



## **BOARD OF SUPERVISORS AGENDA ITEM REPORT** **CONTRACTS / AWARDS / GRANTS**

**Requested Board Meeting Date:** September 6, 2016

**or Procurement Director Award** ☐

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**Contractor/Vendor Name (DBA):** Aetna Life Insurance Company

**Project Title/Description:**

Self-Insurance Benefits: Third Party Administrative, Pharmacy Benefit Management and Employee Assistance Program Services

**Purpose:**

Amendment of Award: Master Agreement MA-PO-13-510, Amendment No. 2. Verbiage added to modify the terms in Article II - Scope of Services, Exhibit A and Exhibit C and in Article III - Compensation and Payment, Exhibit F and Exhibit H.

**Procurement Method:**

Pursuant to Pima County Code 11.12.020, Competitive Sealed Proposals, Solicitation No. 70513 was conducted. This contract was initially awarded by the Board of Supervisors effective on July 1, 2013 for an initial term of three (3) years with two (2) additional one-year periods in an amount not to exceed \$133,700,000.00.

Amendment No. 1 (07/07/2016): Extended the Contract term for a period of two (2) years from July 1, 2016 through June 30, 2018 and increase, the not-to-exceed amount by \$53,300,000.00 for a cumulative contract amount of \$187,000,000.00.

This Amendment No. 2, amends Exhibits A, C, F and H.

While the increase to the administrative fees will be approximately \$27,000 per year, the claim cost reduction by members utilizing Teladoc services as opposed to going to the emergency room, urgent care or their physician, should exceed the administrative cost of the program.

The increased cost for EAP administrative fees for 2017-18 will be approximately \$13,000. The increase in public safety personnel EAP services is mandated by newly enacted ARS §38-962. It is expected that overall plan savings will exceed this increase.

It is also expected that the additional \$30,000 expenses for Personal Health Record will result in overall plan savings.

Attachment Documents: Master Agreement.

**Program Goals/Predicted Outcomes:**

Provide Pima County employees with the following Employee Health Benefits: Third Party Administration, Pharmacy Benefit Management and Employee Assistance Program Services.

**Public Benefit:**

Fiscal responsibility for public funds through group benefits offered.

**Metrics Available to Measure Performance:**

Quality, availability and affordability of benefit services offered to employees.

**Retroactive:**

No

Original Information

Document Type: \_\_\_\_\_ Department Code: \_\_\_\_\_ Contract Number (i.e.,15-123): \_\_\_\_\_  
Effective Date: \_\_\_\_\_ Termination Date: \_\_\_\_\_ Prior Contract Number (Synergen/CMS): \_\_\_\_\_  
☐ Expense Amount: \$ \_\_\_\_\_ ☐ Revenue Amount: \$ \_\_\_\_\_  
Funding Source(s): \_\_\_\_\_

Cost to Pima County General Fund: \_\_\_\_\_

Contract is fully or partially funded with Federal Funds? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards  
Were insurance or indemnity clauses modified? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards  
Vendor is using a Social Security Number? ☐ Yes ☐ No ☐ Not Applicable to Grant Awards

If Yes, attach the required form per Administrative Procedure 22-73.

**Amendment Information**

Document Type: MA Department Code: PO Contract Number (i.e.,15-123): 13-510  
Amendment No.: 02 AMS Version No.: 6  
Effective Date: 10-01-2016 New Termination Date: \_\_\_\_\_  
☐ Expense ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$0.00  
Funding Source(s): \_\_\_\_\_

Cost to Pima County General Fund: 0.00

Contact: Denise Waldo, Commodity Contracts Officer  
Department: Procurement Telephone: 724-8458  
Department Director Signature/Date: [Signature] 8/24/16  
Deputy County Administrator Signature/Date: [Signature] 8-25-16  
County Administrator Signature/Date: [Signature] 8/25/16  
(Required for Board Agenda/Addendum Items)



# MASTER AGREEMENT

## PIMA COUNTY, ARIZONA

**THIS IS NOT AN ORDER - TRANSMISSION CONSTITUTES CONTRACT EXECUTION**

Master Agreement No: 13000000000000000510

MA Version: 6

Page: 1

Description: Self-Insurance Benefits: TPA, PBM and EAP Service

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Pima County Procurement Department  
130 W. Congress St. 3rd Fl  
Tucson AZ 85701

Issued By: DENISE WALDO  
Phone: 5207248458  
Email: denise.waldo@pima.gov

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Initiation Date: 10-01-2016

Expiration Date: 06-30-2018

NTE Amount: \$187,000,000.00

Used Amount: \$108,395,056.98

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AETNA LIFE INSURANCE COMPANY

151 FARMINGTON AVE

HARTFORD CT 06156

Contact: KRISTEN RYAN

Phone: 860-273-0733

Email:

Terms: 0.0000 %

Days: 30

### Shipping Method:

Delivery Type: STANDARD GROUND

FOB:

### Modification Reason

Amendment No. 2- Verbiage added to modify the terms in Article II - Scope of Services, Exhibit A and Exhibit C and in Article III - Compensation and Payment, Exhibit F and Exhibit H. Attachment: Amendment No. 2.

This Master Agreement incorporates the attached documents, and by reference all instructions, Standard Terms and Conditions, Special Terms and Conditions, and requirements that are included in or referenced by the solicitation documents used to establish this agreement. All Transactions and conduct are required to conform to these documents.



# MASTER AGREEMENT DETAILS

Master Agreement No: 13000000000000000510

MA Version: 6

Page: 2

Line	Description	Service From	Service To
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1	Employee Health Benefits		
	Service Contract Amt		
	\$0.00		

**PIMA COUNTY DEPARTMENT OF HUMAN RESOURCES**

**PROJECT: Self-Insurance Benefits: Third Party  
Administrative, Pharmacy Benefit Management and  
Employee Assistance Program Services**

**CONTRACTOR: Aetna Life Insurance Company**

**CONTRACT NO.: MA-PO-13-510**

**CONTRACT AMENDMENT NO.: Two (#02)**

**CONTRACT**

**NO. MA-PO-13-510**

**AMENDMENT NO. 02**

This number must appear on all  
invoices, correspondence and  
documents pertaining to this  
contract.

**ORIG. CONTRACT TERM: 07/01/2013 - 06/30/2016**

**ORIG. CONTRACT AMOUNT: \$133,700,000.00**

**TERMINATION DATE PRIOR AMENDMENT: 06/30/2018**

**PRIOR AMENDMENTS: \$ 53,300,000.00**

**TERMINATION THIS AMENDMENT: 06/30/2018**

**AMOUNT THIS AMENDMENT: \$ 0.00**

**REVISED CONTRACT AMOUNT: \$187,000,000.00**

**CONTRACT AMENDMENT**

WHEREAS, COUNTY and CONTRACTOR entered into a Contract for services as referenced above; and

WHEREAS, CONTRACTOR and COUNTY have agreed to modify the terms in Article II – Scope of Services, Exhibit A and Exhibit C through the remainder of the contract; and

WHEREAS, CONTRACTOR and COUNTY have agreed to modify the terms in Article III – Compensation and Payment, Exhibit F and Exhibit H through the remainder of the contract;

NOW, THEREFORE, it is agreed as follows:

**EXHIBIT A:**

Add: "Teladoc is a 24/7 telemedicine platform available to Pima County members (participating employees and dependents) effective October 1, 2016.

Pima County eligible members will pay a \$40 consult fee to speak (via phone or Skype) with a Medical Doctor in their state of residence to receive diagnostic services for common ailments such as sore throats, sinus infections, bronchitis, pink eye, colds, and flus.

A Teladoc physician will, if necessary, order a prescription at the member's pharmacy."

**EXHIBIT C:**

Add: "Effective July 1, 2016 through June 30, 2017 – Public Safety Officers only  
Additional Six (6) Face-To-Face Counseling Sessions per problem per contract year, if they report traumatic events

Effective July 1, 2017 through June 30, 2018 – Public Safety Officers only  
Additional Twelve (12) Face-To-Face Counseling Sessions per problem per contract year if they report traumatic events"

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EXHIBIT F:

Add:

Teledoc - TPA fee (paid monthly) PMPM (appx 11,255)	\$0.20
Service Cost (paid along with other claims)	\$3.00

Change: PEPM 2016/2017

From: \$40.26  
To: \$40.76

Change: PEPM 2017/2018

From: \$44.05  
To: \$44.55

Change:

From: "\*\*Medical Fee includes \$1.15 PEPM for Tobacco Cessation Program"  
To: "\*\*Medical Fee includes \$1.15 PEPM for Tobacco Cessation Program and \$.50 for Personal  
Health Record"

EXHIBIT H:

Change: PEPM 2017/2018

From: \$1.50  
To: \$1.66

The effective date of this Amendment shall be October 1, 2016.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

All other provisions of the Contract, not specifically changed by this Amendment, shall remain in effect and be binding upon the parties.

IN WITNESS THEREOF, the parties have affixed their signatures to this Amendment on the dates written below.

**PIMA COUNTY**

\_\_\_\_\_  
Chair, Board of Supervisors

\_\_\_\_\_  
Date

**CONTRACTOR**

\_\_\_\_\_  
Signature

Michael S. Copen  
Assistant Vice President & Actuary  
\_\_\_\_\_  
Name and Title (Please Print)

8/23/2016  
\_\_\_\_\_  
Date

**ATTEST**

\_\_\_\_\_  
Clerk of Board

\_\_\_\_\_  
Date

**APPROVED AS TO FORM**

\_\_\_\_\_  
Signature

Tobin Rosen, Deputy County Attorney

8/23/16  
\_\_\_\_\_  
Date

**APPROVED AS TO CONTENT**

\_\_\_\_\_  
Signature  
Department Head

8/23/16  
\_\_\_\_\_  
Date