

RFP 18MISC6
MEDICAL AND VISION INSURANCE BENEFITS

FACT SHEET

A. **Overview:** This recommendation is to establish a contract for providing medical and vision benefits for active and retired employees of Frederick County Public Schools (FCPS) and their dependents. Proposals were opened on January 26, 2018.

1. **Bid participation:**

48 bids downloaded
4 companies submitted a bid

2. **Bids were received from:**

Aetna Life Insurance Company (Hartford, CT)
Carefirst, Inc. dba Carefirst BC BS and Blue Choice, Inc. (Owings Mills, MD)
Eye Med Vision Care, LLC dba Eye Med (Mason, OH)
United Healthcare Services, Inc. dba United Healthcare (Reston, VA)

3. **Other facts:**

- The contract term will be effective from July 1, 2018 through June 30, 2020, with two additional two-year renewal options available.
- FCPS retained the services of our employee benefit-consulting firm, Trion, to assist with this RFP.
- Under this new contract, plan design remains unchanged.
- Selection is based on the total score of each vendor's technical and cost proposal.
- This recommendation has been reviewed and approved by the Insurance Council which consists of members from FCPS, Frederick County Teachers Association (FCTA), Frederick Association of School Support Employees (FASSE) and Frederick County Administrative and Supervisory Association (FCASA).
- This contract will be administered by Penny Opalka, Senior Manager, Human Resources

4. **Source of funding:** Funding is provided by the Board's self-insurance fund, which will continue to be funded by the Board of Education and employee/retiree contributions.

B. **Recommendation:** Staff recommends the contract for RFP 18MISC6, Medical and Vision Insurance Benefits, be awarded to CareFirst, Inc. (Owings Mills, MD), per the attached Summary of Award.

C. **Action taken by the Board (Purchasing use only):**

<i>KM/jc</i>	Approved	_____ Denied	_____ Deferred	_____ Other	KM/jc
<i>3.14.18</i>	Date	_____ Date	_____ Date	_____ Date	BOE Mtg.: 03.14.18

RFP 18MISC6, MEDICAL AND VISION INSURANCE BENEFITS
SCORING SUMMARY

	Technical Score 75 Points Max	Fee Score 25 Points Max	Total Score
CareFirst BCBS	72.0	24.3	96.3
United Healthcare	70.1	22.8	92.9
Aetna	65.1	23.9	89.0
EyeMed	43.0	0.4	43.4

FEE PROPOSAL SCORING CRITERIA:

Net Cost Consideration (Weighted at 25%)

- a. Program Costs (Annual fees, Monthly fees, fees for other service)
- b. Network Discounts
- c. Performance Guarantees
- d. Disruption impact
- e. Network Access

TECHNICAL PROPOSAL SCORING CRITERIA:

Administrative Services (Weighted at 30%)

- a. Financial stability of firm
- b. Reporting
- c. Claims approval and appeal process
- d. Member service support
- e. Account management staff
- f. Program implementation
- g. Ability to use alternative ID number for all members
- h. Use of technology to access claims processing systems
- i. Quality assurance and financial accuracy of claims processed

Care Management (Weighted at 20%)

- a. Ability to identify at-risk participants
- b. Availability of outreach strategies and interventions to improve participant health
- c. Identification of superior providers based on evidence-based medicine and improved outcomes

Compliance and Responsiveness (Weighted at 20%)

- a. Ability to provide the requested plans
- b. Completeness and clarity of proposal
- c. Satisfied clients of similar size and complexity to FCPS
- d. Compliance with terms and conditions

Client References (Weighted at 5%)

Minimum of 3 references required.

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SCORING SUMMARY**

The following are expected costs based on first-year proposed fees over current fees:

Medical and Vision Self Insured Costs - Active Employees:

		UHC	CareFirst
Current	\$ 83,823,988	\$ 83,523,251	\$ 80,090,635
\$ Decrease Over Current		\$ (300,737)	\$ (3,733,353)
% Decrease Over Current		-0.4%	-4.5%
Fee Guarantee		36 months (through 7/1/2021)	12 months; 3% annual cap for years 2 and 3

Medical and Vision Self Insured Costs - Retirees:

		UHC	CareFirst
Current	\$ 12,649,853	\$ 12,557,704	\$ 12,179,213
\$ Decrease Over Current		\$ (92,149)	\$ (470,640)
% Decrease Over Current		-0.7%	-3.7%
Fee Guarantee		36 months (through 7/1/2021)	12 months; 3% annual cap for years 2 and 3

Note: The savings noted above is based on actual utilization of in-network discounts with a 96.5% penetration. In time, FCPS has the potential to increase in-network discounts to a 98.5% penetration, thereby increasing the savings by an additional 3.1 million