



Johnson County

2023-2024 RFP Analysis Summary

Commissioner's Court

April 17, 2023



Meeting Objectives

High level overview of RFP responses

- Plan designs matching current or as close as possible
- Submitted rates and fees (not negotiated)
- Requesting finalist recommendations from Commissioners Court

If approved, HMA will work with finalists for best and final rates/plan designs/interviews



Marketing Goals

- Flexibility
- Negotiation
- Autonomy
- Access
- Reporting
- Simplicity



Product Agenda

- Medical – Self Funded
- Pharmacy
- Stop Loss
- Dental
- Life
- Vision
- Voluntary Benefits
- Benefit Administration Portal
- ACA Reporting
- COBRA



Vendor Responses

Line of Coverage	Number of responses
Medical	4
Pharmacy	5
Stop Loss	4
Dental	8
Life	5
Vision	8
Voluntary Benefits	7
COBRA	8
ACA Reporting	5
Benefit Admin	4





Medical/Rx

Medical/RX Overview

- 4 vendors responded to the RFP
 - Aetna, BCBS, Cigna, TAC
 - One stand alone Rx; CarelonRx
- Plan Designs will be set after final vendor selection
- Holmes Murphy will complete a full financial analysis prior to final Court approval meeting
- Current enrollment assumptions used; 760 employee participants



Geo Access

	Aetna	Cigna	BCBSTX	BCBSTX	TAC BCBSTX	TAC BCBSTX
Measurement	Primary Care Physicians	Primary Care Physicians	Primary Care Physicians	Primary Care Physicians	Primary Care Physicians	Primary Care Physicians
% of Employee WITH access	98%	91.6%	88%	88%	88%	88%
Average distance to 2 providers for employees WITH desired access	2	2.9	2	2	2	2
Average distance to 2 providers for employees WITHOUT desired access	11	12.1	13	13	13	13
Measurement	Specialists	Specialists	Specialists	Specialists	Specialists	Specialists
% of Employee WITH access	100%	99.8%	98%	98%	98%	98%
Average distance to 2 providers for employees WITH desired access	2	3.0	4	4	4	4
Average distance to 2 providers for employees WITHOUT desired access	0	15.6	17	17	17	17
Measurement	Acute Care Hospitals	Acute Care Hospitals	Acute Care Hospitals	Acute Care Hospitals	Acute Care Hospitals	Acute Care Hospitals
% of Employee WITH access	100%	99.9%	99%	99%	99%	99%
Average distance to 2 providers for employees WITH desired access	5	13.0	15	15	7	7
Average distance to 2 providers for employees WITHOUT desired access	0	27.7	23	23	22	22

Medical –Disruption

Providers by spend - HMO	Aetna	Cigna	BCBSTX	BCBSTX	TAC BCBSTX	TAC BCBSTX
Yes	48	47	50	50	50	46
No	2	3	0	0	0	0

Inpatient Facility	Aetna	Cigna	BCBSTX	BCBSTX	TAC BCBSTX	TAC HCSC
Yes	27	27	27	27	27	27
No	0	0	0	0	0	0



Medical/RX – Committee Recommendation and Next Steps

Committee Recommendation:

Move forward with BAFO (best and final offer) negotiations with Aetna, Cigna, BCBS and CarelonRX due to administrative flexibility, ability to carve out benefits and reporting capabilities.

Next Steps:

- Request BAFO from finalists
- Check references
- Finalist presentations



Stop Loss

Stop Loss Overview

- 3 vendors responded to the RFP
 - Aetna, BCBS, TAC
- Stop Loss is generally not firm and final without additional claims data
 - Will need to solicit for additional quotes later in the year though Avant Plus
- Stop Loss illustrative quotes will be used for complete financial analysis
- Assumption of 760 employee participants used



Stop Loss – Committee Recommendation and Next Steps

Committee Recommendation:

Submit new RFP after medical vendor is chosen and additional claims data is available

HMA Notes:

- Request new, formal bid later in the year





Dental

Dental - Overview

- 9 vendors responded to the RFP
 - Aetna, BCBS, Cigna, Delta Dental, Humana, Lincoln, MetLife, TAC, United Concordia
- Most medical carriers will provide package discounts for bundling Dental with Medical
- Several stand-alone services were offered
- Assumptions using current enrolment
- All vendors quoted a 2-year rate guarantee



Dental – HMO Costs to Current

	CURRENT	Aetna	BCBS TX	Cigna	Delta Dental	Humana	Lincoln	MetLife	TAC HEBP / BCBSTX	United Concordia	
DENTAL PREMIUMS - DHMO STANDARD	Gold Plan	Proposed	Proposed	DHMO	Proposed	Proposed Plan 2 TRP \$2000 AM	Proposed	Proposed	Proposed	Proposed	
Employee	129	\$8.73	\$9.26	\$9.18	\$9.04	\$8.73	\$29.22	\$10.03	\$8.90	\$21.34	\$15.90
Employee + Spouse	16	\$18.56	\$19.69	\$19.51	\$15.98	\$18.56	\$58.39	\$19.55	\$18.95	\$42.66	\$31.30
Employee + Child(ren)	22	\$20.18	\$21.41	\$21.21	\$19.21	\$20.18	\$62.65	\$21.15	\$20.61	\$53.34	\$33.30
Employee + Family	14	\$28.97	\$30.74	\$30.45	\$28.33	\$28.97	\$96.29	\$30.58	\$29.55	\$74.66	\$56.60
Monthly	\$2,272.67	\$2,410.96	\$2,389.30	\$2,241.08	\$2,272.67	\$7,429.98	\$2,500.09	\$2,318.42	\$5,654.14	\$4,076.90	
Annual	\$27,272	\$28,932	\$28,672	\$26,893	\$27,272	\$89,160	\$30,001	\$27,821	\$67,850	\$48,923	
Cost +/- to Current	\$0	\$1,659	\$1,400	-\$379	\$0	\$61,888	\$2,729	\$549	\$40,578	\$21,651	
Percentage +/- to Current	0.0%	6.1%	4.8%	-1.3%	0.0%	226.9%	3.1%	1.8%	145.9%	31.9%	

Dental – PPO Costs to Current

	CURRENT	Aetna	BCBS TX	Cigna	Delta Dental	Humana	Lincoln	Met Life	TAC HEBP / BCBSTX	United Concordia	
DENTAL PREMIUMS - DPPO STANDARD	Platinum Plan	Proposed	Proposed	DPPO	Proposed	Proposed Plan 1 TRP Unlimited AM	Proposed	Proposed	Proposed	Proposed	
Employee	287	\$34.70	\$32.09	\$31.35	\$34.49	\$34.18	\$31.33	\$29.76	\$37.37	\$34.70	\$32.09
Employee + Spouse	59	\$69.35	\$64.14	\$62.66	\$68.93	\$68.31	\$62.61	\$59.52	\$74.69	\$69.35	\$64.14
Employee + Child(ren)	66	\$74.41	\$68.82	\$67.23	\$73.96	\$73.29	\$67.17	\$82.50	\$80.14	\$74.41	\$68.82
Employee + Family	41	\$114.36	\$105.77	\$103.32	\$113.67	\$112.64	\$103.24	\$112.28	\$123.16	\$114.36	\$105.77
Monthly	\$23,650.37	\$21,872.78	\$21,422.23	\$23,507.33	\$23,295.33	\$21,351.76	\$22,101.28	\$25,470.70	\$23,650.37	\$21,872.78	
Annual	\$283,804	\$262,473	\$257,067	\$282,088	\$279,544	\$256,221	\$265,215	\$305,648	\$283,804	\$262,473	
Cost +/- to Current	\$0	-\$21,331	-\$26,738	-\$1,716	-\$4,260	-\$27,583	-\$18,589	\$21,844	\$0	-\$21,331	
Percentage +/- to Current	0%	-7.5%	-10.2%	-0.7%	-1.5%	-9.9%	-7.3%	8.2%	0%	-7.5%	



Dental Disruption

Used top 50 providers by spend and utilization

Spend	Aetna	BCBSTX	Cigna	Cigna	Delta	Humana	Humana	Lincoln	MetLife	MetLife	TAC	United Concordia
	DPPO	BlueCare Dental National	DPPO	DHMO	Premier	HD210	HD215	Lincoln DentalConnect®	PPO Dental	DHMO Dental	BlueCare Dental National	Concordia Plus
In	36	32	38	11	34	4	4	34	29	4	32	30
Out	14	18	12	39	16	46	46	16	21	46	18	20



Dental – Committee Recommendation and Next Steps

Committee Recommendation:

Request BAFO from Aetna, BCBS, Cigna, Delta and Met due to network, plan designs, costs and opportunities for bundling.

Next Steps:

- Request BAFO from finalists
- Request Geo Access/Discounts
- List of current DHMO providers in Cleburne
- Check references
- Finalist presentation (as needed)





Vision

Vision Overview

- 7 vendors responded to the RFP
 - Aetna, CEC, Humana, Mutual of Omaha, United Concordia, TAC, VSP
- Most medical carriers will offer packaging discounts if including Vision
- Several stand-alone services were offered
- Some vendors offered richer or enhanced benefits
 - This overview will use plans matching as close to current as possible
 - Assumes exams, lenses and frames once every 12 months
- Current enrollment assumptions were used



Vision – Financial Analysis

		Aetna	CEC	Humana	Mutual of Omaha	TAC/BCBS	United Concordia	VSP	
PARTICIPATION REQUIREMENT	Assumes Current		None	Assumes Current			Assumes Current	Current-\$140/130 Allowances	
	<u>EEs</u>	-	-	-	-	-	-	-	
Employee	698	\$4.98	\$7.46	\$4.87	\$5.14	\$3.49	\$4.40	\$7.50	\$4.98
Employee & Spouse	81	\$9.63	\$14.43	\$9.42	\$9.94	\$6.74	\$8.38	\$15.00	\$9.63
Employee & Child(ren)	49	\$11.30	\$16.93	\$11.05	\$11.66	\$7.91	\$8.84	\$16.00	\$11.30
Family	62	\$15.27	\$22.88	\$14.93	\$15.76	\$10.69	\$13.00	\$25.60	\$15.27
Monthly	890	\$5,756.51	\$8,624.04	\$5,629.39	\$5,941.32	\$4,032.33	\$4,989.14	\$8,821.20	\$5,756.51
Annual		\$69,078.12	\$103,488.48	\$67,552.68	\$71,295.84	\$48,387.96	\$59,869.68	\$105,854.40	\$69,078.12
ANNUAL PREMIUM CHANGE	Current	\$34,410.36	-\$1,525.44	\$2,217.72	-\$20,690.16	-\$9,208.44	\$36,776.28	\$0	
RATE CHANGE	Current	49.8%	-2.2%	3.2%	-30.0%	-13.3%	53.2%	0%	
RATE GUARANTEE		4 years	3 Year	2 years			2 years	4 years	



Vision Disruption

Analysis ran using all 48 currently utilized providers

	Aetna	CEC	Humana	Mutual of Omaha	TAC	United Concordia	VSP
In	30	39	34	27	33	40	41
Out	18	9	14	21	15	8	7



Vision– Committee Recommendation and Next Steps

Committee Recommendation:

Request BAFO from Aetna, CEC, VSP, BSBS and Met Life due to network, plan designs, costs and opportunities for bundling.

Next Steps

- Request BAFO from finalists
 - Rates and rate guarantees
- Check references
- Finalist presentation (as needed)





Life/Voluntary Life and AD&D

Life/Voluntary Life and AD&D Overview

- 5 vendors responded to the RFP
 - Lincoln, MetLife, Mutual of Omaha, Ochs (Symetra), TAC
- Most medical carriers will offer package discounts with preferred partners
- Assumes level volume for all carriers
- All vendors matched current Basic Life benefit and dependent benefit



Life Financial Review

	CURRENT	Lincoln	MetLife	Mutual of Omaha	Ochs	TAC
Rate Guarantee	-	3 years	2 years	2 years	3 years	2 years
Rate per \$1000 of coverage	<u>Current</u>	<u>Proposed Rate per \$1.000</u>	<u>Proposed Rate per \$1.000</u>	<u>Proposed Rate per \$1.000</u>	<u>Proposed Rate per \$1.000</u>	<u>Proposed Rate per \$1.000</u>
Employee Life	\$0.050	\$0.075	\$0.137	\$0.050	\$0.030	\$0.038
Employee AD&D	\$0.020	\$0.020	\$0.032	\$0.020	\$0.020	\$0.020
Spouse (\$10K) & Child (\$5K) Life (Basic Benefit, Paid by Employer)	\$1.47	\$1.47	\$2.68	\$1.47	\$1.47	\$1.47
Total Monthly Cost	\$705.01	\$888.54	\$1,589.11	\$705.01	\$558.18	\$616.91
Total Annual Cost	\$8,460.06	\$10,662.51	\$14,888.56	\$10,921.32	\$6,698.10	\$5,109.68
+/- Premium to current	\$0	\$2,202.45	\$6,428.50	\$2,461.26	-\$1,761.96	-\$3,350.38
+/- Percentage to current	0%	26.03%	75.99%	29.09%	-20.83%	-39.60%

- Assumes 130 family units
- Voluntary Life rates all match current with the except of TAC which is under current



Life/Vol Life – Committee Recommendation and Next Steps

Committee Recommendation:

Request BAFO from MOO, Ochs, Met Life due to plan designs, costs and opportunities for bundling.

Next Steps

- Request BAFO from finalists
- Check references
- Finalist presentation (as needed)



Voluntary Benefits

Voluntary Benefits Overview

- 7 vendors responded to the RFP
 - Aetna, Cigna, Lincoln, MetLife, Mutual of Omaha, Securian, Symetra
 - Incumbent, Colonial did not respond
- Some medical carriers can auto adjudicate claims
 - All vendors quoted accident and critical illness with cancer riders
 - No stand-alone cancer services were quoted
 - 3 vendors quoted disability benefits
 - If vendors quoted multiple offerings, only one plan will be shown

Voluntary benefits may help offset the costs of enrollment portal



Voluntary Benefit – Committee Recommendation and Next Steps

Committee Recommendation:

Request BAFO from Aetna, Cigna, Met, MOO due to plan designs, costs and opportunities for bundling and enrollment platform integration.

Next Steps

- Request BAFO from finalists
- Check references
- Finalist presentations (as needed)





Benefits Administration

Benefit Administration Overview

- Looking to add a low/no cost option for enrollment
 - Ease of administration, HR burden
- 5 vendors responded to the RFP
 - Empyran, TAC, PlanSource, Aetna, WEX
 - Lincoln indicated an embedded solution with additional provided County information
- Enrollment assumption – 760 employee participants
- Vendors will be responsible for system set up
- Rates may be offset by voluntary benefit enrollment or packaging



Benefit Administration – Committee Recommendation and Next Steps

Committee Recommendation:

Request BAFO from Plansource, WeX, MOO/Met

Additionally, see if an embedded no or low cost solution can be included with Aetna, BCBS, Cigna

Next Steps

- Request BAFO from finalists
 - Including packing/fee offsets
- Check references
- Finalist presentations (as needed)





COBRA

COBRA Overview

- 5 vendors responded to the RFP
 - Alerus, Cushion, Payflex, TAC, WEX
- Most medical carriers can embed benefits within admin fees
- Several stand-alone services were offered
 - All costs were below \$0.75 PEPM
- Assumption of 760 employee participants used
 - Several vendors quoted per event or per employee per month
 - Need to verify turnover



COBRA– Committee Recommendation and Next Steps

Committee Recommendation:

Request BAFO from Aetna, BCBS and Cigna to simplify administration and bundle with Medical/Enrollment carrier.

Next Steps

- Request BAFO from Finalists
- Check references



ACA Reporting

ACA Reporting Overview

- Self-Funded employers are required to produce 1095-C forms and submit required information to the IRS
 - Costs less than \$5500 annually for highest cost response
- 5 vendors responded to the RFP
 - Aetna, PlanSource, TAC, TASC and Wex
- Enrollment Assumption – 760 employee participants



ACA Reporting – Committee Recommendation and Next Steps

Committee Recommendation:

Work negotiations with both Medical and Benefit Administration vendors in order to simplify administration.

Next Steps

- Request BAFO from finalists
- Check references



Marketing Summary

Next Steps

- Court Approval of Finalists: April 17, 2023
- Finalist Presentations if needed: Week of May 8th
- Final Vendor Negotiations
- Complete final scoring criteria; check references
- Approval of benefits: May 22, 2023
- Market Stop Loss if needed



Thank
you.

