



## BoardDocs Cover Page

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

Meeting Date:	June 8, 2022	
Agenda Session: (Category)	<input checked="" type="checkbox"/> Work Session (Bids, former F&F items, grant approvals 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 <input type="checkbox"/> Board Committee
Title (Subject):	RFP 21MISC8, 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)	<input type="checkbox"/> Information (e.g., grants under \$50K, *grants over \$50K are Information/Discussion/Action) <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 checked="" type="checkbox"/> 5-Health and Safety
Recommended Action:	Board Approval of contract renewal - RFP 21MISC8, Stop Loss Insurance.	
Backup Documents:	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO If yes, how many? <u>1</u> 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: _____ <b>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 <a href="mailto:jeremy.eccard@fcps.org">jeremy.eccard@fcps.org</a>, <a href="mailto:amelia.ross@fcps.org">amelia.ross@fcps.org</a>, <a href="mailto:jeremiah.johnson@fcps.org">jeremiah.johnson@fcps.org</a>, and <a href="mailto:brandon.oland@fcps.org">brandon.oland@fcps.org</a>.</b>	

**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 providing stop loss insurance for current employees and retirees (under the age of 65) of Frederick County Public Schools.

### PRESENTER(S) & TITLE(S):

Kim Miskell, CSBO, Assistant Purchasing Manager  
 Sarah Minnick, Senior Manager, Human Resources

### SUBMITTED BY:

Bill Meekins CPPB, CPPO, NIGP-CPP, CSBO, CPCP, Purchasing Manager  
 Leslie R. Pellegrino, Chief Financial Officer

**RFP 21MISC8**  
**STOP LOSS INSURANCE**  
**(RENEWAL)**

**FACT SHEET**

**A. Overview:** This recommendation is to renew the contract for providing 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, 2022 through June 30, 2023, without option for further renewal.
- 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. It was determined that this renewal is competitive for current market conditions and is in the best interest of FCPS to renew.
- Premiums for the renewal term increased 35% with a maximum liability (total annual premium and additional claims liability for lasered claimants in excess of the standard deductible) increase of 16.8%.
- The renewal increase is attributable to historical large claims experience and ongoing large claims. Included in the renewal increase is also a rate cap of 40% and no new lasers, which extends for one year. The rate cap helps mitigate potential contract increases with CareFirst in FY24 should experience increase drastically in FY23.
- 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 Sarah Minnick, Acting Senior Benefits Manager.

**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.

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**B. Recommendation:** Staff recommends that RFP 21MISC8, Stop Loss Insurance, be renewed to CareFirst of Maryland, Inc., Baltimore, MD, at the rates indicated on the attached summary of renewal.

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

<u>KM/mg</u> Approved	_____ Denied	_____ Deferred	_____ Other	KM/mg
<u>6.8.22</u> Date	_____ Date	_____ Date	_____ Date	BOE Meeting: 06.08.22

**RFP 21MISC8, STOP LOSS INSURANCE**  
**SUMMARY OF RENEWAL**

		<b>Current Plan Renewal</b>
<b>Contract Features</b>	<b>Current</b>	<b>CareFirst</b>
<b>Specific Deductible Per Claim</b>	\$525,000	\$525,000
<b>Contract Basis</b>	24/12	24/12
<b>Coverage</b>	Medical/RX	Medical/RX
<b>Lasers (Yes or No)</b>	Yes	Yes
<b>Maximum Annual Reimbursement</b>	Unlimited	Unlimited
<b>Maximum Lifetime Reimbursement</b>	Unlimited	Unlimited
<b>Cost Components</b>		
<b>Composite Enrollment</b> 5,751	\$18.30	\$24.71
<b>Estimated Annual Stop Loss Premium</b>	<b>\$1,262,920</b>	<b>\$1,705,287</b>
<b>Lasering Impact</b>	<b>\$475,000</b>	<b>\$325,000</b>
<b>Estimated Effective Annual Cost</b>	<b>\$1,737,920</b>	<b>\$2,030,287</b>
<b>% Difference vs. Current</b>		<b>16.8%</b>
<b>\$ Difference vs. Current</b>		<b>\$292,367</b>

**Note:**

CareFirst lasered one claimant at \$850,000.