



Smith & Associates Consulting

July 31, 2009

Mrs. Sally Havey
Insurance Coordinator
Denton Independent School District
P O Box 1951
Denton, Texas 76202

Dear Sally,

At the request of Denton Independent School District, our office assisted in the preparation of proposals for various Employee Benefit products. The services requested were:

- Medical Claims Administration
- Utilization Review
- Preferred Provider Network
- Prescription Drug Programs for both Retail and Mail Order
- Employee Assistance Program
- Fully Insured Dental Program
- Voluntary Vision Program
- Basic and Voluntary Life Insurance
- Voluntary Long Term & Short Term Disability
- Section 125 Claims Administration
- Cancer Insurance

A total of 31 proposals were received with 175 various options. After review and analysis of the proposals, together with the District staff and representatives from the Insurance Committee; the following recommendations are being made. The District received nine (9) proposals for Medical Claims Administration. Each of these proposals also included Utilization Review, Preferred Provider Networks, Pharmacy Benefit Management, Section 125 Claims Administration and different options for Employee Assistance Programs. Five finalists were selected for interviews based on cost, service offerings, preferred provider network accessibility and proposal response completeness. After the interview process and a thorough review of costs involved, it is our recommendation that the District select United Healthcare, the incumbent, for the following services, Medical Claims Administration, Utilization Review and Preferred Provider Network; Pharmacy Benefit Manager; Employee Assistance program through Care 24 and Section 125 Claims Administration services.

The District received two (2) proposals from independent Pharmacy Benefit Managers (PBM's). The PBM's that submitted a proposal were Walgreen's Health Initiatives, and RESTAT. There was one (1) proposal received from an independent Employee Assistance Program and that was Deer Oaks.

The District received ten (10) proposals for Basic and Voluntary Life Insurance. The Life Insurance vendors that submitted a proposal were MetLife, Fort Dearborn Life, ING, Standard Insurance, Minnesota Life, Cigna, All State, Unum, Hartford and Reliance Standard. With the Insurance Committee's approval it is our recommendation that the District select ING for the Basic & Voluntary Life Insurance as it would save the District approximately \$50,000 over the next three (3) years on the Basic Life product and there would be no increase in the Voluntary Life rates for employees.

The District received nine (9) proposals for the Fully Insured Dental Program. The Fully Insured Dental Program vendors that submitted a proposal were United Healthcare, Cigna Healthcare, Ft. Dearborn, Metlife, Aenta, AllState, Delta Dental, QCD, and Humana. After a complete and in depth review and analysis of the proposal and with the Insurance Committee's approval it is our recommendation that the District continue with Metlife for the Fully Insured Dental Program.

The District received fifteen (15) proposals for the Voluntary Long Term & Short Term Disability Program. The Disability Program vendors that submitted a proposal were Cigna Healthcare, Ft. Dearborn, Metlife, Aflac, Standard Insurance, Reliance Standard, Hartford, Unum, Guardian, and AllState. With the Insurance Committee's approval, it is our recommendation that the District select Ft. Dearborn for the Voluntary Long Term & Short Term Disability Program.

The District received eleven (11) proposals for the Voluntary Vision Program. The Voluntary Vision Program vendors that submitted a proposal were Cigna Healthcare, Humana, Metlife, United Healthcare, Eyemed Vision Care, AllState, Block Vision, VSP, Avesis (QCD) and Superior Vision Plan. With the Insurance Committee's approval, it is our recommendation that the District continue with Superior Vision Plan for the Voluntary Vision Program.

The District received six (6) proposals for Cancer Insurance. The companies that submitted a proposal were United Teacher Association (Jerry Mallouf Agency), Humana (independent proposal and through Bay Bridge Administrators, LLC. & Jerry Mallouf Agency), Metlife, AllState and AFLAC. This is an employee owed product; it was the insurance committee's desire to select Humana through Bay Bridge Administrators and Jerry Mallouf Agency.

We have attached a copy of the proposal analysis for your review. Please do not hesitate to give us a call with any questions or concerns that you may have.

Sincerely,



Eric D. Smith

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Enclosures