



Date: October 12, 2021  
Current Meeting: October 21, 2021  
Board Meeting: October 28, 2021

**BOARD MEMORANDUM**

**TO:** Indianapolis Public Transportation Corporation (IPTC) Board of Directors  
**THROUGH:** President/CEO Inez P. Evans  
**FROM:** Vice President of Human Resources Jeff Brown  
**SUBJECT:** Consideration and approval to negotiate a contract with Anthem Blue Cross Blue Shield for group health insurance premiums and insurance coverage

---

**ACTION ITEM A – 10**

**RECOMMENDATION:**

In a manner consistent with IPTC procurement and contract award standards, we request that the Board authorize the President/CEO to negotiate and enter into a contract with Anthem Blue Cross Blue Shield for group health insurance premiums and insurance coverage for the IPTC workforce with a projected cost of \$11,423,423, subject to increase or decrease based on future enrollments.

**BACKGROUND:**

Health insurance is important for IPTC employees as it helps protect the individual from the financial burden of an unexpected medical bill and provides preventive care to help keep the individual healthy. To this end, IPTC takes a progressive approach to create a healthier workforce and as such provides a comprehensive benefits package to our workforce.

**DISCUSSION:**

Each year, IPTC has to renew its group health insurance premiums and coverage for its workforce. To this end, IPTC engaged LHD benefit advisors to serve as its broker and procure a vendor to provide group health insurance premiums and coverage. IPTC received three bids in response to the RFP – Anthem, United Health Care and Cigna -- all of which were deemed responsive. Proposals were based on the following criteria: total cost of services requested, contractual benefits and administration flexibility, provider network strength in term of access and pricing, multi-year contract, implementation process timelines and guarantees. Based on these guidelines, Anthem is the suggested successful bidder for the following reasons:

- Although Anthem’s proposal provides a manageable cost increase of 5.3%, it was the lowest bidder among the evaluated vendors.
- Employees and families will continue to benefit from Anthem’s provider network which yields largest provider discounts in comparison to other provider networks that were considered. Other bidders could not match Anthem’s network of provider discounts.
- Employees and families will further benefit from Anthem’s broad provider network which permits greater access to care and less disruption. Other bidders could not offer the same access to care options as Anthem.
- Employees and families will have access to one of the largest networks in Indiana and Indianapolis metropolitan area. Anthem includes access to national Blue Card program which provides network access to contracted BCBS providers in non-Anthem states.
- IPTC initially budgeted a ten percent increase for employee medical coverage for 2021. The Anthem proposal falls well below this expectation.

In summary, Anthem Blue Cross Blue Shield offered the best, most comprehensive, and cost-effective proposal that will provide the best overall coverage for the quality and level of services for IPTC employees and families.

**ALTERNATIVES:**

The Board could choose not to award this contract to the recommended vendor and direct the CEO to negotiate with another vendor.

**FISCAL IMPACT:**

The total cost of this procurement for group health premiums and insurance coverage is projected to be \$11,423,423, subject to increase or decrease based on future enrollments. Human Resources will work with Finance to manage the funding of this procurement with the existing budget for each year of the contract.

**DBE/XBE DECLARATION:**

This contract will be funded by the Operations budget, and therefore, it does not require an established Disadvantaged Business Enterprise Program (“DBE”) participation goal. Given the complexity and nature of this opportunity subcontracting possibilities were limited. It is our continued commitment to partner with certified “XBE” firms with the City of Indianapolis Office of Minority and Women Business Development and the Indiana Department of Administration Division of Supplier Diversity when opportunities present themselves.

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Service Committee on October 21, 2021.