



Legislation Details (With Text)

**File #:** 22-1698      **Version:** 1      **Name:** Resolution: Contract with Health Benefits Company - Claims Deflection

**Type:** Resolution      **Status:** Adopted

**File created:** 11/18/2022      **In control:** Administration

**On agenda:** 12/7/2022      **Final action:** 12/7/2022

**Title:** Dept/ Agency: Administration/Division of Personnel  
 Action: ( ) Ratifying (X) Authorizing ( ) Amending  
 Type of Service: Contract with Health Benefits Company  
 Purpose: Contract for Health Insurance Benefits - Claims Deflection.  
 Entity Name: HealthCare2U, LLC  
 Entity Address: 6101 W. Courtyard Drive, Building 5, Suite 210, Austin, Texas 78730  
 Contract Amount: Estimated Cost of \$1,346,400.00  
 Funding Source: 2023 Budget  
 Contract Period: February 1, 2023 through December 31, 2023  
 Contract Basis: ( ) Bid ( ) State Vendor ( ) Prof. Ser. (X) EUS/Insurance  
 ( ) Fair & Open (X) No Reportable Contributions/Statutorily Barred ( ) RFP ( ) RFQ  
 ( ) Private Sale ( ) Grant ( ) Sub-recipient ( ) N/A

Additional Information:

**Sponsors:** Council of the Whole

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
12/7/2022	1	Municipal Council	Adopt	Pass

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**Additional Information:**

**WHEREAS**, full-time employees for the City of Newark (the "City"), currently are not provided with any voluntary health care benefits; and

**WHEREAS**, the City, wishes to provide an option for health benefits to its employees; and

**WHEREAS**, HealthCare2U, LLC, 6101 W. Courtyard Drive, Building 5, Suite 210, Austin, Texas 78730, is a non-insurance healthcare alternative that eliminates claims while providing convenient and affordable access to direct primary care at a cost not to exceed One Million Three Hundred Forty-Six Four Hundred Dollars and Zero Cents (\$1,346,400.00); and

**WHEREAS**, through its proprietary network, HealthCare2U members receive access to a nationwide proprietary private physician network for acute care at \$10.00 for an in-office visit and \$25.00 for urgent care; and

**WHEREAS**, HealthCare2U also offers around-the-clock telehealth for \$0.00 out-of-pocket costs; and

**WHEREAS**, HealthCare2U is built into the overall Aetna self-insured medical program, as the City's underwriters and actuaries were able to lower the City's maximum cost for self-insurance this Aetna as a result of utilization of this program; and

**WHEREAS**, HealthCare2U and its authorized representatives have represented that it can provide the desired services (A copy of the Proposal is attached); and

**WHEREAS**, the City desires to enter into contract with HealthCare2U to provide its part time and temporary employees with a voluntary health benefit options; and

**WHEREAS**, the City feels that it is in the best interest of its part-time and temporary employees to accept the proposal from HealthCare2U; and

**WHEREAS**, the City has determined to permit the authorized representative of HealthCare2U to solicit employees to purchase this voluntary benefit options payable by the employee through payroll deductions; and

**WHEREAS**, this contract is awarded without competitive bidding as an exception to Local Public Contracts Law, pursuant to N.J.S.A. 40A:11-5(m); and

**WHEREAS**, Local Public Contracts Law, N.J.S.A. 40A:11-1, et seq. requires a Resolution of the Governing Body authorizing the award of contracts that are exempt from public bidding and further requires that the contract itself must be available for public inspection; and

**WHEREAS**, the contract is exempt from the requirements of State Pay-to-Play Law, N.J.S.A. 19:44A-20.5 as Insurance Companies are state-regulated companies by the Department of Banking and Insurance and are statutorily barred from making a reportable contribution pursuant to N.J.S.A. 19:34-32; and

**WHEREAS**, this contract complies with the City's Pay-to-Play Ordinance §2:4-22C.1.

**NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:**

1. The Mayor of the City of Newark and/or his designees, the Business Administrator and/or the Personnel Director, are hereby authorized to enter into and execute a contract with Healthcare2U, 6101 W. Courtyard Drive, Building 5, Suite 210, Austin, Texas 78730 at an estimated cost of One Million Three Hundred Forty-Six Thousand Four Hundred

Dollars and Zero Cents (\$1,346,400.00), for the provision of a voluntary health benefit option for eligible active part-time and temporary employees and their eligible dependents, for the period commencing February 1, 2023 of this Resolution for a term not to exceed eleven (11) months.

2. A copy of the fully-executed contract shall be filed in the Office of the City Clerk by the Personnel Director.

3. The City will permit employee payment of premiums through authorized payroll deductions.

4. Any all documents attached to this file shall be filed with the Office of the City Clerk.

5. It shall be the responsibility of the Personnel Director to seek the Certification of Available Funds for 2023 from the Municipal Comptroller. This contract shall be contingent on the appropriation of budget funds during subsequent years as required by N.J.A.C. 5:30-5.5(c) and pursuant to N.J.A.C. 5:30-5.5(b)(2). A Certification of Available Funds shall be prepared for the remaining balance and filed in the Office of the City Clerk by the Personnel Director.

6. Budget and funds will be certified prior to services being provided by the contractor. This Contract is awarded pursuant to the provisions of the Local Public Contracts Law (N.J.S.A. 40A:11-5(m)), and is in compliance with the City's Pay-to-Play Ordinance §2:4-22C.1.

7. The contract is being awarded as a Non-Fair and Open Contract, but it is exempt from the requirements of State Pay-to-Play Law, N.J.S.A. 19:44A-20.5 because Insurance Companies are state-regulated companies by the Department of Banking and Insurance and are statutorily barred from making a reportable contribution pursuant to N.J.S.A. 19:34-32.

8. The Business Entity Disclosure Certification and the Determination of Value are attached in support of this Resolution and shall be placed on file with the Office of the City Clerk by the Personnel Director.

9. There shall be no amendments or changes of this contract without approval of the Municipal Council.

10. There shall be no advance payments on this contract in accordance with N.J.S.A. 40A:5-16.

11. A notice of this action shall be published in the NJ Advanced Media and/or in the newspaper authorized by law to be published and as required by law within ten (10) days of adoption of this Resolution.

12. If required by Law, the Acting City Clerk shall provide the appropriate Notice of Award of the contract to the State Comptroller, no later than twenty (20) business days following such award, in accordance with N.J.S.A. 52:15C-10 and the Notice of the Office of the State Comptroller dated May 7, 2008.

**STATEMENT**

This Resolution authorizes the Mayor of the City of Newark and/or his designees, the Business Administrator and/or the Personnel Director, to enter into and execute a contract with Healthcare2U, 6101 W. Courtyard Drive, Building 5, Suite 210, Austin, Texas 78730 for the provision of the aforementioned voluntary services for all eligible active part-time and temporary employees and their eligible dependents, at an estimated cost of \$1,346,400.00, for the period commencing February 1, 2023 for a term not to exceed eleven (11) months.