



STOP-LOSS INSURANCE

RS-23-140

September 5, 2023

Background

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- ❑ The City healthcare benefits is a self-insured benefits platform
- ❑ The City must bid for stop-loss insurance to protect the City from high medical claims
- ❑ On July 10, 2023, the City utilized the Request for Bids to select a stop-loss insurance provider

Background

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- Stop-Loss insurance protects the City against catastrophic or unpredictable losses. The City of Killeen will protect its plan with both specific and aggregate stop-loss coverage.
 - Specific Stop-Loss protects the City against high claims on any one individual in which the claims exceed \$200,000
 - Aggregate Stop-Loss provides a ceiling on the dollar amount of expenses that the City would pay, in total during a contract period

Bid Results

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- ❑ City received bids from only one vender, United Health Care
- ❑ Cost for United Health Care is \$739,718
- ❑ The City of Killeen recommends United Health Care for stop loss insurance
 - ▣ The expense for stop-loss insurance will be \$739,718

Alternatives Considered

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- ❑ Do not award RPF 23-36 to United Health Care to provide stop-loss insurance services to safeguard against high claims in our self-insured healthcare environment
- ❑ Award RFP 23-36 to United Health Care to provide stop-loss insurance services to safeguard against high claims in our new self-insured healthcare environment

Recommendation

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- Staff recommends City award RFP 23-36 to United Health Care as the provider for stop-loss insurance services, effective October 1, 2023, in an amount of \$739,718