



District School Board of Pasco County

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Heather Fiorentino, Superintendent

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August 16, 2005

MEMORANDUM

TO: Honorable Board Members

FROM: Kendra Goodman, CPPB, Purchasing Agent

RE: RFP 03-122, Health Insurance Plan
Blue Cross/Blue Shield of Florida
Third Year of a Five-Year Agreement

On August 24, 2004, official action (attached) was taken to award the above-referenced contract to Blue Cross/Blue Shield of Florida (BCBS). The agreement is a five-year contract, renewable annually at the mutual consent of the parties. The second year of the agreement will expire on December 31, 2005.

As in prior years, in 2005 the Insurance Committee was faced with the formidable challenge of negotiating acceptable health insurance rates for the upcoming plan year (2006). After weeks of negotiating directly with BCBS, the Committee agreed to accept a rate increase of 4% for both the HMO and PPO plans, with no change in coverage. Given the double-digit rate increases that have occurred in recent years, the Insurance Committee feels that this is an excellent negotiated renewal.

At this time, it is my recommendation to enter into the third year of the agreement with Blue Cross/Blue Shield of Florida, under the existing terms and conditions. The contract term will be January 1 – December 31, 2006. Should you have any questions or wish to discuss this matter further, please feel free to contact Michael Hudson, Employee Benefits & Risk Manager, or me at your earliest convenience.

KDG/az
Attachments