

# Executive Summary

Board of Governors Meeting, September 23, 2020

## Short Term Disability and Family Medical Leave Administrative Services

### Topic

This Short-Term Disability and Family Medical Leave Administrative Services Action Item will be presented at the September 23, 2020 Citizens Board of Governors Meeting.

Recommended Vendor: CIGNA

### History

Citizens self-insured short-term disability benefits for employees are processed through a third-party administrator, in coordination with the fully insured long term disability carrier. In the hopes of receiving a multi-year service contract (which would exceed the competitive solicitation requirement of \$35,000 of s. 287.057, Florida Statutes), on February 2, 2016 Citizens issued Invitation To Negotiate #18-0001 for Administration of Short-Term Disability (STD) and Family Medical Leave Benefit Programs (FMLA) Only.

Only one response was received, from CIGNA, as the administration of the Citizens' self-insured STD plan needs to be aligned with, and have claims integration, through Citizens' fully insured and employee funded Long-Term Disability (LTD) plan carrier, also through CIGNA. Additionally, it was learned that multi-year price quotes were not received as the per employee, per month charges are set year to year based upon the previous history of the year before.

As a result of receiving only one reply from the incumbent, CIGNA was awarded last year in accordance with s.287.057(5), Florida Statutes. This Action Item requests that CIGNA be maintained as the provider for both STD administration, FMLA, and employee funded LTD coverage. As a practical reality, these need to travel together.

The annual expense for each of the Services, the Short-Term Disability (\$30,559) and the Family Medical Leave Administration (\$30,676) separately are below the threshold of s. 287.057, Florida Statutes.

### Recommendation

- a) Approve a contract with CIGNA for a one (1) year term, beginning on January 1, 2021 and ending on December 31, 2021 for an estimated total amount not to exceed \$61,235, dependent upon the number of employees, as set forth in the corresponding Short Term Disability and Family Medical Leave Administrative Services Action Item; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

# ACTION ITEM

Board of Governors Meeting, September 23, 2020

- Contract – New  Committee or Board Minutes  
 Contract – Amendment of Contract Terms  Product Changes  
 Contract – Additional Spend  Other \_\_\_\_\_

<b>Contract ID</b>	<b>Short Term Disability and Family Medical Leave Administrative Services</b> <b>Contract Number: 2020500300</b> <b>Recommended Vendor: CIGNA</b>
<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes continuation of services <input type="checkbox"/> No Funding to be included in the Annual Operating Budget for each respective contract term year.
<b>Procurement Method</b>	On February 2, 2016 Citizens issued an Invitation To Negotiate #18-0001 for Administration of Short-Term Disability (STD) and Family Medical Leave Benefit Programs (FMLA). The only response received was from CIGNA, as the administration of the self-insured STD plan needs to be aligned with and have claims integration through Citizens' fully insured and employee funded Long-Term Disability (LTD) plan, also through CIGNA. As a result of receiving only one reply, this was awarded last year in accordance with s.287.057(5), Florida Statutes. This Action Item requests that CIGNA be maintained as the provider for both STD administration and FMLA Services.
<b>Contract Amount</b>	Estimated cost of STD and FMLA Administrative Services through CIGNA for the contract period of January 1, 2021 through December 31, 2021, is approximately \$61,235 plans total. <ul style="list-style-type: none"><li>• Short-Term Disability cost \$30,559</li><li>• Family and Medical Leave cost \$30,676</li></ul>
<b>Contract Term(s)</b>	Base Term: January 1, 2021 through December 31, 2021
<b>Purpose/Scope</b>	This Action Item represents approval for a new contract award for a CIGNA to provide all administrative services for self-funded STD and FMLA benefit programs to be offered to Citizens' employees, effective January 1, 2021.

# ACTION ITEM

Board of Governors Meeting, September 23, 2020

<b>Recommendation</b>	<p>This Short-Term Disability and Family Medical Leave Administrative Services Action Item will be presented at the September 23, 2020 Citizens Board of Governors' meeting.</p> <p>Recommendation:</p> <ul style="list-style-type: none"><li>a) Approve a contract with CIGNA for a one (1) year term, beginning on January 1, 2021 and ending on December 31, 2021, for an estimated total amount not to exceed \$61,235, dependent upon the number of employees, as set forth in this Action Item; and</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.</li></ul>
<b>Contacts</b>	<p>Violet Bloom, Vice President, Human Resources James Taylor, Director, Total Rewards</p>