

Business Operations
Ofelia San Pedro, Deputy Superintendent

**SUBJECT: REQUEST FOR AUTHORIZATION TO AWARD REQUEST
FOR PROPOSALS (RFP) #065-GG10, DISTRICT
HEALTHCARE BENEFIT PROGRAM AND EMPLOYEE
BENEFIT PROGRAM FOR CALENDAR YEAR 2008**

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

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

At the Board meeting of May 16, 2007, authorization was received to release RFP #065-GG10, District Healthcare Benefit Program, to seek competitive proposals for the District's healthcare program to become effective January 1, 2008 for a three year term, with the ability to extend the contract period for two additional one-year renewals. At the regular bid opening of June 19, 2007, proposals were received from the following carriers with the stated financial platforms:

Blue Cross/Blue Shield of Florida - Self Insured
CIGNA – Self Insured
Humana – Self Insured and Fully Insured
UnitedHealthcare – Self Insured and Fully Insured
Vista – Fully Insured

At the Board meeting of May 16, 2007, the Board also approved the structure of the Superintendent's Ad-Hoc Insurance Committee which was convened pursuant to the provisions of School Board Rule 6Gx13- 3F-1.022, Professional Service Contracts for Insurance or Risk Management Programs – Policy.

The Superintendent's Ad-Hoc Insurance Committee met on four occasions to review and discuss each of the proposals received. At the Ad-Hoc Committee meeting of September 21, 2007, the committee recommended awarding the healthcare contract to UnitedHealthcare of Florida, Inc. (United) for reasons including their provider networks, financial rating of the company and the overall cost being the lowest of the received proposals. United's proposal includes a rate increase of 13.1%.

**Replacement
E-66**

Although this 13.1% rate increase is lower than the 2008 renewal rate increase proposed by United in February, 2007 of 14.3%, it is much higher than in recent years wherein the District received a rate pass for 2005, a 2% increase effective 1-1-06, which was then reduced by 5% effective April 1, 2006, and a 4.5% increase effective 1-1-07.

Staff is recommending that the District award the health insurance contract to United, pursuant to the provisions of RFP #065-GG10, so that a contract is in place for January 1, 2008. Since the District is currently at impasse with five unions, this item will only seek authorization to enter into a contract and establish premium rates with UnitedHealthcare for the 12 month period beginning January 1, 2008. An agenda item which recommends a contribution strategy, establishing Board and employee contributions, will be brought back to the Board at a subsequent meeting once union negotiations are finalized.

The plan designs for all healthcare options remained the same as the current program. A brief description of the plan designs follows.

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%
Outpatient Services		
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
Prescription Drugs		
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

HMO 63 and HMO 62 are on United's Open Access platform, while HMO 3 NHP shown below is a 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
Plan Coinsurance	80%	80%	100%
Outpatient Services			
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%
Emergency Room (in-area hospital)	100% after \$100 copay	100% after \$100 copay	100% after \$100 copay
Prescription Drugs			
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

Alternative, Limited Health Plan

At the meeting of May 10, 2006 the Board approved a contract with CareAccess Health Plan, Inc. (CareAccess) for an alternative, limited health plan to be offered to employees and their eligible dependents on a voluntary basis for those employees who are not provided Board-paid coverage, as well as eligible dependents of employees who are provided Board-paid coverage on a per member basis effective July 1, 2006 through December 31, 2007, with the ability to extend for one additional year subject to successful renewal negotiations. CareAccess has offered renewal of the plan at the same rates and terms for the period January 1, 2008 through December 31, 2008, including the hospital benefits through ACE American Insurance Company, an A+ rated carrier.

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

General Provisions	High Option	Low Option
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 ACE American)	\$500/day up to 100 days/confinement	\$500/day up to 100 days/confinement
Plan Coinsurance	None	None
Inpatient Surgery Benefit (Provided through ACE American)	\$2,000 /1 per year	\$2,000 /1 per year
Outpatient Services		
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)
Prescription Drugs**		
Retail Generic / Formulary Brand	\$7/25	\$15/35
Mail Generic / Formulary Brand / Non-Formulary	N/A	N/A

*In addition, ACE American Insurance Company 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

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

1. award its health insurance contract to UnitedHealthcare of Florida, Inc., pursuant to the provisions of Request For Proposals (RFP) #065-GG10, District Healthcare Benefit Program for healthcare coverage for employees, retirees and their eligible dependents for a three year term effective January 1, 2008, with the ability to extend for two additional one-year periods subject to successful renewal negotiations, and the stated cancellation provision which provides for the District's ability to cancel its contract at any time with a 90-day advance written notice delivered to the carrier, for the following monthly rates effective January 1, 2008 through December 31, 2008.

POS			
	Employee Only	\$	458.47
	EE + Child(ren)	\$	886.71
	EE + Spouse	\$	951.14
	EE + Family	\$	1,340.88
HMO 63 (High Option HMO)			
	Employee Only	\$	419.17
	EE + Child(ren)	\$	810.71
	EE + Spouse	\$	869.62
	EE + Family	\$	1,225.97
HMO 62 (Low Option HMO)			
	Employee Only	\$	390.68
	EE + Child(ren)	\$	755.58
	EE + Spouse	\$	810.49
	EE + Family	\$	1,142.60
HMO 3 NHP			
	Employee Only	\$	389.83
	EE + Child(ren)	\$	753.97
	EE + Spouse	\$	808.75
	EE + Family	\$	1,140.14
	One Child*	\$	230.00
	Two or more children*	\$	565.25
PPO – Out Of Area Only			
	Employee Only	\$	952.60
	EE + Child(ren)	\$	2,039.46
	EE + Spouse	\$	1,900.43
	EE + Family	\$	2,873.99

*Under the One Child and 2+ Children tiers, no employee enrollment is required

HOSPITALITY INDEMNITY PLAN			
	Employee Only	\$	17.55

AARP MEDICARE COMPLETE - SECURE HORIZON - 65 & over			
		RETIREE ONLY	SPOUSE
Miami-Dade	\$	119.74	\$ 119.74
Broward	\$	292.44	\$ 292.44
Palm Beach	\$	311.01	\$ 311.01

AARP MEDICARE SUPPLEMENT PLAN J + PDP PRESCRIPTION DRUG PLAN			
Rates based on age at time of initial enrollment and retiree's residence			

MEDICARE SUPPLEMENT - under 65 years old			
Employee Only	\$		458.47
EE + Child(ren)	\$		951.14
EE + Spouse	\$		886.71
EE + Family	\$		1,340.88

2. renew its contract with CareAccess Health Plan, Inc. for an alternative, limited health plan to be offered to employees and their eligible dependents on a voluntary basis for those employees who are not provided Board-paid coverage, as well as eligible dependents of employees who are provided Board-paid coverage on a per member basis effective January 1, 2008 through December 31, 2008, for the following monthly rates per member:

Alternative, Limited Health Plan Inpatient and Outpatient Combined Rates		
Age Band	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

OSP:sbc