

**OFFICE OF THE CITY MANAGER  
LITTLE ROCK, ARKANSAS**

**BOARD OF DIRECTORS COMMUNICATION  
SEPTEMBER 20, 2022 AGENDA**

<b>Subject:</b>	<b>Action Required:</b>	<b>Approved By:</b>
<p>A resolution to authorize the execution of a contract with JTS Financial Services for Employee Benefit Consultation, Data Analytics, Reconciliation Services, Web-Based Benefit Administration &amp; Enrollment Services and ACA reporting; with the option to add COBRA Administration, Flexible Spending Account Administration, Dependent Care Plan Administration and a Dedicated Customer Service Platform.</p> <p><b>Submitted By:</b></p> <p>Human Resources Department</p>	<p style="text-align: center;">Ordinance √ <b>Resolution</b></p>	<p style="text-align: center;">Bruce T. Moore City Manager</p>
<b>SYNOPSIS</b>	<p>A resolution authorizing the City Manager to enter into an agreement with JTS Financial Services for Benefit Consultation, Data Analytics, Reconciliation Services, Web-Based Benefit Administration &amp; Enrollment Services and ACA Reporting; with the option to add COBRA Administration, Flexible Spending Account/Dependent Care Plan Administration and a Dedicated Customer Service Platform, for the period of May 4, 2022, to May 4, 2023. This represents year one (2) of a seven (7)-year term.</p>	

**FISCAL IMPACT**

The amount is not to exceed \$95,000.00 Employee Benefit Consultation, Data Analytics, Reconciliation Services, Web-Based Benefit Administration & Enrollment Services, ACA Reporting, COBRA Administration, and Flexible Spending Account/Dependent Care Plan Administration.

Assuming the City of Little Rock transitions to a partially Self-Insured Medical Plan in 2023/20224, JTS will only be compensated as a percentage of savings derived from prescription rebates and reduction of administrative plan expenses. JTS will receive incentive compensation of 20% of medical plan savings based on the 2022 Fully-Insured Medical Plan costs versus a partially Self-Insured Plan structure in 2023/2024, an amount not to exceed \$200,000.00.

Any additional plan costs incurred as a result of the integration of Clinically Integrated Networks will not be held against JTS when comparing 2023/2024 plan costs to 2022 plan costs with regard to plan savings calculation.

If the City of Little Rock decides to remain fully-insured, JTS will receive no standard commission for Medical Plan Consulting Services.

Compensation structure in subsequent years will be based on a per participating employee per month charge of \$5.00, assuming Medical Plan Consulting Services only, an amount not to exceed \$200,000.00.

If the City of Little Rock determines that they would like JTS to provide a dedicated Customer Service Platform for all benefits, there would be an additional \$4.00 per participating employee per month charge. Therefore the not to exceed amount in paragraph one (1) of Fiscal Impact would increase by \$100,000.00.

JTS can receive commissions from Dental, Vision, Long-Term Disability, Life Insurance, AD&D and any other voluntary benefit insurance product except medical plan vendor commissions.

**RECOMMENDATION**

Approval of the resolution.

**BACKGROUND**

JTS was chosen as the Employee Benefit Consultant for the City. Resolution 15,449 (May 4, 2021) was issued authorizing the agreement between the City and JTS, with the initial term of May 4, 2021, to May 4, 2022. The agreement with JTS was not finalized until July 13, 2021. The City wishes to extend the agreement with JTS for Employee Benefit Consultation, Web-Based Benefit Administration & Enrollment Services and ACA Reporting; with the option to add COBRA Administration, Flexible Spending Account/Dependent Care Plan Administration and a Dedicated Customer Service Platform, for the period of May 4, 2022, to May 4, 2023, in an amount not to exceed \$395,000.00, for all services including additional fee for Medical Plan Consultation if the City goes self-funded and if the City adds the customer service platform; otherwise, the not to exceed amount will remain \$95,000.00, as included under Fiscal Impact paragraph one. This contract could be extended five (5) additional years in accordance with the renewal clause in the original agreement.