Agenda Item No.: **22.**

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 Sierra Health and Life (SHL) for a fully-insured Preferred Provider Organization (PPO) medical plan ($1,100,000 - Self-Insurance Internal Service Fund)

Fiscal Impact

☐ **No Impact** ☐ **Augmentation Required**
☐ **Budget Funds Available**

Amount: $ 1,100,000
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 Sierra Health and Life for its Preferred Provider Organization (PPO) medical plan. A renewal has been submitted that extends the current contract until December 31, 2012. A rate decrease of 12% has been received for 2012, which is a significant price decrease due to plan design changes. Costs are within approved FY 2012 budgets.

RECOMMENDATION:
Approval to extend contract with Sierra Health and Life for PPO medical insurance services.

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:
TANNA PRINCE, Lockton Insurance, Risk Management and Employee Benefits Specialists, explained the Preferred Provider Organization (PPO) was very rich in benefits but also very expensive.

VICKI ROBINSON, Human Resources Manager, explained that all of the plans were going to experience significant premium increases and all of them were reevaluated to maximize benefits to both the City and the employees. She then reviewed the deductibles for MAYOR GOODMAN.

COUNCILMAN COFFIN stated that these are great benefits but questioned why the PPO deductible is so much more expensive. MS. ROBINSON explained it was due to the richness of benefits and reminded Council that the insurance company is the one to set the premiums.