

Employee Medical Insurance RFP

April 7, 2026



Why Issue the RFP?



RFP Process

- **November 2025**

- Staff issued Request for Proposals (RFP)

- **December 2025**

- Five (5) responses received
 - UMR, UnitedHealthcare, CIGNA, Aetna, and BlueCross BlueShield of NC

- **January 2026**

- Benefits Committee evaluated proposals from top 3 submissions.
 - CIGNA, UnitedHealthcare, and BlueCross BlueShield of NC

Why Cigna Healthcare?

- **Service & Implementation Support**
 - 24/7 live customer service
 - 24/7 health information line
 - Ask Cigna days
 - Dedicated transition team
- **Integrated & Comprehensive Coverage**
 - Medical, Pharmacy, & Behavioral Health on one platform
 - Enhanced network access
- **Financial Value**
 - Over \$10M in estimated pharmacy rebates (3 years)
 - 18-month administrative fee waiver
 - \$100K annual wellness fund (\$125K Year 1)

Budget Impact

- Based on current enrollment projections, the total anticipated administrative fee costs under the proposed three-year agreement are as follows:
 - **FY27:** \$1,422,832 (Total cost: ~\$16.5 million)
 - **FY28:** \$1,715,934
 - **FY29:** \$2,090,161

Staff Recommendation

- **Requested Action:**

- Approve resolution authorizing the City Manager to enter into a three-year professional services agreement with Cigna Healthcare with administrative fees at the following increments:

- **FY27:** \$1,422,832
- **FY28:** \$1,715,934
- **FY29:** \$2,090,161

- **Implementation Timeline:**

- May
 - Open Enrollment
- July 1, 2026
 - New plan year begins

Questions?