

Resolution



City Council
City of Wilmington
North Carolina

Introduced By: Rebecca L. Hawke, City Manager

Date: 4/7/2026

Resolution Authorizing the City Manager to Enter Into a Professional Services Agreement with CIGNA Health and Life Insurance Company for Medical Insurance Coverage and Related Administrative Services

LEGISLATIVE INTENT/PURPOSE:

WHEREAS, City Council is committed to providing comprehensive, affordable, and cost-effective healthcare benefits to City employees, retirees, and their eligible dependents; and,

WHEREAS, the City conducted a competitive Request for Proposals (“RFP”) process for third-party administrative services for medical, pharmacy, and related services, and received proposals from five qualified providers; and,

WHEREAS, the proposals were reviewed and evaluated by the City’s Benefits Committee based on criteria including integration of services, provider network access, financial terms, pharmacy rebate structure, customer service capabilities, transition support, and long-term cost sustainability; and,

WHEREAS, the Benefits Committee determined that CIGNA Health and Life Insurance Company (“CHLIC”) provides the best overall value and service offering for the City and its employees; and,

WHEREAS, the proposed agreement provides for integrated medical, pharmacy, and behavioral health services; access to CHLIC’s Open Access Plus (“OAP”) national provider network; estimated prescription drug rebates of approximately \$13.5 million over three (3) years; an eighteen (18) month administrative fee waiver over three (3) years; a \$100,000 annual fund to support the City’s technology or wellness initiatives; 24/7/365 live customer service; and dedicated transition support services; and,

WHEREAS, based on current enrollment projections, the total anticipated fee costs under the proposed three-year agreement are \$1,422,832 in FY27, \$1,715,943 in FY28, and \$2,090,161 in FY29, inclusive of negotiated fee credits; and,

WHEREAS, such fees include administrative services, stop-loss coverage providing

reimbursement for individual claims exceeding \$210,000 during the plan year, Patient Protection and Affordable Care Act (“PPACA”) compliance-related costs, and auditor, broker, and COBRA administration services; and,

WHEREAS, this supports the continued delivery of high-quality, financially sustainable healthcare benefits.

THEREFORE, BE IT RESOLVED:

THAT, the City Manager is authorized to enter into a Professional Services Agreement with CIGNA Health and Life Insurance Company for medical insurance coverage, pharmacy benefit management, stop-loss coverage, and related third-party administrative services for a three-year term beginning in FY27.

THAT, the City Manager is further authorized to execute any related documents, amendments, or renewals consistent with the intent of this resolution and within approved budget authority.

THAT, funding for this agreement shall be appropriated in the applicable fiscal year budgets in accordance with the City’s adopted financial plan.

Adopted at a _____ meeting

On _____ 2026

Bill Saffo, Mayor

Attest:

Penelope Spicer-Sidbury, City Clerk