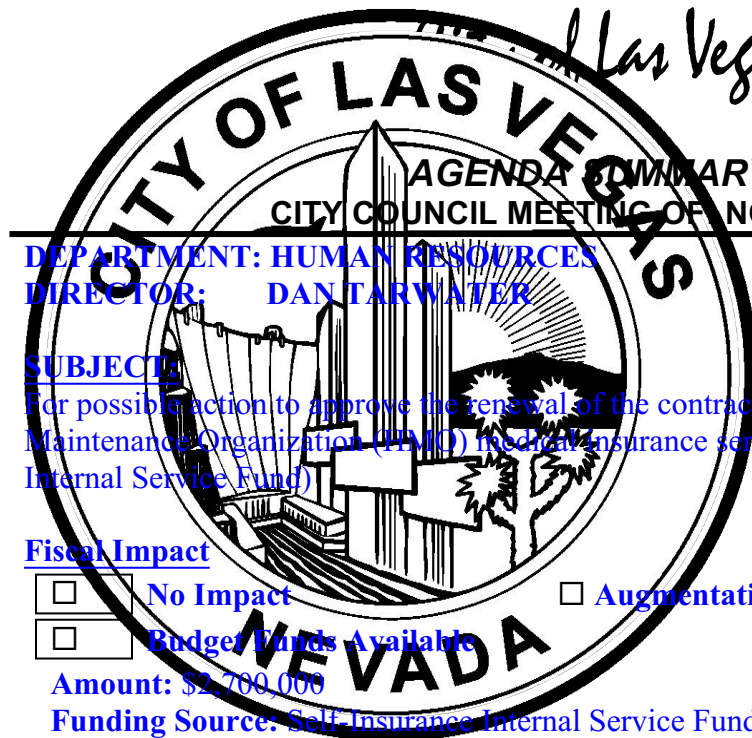




Las Vegas

Agenda Item No.: 21.

AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF NOVEMBER 2, 2011

DEPARTMENT: HUMAN RESOURCES
DIRECTOR: DAN TARWATER

☒ **Consent** ☐ **Discussion**

SUBJECT:

For possible action to approve the renewal of the contract with Health Plan of Nevada for Health Maintenance Organization (HMO) medical insurance services (\$2,700,000 - Self-Insurance Internal Service Fund)

Fiscal Impact

☐

No Impact

☐

Augmentation Required

☐

Budget Funds Available

Amount: \$2,700,000

Funding Source: Self-Insurance Internal Service Fund

Dept./Division: Human Resources/Risk Management, Compensation and Benefits

PURPOSE/BACKGROUND:

The City of Las Vegas currently uses Health Plan of Nevada (HPN) for its Health Maintenance Organization (HMO) medical plan. A renewal has been submitted that extends the current contract until December 31, 2012. A rate increase of 7% has been received for 2012. This is well below current medical inflationary trends. Costs are within approved FY 2012 budgets.

RECOMMENDATION:

Approval to renew the contract with Health Plan of Nevada (HPN)

BACKUP DOCUMENTATION:

1. Lockton Renewal Letter dated October 11, 2011
2. City of Las Vegas Insurance Committee Renewal Recommendation Letter dated September 20, 2011

Motion made by STAVROS S. ANTHONY to Approve

Passed For: 6; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 1

LOIS TARKANIAN, STEVE WOLFSON, CAROLYN G. GOODMAN, STAVROS S. ANTHONY, STEVEN D. ROSS, BOB COFFIN; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-RICKI Y. BARLOW)

Minutes:

VICKI ROBINSON, Human Resources Manager, stated the City does not seek bids due to the limited number of Health Maintenance Organizations (HMOs) available and because employees prefer this plan. There is an Insurance Committee based on the labor contract with the Las Vegas City Employees Association and they make the decision on programs offered.

CITY COUNCIL MEETING OF: NOVEMBER 2, 2011

TANNA PRINCE, Lockton Insurance, Risk Management and Employee Benefits Specialists, explained she seeks out bids every other year and that Health Plan of Nevada (HPN) is the most competitively priced and the lowest priced option for the City. There has not been a competitor within 15-20 percent of the HPN bid. She confirmed for MAYOR GOODMAN they accept bids at any time

COUNCILWOMAN TARKANIAN expressed a concern that choosing a company that was not the predominant medical insurance provider in Nevada would lead to significantly different treatment.

COUNCILMAN COFFIN thinks broker services on all insurance products should be put out to bid. He voiced concerns that the City could follow the mistakes of the State by tilting benefit programs towards the older employee. He commended MS. ROBINSON on the package but stated the importance of attracting younger employees with strong benefits packages.

