

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

**SUBJECT: AWARD REQUEST FOR PROPOSALS NO. RFP-18-058-MT  
- DISTRICT HEALTHCARE BENEFITS PROGRAM**

**COMMITTEE: FISCAL ACCOUNTABILITY & GOVERNMENT RELATIONS**

**LINK TO STRATEGIC  
BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES**

Procurement Management Services, at the request of the Office of Risk and Benefits Management, released the above-referenced solicitation. The purpose of this Request for Proposal (“RFP”) is to identify qualified individuals and agencies to provide Administrative Services Only (ASO) Medical, Administrative Services Only (ASO) Prescription Drug services, Fully-Insured Stop Loss Coverage and Medicare Plan Offerings for Miami-Dade County Public Schools employees, dependents and retirees. This RFP was advertised on the Procurement Management Services’ and DemandStar websites. The solicitation was shared with District offices for additional community outreach, including but not limited to social media, local newspapers, local radio stations and prior bid forecasting lists.

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. } REVISED

Strategies were employed to increase SBE/MBE (Small/Micro Business Enterprise) participation. The Goal Setting Committee recommended that this solicitation be open with 5 points SBE/MBE.

M-DCPS OEO staff verified the Small, Micro, Veteran and/or M/WBE certification status.

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

**Medical**

Aetna  
AvMed  
Cigna  
United Healthcare (“UHC”)

**Revised  
E-151**

## **Pharmacy**

Aetna  
Capital Rx  
Cigna  
CaremarkPCS Health LLC (CVS Health)  
United Healthcare

## **Medicare**

AvMed  
Cigna  
Humana  
United Healthcare

Additionally, declinations to bid were received from Blue Cross and Blue Shield of Florida.

The Selection Committee meetings were held on May 28, 2019, June 10, 2019 and June 17, 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 Aon the Board's Employee Benefits Consulting Firm. This item will outline each program for which the District sought and received proposals and will identify those companies which the committee determined best met the District's needs based upon the criteria contained in RFP# 18-058-MT as well as School Board Policy 6320, Purchasing – Policy.

## **Medical Administrative Services Only (ASO)**

Proposals were received for Medical ASO services from Aetna, AvMed, Cigna and United Healthcare. The committee at its meeting of May 28, 2019 voted to allow all the proposers to make oral presentations on Monday June 10, 2019.

During the oral presentations, which were held on June 10, 2019, the committee members heard overviews of the companies' proposals and then asked representatives from each company several questions regarding their proposal. The committee then voted to direct Procurement Management Services to seek best and final terms and pricing from all the proposers to be considered at the next committee meeting. The committee then met on its final day on June 17, 2019 and discussed at length the strengths of the proposals.

As a result of that meeting, a unanimous decision was made to select Cigna as the Medical ASO provider effective January 1, 2020 for a five (5) year period with the ability to be extended for one (1) additional two (2) year period as stipulated in the RFP. The specifics of the pricing and terms provided through this solicitation as are as follows:

The response from Cigna contained significant price reductions from the previous contract. Cigna is providing \$11.3 million in ASO premium holidays, Additionally, Cigna has reduced their shared savings fees for an estimated savings of \$13 million, representing a total savings of over \$24.3 million over the five-year term.

Per-Employee/Per-Month (PEPM) monthly rate:

2020	2021	2022	2023	2024
\$22.32	\$22.32	\$22.32	\$22.32	\$22.32

### **Pharmacy**

The committee voted to have oral presentations from all proposers who responded to the Pharmacy portion of the RFP. Aetna, Cigna and United Healthcare provided imbedded pharmacy programs as part of their Medical ASO proposals, as well as two companies which provided Carved Out (or stand alone) Pharmacy proposals, including Capital Rx and CVS Health.

During the oral presentations, which were held on June 10, 2019, the companies were provided the opportunity to present an overview of their pharmacy proposals and the members of the committee asked each provider specific questions regarding their proposals.

The committee discussed the pros and cons of offering an imbedded pharmacy program with its medical ASO contract, as opposed to a Carved-out Pharmacy Program. Ultimately the committee voted to keep the pharmacy program embedded with the Medical ASO; based upon concerns over a disruption of coordination of care, integration of multiple claim adjudication systems as well as adding another layer of complexity for employees navigating and utilizing their board provided benefits.

This decision disqualified carved out pharmacy proposals from Capital Rx and CVS Health as well as AvMed who did not submit a pharmacy benefit management program. The committee then voted to direct Procurement Management Services to seek best and final terms and pricing from Aetna, Cigna and UnitedHealthcare to be considered at the next committee meeting.

The committee met on its final day on June 17, 2019 and discussed at length the strengths of the proposals. Cigna provided the lowest total combined projected medical and Rx expense over a five-year period. A unanimous decision was made to select Cigna as the Board's Medical ASO Provider and Pharmacy Benefits Manager, effective January 1, 2020 for a five (5) year period with the ability to be extended for one (1) additional two (2) year period as stipulated in the RFP.

### **Stop Loss**

One of the components of this RFP includes Stop Loss Coverage. Historically the Board has purchased Stop Loss Coverage to insulate the Board from catastrophic claims. The Board's current stop loss coverage has an attachment point of \$1 million. Any claim which exceeds the attachment point becomes fully insured.

As the selected ASO provider, the committee voted unanimously to select Cigna to be the Stop Loss Coverage provider in the event the Board chooses to maintain this coverage. Staff and the District's benefit consultant, Aon, will provide a final recommendation to the Board on the necessity of continuing the purchase of stop loss coverage and if so, the recommended attachment point. This recommendation will be contained in the annual premium equivalent rate board item.

**Group Medicare Program**

The District provides healthcare offerings for retirees and their eligible dependents who are eligible for Medicare benefits. Currently the District sponsors a variety of Medicare plan options for its Medicare retirees:

- Medicare Advantage Plans with Part D Prescription Drugs (MAPD)
- Medicare Supplement Plans (MedSupp)
- Stand-alone Prescription Drug Plans (PDPs)

Proposals were received for various Medicare Plans from AvMed, Cigna, Humana and United Healthcare as displayed below:

Type	AvMed	Cigna	Humana	UHC
Medicare Advantage Plan	✓	✓	✓	✓
Medicare Supplement		✓		✓
Prescription Drug Plans		✓		✓

At the June 10, 2019, meeting, committee members expressed their desire to provide Medicare eligible retirees and their dependents ultimate access to these proposals. Committee members voted to approve all plans, except for the proposals specific to the Medicare Supplement. The committee instructed Aon to provide additional information for both Medicare Supplement proposals (Cigna and UHC) to be discussed at its next meeting of June 17, 2019.

Committee members met on June 17, 2019, and discussed at length the strengths of the proposals. A unanimous decision was made to select UnitedHealthcare as the provider for the Medicare Supplement offering.

Rates for the plans are as follows:

	Medicare Advantage Plans (MAPD)*		Medicare Supplement*			Prescription Drug Plans (PDP)*		
	Zero Premium HMO	PPO	Plan A	Plan F	Plan N	Standard	Generic in Gap	Comprehensive
AvMed	✓							
Cigna Leon	✓							
Cigna						\$142.07	\$128.50	\$198.95
Humana	✓	\$296.97 & \$469.43						
United Healthcare		\$187.53 & \$312.38	✓	✓	✓	\$127.18	\$120.75	\$298.98
Monthly Premium Range	\$0	\$187.53-\$469.43	Varies by Age	Varies by Age	Varies by Age	\$127.18-\$142.07	\$120.75 - \$128.50	\$198.95 - \$298.98

\* The Medicare Plan offering and associated premiums for calendar year 2020, are subject to final approval by the Center of Medicare and Medicaid Services (CMS). The CMS Final Call Letter and CMS approval will most likely be published after October, 2019.

Fund Source

0711 – Self Insured Healthcare Fund

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

- 1. AWARD REQUEST FOR PROPOSALS NO. RFP-18-058-MT - DISTRICT HEALTHCARE BENEFITS PROGRAM**, to identify qualified individuals and agencies to provide Administrative Services Only (ASO) Medical, Administrative Services Only (ASO) Prescription Drug services, Fully-Insured Stop Loss Coverage and Medicare Plan Offerings, initial effective date of 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 extension periods thereto, as follows:

Administrative Services Only (ASO) Medical, Administrative Services Only (ASO) Prescription Drug services, Fully-Insured Stop Loss Coverage

CIGNA HEALTH AND LIFE INSURANCE COMPANY AND HEALTHSPRING OF FLORIDA, INC  
1571 SAWGRASS CORPORATE PARKWAY, SUITE 140  
SUNRISE, FL 33323  
OWNER/OFFICER: SCOTT E. EVELYN, VICE PRESIDENT

Pricing for Administrative Services Only (ASO) Medical:

2020	2021	2022	2023	2024
\$22.32	\$22.32	\$22.32	\$22.32	\$22.32

**SUBCONTRACTOR(S):**

LITHOGRAFIKOS,LLC **MBE**  
8850 SW 129 TERRACE  
MIAMI, FL 33176-5931  
OWNER/OFFICER: ZACHARY S. HALL, MANAGER

A & ASSOCIATES STAFFING, INC **MWBE**  
951 SANSBURY'S WAY - SUITE. 204  
WEST PALM BEACH, FL 33411  
OWNER/OFFICER: EVELYN Y. LOONEY, PRESIDENT  
**AFRICAN AMERICAN**

HOLSEN, INC **SBE/MWBE**  
1176 NW 163RD DRIVE  
MIAMI, FL 33169  
OWNER/OFFICER: DARRYL HOLSENDOLPH  
**AFRICAN AMERICAN**

AYYM HOLDINGS dba CULTURE 44  
 1490 NW 3RD AVE, SUITE106  
 MIAMI, FL 33136  
 OWNER/OFFICER: MYYA PASSMORE, MANAGER  
**AFRICAN AMERICAN**

**MBE/MWBE**

- 2. AWARD REQUEST FOR PROPOSALS NO. RFP-18-058-MT - DISTRICT HEALTHCARE BENEFITS PROGRAM**, to identify qualified individuals and agencies to provide Medicare Plan Offerings, initial effective date of 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 extension periods thereto, as follows:

	Medicare Advantage Plans (MAPD)*		Medicare Supplement*			Prescription Drug Plans (PDP)*		
	Zero Premium HMO	PPO	Plan A	Plan F	Plan N	Standard	Generic in Gap	Comprehensive
AvMed	✓							
Cigna Leon	✓							
Cigna						\$142.07	\$128.50	\$198.95
Humana	✓	\$296.97 & \$469.43						
United Healthcare		\$187.53 & \$312.38	✓	✓	✓	\$127.18	\$120.75	\$298.98
Monthly Premium Range	\$0	\$187.53-\$469.43	Varies by Age	Varies by Age	Varies by Age	\$127.18-\$142.07	\$120.75 - \$128.50	\$198.95 - \$298.98

\* The Medicare Plan offering and associated premiums for calendar year 2020, are subject to final approval by the Center of Medicare and Medicaid Services (CMS). The CMS Final Call Letter and CMS approval will most likely be published after October 2019. Rates are subject to annual filing by the carriers and approval by CMS.

- 3. AUTHORIZE** Procurement Management Services to award the contract to provide the District Healthcare Benefits Program, subject to the availability of funding, for the initial contract term, and for each subsequent extension period. Board authorization of this recommendation does not guarantee any estimated quantities will be purchased.