

(ATTACHMENT 1) ACTION ON REQUEST TO WAIVE ADMINISTRATIVE POLICY 3.09(9)(e) AND TO ENTER INTO CONTRACTS RELATED TO EMPLOYEE BENEFITS

RFP 1008 Authorization to Contract with United Healthcare Services, Inc. (UHC) for Administration of the District’s Health Plans.

The Administration is requesting authorization to enter into a contract with United Healthcare Services, Inc. (UHC) for the administration of the district’s self-funded health plans. The district partnered with Hays (Benefit Consultants) to develop and evaluate RFP 1008 for the administration of the self-funded Exclusive Provider Organization (EPO), Preferred Provider Organization (PPO) and High Deductible Health Plan (HDHP). UHC proposal offered the lowest claims cost and provider discounts with no disruption to employees and their dependents. UHC also provided competitive costs for the administration and disease management programs.

The estimated savings by implementing the disease management programs is \$1,475,831. The estimated savings for the disease management will vary depending on participation in the programs. There are annual maximum performance guarantees that range from \$208,000 to \$720,000, that could be paid to MPS by UHC.

Contractor was chosen pursuant to RFP 1008, which closed on March 21, 2019. The contract will run from January 1, 2020 through December 31, 2022, (the “Initial Term”), with an option of two one-year to extend if certain performance metrics incorporated into the contracts are met.

The total cost of the contract in the Initial Term will not exceed \$14,000,000.

Budget Code:

DWC-00-EMB-DW-EMDI (Employee Benefits Medical Insurance).....\$14,000,000

UnitedHealthcare Services, Inc.

PRIME CONTRACTOR INFORMATION

Certified HUB Contractor?No
Total # of Employees270,000
Total # of Minorities26,393
Total # of Women52,759

HUB PARTICIPATION

Required0%
ProposedN/A
\$ ValueN/A

STUDENT ENGAGEMENT

Paid Student Employment Hour Commitment: 300 HOURS/12-mo contract
Student Career Awareness Commitment: 10 HOURS/12-mo contract

RFP 1009 Authorization to Contract with United Healthcare Services, Inc. (through OptumRx) for Prescription Drug Administration

The Administration is requesting authorization to enter into a contract with United Healthcare Services, Inc. (through OptumRx) (UHC) for prescription drug administration. The district partnered with Hays (Benefit Consultants) to develop and evaluate RFP 1009 for the administration of the prescription drug plan for employees enrolled in the EPO, PPO and HDHP. UHC submitted the lowest bid with minimal disruption to employees and dependents.

This contract has a carve-in approach, which means that it will be incorporated into the contract for health plan administration. This will result in a positive member experience in that the UHC claims representative/clinical disease management team will be able to view all the employees medical and pharmacy claims information within the same system.

The UHC proposal includes an estimated savings of \$9,085,000 over a 3-year period. The estimated savings was based on 2018 utilization, so actual savings will vary based on actual prescription drug utilization. Included in the \$9.0 million above is an estimated savings of \$502,250 over a 3-year period for an implementation credit and an annual pharmacy management allowance.

Contractor was chosen pursuant to RFP 1009, which closed on March 28, 2019. The contract will run from January 1, 2020 through December 31, 2022, (the "Initial Term"), with one two-year option to extend if certain performance metrics incorporated into the contract are met.

The total cost of the contract in the Initial Term will not exceed \$800,000.

Budget Code:

DWC-00-EMB-DW-EMDI (Employee Benefits Medical Insurance).....\$800,000

UnitedHealthcare Services, Inc.

PRIME CONTRACTOR INFORMATION

Certified HUB Contractor?No
Total # of Employees270,000
Total # of Minorities26,393
Total # of Women52,759

HUB PARTICIPATION

Required0%
ProposedN/A
\$ ValueN/A

STUDENT ENGAGEMENT

Paid Student Employment Hour Commitment: 100 HOURS/12-mo contract
Student Career Awareness Commitment: 10 HOURS/12-mo contract

RFP 1019 Authorization to Contract with The Standard Insurance Company for Life and Disability Insurance

The Administration is requesting authorization to enter into a contract with The Standard Insurance Company (The Standard) for life insurance, Accidental Death & Dismemberment (AD&D) insurance, voluntary supplemental life insurance, voluntary short-term disability (STD) insurance and voluntary long-term disability (LTD) insurance. The district partnered with Hays (Benefit Consultants) to develop and evaluate RFP 1019 for the administration of these insurance plans.

The insurance policies provided by The Standard will enable the district to continue benefit plan offerings to staff and provide increased financial security opportunities for employees and their families in the event of unfortunate life circumstances. The Standard supplemental life, short-term and long-term disability policies are employee-paid and offered on a voluntary basis. This contract will provide simplification and consistent administration of these benefits.

Contractor was chosen pursuant to RFP 1019, which closed on June 27, 2019. The contract for life, AD&D and voluntary STD will run from January 1, 2020 through December 31, 2022 with an additional one-year option to extend and the contract for voluntary LTD will run from January 1, 2020 through December 31, 2021 (the "Initial Term"), with an additional two one-year options to extend if certain performance metrics incorporated into the contract are met.

The total cost of the contract in the Initial Term will not exceed \$11,000,000.

Budget Code:

DWC-00-EMB-DW-EGLI..... (Group Life Insurance)\$11,000,000

The Standard Insurance Company

PRIME CONTRACTOR INFORMATION

Certified HUB Contractor?NO
Total # of Employees3,083
Total # of Minorities653
Total # of Women1,788

HUB PARTICIPATION

Required0
ProposedN/A
\$ ValueN/A

STUDENT ENGAGEMENT

Paid Student Employment Hour Commitment: 600 HOURS/12-mo contract
Student Career Awareness Commitment: 10 HOURS/12-mo contract

RFP 1019

Authorization to Contract with York Risk Services Group, Inc. for Family Medical Leave Act (FMLA) Administration

The Administration is requesting authorization to enter into contracts with York Risk Services Group, Inc. to provide Family Medical Leave Act (FMLA) Administration and accommodation support under the American with Disabilities Amendments Act in compliance with Federal and State regulations. This benefit is required by both Federal and State regulations. The district partnered with Hays (Benefit Consultants) to develop and evaluate RFP 1019 for the FMLA administration. This contract will provide continuity for employees and efficiency for the district, since York is the current vendor and familiar with MPS leave plans and policies.

Contractor was chosen pursuant to RFP 1019, which closed on June 27, 2019. The contract will run from January 1, 2020 through December 31, 2022, (the "Initial Term"), with an additional one-year option to extend if certain performance metrics incorporated into the contracts are met.

The total cost of the York Risk Services Group, Inc. contract in the Initial Term will not exceed \$825,000.

Budget Code:

DWC-00-EMB-DW-ECTS.....(FMLA Administration).....\$825,000

York Risk

PRIME CONTRACTOR INFORMATION

Certified HUB Vendor?No
Total # of Employees4,986
Total # of Minorities848
Total # of Women3,398

HUB PARTICIPATION

Required0
ProposedN/A
\$ ValueN/A

STUDENT ENGAGEMENT

Paid Student Employment Hour Commitment: 600 HOURS/12-mo contract
Student Career Awareness Commitment: 10 HOURS/12-mo contract