

Board Meeting Date:	August 14, 2017
Solicitation No.:	Request for Proposal 17-060MH
Description:	<p>Third Party Administrator: Medical Plan, Stop Loss, Pharmacy Benefit Manager (PBM) and Flexible Spending Account (FSA) Administration:</p> <p><u>Recommendation:</u></p> <p>The Administration is seeking Board approval of United HealthCare as Medical Plan Administrator, and Flexible Spending Account Administrator; Symetra as Stop Loss vendor; and RxBenefits for Pharmacy, and authorization for the Superintendent or his designee to execute contracts and to exercise the option to execute subsequent contract renewals, according to the terms and conditions as indicated below:</p> <p><u>Summary:</u></p> <p>In March of this year, the District issued Request for Proposal 17-060MH for Medical Plan Administration, Stop Loss, PBM and FSA Administration. We received responses from four medical vendors: UHC (incumbent), CIGNA, Aetna, Blue Cross/Blue Shield; two PBM Administrators: Rx Benefits, and Optum; and two Stop Loss Vendors: Symetra and SA Benefits.</p> <p>Volunteers from the Benefits Committee, including one teacher, one para-professional, and one auxiliary staff member volunteered to serve on the committee to assist with RFP evaluation. The committee also included members from the Finance and Benefits departments.</p> <p>Vendors were evaluated based upon the anticipated cost to the District, reputation, quality of programs offered, extent to which the programs met the District's needs, strength of the management team, cost effectiveness of the network, and the medical care management programs offered.</p> <p>After an initial evaluation of the proposals in collaboration with the District's benefits consultant, Marsh & McLennan Agency (formerly called MHBT); the committee narrowed the pool to UHC, CIGNA, Aetna, Symetra, and RxBenefits.</p> <p>The committee asked three medical carriers, one stop loss vendor, and one PBM administrator to present a best and final offer to the District. Based upon the results of the best and final offers, the recommendation is to continue the District's partnership with UHC for medical plan administration and FSA as the best overall provider in meeting the needs of the District. We recommend carving out Stop</p>

Loss with Symetra and PBM Administration with RxBenefits/ESI. By initiating a pharmacy contract with a different vendor, the District would assume an estimated savings of \$4.6 million. These additional savings on pharmacy would offset the increased \$1.5 million administrative cost with UHC. The overall savings of \$3.1 million can help offset employee premium increases.

Pending Board approval, the administration will proceed with finalizing the one-year contract with two one-year extensions, and planning for the 2018 Benefits Enrollment Period in October and November 2017. The estimated costs for each vendor and the net savings are below:

Provider	Services	2017 Costs	2018 Costs	\$ Per Month
United Healthcare	Third Party Administrator for Health Plan	\$2,085,550	\$3,638,901	\$41.69 per employee per month based on 6,790 employees and includes \$242,000 shared savings cap
United Healthcare	Flexible Spending Accounts	\$66,420	\$68,400	\$3.80 per participant per month based on 1,500 FSA participants
RxBenefits	Pharmacy Provider	\$0	\$206,213	\$1.50 per script per month based on 137,475 scrips written in 2016
Symetra	Individual stop-loss coverage for medical plan	\$2,055,475	\$1,802,338	\$22.12 per employee per month
	RX Carve Out Savings	\$0	(\$4,600,000)	
	Net Plan Costs	\$4,207,445	\$1,115,852	Savings of almost \$3.1M
	Costs to approve (excluding Rx Savings)		\$5,715,852	

Requested By:	Steven Bassett, Chief Financial Officer
Vendor(s):	UnitedHealthcare, RX Benefits, Symetra
Budget Sources:	Healthcare Fund
Amount:	Estimated at \$ 5,715,852 based information presented above. Subject to fluctuate up or down based on employee count/enrollment

Other Supporting Information

Number of vendors contacted by Purchasing:	3
Number of vendors contacted by FBISD Notification System:	2208
Number of vendors downloaded the solicitation:	155
Number of responses received:	11
Number of "no bid" responses received:	0

Length of commitment:	One-year contract with two one-year extensions
Last solicitation date:	August 14, 2014
Supporting documents:	Evaluation Criteria and Rubric
Disclosure under Board Policy CH, CV, or DBD (Local):	None

Evaluation Summary

RFP 17-060MH

Medical Plan Administration, Stop Loss, PBM, FSA Administration

Board Date: August 28, 2017

Vendor	Purchase price (25 pts. max)	Reputation of the Vendor and of the Vendor's goods or services (5 pts. max)	Quality of the Vendor's goods or services (20 pts. Max)	Extent to which the goods or services meet the district's needs (20 pts. Max)	Vendor's past relationship with the district (5 pts. Max)	Long-term cost to the district to acquire the Vendor's goods or services (10 pts. Max)	Vendor's place of business is in the state of Texas, or employs 500 people in this state. (0 pts. Max)	Insurance requirements (5 pts. Max)	Extent to which the vendor agrees to our Standard Form of Agreement (10 pts. Max)	The impact on the ability of the district to comply with laws and rules relating to Historically Underutilized Businesses (HUB) (0pts. Max)	Proposer's Total Score (100 pts. Max)	Proposer's Ranking
UHC	20.51	5.00	18.13	17.88	5.00	7.75	0.00	5.00	5.00	N/A	84.26	1
AETNA	25.00	4.80	14.13	13.38	0.00	7.25	0.00	5.00	5.00	N/A	74.55	2
CIGNA	17.94	5.00	14.38	14.13	5.00	4.88	0.00	5.00	5.00	N/A	71.32	3

RFP 17-060MH Medical Plan Administration, Stop Loss, PBM, FSA Administration

Evaluation criteria: Proposal shall be evaluated using the evaluation criteria listed below. Fort Bend ISD reserves the right to award contract as best meets the District's needs such as per section, groups, or all.

	Evaluation Criteria	Point System
1	Purchase price Offer a fair reasonable price for items to be procured by Fort Bend ISD. Pricing will be calculated using the Price Delivery Sheet in this document.	25 points
2	Reputation of the Vendor and of the Vendor's goods or services Vendor should have a solid reputation with other ISD's, Government or Collegiate entities that show a high level of customer service, a high level of quality of good or services. (References will be contacted via e-mail with a deadline. If no response is received by the deadline, there will be points deducted in this section.)	5 points
3	Quality of the Vendor's goods or services Vendor's products should be new and be of the highest quality with an option to substitute for a company branded item of equivalent quality.	20 points
4	Extent to which the goods or services meet the district's needs Timely Installations	20 points
5	Vendor's past relationship with the district	5 points
6	Long-term cost to the district to acquire the Vendor's goods or services Warranty, setup fee; maintenance or other fees	10 points
7	Vendor's Principal place of business is in the state of Texas, or employs 500 people in this state.	0 points
8	Insurance requirements: A copy of the Certificate of Liability Insurance should be in your proposal.	5 points
9	Extent to which the vendor agrees to our Standard Form of Agreement embedded herein as Appendix A. By Signing the Agreement , you assent to the Terms and Conditions of Fort Bend ISD (10 pts.)	10 points
10	The impact on the ability of the District to comply with laws and rules relating to historically underutilized businesses;	0 points
	TOTAL	100 points