



BoardDocs Cover Page

(Due to final Cabinet-level approval on Monday at noon, 2+ weeks prior to BOE meeting date)

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|--|--|---|
| Meeting Date: | June 26, 2019 | |
| Agenda Session: (Category) | <input checked="" type="checkbox"/> Work Session (Bids, former F&F items, etc.) <input type="checkbox"/> Closed <input type="checkbox"/> Regular, Preliminary Items (System Recognitions) | <input type="checkbox"/> Regular, Action/Consent <input type="checkbox"/> Board Items <input type="checkbox"/> Public Hearing |
| Title (Subject): | RFP 19MISC11, Stop Loss Insurance | |
| Access: | <input type="checkbox"/> Private | <input checked="" type="checkbox"/> Public |
| Type: | <input type="checkbox"/> Business Item <input type="checkbox"/> Policy Item <input type="checkbox"/> Strategic Plan Item <input type="checkbox"/> System Recognition <input checked="" type="checkbox"/> Action (e.g., bids, action/consent items) <input type="checkbox"/> Consent (e.g., staffing, policies, grants over \$25k) | <input type="checkbox"/> Information (e.g., grants under \$25k) <input type="checkbox"/> Discussion <input type="checkbox"/> Minutes <input type="checkbox"/> Report <input type="checkbox"/> Special Agenda Type <input type="checkbox"/> Procedure |
| Aspirational Goals: (May select multiple) | <input type="checkbox"/> 1-Student Achievement <input type="checkbox"/> 2-Effective and Engaged Staff <input checked="" type="checkbox"/> 3-Resource Allocation | <input type="checkbox"/> 4-Family and Community Involvement <input type="checkbox"/> 5-Health and Safety |
| Recommended Action: | Board approval of RFP 19MISC11, Stop Loss Insurance | |
| Backup Documents: | <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If yes, how many? _____ Is one a PowerPoint (PPT): <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | Submitted: <input checked="" type="checkbox"/> Herewith <input type="checkbox"/> Later <input type="checkbox"/> Both Comment: _____ |
| Immediately following receipt of an email confirmation that this item has been approved by the Superintendent, the person posting this item to BoardDocs is responsible for emailing the approved PPT to jeremy.eccard@fcps.org and kelly.gordon@fcps.org . | | |

PURPOSE OF PRESENTATION: Staff has reviewed the attached contract and recommends approval by the Board of Education of Frederick County.

BACKGROUND/SUMMARY: This recommendation is to establish a contract to provide stop loss insurance (referred to as Excess Risk Insurance) to pay eligible medical claims that exceed a "cap" for current employees and retirees (under the age of 65).

PRESENTER(S) & TITLE(S):

Kim Miskell, CSBO, Assistant Purchasing Manager
 Donna Clabaugh, Senior Manager Benefits and Wellness, Human Resources

SUBMITTED BY:

Stephen P. Starmer, C.P.M., CSBA, Purchasing Manager
 Leslie R. Pellegrino, Chief Financial Officer

RFP 19MISC11
STOP LOSS INSURANCE

FACT SHEET

- A. **Overview:** This recommendation is to establish a contract for providing stop loss insurance for current employees and retirees (under the age of 65) of Frederick County Public Schools (FCPS). Proposals were received on May 30, 2019.

1. **Proposal participation:**

26 proposals downloaded
3 companies submitted proposals

2. **Proposals were received from:**

CareFirst of Maryland, Inc. (Baltimore, MD)
ReliaStar Life Insurance Company (Minneapolis, MN)
Symetra Life Insurance Company (Bellevue, WA)

3. **Other Facts:**

- The contract term will be effective from July 1, 2019 through June 30, 2020, with three additional one-year renewal options available.
- This contract will provide stop loss insurance (referred to as excess risk insurance) to pay eligible medical claims which exceed \$525,000. This means any individual medical claim in excess of \$525,000 is reimbursed by the stop loss insurance company, to the Board's self-insurance medical plan.
- FCPS utilized the services of our employee benefit-consulting firm, Trion, to assist with the preparation of bid specifications and the evaluation of the received proposals.
- Plan design enhancements include: 12/24 contract basis; unlimited annual maximum reimbursement and coverage for prescription drugs.
- 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).
- The contract will be administered by Donna Clabaugh, Senior Manager Benefits and Wellness, Human Resources.

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

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- B. **Recommendation:** Staff recommends that RFP 19MISC11, Stop Loss Insurance, be awarded to CareFirst of Maryland, Inc. of Baltimore, MD, at the rates indicated on the attached Summary of Award.
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C. **Action taken by the Board (Purchasing use only):**

| | | | | | |
|-----------|------------------------|----------------------|------------------------|---------------------|-----------------------|
| <u>AB</u> | <u> </u> Approved | <u> </u> Denied | <u> </u> Deferred | <u> </u> Other | KM/ab |
| 6.26.19 | <u> </u> Date | <u> </u> Date | <u> </u> Date | <u> </u> Date | BOE Meeting: 06.26.19 |

**RFP 19MISC11, STOP LOSS INSURANCE
BID TABULATION**

| | | Current Plan Proposals | | Option 1 | | Option 2 | | Option 3 | |
|---------------------------------|-------------|------------------------|-------------|-------------|-------------|------------|-------------|------------|-------------|
| Contract Features | Current | Symetra | CareFirst | Symetra | CareFirst | Symetra | CareFirst | Symetra | CareFirst |
| Specific Deductible Per Claim | \$525,000 | \$525,000 | \$525,000 | \$525,000 | \$525,000 | \$525,000 | \$525,000 | \$525,000 | \$525,000 |
| Contract Basis | 12/15 | 12/15 | 12/15 | 12/15 | 12/15 | 12/24 | 12/24 | 12/24 | 12/24 |
| Coverage | Medical | Medical | Medical | Medical/RX | Medical/RX | Medical | Medical | Medical/RX | Medical/RX |
| Lasers (Yes or No) | No | No | No | Yes | Yes | NA | No | NA | Yes |
| Maximum Annual Reimbursement | \$3,000,000 | \$3,000,000 | Unlimited | \$3,000,000 | Unlimited | NA | Unlimited | NA | Unlimited |
| Maximum Lifetime Reimbursement | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | NA | Unlimited | NA | Unlimited |
| Cost Components | | | | | | | | | |
| Enrollment | | | | | | | | | |
| Individual 2,350 | \$6.78 | \$10.57 | \$0.00 | \$11.63 | \$0.00 | Not Quoted | \$0.00 | Not Quoted | \$0.00 |
| Family 3,233 | \$21.55 | \$34.16 | \$0.00 | \$37.57 | \$0.00 | | \$0.00 | | \$0.00 |
| Composite 5,583 | \$15.33 | \$24.23 | \$15.35 | \$26.65 | \$15.90 | | \$16.27 | | \$16.86 |
| Annual Stop Loss Premium | \$1,027,250 | \$1,623,345 | \$1,028,389 | \$1,785,532 | \$1,065,236 | | \$1,090,025 | | \$1,129,553 |
| Lasering Impact | | \$0 | \$0 | \$1,950,000 | \$475,000 | | \$0 | | \$475,000 |
| Estimated Effective Annual Cost | \$1,027,250 | \$1,623,345 | \$1,028,389 | \$3,735,532 | \$1,540,236 | | \$1,090,025 | | \$1,604,553 |
| % Difference vs. Current | | 58.0% | 0.1% | 263.6% | 49.9% | | 6.1% | | 56.2% |
| \$ Difference vs. Current | | \$596,096 | \$1,139 | \$2,708,282 | \$512,987 | | \$62,775 | | \$577,303 |

Note:

Symetra lasered two claimants; CareFirst lasered one claimant.