

RFP 21MISC8
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 April 22, 2021.

1. **RFP Participation:**

23 proposals downloaded
1 company submitted a proposal

2. **Proposals were received from:**

CareFirst of Maryland, Inc. (Baltimore, MD)

3. **Other facts:**

- The contract term will be effective from July 1, 2021 through June 30, 2022, with one additional one-year renewal option available.
- This contract 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 preparation of bid specifications and the evaluation of the received proposals.
- The plan design option chosen completes the long-term goal to move to a 24/12 contract basis which will be on 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.

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 21MISC8, Stop Loss Insurance, be awarded to CareFirst of Maryland, Inc. of Baltimore, MD, at the rates indicated on the attached Bid Tabulation.
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C. **Action taken by the Board** (Purchasing use only):

KM/mg Approved
5.12.21_Date

_____ Denied
_____ Date

_____ Deferred
_____ Date

_____ Other
_____ Date

KM/mg
05.12.21 BOE Mtg

RFP 21MISC8, STOP LOSS INSURANCE
BID TABULATION

		Current Plan	Option 1	Option 2	Option 3
Contract Features	Current	CareFirst	CareFirst	CareFirst	CareFirst
Specific Deductible Per Claim	\$525,000	\$525,000	\$525,000	\$550,000	\$575,000
Contract Basis	12/12	12/12	24/12	24/12	24/12
Coverage	Medical/RX	Medical/RX	Medical/RX	Medical/RX	Medical/RX
Lasers (Yes or No)	Yes	Yes	Yes	Yes	Yes
Maximum Annual Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Maximum Lifetime Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Cost Components					
Enrollment					
Individual 2,399		\$0.00	\$0.00	\$0.00	\$0.00
Family 3,308		\$0.00	\$0.00	\$0.00	\$0.00
Composite 5,707	\$15.20	\$16.57	\$20.40	\$19.07	\$17.91
Annual Stop Loss Premium	\$1,040,957	\$1,134,780	\$1,397,074	\$1,305,990	\$1,226,548
Lasering Impact	\$475,000	\$475,000	\$475,000	\$450,000	\$425,000
Estimated Effective Annual Cost	\$1,515,957	\$1,609,780	\$1,872,074	\$1,755,990	\$1,651,548
% Difference vs. Current		6.2%	23.5%	15.8%	8.9%
\$ Difference vs. Current		\$93,823	\$356,117	\$240,033	\$135,592

Note:

CareFirst lasered one claimant.