

Financial Services
 Mr. Ron Y. Steiger, Chief Financial Officer

SUBJECT: AWARD REQUEST FOR PROPOSALS NO. RFP-18-057-MT - GROUP TERM LIFE INSURANCE AND FLEXIBLE BENEFITS PROGRAM – DENTAL COVERAGE

COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

At the July 24, 2019 Board Meeting, the Board awarded all flexible benefits delineated in Request for Proposals No. RFP 18-057-MT – Group Term Life Insurance and Flexible Benefit Program (RFP), except Dental Coverage.

This item seeks authorization to award Dental Coverage portion of the RFP. The RFP sought providers who could offer plans for Dental Health Maintenance Organization (DHMO) and Preferred Provider Organization (PPO) Dental products. Currently, there are 30,919 employees, dependents and retirees enrolled in dental coverage; 15,189 benefit eligible members are enrolled in UnitedHealthcare and 15,730 members are enrolled in Delta Dental Insurance.

The Current enrollment by plan is as follows:

UnitedHealthcare Dental Plans	Enrollment	Delta Dental Plans	Enrollment
High PPO Employee Only	3,169	High PPO Employee Only	3,401
High PPO Employee & Family	1,359	High PPO Employee & Family	1,162
Standard PPO Employee Only	3,100	Standard PPO Employee Only	4,241
Standard PPO Employee & Family	1,819	Standard PPO Employee & Family	2,780
High DHMO Employee Only	2,342	DHMO Employee Only	1,627
High DHMO Employee and Family	1,946	High DHMO Employee and Family	1,240
Standard DHMO Employee Only	895	Standard DHMO Employee Only	829
Standard DHMO Employee and Family	559	Standard DHMO Employee Family	450
Total	15,189	Total	15,730

At the regularly scheduled bid opening of April 23, 2019, responses from the following Dental proposers were received:

	Dental
Aetna	✓
Cigna	✓
Delta Dental	✓
Metlife	✓
UnitedHealthcare	✓

The Selection Committee meetings were held on June 7, 2019, June 17, 2019 and June 28, 2019. All committee meeting dates were advertised through Citizen's Information. The Committee reviewed all received proposals and comprehensive analyses assembled by staff from the Office of Risk and Benefits Management and the District's Employee Benefits Consulting Firm, Aon.

The committee reviewed the submitted proposals and voted unanimously to allow Delta Dental, MetLife and UnitedHealthcare to make oral presentations on Monday, June 17, 2019.

During the oral presentations, committee members heard overviews of the companies' proposals. At the conclusion of the oral presentations the committee voted to direct Procurement Management Services to seek best and final terms and pricing from all three companies (Delta Dental, MetLife and UnitedHealthcare) in order to be evaluated at the next committee meeting.

The committee met on June 28, 2019 and discussed all three proposals. MetLife's Proposal was predicated on being the sole source vendor. Additionally, MetLife's rates were higher than both Delta Dental and UnitedHealthcare based on those factors they were not considered for recommendation. Both UnitedHealthcare and Delta Dental were willing to provide services on a "slice" or co-provider basis. Delta Dental also provided an additional 1% premium discount from their Best and Final Offer if they were chosen as the sole provider.

Delta Dental's best and final offer on a sliced basis contained a reduced premium from their 2019 rates on the PPO High Plan for both Employee Only and Employee and Family, as well as, the DHMO High Plan for both Employee Only and Employee and family.

UnitedHealthcare offered premium reductions compared to 2019 rates on the PPO Standard Plan for both Employee Only and Employee and Family, as well as, rate reductions to the DHMO High for both Employee Only and Employee and Family and the Standard DHMO for both Employee Only and Employee and Family.

Both UnitedHealthcare and Delta Dental were able to meet model plan specifications contained in the RFP. UnitedHealthcare offered the only deviation from the model plan, an enhanced benefit in the form of a \$50 reduction in the out of pocket costs for a crown replacement under both the Standard and High DHMO Products. In order to maximize the number of employees experiencing a premium reduction from 2019 rates and provide continuity of care with minimum provider disruption, a consensus recommendation was made to select Delta Dental and UnitedHealthcare as the District's Dental providers.

On August 29, 2019, Delta Dental provided updated rates for Board consideration, which if considered, required the District's Procurement department to seek additional best and final offer rates from MetLife and UnitedHealthcare. The Selection Committee reconvened on September 13, 2019 to review the updated rates proposed from all three vendors, Delta Dental, MetLife and UnitedHealthcare. Staff invited leadership from all employee unions to participate in the meeting.

Delta Dental submitted a redistribution of sole provider rates, which provided premium relief to the Standard PPO and DHMOs in return for higher rates on the High PPO, with no net aggregate premium savings. Rates on a sliced basis remained the same as the last best and final offer. UnitedHealthcare also submitted redistribution of rates which represents a 4% reduction in the aggregate premium. MetLife provided rates which remained higher than the other two vendors, though this time submitted them on a sole and slice basis.

The selection committee reviewed updated rates from all vendors and heard input from staff and union leaders. The selection committee made a consensus recommendation to select Delta Dental and UnitedHealthcare as the District's dental providers as this option provided: 1) the maximum savings opportunities for employees, 2) the least expensive overall option for employees, and 3) the least disruption for employees in terms of dental providers.

The initial term of the bid shall be for a period of five (5) years, commencing January 1, 2020 through December 31, 2024, and may, by mutual agreement between The School Board of Miami-Dade County, Florida, and the successful bidders, be extended for one (1) additional two (2) year period. At the time of contract extension, additional vendors may be added and/or removed, at the discretion of the District.

The specifics of the pricing and terms provided through this solicitation are as follows:

Coverage Tier	High PPO		Standard PPO		High DHMO		Standard DHMO	
	Delta	UHC	Delta	UHC	Delta	UHC	Delta	UHC
Monthly Premium Rates for Calendar Year 2020								
Employee Only/Retiree Only	\$31.37	\$34.39	\$19.46	\$17.95	\$13.05	\$9.87	\$8.06	\$7.37
Employee+Family/Retiree+Family	\$93.82	\$104.99	\$59.61	\$54.99	\$33.32	\$25.37	\$20.53	\$18.88
Monthly Premium Rates for Calendar Year 2021								
Employee Only/Retiree Only	\$31.37	\$34.39	\$19.46	\$17.95	\$13.05	\$9.87	\$8.06	\$7.37
Employee+Family/Retiree+Family	\$93.82	\$104.99	\$59.61	\$54.99	\$33.32	\$25.37	\$20.53	\$18.88
Monthly Premium Rates for Calendar Year 2022								
Employee Only/Retiree Only	\$31.37	\$34.39	\$19.46	\$17.95	\$13.05	\$9.87	\$8.06	\$7.37
Employee+Family/Retiree+Family	\$93.82	\$104.99	\$59.61	\$54.99	\$33.32	\$25.37	\$20.53	\$18.88
Monthly Premium Rates for Calendar Year 2023								
Employee Only/Retiree Only	\$31.37	\$36.11	\$19.46	\$18.85	\$13.05	\$9.87	\$8.06	\$7.37
Employee+Family/Retiree+Family	\$93.82	\$110.24	\$59.61	\$57.74	\$33.32	\$25.37	\$20.53	\$18.88
Monthly Premium Rates for Calendar Year 2024								
Employee Only/Retiree Only	\$31.37	\$36.11	\$19.46	\$18.85	\$13.05	\$9.87	\$8.06	\$7.37
Employee+Family/Retiree+Family	\$93.82	\$110.24	\$59.61	\$57.74	\$33.32	\$25.37	\$20.53	\$18.88

* Note UHC PPO rates are guaranteed flat for first three years of the contract. Rates for 2023/24 could increase up to 5% from 2022 levels. These highest case rates are provided above.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. **AWARD REQUEST FOR PROPOSALS NO. RFP-18-057-MT - GROUP TERM LIFE INSURANCE AND FLEXIBLE BENEFITS PROGRAM – DENTAL COVERAGE**, for Miami-Dade County Public Schools employees, dependents and retirees, with initial effective date of January 1, 2020 through December 31, 2024, and may, by mutual agreement, be extended for one (1) additional two (2) year period subject to successful negotiations:
 - a. Dental Coverage:

- i. DELTA DENTAL INSURANCE COMPANY
5200 BLUE LAGOON DRIVE, SUITE 110
MIAMI, FL 33126
OWNER/OFFICER: MICHAEL MANER, VP, SALES

SUBCONTRACTOR:

JNICK MANAGEMENT GROUP, INC.
 2425 NW 43RD STREET
 MIAMI, FL 33142
AFRICAN AMERICAN

MBE/MWBE

- ii. UNITEDHEALTHCARE SERVICES, INC.
 3100 SW 145 AVENUE, SUITE 200
 MIRAMAR, FL 33027
 OWNER/OFFICER: GINA CICCIA, VP OF FLORIDA
 PUBLIC & LABOR SALES

SUBCONTRACTOR:

BENEFITS OUTSOURCE, INC.
 5599 SOUTH UNIVERSITY DRIVE, SUITE 201
 DAVIE, FL 33328
AFRICAN AMERICAN

SBE/MWBE

Delta Dental and UnitedHealthcare at the following monthly premiums:

Coverage Tier	High PPO		Standard PPO		High DHMO		Standard DHMO		
	Delta	UHC	Delta	UHC	Delta	UHC	Delta	UHC	
Monthly Premium Rates for Calendar Year 2020									
Employee Only/Retiree Only	\$31.37	\$34.39	\$19.46	\$17.95	\$13.05	\$9.87	\$8.06	\$7.37	
Employee+Family/Retiree+Family	\$93.82	\$104.99	\$59.61	\$54.99	\$33.32	\$25.37	\$20.53	\$18.88	
Monthly Premium Rates for Calendar Year 2021									
Employee Only/Retiree Only	\$31.37	\$34.39	\$19.46	\$17.95	\$13.05	\$9.87	\$8.06	\$7.37	
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Monthly Premium Rates for Calendar Year 2022									
Employee Only/Retiree Only	\$31.37	\$34.39	\$19.46	\$17.95	\$13.05	\$9.87	\$8.06	\$7.37	
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- 2. **AUTHORIZE** Procurement Management Services to award the contract to provide Group Term Life Insurance and Flexible Benefits Program – Dental Services, for the initial contract term, and for each subsequent extension period.

RYS:mgf