

## EXECUTIVE SUMMARY

### Recommendation of \$500,000 or Greater 18-009V – Group Medical Insurance for School Board Employees

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On August 16, 2016, the Board approved the one-year contract extension for Aetna Life Insurance Company (Aetna). The term of the Agreement is from January 1, 2017 through December 31, 2017.

A Medical Request for Proposal (RFP) was developed and subsequently reviewed in a public meeting on October 19, 2016, by the Superintendent's Insurance & Wellness Advisory Committee (SIWAC).

On December 2, 2016, the Procurement & Warehousing Services Department released RFP 18-009V – Group Medical Insurance for School Board Employees. Proposals were due on or before February 6, 2017, and were received from the following vendors:

<b>Medical (with Integrated Pharmacy)</b>	<b>PBM (Pharmacy Carve-Out)</b>
Aetna Life Insurance Company	BeneCard PBF
AvMed, Inc.	Express Scripts
	MedImpact Healthcare Systems, Inc.

On March 22, 2017, SIWAC met and evaluated the proposals, based on the following criteria: Experience and Qualifications, Scope of Services, Cost of Services, and Small/Minority/Women Business Enterprise (S/M/WBE). As a result of the Committee's evaluation and subsequent negotiations, the Committee voted to recommend the selection of **Aetna Life Insurance Company (Aetna)** to the Superintendent of Schools.

If approved by the School Board, the term of the initial agreement will be January 1, 2018 through December 31, 2020. The term of the contract may be extended for two (2) additional one-year periods.

### OUTCOMES

As a result of issuing the Group Medical Insurance RFP and subsequent negotiations with Aetna, the following outcomes were achieved:

### EMPLOYEE WELLNESS

- An additional \$500,000; paid in two (2) installments within 2018 to be utilized for the establishment of Wellness Incentives for various Wellness Initiatives.
- **Apple Watch**
  - A total of \$72,000 over the term of the Initial Contract period (\$24,000 annually) will be provided for the purpose of providing an incentive for benefit eligible employees to purchase an Apple Watch, which will assist them with managing their health.

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- **Wellness Coordinator**
  - A dedicated Aetna Wellness Coordinator will be provided to assist in the development, implementation, and management of the District's Wellness Initiatives.
- **Interactive Health Station Kiosks**
  - Three (3) Interactive Health Station Kiosks will be provided by Aetna to enable employees to check their basic health status, e.g., Blood Pressure, and will also allow the employee to communicate electronically with a healthcare professional.

**PHARMACY**

- **Retail Generic Discount Guarantees**
  - Retail Generic Discount Guarantee rates will be increased as follows:
    - 2018 – Average Wholesale Price (AWP) -76.5%
    - 2019 – Average Wholesale Price (AWP) - 77%
    - 2020 - Average Wholesale Price (AWP) - 77.5%
- **Prescription Drug Market Check**
  - Aetna agrees to a market check in 2019. If this market check yields at least 1.5% gross savings in the marketplace, Aetna agrees to improve the pricing guarantees at a minimum, to equal or better this savings amount in 2020 refer to Exhibit F for additional details.
- **Voluntary Maintenance Medications**
  - A 90-day retail refill will be available at CVS pharmacies, for maintenance medications, on a voluntary basis at the same copays as the mail order.

**S/M/WBE**

- Annual minority scholarship in the amount of \$20,000 for the term of the Initial Contract period. If SBBC exercises years four (4) and five (5), Aetna will continue to fund \$20,000 for each of those years.
- During the Initial Contract period, a total of \$809,509 will be spent with minority vendors. If SBBC exercises years four (4) and five (5), Aetna agrees to spend \$269,000 each year with minority vendors.