

Business Operations
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: STUDENT ACCIDENT INSURANCE FOR SCHOOL YEAR
2007-2008**

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

**LINK TO DISTRICT IMPROVE FINANCIAL SERVICES
STRATEGIC PLAN:**

At the Board meeting of May 18, 2005, the Board awarded its student accident insurance coverage pursuant to the terms of Request For Proposal (RFP) # 055-EE10, Student Accident and Athletic Accident Insurance Coverages to Reliance Standard Insurance Company (A.M. Best A- IX), through School Insurance of Florida, Inc. This award became effective August 1, 2005 for an initial three year term, subject to premium guarantees for the first two years of the program, and the third year to be the same, subject to acceptable claims ratios, with the third year rates to be brought back to the Board prior to August 1, 2007 if there is a change.

Following a review of the student accident claims for the past two years with School Insurance of Florida, staff has negotiated renewal terms for the third year of this program, which consists of two options as follows:

OPTION I (Recommended)

Retain current benefit levels, including outpatient hospital expenses for same day surgeries and other outpatient services at usual and customary. Due to the high utilization and cost of outpatient services, this option would require current School Time Coverage premiums to be increased by \$2 for grades Pre-K – 6 (\$12 to \$14) and \$1 for grades 7-12 (\$14 to \$15). Premiums for 24-Hour coverage (\$38.00), increased dental option (\$2) and In-Hospital Sickness (\$40) would remain flat for the upcoming year.

OPTION II (Not Recommended)

Reduction in current benefit levels resulting in limited outpatient expenses up to \$12,000 for same day surgeries and \$1,000 for other outpatient charges when surgery is not required. This option would allow for the current premiums to remain constant for school year 2007-2008 and would be extended for one additional year for school year 2008-2009.

The rationale for recommending Option I is based upon the fact that students participating in interscholastic sports other than interscholastic football are required to purchase the School Time Coverage pursuant to the provisions of School Board Rule 6Gx13- 6A-1.161. An important component of the district's athletic program is the strategic sports medicine program. Providers under contract to provide medical services to Miami-Dade County Public School athletes agree to accept the amount paid by the student accident and football accident insurance programs as payment in full as part of the sports medicine program. This important factor has resulted in athletes who require medical care to be fully covered and not have expensive unpaid medical bills.

Discussions with representatives of providers who perform services through the sports medicine program have indicated that they would not be able to sustain the current contract if the outpatient benefits were significantly reduced as contemplated under the above-referenced Option II. Staff feels that the pricing is competitive enough that a \$1-\$2 increase to keep current benefits in place is the best recommendation for the upcoming school year with a subsequent Request For Proposal (RFP) to be issued for subsequent year's programs.

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

1. renew its student accident insurance coverage with Reliance Standard Insurance Company (A.M. Best A-IX), through School Insurance of Florida, Inc., effective August 1, 2007 to August 1, 2008, at the following rates:

| | |
|----------------------|---------|
| School Time | |
| PK -6 | \$12.00 |
| 7-12 | \$15.00 |
| 24-Hour | \$38.00 |
| Increased Dental | \$ 2.00 |
| In Hospital Sickness | \$40.00 |

2. authorize the Superintendent to have staff begin working on a Request For Proposal (RFP) to be brought back to the Board at a future Board meeting to seek competitive proposals for student accident insurance programs for school years beginning 2008-2009.

OSP:abc