

EXECUTIVE SUMMARY

Recommendation to Approve Third Amendments to Agreements 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 Third Amendment to the agreements for Aetna (Vision), CompBenefits (Dental & Vision), and Metropolitan Life Insurance Company (Dental). The contract renewal period is January 1, 2021 through December 31, 2021. This Request For Proposal (RFP) was approved at the School Board Operational Meeting on July 26, 2016, with a spending authority of \$27,000,000 and a contract term of three (3) years from January 1, 2017 through December 31, 2019, with a renewal option for two (2) additional one (1) year periods. A request for additional spending authority of \$5,400,000 was approved at the School Board Operational Meeting of July 23, 2019.

The additional Spending Authority being requested is \$5,800,000.

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, and vision, 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 D, and Florida Administration Code 6A-1.012(7).

On March 11, 2016, Procurement & Warehousing Services released RFP 17-010V – Group Dental Insurance and Group Vision Insurance for School Board Employees. Proposals were received from the following companies:

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.

**Recommendation to Approve Third Amendments to Agreements
17-010V – Group Dental Insurance and Group Vision Insurance for School Board
Employees
September 1, 2020 Board Meeting
Page 2 of 5**

**Procurement Method (Continued)
Responsible: PWS**

A motion was made, seconded, and passed unanimously by the SIWAC to find Solstice Benefits, Inc., non-responsive for the reasons 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:

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)

On July 26, 2016, 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.

**Financial Impact
Responsible: PWS and Benefits**

The estimated financial impact to the District for 2021 is approximately \$5,800,000. The reduction in both the Dental and Vision Rates for 2021 is projected to yield an approximate annual savings of \$188,245 for the District and \$700,658 for employees. The funding for this RFP will come from the Fringe Benefits Clearing Account. The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the estimated contract award amount.

**Recommendation to Approve Third Amendments to Agreements
17-010V – Group Dental Insurance and Group Vision Insurance for School Board
Employees
September 1, 2020 Board Meeting
Page 3 of 5**

Financial Impact Table:

Action	Date	Term (years)	Amount
Original Award/Spending Authority Requested	7/26/2016	3	\$27,000,000
1 st Renewal/Additional Spending Request	7/23/2019	1	\$5,400,000
2 nd Renewal/Additional Spending Request	9/1/2020	1	\$5,800,000
New Total Contract Amount		5	\$38,200,000

2021 RENEWALS:

On May 13, 2020, the Superintendent’s Insurance & Wellness Advisory Committee held its annual contract renewal meeting. The results of the Dental and Vision negotiations are as follows:

GROUP DENTAL

COMPBENEFITS

For 2021 CompBenefits originally proposed flat rates; however, during negotiations, CompBenefits agreed to a ten (10) percent rate reduction on both the Basic and Enhanced DHMO plan rates, as well as a three (3) percent rate reduction on both the Basic and Enhanced PPO Dental plan rates for 2021. The SIWAC voted unanimously to recommend approval of CompBenefits’ second one (1) year renewal option to the Superintendent of Schools.

Listed below are the 2020 and 2021 rate comparisons for CompBenefits Dental coverage.

	COMPBENEFITS - DHMO				COMPBENEFITS - PPO			
	BASIC		ENHANCED		BASIC		ENHANCED	
	2020 RATES	2021 RATES	2020 RATES	2021 RATES	2020 RATES	2021 RATES	2020 RATES	2021 RATES
Employee Only	\$8.32	\$7.50	\$10.22	\$9.20	\$33.06	\$32.06	\$39.22	\$38.04
Employee + 1	\$14.40	\$12.96	\$18.60	\$16.74	\$59.82	\$58.02	\$75.14	\$72.88
Employee + Family	\$19.32	\$17.40	\$25.02	\$22.52	\$89.50	\$86.80	\$117.54	\$114.00
Dual Spouse	\$11.00	\$9.90	\$14.82	\$13.32	\$59.82	\$58.02	\$75.14	\$72.88

METLIFE

For 2021 MetLife originally proposed flat rates; however, during negotiations, MetLife agreed to a five-point six (5.6) percent rate reduction for both its Basic and Enhanced DHMO and PPO Dental plan rates. The SIWAC voted unanimously to recommend approval of MetLife’s second one (1) year renewal option to the Superintendent of Schools.

Listed below are the 2020 and 2021 rate comparisons for MetLife Dental coverage.

**Recommendation to Approve Third Amendments to Agreements
17-010V – Group Dental Insurance and Group Vision Insurance for School Board
Employees
September 1, 2020 Board Meeting
Page 4 of 5**

**Financial Impact (Continued)
Responsible: PWS and Benefits**

	METLIFE - DHMO				METLIFE - PPO			
	BASIC		ENHANCED		BASIC		ENHANCED	
	2020 RATES	2021 RATES	2020 RATES	2021 RATES	2020 RATES	2021 RATES	2020 RATES	2021 RATES
Employee Only	\$10.76	10.16	\$14.50	13.68	\$41.30	38.98	\$50.88	48.02
Employee + 1	\$18.44	17.40	\$25.04	23.64	\$82.68	78.04	\$101.84	96.14
Employee + Family	\$25.00	23.60	\$33.62	31.74	\$127.34	120.20	\$177.16	167.24
Dual Spouse	\$14.20	\$13.40	\$19.28	\$18.20	\$72.32	\$68.26	\$89.06	\$84.06

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

On May 13, 2020, the SIWAC held its annual contract renewal meeting.

For 2021 CompBenefits originally proposed flat rates; however, during negotiations, CompBenefits offered a ten (10) percent rate reduction for its Basic Vision Plan rates and a five (5) percent rate reduction of its Enhanced Vision Plan rates. The SIWAC voted unanimously to recommend approval of CompBenefits’ second one (1) year renewal option to the Superintendent of Schools.

Listed below are the 2020 and 2021 rate comparisons for CompBenefits Vision coverage.

	COMPBENEFITS - VISION			
	BASIC		ENHANCED	
	2020 RATES	2021 RATES	2020 RATES	2021 RATES
Employee Only	\$3.46	\$3.12	\$4.96	\$4.72
Employee + 1	\$8.40	\$7.56	\$11.96	\$11.38
Employee + Family	\$14.36	\$12.94	\$20.50	\$19.48

**Recommendation to Approve Third Amendments to Agreements
 17-010V – Group Dental Insurance and Group Vision Insurance for School Board
 Employees
 September 1, 2020 Board Meeting
 Page 5 of 5**

**Financial Impact (Continued)
 Responsible: PWS and Benefits**

Aetna Life Insurance Company

For 2021 Aetna originally proposed flat rates; however, during negotiations, Aetna offered a three (3) percent rate reduction of both its Basic and Enhanced Vision Plan rates. The SIWAC voted unanimously to recommend approval of Aetna’s second one (1) year renewal option to the Superintendent of Schools.

Listed below are the 2020 and 2021 rate comparisons for Aetna Vision coverage.

	AETNA - VISION			
	BASIC		ENHANCED	
	2020 RATES	2021 RATES	2020 RATES	2021 RATES
Employee Only	\$3.48	\$3.38	\$5.84	\$5.66
Employee + 1	\$7.72	\$7.48	\$12.90	\$12.50
Employee + Family	\$13.20	\$12.80	\$22.12	\$21.46

Upon approval of this Board Item, benefit-eligible employees will continue to have a choice of quality Dental and Vision plans.