



City of Boynton Beach Agenda Item Request Form

Meeting Date: 08/25/2026

Proposed Resolution No. R26-143- Approve award of the Request for Proposal for Employee Medical and Pharmacy Administration Services and Stop Loss Insurance to Aetna Life Insurance Company, and authorize the Mayor to execute the resulting agreement for a total \$12,402,283 this includes projected claims of \$10,583,249 and fixed costs of \$1,819,034 (administrative, individual, and aggregate stop loss fees)

Requested Action: Staff recommends approval of Proposed Resolution No. R26-143.

Explanation of Request: The City procures group medical, stop loss, and pharmacy benefits under the Insurance Services exemption to the City's competitive procurement requirements. Although exempt, the City follows best practices by having its benefits consultant, Michael Gelin, solicit these services competitively on the City's behalf pursuant to his existing City contract.

The consultant issued a Request for Proposal for Medical and Stop Loss Insurance and Pharmacy coverage. Five carriers responded; two were deemed responsive and responsible — Aetna, the incumbent, and United Healthcare.

Staff and the consultant leveraged lower-cost options from United Healthcare/Neighborhood Health to negotiate down Aetna's renewal, cutting the increase to fixed administrative fees from 37% to 16%.

Negotiated terms include:

- Health Plan Allowance — \$142,000 per year for three years (\$426,000 total) from Aetna to fund health and wellness communication, implementation, and programming.
- Stop loss savings — individual (specific) attachment point raised from \$200,000 to \$250,000, an estimated \$340,000 reduction in stop loss premium.
- Pharmacy rebates — projected at approximately \$744,000 for the plan year; the City has received over \$1.3 million to date.
- Plan design changes — copayments increased for select services (inpatient hospital, emergency room, brand-name drugs) under the HMO and POS plans to drive HDHP enrollment and onsite clinic utilization.
- No increase to employee payroll contributions for medical coverage in the upcoming plan year.

Staff recommends the Mayor and Commission award the RFP to Aetna as the most advantageous option for the City based on the RFP process performed by the consultant.

How will this affect city programs or services?

Continuation of medical and dental coverage through Aetna maintains continuity of care and administration for City employees and dependents with no disruption in network access. There is no increase to employee payroll deductions for medical coverage.

Budgeted Item: Yes

Account Line Item and Description:

Health Insurance Aetna

Health Insurance Aetna/Dental

Health Insurance Aetna/Vision

Fiscal Impact:

The overall budget increased by 1.5% from \$12,215,402 to \$12,402,283 for a difference of \$186,881. This includes projected claims of \$10,583,249 and fixed costs of \$1,819,034 (administrative, individual, and aggregate stop loss fees). The City and its actuary, GRS Consulting, expect claims to fall below the \$10.5 million projection.

Attachments:

[R26-143 Agenda_Item_4888-2026_Resolution_for_Aetna_RFP_Continued_services.docx](#)
[Exhibit A to Resolution - Aetna Renewal Package Medical, Dental, Vision 10-1-2026.pdf](#)
[Vision Renewal.pdf](#)
[Dental Renewal.pdf](#)
[RFP Employee Medical & Stop Loss.pdf](#)
[Image of Medical RFP Attachments.pdf](#)
[Employee Benefits Plan Renewal Recommendation](#)
[R23-117 with Master Services Agmt - 0192692](#)
[updated COI](#)