



Results of Health Insurance RFP Announced

June 2009

The Board of Education approved the Benefits Labor Management Committee (LMC) recommendation to continue with HealthPartners for plan year 2010 at the Board meeting on June 16, 2009. HealthPartners was one of three proposals received in response to the Saint Paul Public Schools health insurance Request for Proposal (RFP) issued in February 2009. The other proposals received were from Blue Cross/Blue Shield of Minnesota (BCBS) and Public Employees Insurance Plan (PEIP).

The RFP requested that the proposers consider various plan options with the goal of providing SPPS employees a choice of health care plans designed to meet individual needs. Recognizing the legal requirements that exist in the current labor agreements, the RFP also required the responders to provide a plan option that met the aggregate benefit value of the current HealthPartners Distinctions plan. The RFP also required:

- Broad provider networks to minimize disruption of participant and provider relationships and control cost
- Customer service requirements to ensure the highest service to the plan participants
- Health improvement and wellness programs that would support SPPS goal to improve the health of its employees
- Care management programs that are designed to assist the whole population in the management of individual health care needs.
- Consumer education tools designed to help the participants navigate the health care system
- Financial guarantees beyond the 2010 plan year

A sub-committee of the Benefits LMC, with assistance from Deloitte Consulting LLP, reviewed and analyzed the three proposals. Evaluation criteria included financial, service quality, ability to meet plan design requirements, provider network access, and health improvement / wellness components. Based on the analysis the LMC recommended to the Board to accept the HealthPartners proposal for an effective date of January 1, 2010. Key to the recommendation was the plan design offering, financial proposal and health improvement/wellness components. The LMC concluded there was no significant difference between the three proposals in the categories of quality, provider network access, care management, and customer service.

Plan Design:

The final plan designs included in the recommendation were a tiered network provider plan (current Distinctions plan), a \$2,000 deductible comprehensive major medical plan with a funded Health Reimbursement Account (HRA), and a qualified high deductible plan allowing participants to establish a Health Savings Account (HSA). The premium variance between the three plans allows more opportunity for employees to choose the plan that best fits their financial and medical needs.

Both HealthPartners and BCBS met the requirements of the plan design, offering plans that met the actuarially determined aggregate value based on current labor agreements. HealthPartners and BCBS provided similar optional plan designs. The PEIP proposal offered three plan options modeled after the State of Minnesota employee Advantage plan that in general required more out-of-pocket costs when accessing care in exchange for lower premium. It was determined that the PEIP high option plan did not meet the aggregate value of the current Distinctions Plan.

Financial:

The RFP requested fully-insured premium proposals for the 2010 plan year along with consideration for second and third year guarantees.

HealthPartners proposed a 4% increase to the high option plan premium with guaranteed maximum increases of 9% in 2011 and 9.5% in 2012. BCBS offered a 3.1% increase to the high option plan premium with a guaranteed maximum increase of 10% in 2011 and 11% in 2012. The PEIP proposal offered the lowest premium increases for the 2010 plan year based on its PEIP Advantage plan at 0.6%. However, PEIP was unable to offer any financial guarantee for subsequent years.

Illustrated below are the HealthPartners proposed premiums for January 1, 2010 based on the three plan designs:

Plan	Single	Single+One	Family
Distinctions Plan	\$646	\$1,453	\$1,685
HRA Deductible Plan	\$567	\$1,239	\$1,447
HSA Qualified High Deductible Plan	\$416	\$936	\$1,086

Health improvement, wellness, and consumer engagement tools:

SPPS has worked hard at creating a wellness culture, linked to its medical plans, to improve the health of its employees. The RFP emphasized the need for the respondents to address the health improvement and wellness resources that would be made available to SPPS.

HealthPartners proposal offered an integrated Health Risk Assessment and health improvement programs, funding for a full-time on-site wellness coordinator, and an additional \$50,000 to be applied toward wellness communications and various wellness initiatives. The wellness proposal also included the elimination of fees associated with some on-line wellness programs. BCBS proposal included an integrated Health Risk Assessment, health improvement programs and up to \$105,000 towards a part-time on-site wellness coordinator and wellness initiatives. The PEIP proposal did not include a wellness initiative other than the availability of a health risk assessment offered through the State of Minnesota.

Based on the RFP evaluation criteria, the LMC determined that there was no compelling reason to switch carriers for the upcoming plan year and recommended to the Board to accept the HealthPartners proposal.

In preparation for the 2010 open enrollment process the Benefits LMC and the District's Human Resource Department are collaborating on a communication strategy to educate all employees regarding the 2010 health care choices. The overall goal is to provide employees with information and decision support tools prior to open enrollment, so they are prepared to make informed decisions based on their individual needs.

If you have questions about the above information, please call your LMC union representative or the Human Resource/Benefits department at 651/767-8212.