

RFP 24HR3
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 opened on April 18, 2024.

1. **Bid Participation:**

4 proposals downloaded
3 companies submitted a proposal

2. **Proposals were received from:**

CareFirst of Maryland, Inc. dba: CareFirst BlueCross BlueShield (Owings Mills, MD)
Granular Insurance Company (South San Francisco, CA)
Symetra Life Insurance Company (Bellevue, WA)

3. **Other Facts:**

- The contract term will be effective from July 1, 2024 through June 30, 2025, with one 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 Group, A March McLennan Agency, LLC, to assist with the preparation of bid specifications and the evaluation of the received proposals.
- With the transition of Stop-Loss Insurance from the current vendor to CareFirst, contract terms will protect FCPS. The new contract with CareFirst will be 36/12; claims incurred from 7/1/2022 – 7/1/2025 (36 months) and paid 7/1/2024-7/1/2025 (12 months) will be covered by CareFirst.
- 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, Senior Manager, 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.

B. **Recommendation:** Staff recommends that RFP 24HR3, Stop Loss Insurance, be awarded to CareFirst of Maryland, Inc. dba: CareFirst BlueCross BlueShield, per the attached Scoring Summary and Bid Tabulation.

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

_____ Approved	_____ Denied	_____ Deferred	_____ Other	KM/kl
_____ Date	_____ Date	_____ Date	_____ Date	BOE Mtg.: 06.12.24

RFP 24HR3, STOP LOSS INSURANCE
SCORING SUMMARY AND BID TABULATION

Firm	Technical Score (40 Points Max)	Fee Score (60 Points Max)	Total Score
CareFirst of Maryland, Inc. dba: CareFirst BlueCross BlueShield	37.40	60.00	97.40
Granular Insurance Company	14.97	16.50	31.47
Symetra Life Insurance Company	35.80	53.80	89.60

Technical Scoring Criteria

Account Management including Experience and Profession Qualifications
Proposed Services
Client References

		Current Plan	Current Plan	Current Plan	Option 1	Option 1	Option 1	Option 2	Option 2	Option 2
	Current	Symetra	Granular Insurance	CareFirst	Symetra	Granular Insurance	CareFirst	Symetra	Granular Insurance	CareFirst
Contract Features										
Specific Deductible Per Claim	\$525,000	\$525,000	\$525,000	\$525,000	\$550,000	\$550,000	\$550,000	\$575,000	\$575,000	\$575,000
Contract Basis	24/12	36/12	36/12	36/12	36/12	36/12	36/12	36/12	36/12	36/12
Coverage	Medical/RX	Medical/RX	Medical/RX	Medical/RX	Medical/RX	Medical/RX	Medical/RX	Medical/RX	Medical/RX	Medical/RX
No New Lasers (Yes or No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Maximum Annual Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Maximum Lifetime Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Cost Components										
Enrollment										
Individual	2,812									
Family	3,695									
Composite	6,507	\$28.64	\$31.21	\$33.11	\$23.94	\$29.48	\$31.28	\$22.16	\$28.05	\$29.59
Annual Stop Loss Premium	\$2,236,326	\$2,437,002	\$2,585,361	\$1,869,331	\$2,301,916	\$2,442,468	\$1,730,341	\$2,190,256	\$2,310,506	\$1,649,134
Stop Loss Interface/Reporting Fees	\$136,647	\$136,647	\$136,647	\$0	\$136,647	\$136,647	\$0	\$136,647	\$136,647	\$0
Lasering Impact	\$0	\$0	\$4,090,000	\$0	\$0	\$3,940,000	\$0	\$0	\$3,790,000	\$0
Estimated Effective Annual Cost	\$2,372,973	\$2,573,649	\$6,812,008	\$1,869,331	\$2,438,563	\$6,519,115	\$1,730,341	\$2,326,903	\$6,237,153	\$1,649,134
% Difference vs. Current		8.5%	187.1%	-21.2%	2.8%	174.7%	-27.1%	-1.9%	162.8%	-30.5%
\$ Difference vs. Current		\$200,676	\$4,439,035	-\$503,642	\$65,591	\$4,146,142	-\$642,631	-\$46,070	\$3,864,180	-\$723,839