

EXECUTIVE SUMMARY

Recommendation to Approve Second Amendment to Agreement 17-010V - Group Dental Insurance and Group Vision Insurance for School Board Employees

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the Second Amendment to Agreement and first renewal for the above-referenced Request for Proposal (RFP) between The School Board of Broward County, Florida (SBBC), and Aetna Life Insurance Company (Vision) and CompBenefits Company and CompBenefits Insurance Company (Dental & Vision) and Metropolitan Life Insurance Company (Dental). This RFP provides for an option to renew the contract for two (2) additional one (1) year periods. This request is the first one (1) year renewal option from January 1, 2020 through December 31, 2020. This RFP provides district employees with dental and vision plan coverages. The spending authority requested is \$5,400,000.

Goods/Services Description

Responsible: Benefits

Aetna, CompBenefits, and Metropolitan Life are leading providers of insurance products and other financial services. Through their subsidiaries and affiliates, these organizations collectively offer a suite of products spanning life, health, dental, vision, and pensions, as well as provides and utilizes data and best practices to offer recommendations to employers, which could enrich their benefits plans.

Procurement Method

Responsible: PWS

The procurement method chosen was through a competitive solicitation, which is required by Purchasing Policy 3320, Part II, Rule V, and Florida Administration Code 6A-1.012(15).

RFP 17-010V – Group Dental Insurance and Group Vision Insurance for School Board Employees, was released via Onvia Demandstar on March 11, 2016, by Procurement & Warehousing Services and opened on April 15, 2016. Five Hundred and fifty-three (553) vendors were notified through Onvia Demandstar, twenty-two (22) vendors downloaded the RFP, and SBBC received four (4) proposals from:

1. Aetna Life Insurance Company
2. CompBenefits Company and CompBenefits Insurance Company (Humana, Inc.)
3. Metropolitan Life Insurance Company (MetLife) and
4. Solstice Benefits, Inc.

Prior to the review and evaluation of the vision proposals from the above noted carriers, the Benefits Consultants, Gallagher Benefit Services, Inc., informed the Superintendent's Insurance & Wellness Advisory Committee (SIWAC) that one (1) of the Vision Proposers, Solstice Benefits, Inc., should be found non-responsive for failure to meet the requirements of Section 4.2.3 of the RFP and should not be evaluated by the SIWAC. A motion was made, seconded and passed unanimously by the SIWAC to find Solstice Benefits, Inc., non-responsive for the reasons as noted above.

The SIWAC evaluated the remaining proposals during its public meeting on Friday, May 20, 2016, based on Experience and Qualifications, Scope of Services, Cost of Services and Small/Minority/Women Business Enterprise. As a result of the evaluation and subsequent negotiations, the Committee voted to recommend to the Superintendent of Schools the following awards:

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GROUP DENTAL:

- CompBenefits Company and CompBenefits Insurance Company (CompBenefits.)
- Metropolitan Life Insurance Company (MetLife)

GROUP VISION:

- Aetna Life Insurance Company (Aetna)
- CompBenefits Company and CompBenefits Insurance Company (CompBenefits.)

At the July 26, 2016, School Board meeting, the contracts for RFP 17-010V - Group Dental Insurance and Group Vision Insurance for School Board Employees were awarded to:

GROUP DENTAL

CompBenefits Company and CompBenefits Insurance Company (CompBenefits)
Metropolitan Life Insurance Company (MetLife)

GROUP VISION

Aetna Life Insurance Company (Aetna)
CompBenefits Company and CompBenefits Insurance Company (CompBenefits)

The initial contract period for the above awards was January 1, 2017 through December 31, 2019.

On May 16, 2018, SIWAC held its annual contract renewal meeting. Although, the negotiated terms of the **CompBenefits** contract for the initial contract period resulted in both the DHMO and PPO monthly rates being held flat for plan years 2017, 2018 and 2019, the Benefits Consultants, Gallagher Benefit Services, through an analysis of the experience data, negotiated a DHMO monthly rate reduction of two (2) percent with CompBenefits for plan year January 1, 2019 through December 31, 2019. This resulted in a cost avoidance for the School Board of approximately \$35,000 for 2019. The PPO monthly rates remained flat for January 1, 2019 through December 31, 2019. The SIWAC voted unanimously to recommend approval of the 2019 CompBenefits (Dental) DHMO rate reductions of two (2) percent, and the zero (0) percent rate increase of the PPO plans to the Superintendent of Schools.

2020 Renewals:

On May 8, 2019, SIWAC held its annual contract renewal meeting.

DENTAL:

CompBenefits Insurance Company (CompBenefits)

CompBenefits agreed to reduce their 2020 DHMO Basic and Enhanced rates by three (3) percent. The PPO rates will remain flat FOR 2020. The Committee voted unanimously to recommend approval of the first one (1) year renewal option for CompBenefits (Dental) to the Superintendent of Schools.

Listed below are the 2019 and 2020 Dental rates for CompBenefits Dental coverage.

	COMPBENEFITS - DHMO				COMPBENEFITS - PPO			
	BASIC		ENHANCED		BASIC		ENHANCED	
	2019 RATES	2020 RATES	2019 RATES	2020 RATES	2019 RATES	2020 RATES	2019 RATES	2020 RATES
Employee Only	\$8.58	\$8.32	\$10.54	\$10.22	\$33.06	\$33.06	\$39.22	\$39.22
Employee + 1	\$14.86	\$14.40	\$19.18	\$18.60	\$59.82	\$59.82	\$75.14	\$75.14
Employee + Family	\$19.92	\$19.32	\$25.80	\$25.02	\$89.50	\$89.50	\$117.54	\$117.54

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Metropolitan Life Insurance Company (MetLife)

The negotiated terms of the MetLife contract resulted in fixed monthly rates for both the DHMO and PPO plans for plan years January 1, 2017 through December 31, 2017, and January 1, 2018 through December 31, 2018.

For plan year, January 1, 2019 through December 31, 2019, MetLife requested a seven (7) percent rate increase for the PPO Plan. During the contract renewal meeting, MetLife agreed to reduce its rate increase request to five (5) percent. The SIWAC voted unanimously to recommend approval of MetLife’s (Dental) PPO rate increase of five (5) percent to the Superintendent of Schools. The DHMO monthly rates remained flat for January 1, 2019 through December 31, 2019.

On May 8, 2019, SIWAC held its annual contract renewal meeting. For 2020 MetLife proposed a zero (0) percent increase for its Basic and Enhanced DHMO Dental rates and a four-point-seven (4.7) percent increase on the Basic and Enhanced PPO Dental rates. The SIWAC voted unanimously to recommend approval of MetLife’s first one (1) year renewal option to the Superintendent of Schools.

Listed below are the 2019 and 2020 Dental rates for MetLife Dental coverage.

	METLIFE - DHMO				METLIFE - PPO			
	BASIC		ENHANCED		BASIC		ENHANCED	
	2019 RATES	2020 RATES	2019 RATES	2020 RATES	2019 RATES	2020 RATES	2019 RATES	2020 RATES
Employee Only	\$10.76	\$10.76	\$14.50	\$14.50	\$39.44	\$41.30	\$48.60	\$50.88
Employee + 1	\$14.84	\$18.44	\$19.16	\$25.04	\$78.98	\$82.68	\$97.28	\$101.84
Employee + Family	\$19.90	\$19.32	\$25.78	\$33.62	\$121.62	\$127.34	\$169.22	\$177.16

Please note: In accordance with Collective Bargaining Agreement provisions, the School Board’s cost will not exceed \$10.80 per covered employee, per month for dental coverage. Monthly premiums, which exceed \$10.80, are applied to the employee premium costs only. Excess costs are the responsibility of the covered employee.

GROUP VISION

CompBenefits Company and CompBenefits Insurance Company

The negotiated terms of CompBenefits’ initial contract, resulted in the following Basic and Enhanced Vision rates for plan years January 1, 2017 through December 31, 2017, January 1, 2018 through December 31, 2018, and January 1, 2019 through December 31, 2019.

During its annual contract renewal meeting on May 8, 2019, SIWAC voted unanimously to recommend the first one-year contract renewal to the Superintendent of Schools for January 1, 2020 through December 31, 2020.

The monthly Vision rates will remain flat for 2020 and are listed below:

	<u>Vision Basic</u>	<u>Vision Enhanced</u>
Employee Only	\$3.46	\$4.96
Employee Plus One	\$8.40	\$11.96
Employee Plus Family	\$14.36	\$20.50

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Aetna Life Insurance Company

The negotiated terms of Aetna’s initial contract resulted in their Basic and Enhanced Vision rates being held flat for plan years January 1, 2017 through December 2017 and January 1, 2018 through December 31, 2018.

During the contract renewal meeting held on May 16, 2018, Aetna agreed to hold their Vision rates flat for plan year 2019. The 2019 monthly rates are listed below:

	Vision Basic	Vision Enhanced
Employee Only	\$3.48	\$5.84
Employee Plus One	\$7.72	\$12.90
Employee Plus Family	\$13.20	\$22.12

During its annual contract renewal meeting on May 8, 2019, Aetna agreed to hold its Vision rates flat for year 2020. SIWAC voted unanimously to recommend the first one (1) year contract renewal to the Superintendent of Schools for January 1, 2020 through December 31, 2020.

The 2020 monthly rates are listed below:

	Vision Basic	Vision Enhanced
Employee Only	\$3.48	\$5.84
Employee Plus One	\$7.72	\$12.90
Employee Plus Family	\$13.20	\$22.12

Upon approval of this Board Item, benefits-eligible employees will continue to have a choice of quality vision plans.

Financial Impact

Responsible: PWS and Benefits

The estimated financial impact to the School Board for 2020 is approximately \$5.4 million dollars. The funding for this RFP will come from the Fringe Benefits clearing account. The financial impact represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.