



Broward County

Legislation Details (With Text)

File #:	21-813	Version:	1
		Status:	Agenda Ready
		In control:	Finance - Human Resources Division
On agenda:	6/15/2021	Final action:	6/15/2021
Title:	<p>A. MOTION TO AUTHORIZE County Administrator to execute a Sixth Amendment to the Agreement between Broward County and American Heritage Life Insurance Company ("Allstate"), for voluntary employee-paid insurance products, Personal Income Protection Plans, extending the term of the Agreement for 18 months beginning July 1, 2021, and ending December 31, 2022, with no change in plan designs or premium rates; and authorize the County Administrator to take all administrative and budgetary actions necessary to implement the Agreement as amended.</p> <p>ACTION: (T-11:41 AM) Approved.</p> <p>VOTE: 9-0.</p> <p>B. MOTION TO AUTHORIZE County Administrator to execute a Third Amendment to the Agreement between Broward County and PayFlex Systems USA, Inc. ("PayFlex"), for the County-paid Third Party Administration of Flexible Spending Accounts, Health Savings Accounts, and Health Reimbursement Accounts, extending the term of the Agreement for one year beginning January 1, 2022, and ending December 31, 2022, with no change in premium rates; and authorize the County Administrator to take all administrative and budgetary actions necessary to implement the Agreement as amended.</p> <p>ACTION: (T-11:41 AM) Approved.</p> <p>VOTE: 9-0.</p>		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Exhibit 1 - Summary of Expiring Insurance Programs		

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: George Tablack

Department: Finance and Administrative Services **Division:** Human Resources

Information

Requested Action

A. MOTION TO AUTHORIZE County Administrator to execute a Sixth Amendment to the Agreement between Broward County and American Heritage Life Insurance Company ("Allstate"), for voluntary employee-paid insurance products, Personal Income Protection Plans, extending the term of the Agreement for 18 months beginning July 1, 2021, and ending December 31, 2022, with no change in plan designs or premium rates; and authorize the County Administrator to take all administrative and budgetary actions necessary to implement the Agreement as amended.

ACTION: (T-11:41 AM) Approved.

VOTE: 9-0.

B. MOTION TO AUTHORIZE County Administrator to execute a Third Amendment to the Agreement between Broward County and PayFlex Systems USA, Inc. ("PayFlex"), for the County-paid Third Party Administration of Flexible Spending Accounts, Health Savings Accounts, and Health Reimbursement Accounts, extending the term of the Agreement for one year beginning January 1, 2022, and ending December 31, 2022, with no change in premium rates; and authorize the County Administrator to take all administrative and budgetary actions necessary to implement the Agreement as amended.

ACTION: (T-11:41 AM) Approved.

VOTE: 9-0.

Why Action is Necessary

Motions A. and B. In accordance with the Broward County Administrative Code, Section 21.53(d), contracts for supplies or services may not be entered into for more than five years without the express consent of the Board.

What Action Accomplishes

Motions A. and B. Extends the current agreement term for employee-paid Personal Income Protection Plans through December 31, 2022, and County-paid Third Party Administration of Flexible Spending Accounts, Health Savings Accounts, and Health Reimbursement Accounts through December 31, 2022.

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT AND THE HUMAN RESOURCES DIVISION RECOMMEND APPROVAL OF THE ABOVE MOTIONS.

To prepare for calendar year 2022, staff seeks Board approval to extend for 18 months the current agreement with American Heritage Life Insurance Company ("Allstate") for voluntary, employee-paid Personal Income Protection plans (Accident, Cancer, Critical Illness and Hospitalization). Staff also seeks Board approval to extend for one year the current agreement with PayFlex Systems USA, Inc. ("PayFlex") for Third Party Administration of Flexible Spending Accounts, Health Savings Accounts, and Health Reimbursement Accounts.

Motion A - Personal Income Protection Plans:

On October 28, 2014 (Item No. 36), the Board approved a three-year agreement (January 1, 2015 through December 31, 2017) with two one-year renewals between Broward County and American

Heritage Life Insurance Company.

On July 17, 2019, the Contract Administrator advised American Heritage Life Insurance Company that the County was extending the term of the agreement on a month-to-month basis for a maximum of six months with no change in plan design or premium rates.

On June 2, 2020 (Item No. 28A), the Board approved a one-year extension (July 1, 2020 through June 30, 2021) to the agreement between Broward County and American Heritage Life Insurance Company with no change in plan design or premium rates.

Motion A seeks an 18-month extension from July 1, 2021 through December 31, 2022 with no change in plan design or premium rates which are fully paid by employees. This extension also will change the start date of the new amendment to bring the current agreement into alignment with other benefit plans that start on January 1 each year and will allow it to be included in the annual open enrollment process.

Motion B - Third Party Administration of Flexible Spending Accounts, Health Savings Accounts, and Health Reimbursement Accounts:

On September 23, 2014 (Item No. 26), the Board approved a five-year agreement (January 1, 2015 through December 31, 2019) between Broward County and PayFlex Systems USA, Inc.

On August 20, 2019 (Item No. 69B), the Board approved a one-year extension (January 1, 2020 through December 31, 2020) to the agreement between Broward County and PayFlex Systems USA, Inc. with no change in premium rates paid by the County.

On June 2, 2020 (Item No. 28B), the Board approved a one-year extension (January 1, 2021 through December 31, 2021) to the agreement between Broward County and PayFlex Systems USA, Inc., with no change in premium rates paid by the County.

Motion B seeks a one-year extension from January 1, 2022 through December 31, 2022, with no change in premium rates paid by the County. This will provide staff additional time to complete the RFP process and have a signed agreement in place for open enrollment for calendar year 2023.

Additional time will also be needed, if a new vendor is selected, to transition to a new vendor, which generally requires three months' notice to the current vendor to allow time to reconcile and close out accounts, exchange test files with new vendor in preparation for transfer of balances, liquidation of Health Savings Account investment accounts, collection and submittal of Trustee to Trustee transfer forms for Health Savings Account members in advance of funds being transferred from current vendor to the new vendor.

RFPs for Personal Income Protection Plans and the Third Party Administration for the Health Accounts will be issued before October of this year.

Exhibit 1 provides a description of the Personal Income Protection plans and the Third Party Administration of Flexible Spending, Health Savings, and Health Reimbursement accounts; the current carriers; contract values; and other background information.

Source of Additional Information

David Kahn, Director, Human Resources Division, 954 357-6005

Fiscal Impact

Fiscal Impact/Cost Summary

Motion A. There is no fiscal impact to the County for voluntarily selected Personal Income Protection Plans as premiums are paid in their entirety by benefit-eligible employees who choose to participate in the plans. Premiums are estimated to be \$968,352 for the 18-month extension.

Motion B. The funding source for the County-paid Administration Fees for the spending/reimbursement accounts for active employees is paid through Fund No. 50025-35652010-512705 at an estimated annual cost of \$172,000.