



ALBERT LEA
SCHOOL DISTRICT 241

Memo

To: Supt. Mike Funk, School Board

From: Jennifer Walsh, Director of Finance and Operations

Date: April 18, 2022

Re: 2022-23 Health Insurance Administration RFP, Dental RFP and 2022-23 health insurance premiums

The District performed a statutory required Request for Proposal (RFP) for third party administration and stop-loss providers. Based upon the responses received from the market and our insurance consultant analysis through National Insurance Services, it is the recommendation of district administration to remain with the incumbent and accept the Blue Cross Blue Shield of Minnesota (BCBS) proposal as presented.

The District received three competitive proposals for self-insured third part administration and stop-loss coverage and one competitive proposal from Public Employee Insurance Program, (PEIP). While each of the proposals were unique in their response, all four were close on pricing and network availability. The PEIP proposal if accepted would have required the district to transition away from our current self-insured environment.

BCBS, Medica and UnitedHealthcare all offered similar aggregate stop loss protection. The total plan risk differential was +/- \$100,000 with Medica coming in at \$8.3M, BCBS at \$8.4M, and UnitedHealthCare at \$8.5M.

Given the quality of all the proposals and the similarity in plan projections and risk, the NIS recommendation is to remain with BCBS which provides the least disruption to members and a competitive network discount.

Additionally, given the third party administration RFP responses, and analyzing our most recent claims history and taking into account our current Fund 20 reserve balance, district administration is recommending the board approve a no rate change medical renewal for all district sponsored medical plans for the 2022/2023 medical plan year.

The School District also performed a Request for Proposal (RFP) for their Voluntary Dental Product for their employees in March of 2022. The RFP generated 4 responses including the incumbent renewal. All 4 bids provided competitive pricing, however, network disruption did play a factor. it is our recommendation to accept the incumbent Delta Dental renewal .