

No. \_\_\_\_\_



## UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

Topic: Approval of RFP 022-2019 Medical and Drug Stop Loss Insurance

Submitted by: Mrs. Cordelia Flores-Jackson of: Purchasing Department

Approved for transmittal to school board: June 19, 2019

**Recommendations:**

Staff recommends the USD board of trustees approve the following Bids, Proposals, & Qualifications as presented:

**Risk Management:**

RFP 022-2019 Medical and Drug Stop Loss Insurance

**Rationale:**

Staff has complied with all applicable federal, state and local purchasing policies and procedures in obtaining pricing information for the service listed above. Staff is recommending the award based on being the best value to the District.

**Board Approval**  
**Awarding of Bids/Proposals**  
**June 19, 2019**

**RFP 022-2019 Medical and Drug Stop Loss Insurance**

**Recommendation:**

Requesting approval to purchase from the best bidder(s)/ offer(s) meeting specifications as follows:

<b><u>Recommended Vendor(s)</u></b>	<b><u>Est. Annual Amount</u></b>
<b>Blue Cross Blue Shield</b>	<b>\$1,157,850.00</b>

Administration distributed Four Hundred and Five (405) proposals and advertised on Saturday May 25, 2019 and Sunday May 26, 2019. One (1) proposal was received on June 10<sup>th</sup>, 2019 at 10:00am at the UISD Service Center Purchasing Department.

**Budget Information:**

2019-2020 Health Insurance Fund

**Resource Personnel:**

Laida Benavides, Assistant Superintendent Business and Finance  
Ofelia Dominguez, Risk Management Director  
Abraham Hernandez, Benefits Specialist  
Ken Wethe, Independent Insurance Consultant  
Cordelia Jackson-Flores, Director of Purchasing  
Karina Mendoza-Guerra, Purchasing Manager  
Bo Martinez, Procurement Officer

# UNITED INDEPENDENT SCHOOL DISTRICT

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Superintendent

201 Lindenwood Drive  
Laredo, Texas 78045  
Phone: (956) 473-6219  
Facsimile: (956) 728-8691

Date: June 12, 2019

To: Cordelia Flores-Jackson,  
Director of Purchasing

From: Ofelia Dominguez   
Risk Management Director

Re: RFP 022-2019 Medical and Drug Stop Loss Insurance

Mrs. Flores-Jackson,

The Committee consisting of Laida Benavides, Ofelia Dominguez, Abraham Hernandez and Ken Wethe, Insurance Consultant have evaluated the Medical and Drug Stop Loss Insurance RFP 022-2019.

Based on the proposal's pricing, coverage, and value of service to the District, the Committee is recommending to award the bid which consists of a \$500,000.00 Deductible and an option of annual renewals for plan year 2019-2020 to the sole vendor submitting a proposal Blue Cross Blue Shield of Texas/HealthCare Service Corp.

**Wethe & Associates**  
*Independent  
Risk Management, Insurance & Employee Benefit  
Consultants*

June 12, 2019

Ms. Ofelia Dominguez  
United Independent School District  
201 Lindenwood  
Laredo, TX 78045

Re: RFP 022-2019 (Medical & Drug Stop Loss Insurance)

Dear Ms. Dominguez,

The District received one proposal that was submitted by Blue Cross Blue Shield of Texas (BCBSTX).

Attached is my tabulation of the three Specific Deductible options offered.

My recommendation is the \$500,000 Specific Deductible that provides the best value in terms of Specific Deductible and Annual Costs.

Sincerely,



Kenneth D. Wethe  
Independent Insurance Consultant

**UNITED INDEPENDENT SCHOOL DISTRICT**  
**RFP 022-2019 (Medical & Drug Stop Loss Insurance)**  
 Review Date: June 12, 2019

		<b>CURRENT (Voya)</b>		<b>RECOMMENDATION</b>	
<b>General</b>					
Proposer	Current (Voya)	BCBSTX		BCBSTX	
Insurance Company	Voya Employee Benefits	HealthCare Service Corp		HealthCare Service Corp	
A.M. Best Rating	A/XV;Stable	None		A/XV;Stable	
Managing General Agent	None	None		None	
Producing Agent	Direct ( Matt Taylor)	Laurel Insurance Agency		Laurel Insurance Agency	
Commission	None	None		None	
Qualifications	None	None		None	
<b>Contract Provisions</b>					
Specific Stop Loss					
Coverage	Medical & Drug	Medical & Drug		Medical & Drug	
Deductible	\$475,000	\$475,000		\$525,000	
Laser Deductible	2 @ \$650,000	None		None	
Contract Basis	Paid (48/12)	Paid		Paid	
Run-In Limit	None	None		None	
Policy Year Maximum	Unlimited	Unlimited		Unlimited	
Aggregate Stop Loss					
Coverage	Medical & Drug	Medical & Drug		Medical & Drug	
Maximum Reimbursement	\$1,000,000	Unlimited		Unlimited	
Aggregate Corridor	120%	125%		125%	
Contract Basis	Paid (48/12)	Paid		Paid	
Terminal Liability Option	Yes; 6 Months	Yes; No Limit		Yes; No Limit	
<b>Financial</b>	<b>Units</b>				
Specific Premium	5,501	<b>Rate</b>	<b>Annual</b>	<b>Rate</b>	<b>Annual</b>
Aggregate Premium	5,501	\$ 15.11	\$ 997,441	\$ 16.72	\$ 1,103,721
Total Monthly Premium		\$ .94	\$ 62,051	\$ -	\$ 4,500
Aggregate Deductible	5,501	\$ 16.05	\$ 1,059,492	\$ 16.72	\$ 1,108,221
Laser Excess Amount		\$ 669.16	\$ 44,172,590	\$ 753.08	\$ 49,712,317
Maximum Annual Cost			\$ 350,000		\$ -
Fixed Cost Increase			\$ 45,582,082		\$ 50,820,538
<b>Comments</b>		Aggregate Premium Is		Aggregate Premium Is	
		Annual Amount.		Annual Amount.	
		\$ 168,210		\$ (10,682)	
		\$ 50,760,466		\$ 50,944,640	