

Business Operations  
Ofelia San Pedro, Deputy Superintendent

**SUBJECT:           REQUEST FOR AUTHORIZATION TO AWARD REQUEST FOR PROPOSAL (RFP) #019-FF10, MEDICAL BENEFITS, BEHAVIORAL HEALTH, WELLNESS, AND PRESCRIPTION DRUG PROGRAMS**

**COMMITTEE:       INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS**

At the Board meeting of November 16, 2005, the Board authorized release of Request For Proposal (RFP) #019-FF10, Medical Benefits, Behavioral Health, Wellness, and Prescription Drug Programs to seek competitive proposals for these programs providing benefits for district employees, retirees, and their eligible dependents. Proposals received in response to this RFP were opened at the regular bid opening of January 17, 2006. Proposals were received from the following companies in response to the RFP:

**MEDICAL BENEFITS – TRADITIONAL MEDICAL PROGRAMS**

- Blue Cross/Blue Shield of Florida
- CIGNA
- Humana
- UnitedHealthcare of Florida
- Vista Healthplans

**MEDICAL BENEFITS – ALTERNATIVE MEDICAL PROGRAMS**

- Care/Access Health Plan

**MANAGED BEHAVIORAL HEALTH PROGRAMS**

- UnitedHealthcare of Florida

**WELLNESS – STAND ALONE PROGRAMS**

- American Specialty Health
- StayWell
- WellCorp

**PHARMACY PROGRAMS – STAND ALONE PROGRAMS**

- Caremark Rx
- CIGNA
- Envision Rx
- Express Scripts
- Humana
- UnitedHealthcare (Medco)
- Medco Health Systems\*
- Systemed (Florida Health Care Coalition)\*

*\*Later deemed non-responsive and eliminated from further review*

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At the Board meeting of November 16, 2005, the Board also approved the members of the Superintendent's Ad-Hoc Insurance Committee identified in the RFP who serve to review the received proposals and make recommendations for award to the Superintendent, pursuant to the provisions of School Board Rule 6Gx13- 3F-1.022, Professional Services Contracts for Insurance or Risk Management Programs – Policy. The Superintendent's Ad-Hoc Committee has met numerous times since its first meeting which was held on January 30, 2006. The committee has reviewed information received from proposers which has been analyzed from a technical perspective by district staff and Deloitte Consulting LLP, the Board's employee benefits consulting firm.

The Ad-Hoc Committee considered five sole provider proposals and several multiple provider variations (slice proposals). After careful consideration, the Committee reduced the options to be considered to three sole providers – BlueCross BlueShield, UnitedHealthcare and Vista, as these were the most cost effective proposals. None of the slice proposals provided for competitive premium rates.

The recommendation of the committee is the award of RFP 019-FF10 to UnitedHealthcare of Florida (United) for a Point of Service (POS) plan, HMO 63, HMO 62, the health plans currently offered to the District's employees, retirees and their dependents. A third HMO plan provided through Neighborhood Health Partnership (NHP), a wholly owned subsidiary of UnitedHealthcare, will be introduced. This new HMO plan has a smaller provider network, is a gate keeper type plan requiring Primary Care Physician (PCP) referrals, it has no deductible and \$10/\$25 co-pays for PCP/Specialists.

The table below details the monthly premiums to be charged to the District for the periods 4/1/06 to 12/31/06 and 1/1/07 to 12/31/07 as a result of the proposal submitted by United. For comparative purposes we have also shown the current premiums.

Current POS	Current Rates		Proposed Rates	
	1/1/06 - 12/31/06	4/1/06 - 12/31/06	1/1/07 - 12/31/07	
Employee Only	\$408.95	\$387.68	\$405.29	
EE + Child(ren)	\$790.94	\$749.81	\$783.86	
EE + Spouse	\$848.41	\$804.29	\$840.81	
EE + Family	\$1,196.05	\$1,133.86	\$1,185.34	
One Child*	N/A	\$228.73	\$239.12	
Two or more children*	N/A	\$562.14	\$587.67	
<b>HMO 63 (High Opt HMO)</b>	<b>1/1-12/31/06</b>	<b>4/1/06 - 12/31/06</b>	<b>1/1/07 - 12/31/07</b>	
Employee Only	\$373.90	\$354.46	\$370.55	
EE + Child(ren)	\$723.15	\$685.55	\$716.67	
EE + Spouse	\$775.70	\$735.36	\$768.75	
EE + Family	\$1,093.55	\$1,036.69	\$1,083.76	
One Child*	N/A	\$209.13	\$218.62	
Two or more children*	N/A	\$513.97	\$537.30	

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	Current Rates		Proposed Rates	
	1/1-12/31/06	4/1/06 - 12/31/06	7/1/06 - 12/31/06	1/1/07 - 12/31/07
<b>HMO 62 (Low Opt HMO)</b>				
Employee Only	\$348.48	\$330.36	\$330.36	\$345.36
EE + Child(ren)	\$673.98	\$638.93	\$638.93	\$667.94
EE + Spouse	\$722.95	\$685.36	\$685.36	\$716.48
EE + Family	\$1,019.19	\$966.19	\$966.19	\$1,010.06
One Child*	N/A	\$194.91	\$194.91	\$203.76
Two or more children*	N/A	\$479.02	\$479.02	\$500.77
<b>HMO 3 NHP</b>				
Employee Only	N/A	\$329.65	\$329.65	\$344.61
EE + Child(ren)	N/A	\$637.56	\$637.56	\$666.51
EE + Spouse	N/A	\$683.89	\$683.89	\$714.94
EE + Family	N/A	\$964.12	\$964.12	\$1,007.89
One Child*	N/A	\$194.49	\$194.49	\$203.32
Two or more children*	N/A	\$477.99	\$477.99	\$499.68
<b>PPO – Out Of Area Only</b>				
Employee Only	\$849.71	\$805.53	\$805.53	\$842.10
EE + Child(ren)	\$1,695.17	\$1,607.02	\$1,607.02	\$1,679.99
EE + Spouse	\$1,818.37	\$1,723.81	\$1,723.81	\$1,802.09
EE + Family	\$2,563.58	\$2,430.27	\$2,430.27	\$2,540.62
One Child*	N/A	\$475.26	\$475.26	\$496.84
Two or more children*	N/A	\$1,168.02	\$1,168.02	\$1,221.05

\*Under the One Child and 2+ Children tiers, no employee enrollment is required and would become effective 7/1/06

Savings of \$3,444,000 in the current United program will be obtained as a result of the premium reduction for the period 4/1/06 through 6/30/06. Additionally, savings of \$10,837,000 will be realized by the District over the current program for the period 7/1/06 to 12/31/07, subject to actual enrollment. United provided guarantees for the January 1, 2008 renewal for underwriting components such as annual trend rates, pooling charges, administration, risk, and profit charges.

Collective bargaining will be conducted with each union regarding plan design and contribution levels.

**Summary of Plan Designs**

Plan Designs were developed collaboratively with representatives from the unions representing district employees. The rates shown above represent no material change in plan design for the current POS, HMO 63 and HMO 62 plus the new HMO 3. Following is a brief summary of these plan designs:

## UnitedHealthcare Point of Service (POS)

General Provisions	In-Network	Non-Network
Is a PCP election/referral required	No	No
Lifetime Maximum	Unlimited	\$2,000,000 per individual
Annual deductible (I/F)	None	\$500 / \$1,000
Annual Out-of-Pocket Max (excluding deductible)	\$1,500 / \$3,000	\$3,000 / \$6,000
Hospital Admission Copay	\$150/day; \$450/admit	70% after deductible
Plan Coinsurance	100%	70%
<b>Outpatient Services</b>		
Primary Care Physician office visit	100% after \$15 copay	70% after deductible
Immunizations	100% after \$15 copay	70% after deductible
Well Child Care	100% after \$30 copay	70% after deductible
Annual Physical	100% after app copay	70% after deductible
GYN visit	100% after \$15 copay for annual wellness exam, \$30 copay for all other visits	Not covered
Mammograms	100%	100%
Specialist Office Visit	100% after \$30 copay	70% after deductible
Maternity Care	Pre/Post-Natal visits covered at 100% after initial \$30 copay. Obstetrical/midwifery services covered at 100%	70% after deductible
Outpatient Surgery	100% after \$100 copay	70% after deductible
Out-Patient Diagnosis & Treatment-Hospital Based	\$100 copay	70% after deductible
Out-Patient Diagnosis & Treatment-Non-Hospital Based	\$0 copay	70% after deductible
Bariatric Surgery	Hospital Admission copay	Not covered
Emergency Room (in-area hospital)	100% after \$100 copay	100% after \$100 copay
<b>Prescription Drugs</b>		
Retail Generic / Formulary Brand / Non-Formulary	100% after \$10/\$30/\$50	70% after deductible
Mail Generic / Formulary Brand / Non-Formulary	100% after \$20/\$60/\$100	N/A

## UnitedHealthcare Health Maintenance Organizations (HMO) In-Network Only

In addition to the current HMO 63 and HMO 62 which are on an open access platform, HMO 3 NHP shown below is the new gate keeper plan being offered through Neighborhood Health Partnership (NHP), a wholly owned subsidiary of United.

HMO General Provisions	HMO 63	HMO 62	HMO 3 NHP
Is a PCP election/referral required	No	No	Yes
Lifetime Maximum	Unlimited	Unlimited	Unlimited
Annual deductible (I/F)	\$250 / \$500	\$500 / \$1,000	None
Annual Out-of-Pocket Max (excluding deductible)	\$1,500 / \$3,000	\$1,500 / \$3,000	None
Hospital Admission Copay	None-Deductible	None-Deductible	None

	<b>HMO 63</b>	<b>HMO 62</b>	<b>HMO 3 NHP</b>
Plan Coinsurance	80%	80%	100%
<b>Outpatient Services</b>			
Primary Care Physician office visit	100% after \$20 copay	100% after \$10 copay	100% after \$10 copay
Immunizations	100% after \$20 copay	100% after \$10 copay	100% after \$10 copay
Well Child Care	100% after \$20 copay	100% after \$10 copay	100% after \$10 copay
Annual Physical	100% after \$20 copay	100% after: PCP: \$10 copay, Specialist: \$15 copay	100% after: PCP: \$10 copay, Specialist: \$25 copay
GYN visit	100% after \$20 copay	100% after \$15 copay	100% after \$10 copay
Mammograms	100%	100%	100%
Specialist Office Visit	100% after \$20 copay	100% after \$15 copay	100% after \$25 copay
Maternity Care	Pre/Post-Natal visits covered at 100% after initial \$20 copay. Other care reimbursed at 80% after deductible	Pre/Post-Natal visits covered at 100% after initial \$15 copay. Other care reimbursed at 80% after deductible	Pre/Post-Natal visits covered at 100% after initial \$25 copay.
Outpatient Surgery	80% after deductible	80% after deductible	100%
Oral Surgery	100% after \$20 copay	100% after \$15 copay	<b>Not Covered</b>
Emergency Room (in-area hospital)	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay
<b>Prescription Drugs</b>			
Retail Generic / Formulary Brand / Non-Formulary	100% after \$10/\$30/\$50	100% after \$10/\$30/\$50	100% after \$10/\$30/\$50
Mail Generic / Formulary Brand / Non-Formulary	100% after \$20/\$60/\$100	100% after \$20/\$60/\$100	100% after \$20/\$60/\$100

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**Alternative, Limited Health Plan**

Additionally, the recommendation of the committee is the award of RFP 019-FF10 to CareAccess Health Plan for an alternative, limited health plan to be offered to employees on a voluntary basis for those employees who are not provided Board-paid coverage at the following monthly rates per member:

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Age Band	Inpatient and Outpatient Combined Rates	
	Per Member	Per Member
	High Option	Low Option
0-25	\$118.00	\$108.00
26-35	\$132.35	\$122.28
36-45	\$157.90	\$148.23
46-55	\$196.05	\$185.15
56-64	\$288.90	\$278.85
65 +	\$422.80	\$412.45

A brief summary of the CareAccess plan design is shown below:

<b>General Provisions</b>	<b>High Option</b>	<b>Low Option</b>
Is a PCP election/referral required	Yes	Yes
Annual Benefit Maximum (Outpatient Only)	\$25,000	\$25,000
Annual deductible (I/F)	N/A	N/A
Annual Out-of-Pocket Max (excluding deductible)	N/A	N/A
Hospital Admission Benefit (Provided through Markel)	\$500/day up to 100 days/confinement	\$500/day up to 100 days/confinement
Plan Coinsurance	None	None
Inpatient Surgery Benefit (Provided through Markel)	\$2,000 /1 per year	\$2,000 /1 per year
<b>Outpatient Services</b>		
Primary Care Physician office visit	100% after \$10 copay	100% after \$20 copay
Immunizations	Included in PCP office visit copay	Included in PCP office visit copay
Well Child Care	100% after \$10 copay	100% after \$20 copay
Annual Physical	100% after app copay	100% after app copay
GYN visit	\$25 specialist	\$35 specialist
Mammograms	\$25 specialist	\$35 specialist
Specialist Office Visit	100% after \$25 copay	100% after \$35 copay
Maternity Care (Pre and Post Natal)	100% after \$25 copay	100% after \$35 copay
Outpatient Surgery*	\$750 max after \$100 copay/episode	\$750 max after \$200 copay/episode
Oral Surgery	N/A	N/A
Emergency Room (in-area hospital)	\$300 (1 for injury/ 1 for sickness/year)	\$300 (1 for injury/ 1 for sickness/year)
<b>Prescription Drugs**</b>		
Retail Generic / Formulary Brand / Non-Formulary	\$7/25/25	\$15/35/35
Mail Generic / Formulary Brand / Non-Formulary	N/A	N/A

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\*In addition, Markel pays for 1 outpatient surgery per calendar year at \$800  
 \*\*Plan pays maximum \$1,200 per year, maximum \$100 per month, no carry over. Monthly limit not combined with specialty injectibles limit or immunization limits

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Collective bargaining will be conducted with each union regarding plan design and contribution levels.

**RECOMMENDED:**

That The School Board of Miami-Dade County, Florida, award RFP 019-FF10, Medical Benefits, Behavioral Health, Wellness, and Prescription Drug Programs to:

1. UnitedHealthcare for healthcare coverage for employees, retirees and their eligible dependents effective April 1, 2006 through December 31, 2007, with the ability to extend for one additional year subject to successful renewal negotiations, for the following monthly rates:

<b>Current POS</b>	<b>4/1/06 - 12/31/06</b>	<b>1/1/07 - 12/31/07</b>
Employee Only	\$387.68	\$405.29
EE + Child(ren)	\$749.81	\$783.86
EE + Spouse	\$804.29	\$840.81
EE + Family	\$1,133.86	\$1,185.34
One Child*	\$228.73	\$239.12
Two or more children*	\$562.14	\$587.67
<b>HMO 63 (High Option HMO)</b>		
	<b>4/1/06 - 12/31/06</b>	<b>1/1/07 - 12/31/07</b>
Employee Only	\$354.46	\$370.55
EE + Child(ren)	\$685.55	\$716.67
EE + Spouse	\$735.36	\$768.75
EE + Family	\$1,036.69	\$1,083.76
One Child*	\$209.13	\$218.62
Two or more children*	\$513.97	\$537.30
<b>HMO 62 (Low Option HMO)</b>		
	<b>4/1/06 - 12/31/06</b>	<b>1/1/07 - 12/31/07</b>
Employee Only	\$330.36	\$345.36
EE + Child(ren)	\$638.93	\$667.94
EE + Spouse	\$685.36	\$716.48
EE + Family	\$966.19	\$1,010.06
One Child*	\$194.91	\$203.76
Two or more children*	\$479.02	\$500.77
<b>HMO 3 NHP</b>		
	<b>7/1/06 - 12/31/06</b>	<b>1/1/07 - 12/31/07</b>
Employee Only	\$329.65	\$344.61
EE + Child(ren)	\$637.56	\$666.51
EE + Spouse	\$683.89	\$714.94
EE + Family	\$964.12	\$1,007.89
One Child*	\$194.49	\$203.32
Two or more children*	\$477.99	\$499.68
<b>PPO – Out Of Area Only</b>		
	<b>4/1/06 - 12/31/06</b>	<b>1/1/07 - 12/31/07</b>
Employee Only	\$805.53	\$842.10
EE + Child(ren)	\$1,607.02	\$1,679.99
EE + Spouse	\$1,723.81	\$1,802.09
EE + Family	\$2,430.27	\$2,540.62
One Child*	\$475.26	\$496.84
Two or more children*	\$1,168.02	\$1,221.05

\*Under the One Child and 2+ Children tiers, no employee enrollment is required and would become effective 7/1/06

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2. CareAccess Health Plan, Inc. for an alternative, limited health plan to be offered to employees on a voluntary basis for those employees who are not provided Board-paid coverage effective July 1, 2006 through December 31, 2007, with the ability to extend for one additional year subject to successful renewal negotiations, for the following monthly rates per member:

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<b>Alternative, Limited Health Plan Inpatient and Outpatient Combined Rates</b>		
	<b>Per Member</b>	<b>Per Member</b>
<b>Age Band</b>	<b>High Option</b>	<b>Low Option</b>
0-25	\$118.00	\$108.00
26-35	\$132.35	\$122.28
36-45	\$157.90	\$148.23
46-55	\$196.05	\$185.15
56-64	\$288.90	\$278.85
65 +	\$422.80	\$412.45