

CITY of ALBUQUERQUE

TWENTY THIRD COUNCIL

COUNCIL BILL NO. R-19-140 ENACTMENT NO. R-2019-038

SPONSORED BY: Trudy E. Jones, by request

1 RESOLUTION

2 ESTABLISHING THE CITY OF ALBUQUERQUE'S ADMINISTRATION OF THE
3 GROUP SELF-INSURANCE FUND FOR PROVIDING MEDICAL COVERAGE FOR
4 EMPLOYEES AND OF THE PARTICIPATING ENTITIES, CREATING A NEW
5 GROUP SELF-INSURANCE FUND 710, IN FISCAL YEAR 2020.

6 WHEREAS, the City of Albuquerque's Insurance & Benefits Division of the
7 Human Resources Department manages the Group Health Benefits Plans
8 which includes Medical, Dental, Vision, Life Insurance and Voluntary Benefits,
9 for approximately 18,000 employees and dependents of the City of
10 Albuquerque and for the employees and dependents of the Participating
11 Entities to include but not limited to, Albuquerque Bernalillo County Water
12 Utility Authority, Sandoval County, Middle Rio Grande Conservancy District,
13 City of Belen, Town of Bernalillo, Albuquerque Housing Authority, Village of
14 Corrales, Town of Edgewood, Village of Bosque Farms, Village of Tijeras,
15 Village of Los Ranchos, Town of Mountainair, Village of Cuba, Sandoval
16 County Arroyo Flood Control Authority, Village of Jemez Springs, Village of
17 Cochiti Lake, Village of San Ysidro; and

18 WHEREAS, the combination of insured in the group program is one of the
19 largest public insured groups in New Mexico; and

20 WHEREAS, the combined procurement, administration, and financial
21 management of the group program contributes greatly to the overall cost
22 effectiveness, administrative efficiencies, technical efficiencies and provides
23 financial savings to City of Albuquerque and that of the Participating Entities;
24 and

[Bracketed/Underscored Material] - New
[Bracketed/Strikethrough Material] - Deletion

1 WHEREAS, a Request for Proposal was completed to review responses
2 from third party administrators and pharmacy benefit managers experienced
3 in working with self-funded public and private groups; and

4 WHEREAS, the Insurance & Benefits Division is responsible for the
5 efficient management of the group health program for over 18,000 New
6 Mexicans ensuring that employees and family members have access to
7 comprehensive, affordable, and accessible healthcare.

8 BE IT RESOLVED BY THE COUNCIL, THE GOVERNING BODY OF THE CITY OF
9 ALBUQUERQUE:

10 Section 1. The Group Medical Self Insurance Fund 710 is created. The
11 fund and any income produced by the fund shall be held in this protected fund
12 for the benefit of the City of Albuquerque employees and dependents and the
13 Participating Entities employees and dependents, and invested by the Chief
14 Investment Officer as allowed. Money in the fund shall be used solely for the
15 purposes of the fund and shall not be used to pay any general or special
16 obligation or debt of the city, other than as authorized by this section.
17 Balances in the fund in excess of amounts needed for the purposes of the
18 fund shall not be used to pay dividends or refunds, however described, to
19 individual public employees or their dependents, but may be used, to reduce
20 future contributions, to provide additional benefits or as a reserve to stabilize
21 premiums.

22 Section 2. Expenditure Method. Disbursements from the fund shall be
23 made by payment dispersal as authorized by Human Resources Director or
24 designee for the following reasons: to purchase health insurance for city and
25 participating entity employees participating in the group self-insurance plan
26 and their covered dependents, from an insurance company determined to be
27 the best responsible bidder, as allowed by City procurement code; to contract
28 with and pay one or more professional claims administrators; to contract with
29 and pay qualified independent actuaries, financial auditors and claims
30 management and procedures auditors; to contract with and pay consultants,
31 financial advisors and investment advisors for independent consulting and
32 advice; to make lump sum advances to any person or firm acting as a
33 professional claims administrator, such advances to be used exclusively to

1 pay benefits for participating employees and their dependents; to pay any
2 other costs and expenses incurred in carrying out this section; and as
3 otherwise provided by law.

4 Section 3. Fund Accounting. The fund shall be maintained in actuarially
5 sound condition as evidenced by the annual written certification of an actuary
6 qualified for such work that as of June 30 of the current year the fund was
7 actuarially sound. The Accounting Division shall annually submit to the
8 administration a report on the financial status of the group self-insurance
9 medical fund as part of the Comprehensive Annual Financial Report. A claims
10 management and procedure audit may be conducted by a qualified claims
11 auditor periodically at the discretion of the Chief Administrative Officer (CAO).
12 With respect to claim files, the claims audit may be limited to a random
13 sampling dependent upon the scope of work agreed upon by the CAO and
14 auditor. This new fund shall be identified as Group Self Insurance Fund 710.

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

[Bracketed/Underscored Material] - New
[Bracketed/Strikethrough Material] - Deletion

1 PASSED AND ADOPTED THIS 29th DAY OF May, 2019
2 BY A VOTE OF: 8 FOR 0 AGAINST.

3
4 Excused: Harris

5
6
7
8
9
10 Klarissa J. Peña, President
11 City Council

12
13
14 APPROVED THIS 17 DAY OF June, 2019
15
16

17 Bill No. R-19-140

18
19
20
21 Timothy M. Keller, Mayor
22 City of Albuquerque

23
24
25
26 ATTEST:

27
28
29 Katy Duhigg, City Clerk

[+ Bracketed/Underscored Material +] - New
[- Bracketed/Strikethrough Material -] - Deletion