

# Greater Cleveland Regional Transit Authority

## SUMMARY OF PROPOSED AWARDS HEALTHCARE BENEFITS PROGRAM

Presented to: Organizational, Services & Performance  
Monitoring Committee  
September 11, 2018

# Project Overview

- Background:
  - The Authority provides healthcare benefits to approximately 1,900 employees
  - Benefits for ATU and FOP provided in accordance with collective bargaining agreements
  - Part-time employees are eligible for healthcare benefits at increased cost

# Project Overview

- Scope of Services
  - Medical
  - Prescription Drugs
  - Dental
  - Vision
  - Life Insurance

# Project Overview

- Current Vendors:
  - Medical: Medical Mutual of Ohio and Health Design Plus
  - Prescription Drugs: Medical Mutual of Ohio and OptumRx
  - Dental: MetLife
  - Vision: National Vision Administrators
  - Life Insurance: MetLife

# Procurement Overview

- RFP issued on May 15, 2018
- RFP downloaded by 49 potential vendors
- Proposers were asked to provide a proposal on any or all lines of coverage
- 25 vendors responded

# Procurement Overview

## Evaluation Panel Members

- Benefits
- Labor & Employee Relations
- Legal
- Internal Audit
- Office of Management & Budget

# Procurement Overview

## Evaluation Panel Members, continued

- Risk Management
- Office of Business Development
- Procurement
- Oswald Companies - Consultant

# Procurement Overview

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

# Procurement Overview

- Evaluation Criteria continued:
  - Stability and Financial Strength of Organization
  - Quality & Responsiveness of Proposal

# Procurement Overview

- Recommendation:
  - Medical: Medical Mutual of Ohio
  - Prescription: Medical Mutual of Ohio
  - Dental: Delta Dental Plan of Ohio, Inc.
  - Vision: National Vision Administrators, LLC
  - Life Insurance: The Guardian Life Insurance Company

# Procurement Overview

- DBE Goal:
  - DBE Goal was set at 12% on the administrative costs for each line of coverage.

# Procurement Overview

- DBE Goal continued:
  - The following vendors were identified as DBE partners:
    - Washington Enterprises (Medical Mutual of Ohio)
    - AG Print Promo Solutions (Delta Dental of Ohio)
    - Ques Media Marketing (National Vision Administrators)
    - The Rutledge Group (Guardian)

# Procurement Overview

## Recommendation:

Staff requests that the Organizational, Services & Performance Monitoring Committee recommend to the Board of Trustees the award of one year contracts with three one-year options to Medical Mutual of Ohio, Delta Dental Plan of Ohio, Inc., National Vision Administrators, LLC, and The Guardian Life Insurance Company based on estimated enrollment for 2019.

# Procurement Overview

<u>Recommendation (cont.)</u>		<u>Estimated Annual Costs*</u>
Medical Mutual of Ohio	Medical	\$26,464,352
Medical Mutual of Ohio	Prescription	\$5,364,894
Delta Dental Plan of Ohio, Inc.	Dental	\$935,616.00
National Vision Administrators, LLC	Vision	\$142,316
The Guardian Life Insurance Company of America	Life Insurance	\$501,530
<b>Total Estimated 2019 Costs</b>		<b>\$33,408,708</b>

*\*Costs will vary based on actual claims experience and enrollment.*

# Procurement Overview

	<u>Incumbent Vendor</u>	<u>Projected 2019 Costs with Current Vendors</u>	<u>Recommended Vendors</u>	<u>Projected 2019 Costs with Recommended Vendors*</u>
Medical	MMO & Health Design Plus	\$26,675,672	MMO	\$26,464,353
Prescription <sup>^</sup>	MMO & Optum	\$7,142,760	MMO	\$5,364,894
Dental	MetLife	\$1,117,768	Delta Dental	\$914,847
Vision	NVA	\$142,316	NVA	\$142,316
<u>Life</u>	<u>MetLife</u>	<u>\$681,332</u>	<u>Guardian</u>	<u>\$501,530</u>
<b>Total</b>		<b>\$35,759,848</b>	<b>Total</b>	<b>\$33,387,940</b>

*\*Costs will vary based on actual claims experience and enrollment.*

*^2019 prescription costs assume approximately \$1,772,938 received in annual rebates offsetting claims and administration costs.*