

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 22, 2012
	Agenda Item No.	39
	Roll Call No.	<u>12-0806</u>
	Communication No.	<u>12-238</u>
	Submitted by:	James Wells, Human Resources Director

AGENDA HEADING:

Approve administrative services only agreement with Wellmark Blue Cross and Blue Shield of Iowa, John Forsyth, CEO, 1331 Grand Avenue, Des Moines, Iowa 50309, to provide claims administration for employee Flexible Spending Accounts (FSA) and Health Reimbursement Accounts (HRA) for period July 1, 2012 through June 30, 2013.

SYNOPSIS:

The City provides its employees the opportunity to defer salary into a flexible spending account (FSA) for the purpose of paying qualified medical expenses and/or dependent day care costs pre-tax. Approximately 920 City employees participate in a FSA of which some 440 CIPEC and 350 SPM employees receive a city contribution. The City contribution for SPM employees ends December 31, 2012 and the FSA contribution for CIPEC employees will be redirected to an HRA.

Wellmark has administered the City’s FSA program since 2006 and did not charge for their administrative fees separate from the health plan. Beginning January 1, 2012, under the City’s self-funded health plan, Wellmark charges separately for FSA claims administration.

Bids for FSA administration were received in November of 2011. Three quotes were solicited and Wellmark’s cost proposal provided the lowest cost to administer the current FSA and new HRA benefit. Continuing with Wellmark for FSA and HRA administration will provide benefit continuity and seamless claims administration between the CIPEC FSA and HRA.

FISCAL IMPACT:

Amount: \$40,000 estimate; actual cost based on enrollment.

Funding Source: Health/Dental Insurance, ISO301, HRS960100, Health and Dental Fund, p. 128.

ADDITIONAL INFORMATION:

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.