



District School Board of Pasco County

20430 Gator Lane • Land O' Lakes, Florida 34638 • 813/794-2221

Heather Fiorentino, Superintendent


www.pasco.k12.fl.us

Department of Purchasing
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November 16, 2010

MEMORANDUM

TO: Honorable School Board Members

FROM: Kendra Goodman, CPPO, CPPB, Purchasing Agent 

SUBJECT: Third Year of Five-Year Agreement
RFP 09-005-AZ, Health Insurance Plan, Blue Cross/Blue Shield of Florida

On September 24, 2010, the District's Insurance Committee unanimously voted to renew the District's agreement with Blue Cross/Blue Shield of Florida (BCBS) for the term January 1, 2011 – December 31, 2011. At that meeting, the Committee requested that Ms. Mary Tillman, Director of Employee Benefits, Assistance, & Risk Management, recommend this renewal for Board approval. Please see her attached detailed memo for further information regarding the services and cost savings BCBS is offering for this contract year.

During this third year of the District's self-insured medical program, BCBS will continue to act as the program's administrator: managing the provider network, paying claims, providing disease management and other services. In addition to claims expenses, it is expected that the program will cost the District \$3,000,000 during calendar year 2011. Funding is provided through Board contributions.

At this time, we are requesting Board approval for renewal of this contract. Please feel free to contact Mary Tillman or me if you have any questions or concerns.

KDG/az
Attachments



District School Board of Pasco County

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Employee Benefits, Assistance & Risk Management

Mary Tillman, Director

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DATE: October 6, 2010

TO: Kendra Goodman, Purchasing Agent

FROM: Mary Tillman, Director of Employee Benefits *Mary H. Tillman*

RE: 2011 Renewals for Health Care Benefits - BlueCross BlueShield

On September 24, 2010, the District's Insurance Committee unanimously voted to renew the District's agreement with BlueCross BlueShield of Florida (BCBS) (Year 3 of a five-year agreement) for the 2011 calendar year.

Calendar year 2011 will be the third year of the District's self-insured medical program. BCBS acts as the program administrator: managing the provider network, paying claims, providing disease management and wellness services as well as other services. BCBS also provides a full time on-site representative for the District and contributes \$100,000 per year for wellness activities. In addition to claims expense, the District pays BCBS \$33.60 per insured employee per month as an administrative fee. This fee is expected to be approximately \$3,000,000 for 2011. This amount is funded by Board contributions.

As support to the District's plans for Health & Wellness Centers, BCBS has offered some financial assistance. BCBS is delaying rate increases to the administrative fee that were listed in the original contract which will save the district approximately \$130,000 for 2011. In addition BCBS is providing an additional \$100,000 toward the wellness program for 2011.

Please request permission from the Board to approve this renewal. If you have any questions or need any additional information, please call me. As always, I appreciate the assistance that I have received from you and your staff during this process.



**BlueCross BlueShield
of Florida
Health Options.**

Health Options and its Parent, Blue Cross and Blue Shield of Florida, are Independent Licensees of the Blue Cross and Blue Shield Association.

Blue Cross and Blue Shield of Florida
and Health Options
100 Arthur Andersen Parkway
Suite 303
Sarasota, FL 34232

Mary Tillman
District School Board of Pasco County
26430 Gator Lane
Land O'Lakes FL 34638

10/28/2010

Dear Ms Tillman

As you approach your decision on the onsite clinic we know that there are some significant start up costs therefore BCBSF is willing to offer some assistance as follows (this is only if the offered in conjunction with the Care here clinic as we have worked with these clinics and are comfortable with their services and model etc) :-

1. Hold the ASO currently in place for the 1/1/11 renewal. It is scheduled to increase 5% therefore this is a savings of close to \$130,000
2. The 1/1/12 renewal would be a 3% increase to the ASO fees.
3. The 1/1/13 renewal would be a 3% increase to the ASO fees.
4. If the District wishes to extend the contract through 12/31/2014 ASO fees would remain flat.
5. Provide another \$100,000 wellness contribution this year, 2010, as soon as agreed upon.
6. All of the contract provisions including run-out etc remain as they are in the current contract.

All totaled this should represent a sizable amount of additional revenue (savings and contributions) to the school district to help offset the cost of the additional wellness activities and clinics you may wish to add in the future.

Please let me know if any questions.

Thank you,

Robin T Macdonald
Strategic account Executive
cc File