

# Greater Cleveland Regional Transit Authority

## SUMMARY OF PROPOSED AWARD

### HMO AND PRESCRIPTION BENEFITS PROGRAM

Presented to: Finance Committee  
September 1, 2015

# PROJECT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Justification:
  - The Authority provides HMO medical benefits to approximately 400 employees which accounts for approximately 20% of the workforce enrolled in health benefits
  - Benefits for ATU and FOP provided in accordance with collective bargaining agreements and are also provided to non-bargaining employees

# PROJECT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Scope of Services
- GCRTA solicited coverage for:
  - Health Maintenance Organization (HMO)
  - Prescription Drugs
  - One year contract with two, one-year options to align with other medical contracts

# PROJECT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Scope of Services (continued)
- The following options were reviewed:
  - Self-insured versus Fully-insured
  - Wellness and Disease Management programs
  - Network Accessibility

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- RFP issued on June 1, 2015
- RFP downloaded by 16 interested parties
- 5 vendors responded

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Evaluation Panel Members:
  - Human Resources
  - Labor Relations
  - Accounting
  - Office of Management & Budget

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Evaluation Panel Members continued:
  - Office of Business Development
  - Benefits Consultant (Gallagher Benefits)
  - Procurement

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Evaluation Criteria:
  - Customer Services
  - Provider Network Accessibility/Disruption
  - Financial Considerations and Cost Effectiveness
  - Program Management



# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Evaluation Criteria continued:
  - Stability and Financial Strength of Organization
  - Overall Response to the RFP

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Recommended Vendor:
  - University Hospitals, Cleveland, Ohio
    - DBE Goal was set at 12%
    - Washington Enterprises, Inc.

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Recommended Vendor continued:
  - University Hospitals strengths include:
    - Over 30 Major Outpatient Centers
    - 1,600 Employed Physicians
    - Strong Health Management Program including Disease & Case Management and Health Education & Wellness

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Recommended Vendor continued:
  - Estimate flat cost per employee member
  - Self-insured vs fully-insured for first time under HMO contract
  - Claims ran approximately \$4,000,000 or 10% below 2013 premium rate

# PROCUREMENT OVERVIEW

## HMO & Rx BENEFITS PROGRAM

- Recommendation:
  - Staff requests that the Finance Committee recommend to the Board of Trustees an award to University Hospitals to provide HMO and Rx Benefits for one year with two, one-year options in an amount of \$4,665,996 for the first year based on estimated enrollment for 2016.