

EXECUTIVE SUMMARY

Second Amendment to Agreement 15-003P – Administration of Flexible Spending Accounts for School Board Employees

Background

On September 16, 2014 the Board awarded the contract for the above-referenced Request for Proposal (RFP) to Payflex Systems USA, Inc. to provide the Administration of Flexible Spending Accounts for School Board Employees. The initial term of the contract was January 1, 2015 through December 31, 2017, with two, 1-year renewal options. The Board's monthly premium rates for the initial contract period (2015 -2017) were fixed.

On May 17, 2017 the Superintendent's Insurance & Wellness Advisory Committee held its annual contract renewal meeting and voted unanimously to recommend approval of the first one-year renewal option (2018) to the Superintendent of Schools. In accordance with the terms of the initial contract, the monthly rates were held flat for the first one-year renewal; therefore, there was no rate increase for 2018.

The Superintendent's Insurance & Wellness Advisory Committee (SIWAC) held its annual contract renewal meeting on May 16, 2018. As a result of negotiations with PayFlex, the Benefits Consultants were able leverage the implementation of the new Health Savings Account (HSA) to reduce the Flexible Spending Account monthly fee from \$3.45 to \$3.15 for January 1, 2019 through December 31, 2019. The SIWAC voted unanimously to recommend approval of the second one (1) year renewal option to the Superintendent of Schools.

In addition, Payflex has agreed to refund the difference of the 2018 and 2019 rate (.30 cents per member per month) that was charged in 2018.