



DATE: June 24, 2015

TO: THE DISTRICT BOARD OF TRUSTEES  
of Valencia College

FROM: SANFORD C. SHUGART  
President

RE: GROUP MEDICAL AND PHARMACY PLAN SERVICES, RFP 2015-20

On February 26, 2015, the College issued a Request for Proposal, RFP 2015-20, for Group Medical and Pharmacy Plan Services, College Wide. Two (2) firms submitted replies:

1. Cigna
2. United Healthcare Group

An internal College evaluation committee meeting was held on April 30, 2015, to review the two firms' proposals. The College's consultant, from RobinsonBush, provided a side by side comparison of the proposals for consideration by the evaluation committee. Presentations by the two firms to the evaluation committee occurred on May 1, 2015 and best and final offers were extended by the proposers.

The evaluation committee reconvened on May 20, 2015 to review and evaluate the best and final offers of the two firms, and ranked United Healthcare Group as the highest ranked firm. In reaching its ranking determination, the evaluation committee considered several weighted factors including general administration, plan design administration, network services, health management, reporting and interfacing, and cost and guarantees. Accordingly, the evaluation committee recommends that United Healthcare Group be engaged as the College's third party administrator for group medical and pharmacy plan services effective January 1, 2016.

RECOMMENDATION:

The President recommends that the District Board of Trustees approve the recommendation of the evaluation committee to engage United Healthcare Group to serve as the College's third party administrator for group medical and pharmacy plan services and authorize the College to enter into a contract with United Healthcare Group to serve as the College's third party administrator for group medical and pharmacy plan services, to be effective January 1, 2016.

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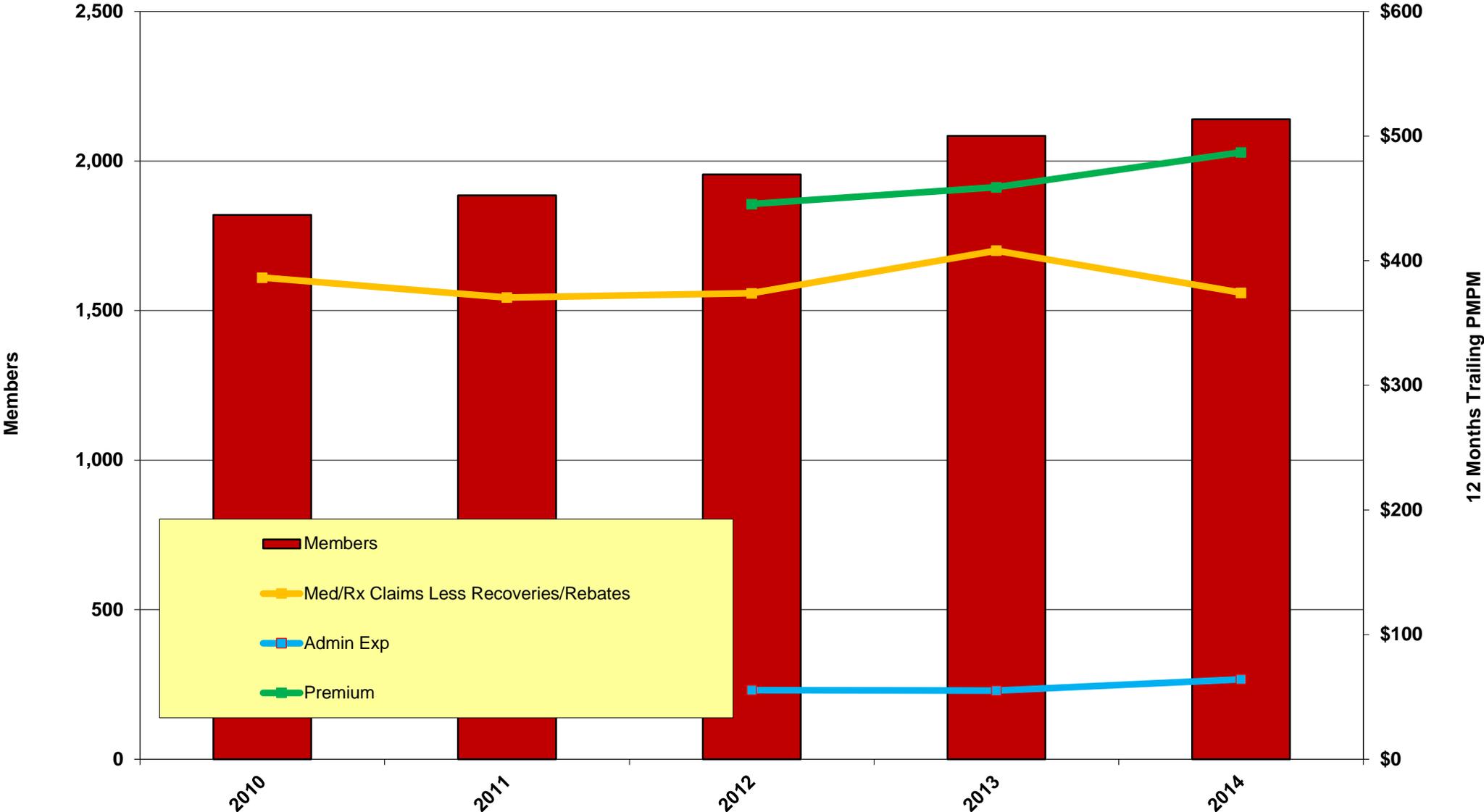
President

# Group Medical and Pharmacy Services Request for Proposals

# Valencia's experience

- Self-funded insurance (since 2012)
  - We select a vendor to manage our health insurance claims, establish networks, evaluate coverage decisions, manage appeals, etc.
  - Valencia pays full cost of claims and pays vendor for administrative services
  - Careful management can result in lower cost trends and dollars not expended on claims are kept at the College
- College covers full cost of health insurance benefits for employee
- Last RFP for Group Medical and Pharmacy Services 2009 for 2010 plan year

# Where we've been



# Process to select vendor

- Development and public posting of request for proposals
- Two proposals received: Cigna and UnitedHealthcare
- Evaluation committee included experts from HR, a member of the faculty, administration, professional, and career staff, and supported by Robinson Bush (fee-only benefits consultant)
- First review of proposals, in-person interviews, best and final proposals
- Individual scoring based on pre-established evaluation criteria

# What does this mean?

- Contract negotiation
- Plan design
- Manage network disruption and continuation of care where necessary
- Open enrollment in October, 2015 for services that begin with UnitedHealthcare in January, 2016
- Expected savings in administrative services costs over three years  
\$327,000