



Manor ISD Board Presentation



Gallagher

Insurance | Risk Management | Consulting

Goals

Mitigate Expenses

Keep medical rates below TRS if possible. Outperform regional and industry trend increases.

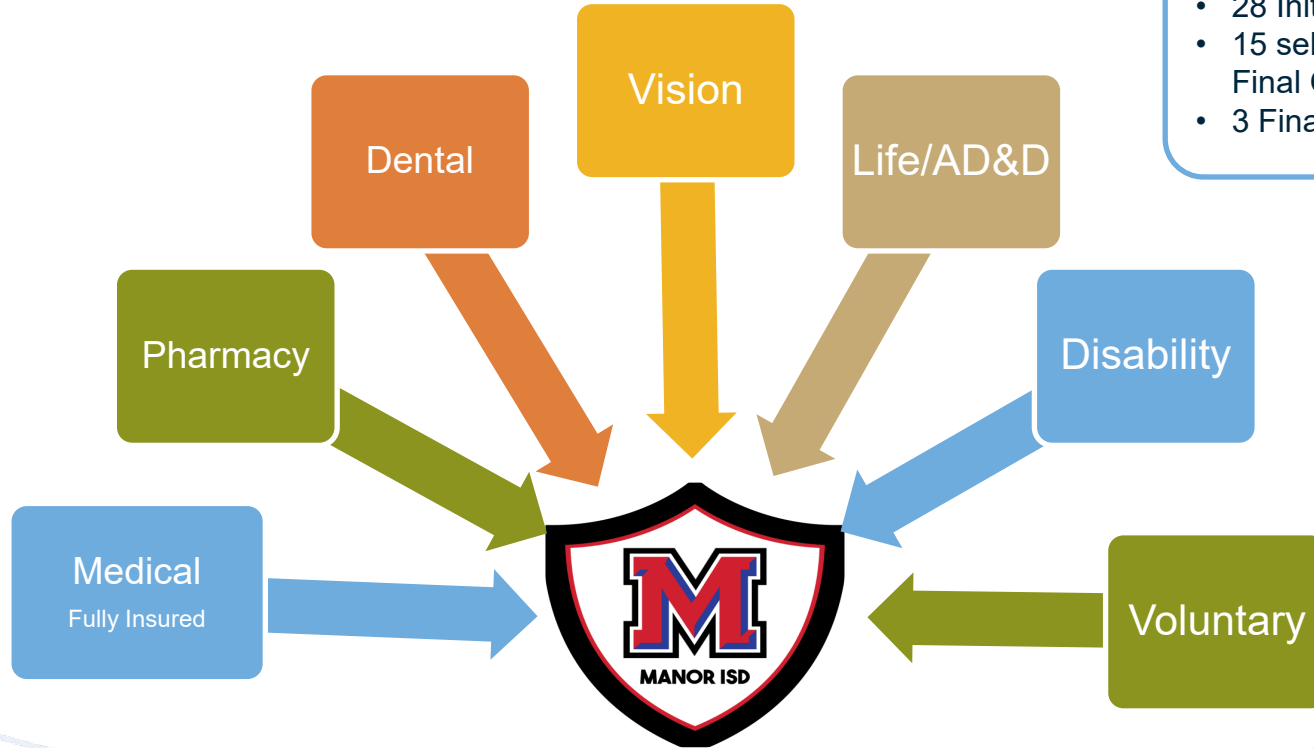
Focus on savings that do not compromise quality.

Improve Experiences

Enhance benefits: coverage, network, and service.

Consolidate carriers to improve employee experience and reduce administrative overhead

Scope of RFP



- 28 Initial Respondents
- 15 selected for Best and Final Offers
- 3 Finalist Interviews

Process

Initial

- Responses were evaluated for cost, quality of products, network access, financial stability, and vendor reputation.
- *Reduced field from 28 to 15.*

Best and Final Offer (BAFO)

- Pushed respondents to provide the most competitive rates possible. Further evaluated contract terms and provisions, in particular finding and eliminating additional/hidden fees.
- With continued focus on cost vs quality and alignment with the District's goals, the field was further reduced to: *1 fully insured medical carrier, 2 possible vendors for dental/vision, and 2 possible vendors for "ancillary" (life/ad&d, disability, and voluntary benefits).*

Finalist

- Finalist interviews for "ancillary" (life/ad&d, disability, and voluntary benefits) were focused on service and support. The Standard emerged as the best choice from the strength of their presentation, commitment to the District, experience with ISDs, and overall best cost of all respondents.
- Finalist interview with BCBS was conducted to evaluate service, secure more commitment and resources from BCBS.

Recommendations

Medical *BCBS*

Initial Renewal: +25.4%
(~\$2M)

Reduced to:
Status Quo: 14.9%
(~\$1.2M)
Plan Changes: 12.4%
(~\$997k)

Cost Avoidance:
(\$852k - \$1.06M)

Dental and Vision *MetLife*

Enhanced benefit with
higher maximums

Total projected cost
savings for employees:
~\$72k annually

Dental: 2 Year Rate
Guarantee, 3rd year rate
cap 7%
Vision: 4 Year Rate
Guarantee

Life/AD&D *Standard*

Expanded benefit from
\$10k to \$20k (+\$8,064
annually)

Rates unchanged (per
\$1,000)

3 Year Rate Guarantee

Disability *Standard*

Consolidated options to
reduce confusion and
simplify choice.

Enhanced benefits for
employees and lower
costs:
20% savings over
current

Simplified Claims
Process

Voluntary *Standard*

Accident, Critical Illness,
Hospital Indemnity

Held or reduced costs on
all lines

Improved benefits
across the board

Additional Coverages

Cancer
Guardian

Legal
LegalShield

ID Theft
Norton/LifeLock

Permanent Life
Chubb

Medical Recommendations

- Eliminate HMO 2 Plan due to low participation (8%) and the plan offers similar benefits as PPO 1200.
- Increase copay from \$30 to \$50 and offering lower premiums by -2.4%.
- Increase deductibles for individuals/family by \$200/\$400
- Increase Employer contribution from \$471.52 to \$508.30 (7.8%).
- Annual Cost to Employees is \$310k (approx. savings is -\$183k).
- Annual Cost to District is \$697k (approx. savings is -31k), if we keep individual cost to zero.
- This plan provides close to similar regional premium rates at the lowest possible cost to the employees and the District, while maintaining flexibility, accessibility, and within the objectives of achieving a balanced budget.

Thank You!

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