



BoardDocs Cover Page

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

Meeting Date:	June 24, 2020	
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 (Renewal)	
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 contract renewal - RFP 19MISC11, Stop Loss Insurance	
Backup Documents:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If yes, how many? _____ Submitted: <input checked="" type="checkbox"/> Herewith <input type="checkbox"/> Later <input type="checkbox"/> Both Is one a PowerPoint (PPT): <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO 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 renewal and recommends approval by the Board of Education of Frederick County.

BACKGROUND/SUMMARY: This recommendation is to renew the contract for Stop Loss Insurance (referred to as Excess Risk Insurance) to pay eligible medical and pharmacy 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:

Kerri Koopman CPPB, CPPO, Purchasing Manager
 Leslie R. Pellegrino, Chief Financial Officer

RFP 19MISC11
STOP LOSS INSURANCE
(RENEWAL)

FACT SHEET

A. Overview: This recommendation is to renew the contract for stop loss insurance for current employees and retirees (under the age of 65) of Frederick County Public Schools (FCPS).

1. Other Facts:

- The contract renewal term will be effective from July 1, 2020 through June 30, 2021, with two additional one-year renewal options available.
- This contract renewal will provide stop loss insurance (referred to as excess risk insurance) to pay eligible medical and pharmacy claims which exceed \$525,000. This means any individual combined medical and pharmacy 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 renewal evaluation.
- The renewal option that was chosen provides a one-year savings and supports the long-term goal to move to a 24/12 contract basis which will be on a paid basis.
- 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.

2. 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.

B. Recommendation: Staff recommends that RFP 19MISC11, Stop Loss Insurance, be renewed to CareFirst of Maryland, Inc. of Baltimore, MD, at the rates indicated on the attached summary of renewal.

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

<u>AB</u> Approved	<u> </u> Denied	<u> </u> Deferred	<u> </u> Other	KM/ab
6.24.20 <u> </u> Date	<u> </u> Date	<u> </u> Date	<u> </u> Date	BOE Meeting: 06.24.20

RFP 19MISC11, STOP LOSS INSURANCE
SUMMARY OF RENEWAL

		Current Plan Renewal	Renewal Option
Contract Features	Current	CareFirst	CareFirst
Specific Deductible Per Claim	\$525,000	\$525,000	\$525,000
Contract Basis	12/24	12/24	12/12
Coverage	Medical/RX	Medical/RX	Medical/RX
Lasers (Yes or No)	Yes	Yes	Yes
Maximum Annual Reimbursement	Unlimited	Unlimited	Unlimited
Maximum Lifetime Reimbursement	Unlimited	Unlimited	Unlimited
Cost Components			
Composite Enrollment 5,870	\$16.86	\$17.90	\$15.20
Estimated Annual Stop Loss Premium	\$1,187,618	\$1,260,876	\$1,070,688
Lasering Impact	\$475,000	\$475,000	\$475,000
Estimated Effective Annual Cost	\$1,662,618	\$1,735,876	\$1,545,688
% Difference vs. Current		4.4%	-7.0%
\$ Difference vs. Current		\$73,258	-\$116,930

Note:

CareFirst lasered one claimant.