

Financial Services  
Richard H. Hinds, Chief Financial Officer

**SUBJECT:                   AWARD OF REQUEST FOR INFORMATION (RFI) #040-LL10, GROUP HEALTHCARE BENEFITS FOR MEDICARE ELIGIBLE RETIREES**

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

**LINK TO STRATEGIC FRAMEWORK:               FINANCIAL EFFICIENCY/STABILITY**

At the Board meeting of June 15, 2011, the Board authorized issuance of Request For Information (RFI) #040-LL10, Group Healthcare Benefits for Medicare Eligible Retirees. Proposals were received on July 19, 2011 from Humana (incumbent), UnitedHealthcare and Extend Health. After two meetings of the Superintendent's Ad-Hoc Insurance Committee, the committee recommended award of the contract to Humana for healthcare benefits for Medicare eligible retirees and their Medicare eligible dependents. The contract will be effective January 1, 2012 through December 31, 2012 with the ability to renew for two additional one-year periods.

The proposed 2012 Humana rates resulted in a total cost reduction of \$2.5 million (or 73.5%) when compared to the 2011 rates as shown below. Retirees are responsible for 100% of the cost of their coverage. A limited number of retirees who retired under select incentive programs receive Board subsidies.

	<u>2011</u>	<u>2012</u>
Regional HMOs (Miami-Dade/Broward/Palm Beach Co.)		
HMO 076-939	\$ 0.00	\$ 0.00
HMO 076-152	\$85.00	\$68.00
National PPO 076-060	\$328.00	\$71.00

The above monthly rates are per retiree and per eligible dependent over 65 and/or Medicare Eligible. Open enrollment information for Medicare eligible retirees will be mailed to their home address subsequent to the approval of this item.

**E-67**

**RECOMMENDED:**

That The School Board of Miami-Dade County, Florida award Request For Information (RFI) #040-LL10, Group Healthcare Benefits for Medicare Eligible Retirees to Humana, Group Medicare Advantage program effective January 1, 2012 through December 31, 2012, with the ability to renew for two additional one-year periods, at the following monthly rates for calendar year 2012:

HUMANA - Miami-Dade/Broward/Palm Beach Counties	
	<u>Mo. Rate</u>
HMO 076-939	\$ 0.00
HMO 076-152	\$ 68.00
HUMANA PPO 076-060	\$ 71.00

The above monthly rates are per retiree and per eligible dependent over 65 and/or Medicare Eligible.

RHH:sbc