

RESOLUTION NO. 2025-

A RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE ADMINISTRATIVE SERVICES AGREEMENT WITH THE TEXAS HEALTH BENEFITS POOL TO ENABLE THE CITY'S PARTICIPATION IN THE BLUE CROSS BLUE SHIELD ADVANCED PAYMENT REVIEW PROGRAM, WHICH IS DESIGNED TO ENHANCE ACCURACY AND ACHIEVE SAVINGS IN THE ADMINISTRATION OF EMPLOYEE HEALTH BENEFITS

WHEREAS the City of League City ("City") participates in the TML Multistate Intergovernmental Employee Benefits Pool, doing business as the Texas Health Benefits Pool ("TXHB"), for the provision and administration of employee health benefits; and

WHEREAS the City and TXHB entered into an Administrative Services Agreement effective June 25, 2025, under which Blue Cross Blue Shield of Texas ("BCBS") provides medical claims administration services; and

WHEREAS TXHB offers an optional Advanced Payment Review ("APR") Program administered by BCBS to improve the accuracy of health-care claim payments through automated audit tools, forensic billing review, and error detection prior to payment; and

WHEREAS activation of the APR Program requires execution of a First Amendment to the Administrative Services Agreement to add the program as an optional benefit service; and

WHEREAS the APR Program is expected to generate annual gross savings to the City estimated between \$200,000 and \$250,000, subject to actual claims activity, and applies a contingency fee of twenty-five percent (25%) only to verified savings; and

WHEREAS the program also provides a guaranteed reduction of \$1.20 per enrolled employee per month from the City's existing BCBS administrative fee; and

WHEREAS because the potential contingency fees may exceed the City Manager's contract authority, City Council approval is required before executing the amendment.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEAGUE CITY, TEXAS, as follows:

Section 1. The City authorizes a First Amendment, attached and incorporated as Exhibit A, to the Administrative Services Agreement with the Texas Health Benefits Pool to enable the City's participation in the Blue Cross Blue Shield Advanced Payment Review Program, which is designed to enhance accuracy and achieve savings in the administration of employee health benefits.

Section 2. The City Manager is authorized to execute all documents necessary to complete this transaction.

Section 3. All resolutions and agreements and parts of resolutions and agreements in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4. It is hereby found and determined that the meeting at which this resolution was passed was open to the public and that advance public notice of the time, place and purpose of said meeting was given as required by law.

PASSED AND APPROVED the ____ day of _____, 2025.

NICK LONG
Mayor

ATTEST:

DIANA STAPP
City Secretary

APPROVED AS TO FORM:

MICHELLE L. VILLARREAL
City Attorney (mv)