



**AGENDA**  
**SPECIAL SCHOOL BOARD MEETING**

Wednesday, March 31, 2010 – 3:00 p.m.  
School Board Meeting Room  
500 E. Ocean Boulevard  
Stuart, FL 34994

Call to Order by the Chairman and Pledge of Allegiance to the Flag of the United States

1. Adoption of the Agenda
2. Open to the Public/Board
3. Insurance
  - 3.01 Approval to Award RFP – MCSD RFP #5005-0-2010/JC Employee Health and Dental Benefits (P. 3 – P. 6)
  - 3.02 Approve Insurance Committee Recommendation for Renewal of CIGNA Voluntary Short-Term and Long-Term Disability Plans (P. 7 – P. 10)
  - 3.03 Approve Insurance Committee Recommendation to Award Medical, Dental, Pharmacy and Employee Assistance Core Benefits Contracts for 2010-2011 (P. 11 – P. 14)
3. Adjourn



**UPCOMING MEETINGS**

*School Board Meetings & Workshops are held in the School Board Meeting Room, 500 East Ocean Boulevard*

**REGULAR MEETINGS**

Tuesday, April 20, 2010 – 7:00 p.m.  
Tuesday, May 18, 2010 – 7:00 p.m.  
Tuesday, June 15, 2010 – 7:00 p.m.

**SPECIAL MEETINGS**

Wednesday, March 31 – 3:00 p.m. – Insurance  
Tuesday, May 4, 2010 – 4:00 p.m. – Tentative  
Tuesday, June 1, 2010 – 4:00 p.m. – Tentative

**WORKSHOPS**

Tuesday, April 20, 2010 – 2:30 – 5:20 p.m. – NEOLA  
Tuesday, April 20, 2010 – 5:30 p.m. – Budget  
Tuesday, May 18, 2010 – 5:30 p.m. Budget  
Tuesday, May 25, 2010 – 2:30 – 5:30 p.m. – NEOLA  
Tuesday, June 15, 2010 – 5:30 p.m. – Budget

### TRIM SPECIAL MEETINGS/PUBLIC HEARINGS

Tuesday, July 20, 2010 – 6:00 p.m. – Proposed Tentative Budget  
Tuesday, July 27, 2010 – 5:05 p.m. – Tentative budget and Millage Hearing  
Wednesday, September 8, 2010 – 5:05 p.m. – Approve Final Budget and Millage

### INSURANCE COMMITTEE MEETINGS

Monday, April 26, 2010 – 3:30 p.m. - *The Instructional Center Room 6*

### KEY COMMITTEE MEETING

Tuesday, May 4, 2010 – 7:30 a.m. - *Stuart Learning Center Training Room*

### JOINT MEETINGS

Tuesday, June 15, 2010 – 9:00 a.m. (Chair – School Board) - *The John F. Armstrong Wing, Blake Library*

### NEOLA POLICY MEETINGS

*Instructional Center Room 6, or as Noted*

Tues., Apr. 20, 2010 – 8:00-12:30 p.m. – 3000 Inst Staff – <i>Rm 7</i>	Wed., May 12, 2010 – 1:00-4:00 p.m. – 1000 Adm/3000 Inst Staff/4000 Support Staff
Tues., Apr. 20, 2010 – 3:30-5:30 p.m. – 6000 Finance/7000 Fac/8000 Ops – <b>WORKSHOP</b> – <i>Board Room</i>	Tues., May 25, 2010 – 8:30-11:30 – 8000 Operations
Wed., Apr. 21, 2010 – 9:30-11:30 a.m. – 9000 Relations	Tues., May 25, 2010 – 2:30-5:30 p.m. – 2000 Programs/5000 Students/9000 Relations – <b>WORKSHOP</b> – <i>Board Room</i>
Wed., Apr. 21, 2010 – 1:00-5:00 p.m. – 5000 Students	Tues., June 22, 2010 – 9:30-11:30 a.m. – 9000 Relations
Tues., May 11, 2010 – 10:00-11:30 a.m. – 2000 Programs	Tues., June 22, 2010 – 1:00-4:00 p.m. – 2000 Program
Tues., May 11, 2010 – 1:00-4:00 p.m. – 5000 Students (Pupil Personnel)/9000 Relations	Wed., June 23, 2010 – 8:30-11:30 a.m. – 5000 Students
Wed., May 12, 2010 – 8:39-11:30 a.m. – 7000 Facilities - <i>TBA</i>	Wed., June 23, 2010 – 1:00-4:00 p.m. – 6000 Finance - <i>TBA</i>

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#### 0169.1 PUBLIC PARTICIPATION AT BOARD MEETINGS

The Board recognizes the value to school governance of public comment on educational issues and the importance of allowing members of the public to express themselves on school matters of community interest. In order to permit the fair and orderly expression of such comment, the Board shall provide a period for public participation at those public meetings of the Board during which action may be taken and provide rules to govern such participation in Board meetings. The Chair of each Board meeting at which public participation is permitted shall administer the rules of the Board for its conduct.

The Chair shall be guided by the following policies:

- (1) **Time Limit.** Public discussion, not to exceed one (1) hour, may be scheduled or unscheduled. The Board may, from time to time, waive certain procedural requirements to allow greater public participation in Board meetings. Any waiver, regardless of how frequently made, shall be narrowly construed and not cited or used by other parties seeking to invalidate such procedures or otherwise avoid their impact. Attendees shall register their intention to participate in the public portion of the meeting with the Board clerk.
- (2) **Scheduled Appearances.** In scheduled appearances, any person or group shall be allowed fifteen (15) minutes for the purpose, provided such appearance has been placed on the agenda. Hearing procedures for formal argument and presentation are governed by Bylaw 0169.1.
- (3) **Unscheduled Appearances.** In unscheduled appearances, any person or group who has not made previous arrangements to be placed on the agenda may be heard for not more than three (3) minutes for an individual or group, provided there is time remaining in the public discussion.
- (4) **Remarks Directed to the Board.** When several members of the public or several members of a group share similar opinions on the same issues, a representative, rather than all the members, should address the Board. Persons addressing the Board shall speak into a microphone and direct their remarks to the Board. Staff members shall not be expected to answer questions from the audience unless called upon by the Chair or the Superintendent.
- (5) **Board Action.** Board action will not be taken on requests made during unscheduled appearances during the public discussion period until a later meeting unless the Board declares the matter to be an emergency.

#### NOTICE OF RIGHT TO JUDICIAL REVIEW

A party who is adversely affected by this Final Order is entitled to Judicial Review pursuant to Section 120.68, Florida Statutes. Review proceedings are governed by the Florida Rules of Appellate Procedure. Such proceedings are commenced by filing one copy of a Notice of Appeal with the School Board Clerk and a second copy, accompanied by filing fees prescribed by law, with the District Court, Fourth District. The notice of appeal must be filed within 30 days of rendition of the order to be reviewed. Rendition is defined as the filing of the Final Order with the Clerk of the School Board of Martin County, Florida. The agency shall accurately and completely preserve all testimony in the proceedings, and, on the request of any party, it shall make a full or partial transcript available at no more than actual cost.

Accommodations are available for persons with special needs. Please call 219-1200 X 425 for assistance.



School Board of Martin County
Agenda Item Request Form
Board Meeting: 03/31/10

Agenda Item # 3.01

1. AGENDA ITEM: Request Board's Approval for Award of RFP:
X appropriate box(s): [ ] New [ ] Renewal [ ] Addenda [ ] Presentation [ ] Grant \$ \_\_\_\_\_
2. BACKGROUND INFO./STAFF RECOMMENDATION:
Staff award recommendation for Employee Health Benefits, MCSD RFP # 5005-0-2010/JC (Exhibit attached)
3. FINANCIAL IMPACT:
Is there a financial impact (Finance Review Required)? [x] YES [ ] NO
Is funding provided in approved budget? [x] YES [ ] NO
What additional funding is required? Indicate Amount \$ \_\_\_\_\_
Source: \_\_\_\_\_

4. REQUIRED SIGNATURES: By signing below, you are verifying that you have reviewed the item and it is ready for submittal to the Superintendent and School Board respectively.

Requestor: \_\_\_\_\_ Type or Print Name Signature \_\_\_\_\_
Director/Principal: Jeff Carver, Director of Purchasing Type or Print Name Signature [Signature]
Exec. Director or Asst. Superintendent: \_\_\_\_\_ Type or Print Name Signature \_\_\_\_\_
Finance Review: Bryan Thabit, Ex. Dir. Of Finance Type or Print Name Signature [Signature]
Legal Review: [x] REQUIRED Doug Griffin [ ] NOT REQUIRED Signature [Signature]

5. SUPERINTENDENT RECOMMENDS APPROVAL: [ ] YES [ ] NO

All lines must be filled in or note N/A and initial. Use Times New Roman 12. Form Revised 11/30/09

# THE SCHOOL BOARD OF MARTIN COUNTY, FLORIDA

2845 SE Dixie Highway, Stuart, Florida 34997-5037, Telephone: (772) 219-1255 Ext: 201 Fax: (772) 219-1267



Jeff Carver, Director of Purchasing

## Memorandum

TO: Martin County School Board Members  
FROM: Jeff Carver, Director of Purchasing *JDC*  
DATE: March 31, 2010  
SUBJECT: Request approval to award MCSD RFP #5005-0-2010/JC Employee Health and Dental Benefits

**RFP OPENED:** 02/05/10                      **RFP RELEASED:** 01/13/10

**CONTRACT PERIOD:** 07-01-2010 through 06-30-11 with annual renewal options.

**SCOPE OF SERVICES:** The awarded firm will provide The Martin County School District with Medical and Prescription Drug coverage, Dental coverage, and Employee Assistance Program for District employees, officials, retirees, COBRA participants and their families.

**RECOMMENDATION:** The RFP Evaluation Committee recommends award to the highest ranked firm, **Aetna**.

Attachment: Evaluation Tabulation

c: Steve Weil, Executive Director of Educational Technology  
David Ruiz, Employee Benefits and Risk Manager  
Collette Gotte, Employee Benefits Specialist

*Nancy Kline, Superintendent*

School Board Members: *Dr. David L. Anderson • Maura Barry-Sorenson, Laurie Gaylord • Susan J. Hershey • Lorie Shekailo*  
*"An Equal Opportunity Agency"*

MCSD 5005-0-2010JC Employee Health Insurance																					
Evaluation Criteria	Points	Aetna					Cigna					United Health					BCBSFL				
		DR	CG	SW	BT	TOTAL	DR	CG	SW	BT	TOTAL	DR	CG	SW	BT	TOTAL	DR	CG	SW	BT	TOTAL
Proposer's ability to perform all services requested in this request for proposal	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	120
Proposer's experience and qualifications including specific experience of assigned personnel and similar experience with other public School Boards and governmental entities.	10	10	10	9	10	39	10	10	9	10	39	10	10	9	10	39	10	10	9	10	39
Proposer's system capabilities, accuracy, efficiency and plan performance/data analysis reporting and claim administration.	15	15	15	15	15	60	15	15	15	15	60	15	10	14	15	54	15	10	14	15	54
Proposer's ability to provide complete local, statewide and national network access including high cost specialty facilities with competitive pricing.	15	15	10	14	15	54	15	15	14	15	59	5	0	5	15	15	15	10	14	15	54
Pricing	30	30	30	30	30	120	10	15	20	5	50	20	20	25	20	85	0	10	18	4	32
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>95</b>	<b>98</b>	<b>100</b>	<b>393</b>	<b>80</b>	<b>85</b>	<b>88</b>	<b>75</b>	<b>328</b>	<b>80</b>	<b>70</b>	<b>83</b>	<b>80</b>	<b>313</b>	<b>70</b>	<b>70</b>	<b>85</b>	<b>74</b>	<b>299</b>
<b>Ranking</b>		<b>1st</b>					<b>2nd</b>					<b>3rd</b>					<b>4th</b>				

Recommendation: The RFP Evaluation Committee recommends award to the highest ranked firm, Aetna

MCSD 6005-D-2010JC Employee Dental Insurance

Evaluation Criteria	Points	Aetna					Guardian					BOSSFL				
		DR	CG	SW	BT	TOTAL	DR	CG	SW	BT	TOTAL	DR	CG	SW	BT	TOTAL
Proposer's ability to perform all services requested in this request for proposal	30	30	30	30	30	120	30	30	30	30	120	30	30	30	30	120
Proposer's experience and qualifications including specific experience of assigned personnel and similar experience with other public School Boards and governmental entities.	10	10	10	9	10	39	10	10	9	10	39	10	10	9	10	39
Proposer's system capabilities, accuracy, efficiency and plan performance/data analysis reporting and claim administration.	15	15	15	14	15	59	15	15	14	15	59	15	15	14	15	59
Proposer's ability to provide complete local, statewide and national network access including high cost specialty facilities with competitive pricing.	15	15	10	14	15	54	15	10	14	15	54	15	10	14	15	54
Pricing	30	30	30	27	30	117	20	30	28	17	93	25	30	26	4	85
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>95</b>	<b>94</b>	<b>100</b>	<b>389</b>	<b>90</b>	<b>95</b>	<b>93</b>	<b>87</b>	<b>365</b>	<b>95</b>	<b>95</b>	<b>93</b>	<b>74</b>	<b>357</b>
<b>Ranking</b>						<b>1st</b>					<b>2nd</b>					<b>3rd</b>
<b>Evaluation Criteria</b>	<b>Points</b>	<b>ASSURANT</b>										<b>Delta Dental</b>				
Proposer's ability to perform all services requested in this request for proposal	30	DR	CG	SW	BT	TOTAL	DR	CG	SW	BT	TOTAL	DR	CG	SW	BT	TOTAL
Proposer's experience and qualifications including specific experience of assigned personnel and similar experience with other public School Boards and governmental entities.	10	10	10	9	10	39	10	10	10	10	40	10	10	9	10	39
Proposer's system capabilities, accuracy, efficiency and plan performance/data analysis reporting and claim administration.	15	15	15	14	15	59	15	15	15	15	60	15	15	14	15	59
Proposer's ability to provide complete local, statewide and national network access including high cost specialty facilities with competitive pricing.	15	15	10	14	15	54	15	15	15	15	60	15	10	14	15	54
Pricing	30	15	25	25	16	81	5	25	5	20	55	10	20	22	11	63
<b>TOTAL</b>	<b>100</b>	<b>85</b>	<b>90</b>	<b>92</b>	<b>86</b>	<b>353</b>	<b>75</b>	<b>95</b>	<b>75</b>	<b>90</b>	<b>335</b>	<b>80</b>	<b>85</b>	<b>89</b>	<b>81</b>	<b>335</b>
<b>Ranking</b>						<b>4th</b>					<b>5th</b>					<b>5th</b>

Recommendation: The RFP Evaluation Committee recommends award to the highest ranked firm, Aetna



**School Board of Martin County  
Agenda Item Request Form  
Board Meeting: March 31, 2010**

Agenda Item # 3.02

1. **AGENDA ITEM:** Insurance Committee recommendation for renewal of CIGNA Voluntary Short Term and Long Term Disability Plans

X appropriate box(s):  New  Renewal  Addenda  Presentation  Grant \$ \_\_\_\_\_

2. **BACKGROUND INFO./STAFF RECOMMENDATION:** Memo # 09-023

3. **FINANCIAL IMPACT:**  
 Is there a financial impact (Finance Review Required)?  YES  NO  
 Is funding provided in approved budget?  YES  NO  
 What additional funding is required? Indicate Amount \$ \_\_\_\_ - 0 - \_\_\_\_\_  
 Source: \_\_\_\_\_

4. **REQUIRED SIGNATURES:** By signing below, you are verifying that you have reviewed the item and it is ready for submittal to the Superintendent and School Board respectively.

**Requestor:** David Ruiz, Risk Manager [Signature]  
 David Ruiz Signature

**Director/Principal:** \_\_\_\_\_  
 Type or Print Name Signature

**Exec. Director or Asst. Superintendent:** Steve Weil [Signature]  
 Steve Weil Signature

**Finance Review:** \_\_\_\_\_  
 Type or Print Name Signature

**Legal Review:**  REQUIRED  NOT REQUIRED Doug Griffin  
 Signature

5. **SUPERINTENDENT RECOMMENDS APPROVAL:**  YES  NO

All lines must be filled in or note N/A and initial. Use Times New Roman 12. Form Revised 11/30/09

**DIVISION OF OPERATIONS SERVICES  
SCHOOL BOARD OF MARTIN COUNTY, FLORIDA**

500 East Ocean Boulevard  
Stuart, Florida 34994


Telephone: (772) 219-1200 Ext. 30206  
FAX: (772) 219-1226



David Ruiz, JD CPCU  
Risk Management &  
Employee Benefits Manager

**MEMO #09-023**

**To:** Nancy Kline, Superintendent

**From:** David Ruiz, JP CPCU   
Risk Management & Employee Benefits Manager

**Date:** March 23, 2010

**Re:** Insurance Committee & Staff Recommendation – Approval of Voluntary Short Term & Long Term Disability Plans

The Board's current contract for voluntary (employee paid) short and long term disability benefits expires June 30, 2010.

Disability income protection is an important part of the Board's group insurance program as it provides valuable income replacement in the event of an illness or accident. For example, many situations do not qualify for sick leave bank benefits or illnesses may extend beyond the time period covered by the Board's sick bank. Also, it takes time for many new employees to accrue sufficient sick leave to cover unexpected absences that are covered by our disability policy.

The Insurance Committee unanimously recommends that the Board renew its contract with Life Insurance Company of North America (dba CIGNA Group Insurance) at no premium increase for both the voluntary short term disability insurance and voluntary long term disability insurance for a period of 24-months beginning July 1, 2010 and ending June 30, 2012.

Please feel free to contact me with any questions regarding the Committee's recommendation.

**Nancy Kline, Superintendent**

School Board Members: Dr. David L. Anderson – Maura Barry-Sorenson - Laurie Gaylord – Susan J. Hershey - Lorie Shekailo

Belinda D. Patrick  
Account Manager - FL, Puerto Rico & VI

Revised 1/26/10

January 22, 2010



Mr. Christian Bergstrom  
Gehring Group  
11505 Fairchild Gardens Avenue  
Suite 202  
Palm Beach Gardens, FL 33410

RE: Martin County School District  
Renewal - July 1, 2010  
STD - LK030405  
LTD - LK006348

2701 N. Rocky Point Drive  
Suite 800  
Tampa, FL 33607  
Telephone 813-637-1286  
Facsimile 813-637-1294  
Belinda.Patrick@CIGNA.com

Dear Christian:

Thank you for allowing CIGNA Group Insurance to provide Short Term and Long Term Disability benefits these past years for Martin County School District. We appreciate the opportunity to serve you both and assist in meeting your employee benefits needs.

Based on our analysis of the group's demographics, current plans and rates, we are pleased to continue the programs for Martin County School District without adjustment for a period of two years. The Renewal Summary below outlines the rates for the renewal guarantee period of July 1, 2010 through June 30, 2012.

Product	Inforce Rate <sup>(A)</sup>		Coverage Basis	% Change
LTD	\$1,200	\$15.90	\$100 of covered payroll	0%
	\$1,500	\$18.22		
	\$1,800	\$18.50		
	\$2,500	\$19.36		
	\$3,750	\$19.74		
	\$5,000	\$20.52		
STD	\$275	\$14.90	\$10 of weekly benefit	0%
	\$350	\$16.04		
	\$425	\$17.08		
	\$575	\$18.00		
	\$850	\$19.26		
	\$1,150	\$20.6		

CIGNA reserves the right to change premium rates if any of the following occurs:

- The policy terms change
- A division, subsidiary, eligible company, or class is added/deleted
- There is a change of more than 15% in the number of employees since the date of the last census provided.

We appreciate the opportunity to work with you and Martin County School District during the past years. We look forward to continuing our partnership for years to come. I will follow up with you shortly to review any questions and comments regarding this renewal.

In the meantime, please do not hesitate to call me with any questions or if we may be of additional service.

Page 2

Sincerely,

LIFE INSURANCE COMPANY OF NORTH AMERICA

Sincerely,

*Belinda*

Belinda D. Patrick  
Account Manager

cc: Sean Farkas, Account Service Representative/CIGNA Group  
Insurance



School Board of Martin County
Agenda Item Request Form
Board Meeting: March 31, 2010

Agenda Item # 3.03

1. AGENDA ITEM: Approve Insurance Committee recommendation to award Medical, Dental, Pharmacy and Employee Assistance Core Benefits contracts for 2010 - 2011
X appropriate box(s): X New X Renewal
2. BACKGROUND INFO./STAFF RECOMMENDATION: Memo #09-024 and attachments
3. FINANCIAL IMPACT: Is there a financial impact (Finance Review Required)? X YES
Is funding provided in approved budget? X NO
What additional funding is required? Indicate Amount \$328,602.00
Source:

4. REQUIRED SIGNATURES: By signing below, you are verifying that you have reviewed the item and it is ready for submittal to the Superintendent and School Board respectively.

Requestor: Dave Ruiz
Director/Principal:
Exec. Director or Asst. Superintendent: Steve Weil
Finance Review: Bryan Thabit
Legal Review: X NOT REQUIRED Doug Griffin

5. SUPERINTENDENT RECOMMENDS APPROVAL: YES NO

All lines must be filled in or note N/A and initial. Use Times New Roman 12. Form Revised 11/30/09

**DIVISION OF OPERATIONS SERVICES  
SCHOOL BOARD OF MARTIN COUNTY, FLORIDA**

500 East Ocean Boulevard  
Stuart, Florida 34994

Telephone: (772) 219-1200 Ext. 30206  
FAX: (772) 219-1226



David Ruiz, JD CPCU  
Risk Management &  
Employee Benefits Manager

**MEMO #09-024**

**TO:** Nancy Kline, Superintendent  
**FROM:** David Ruiz, Risk & Employee Benefits Manager  
**DATE:** March 23, 2010  
**SUBJECT:** Insurance Committee & Staff Recommendation – Award of Request for Proposals #5005-0-2010JC – Medical & Prescription Drug Coverage, Dental Coverage, and Employee Assistance Program for 2010/2011

In response to our request for proposals, seventeen (17) companies responded to one or more of our requests for proposals for medical & prescription drug coverage, dental coverage, and employee assistance program which makes up a portion of the core insurance benefit package the School Board provides to its employees and retirees for the plan year beginning July 1, 2010 and ending June 30, 2011.

The Insurance Committee & staff met several times and reviewed all proposals, held presentations and narrowed their bid review to three options for medical and employee assistance program and five options for dental:

Medical & Prescription Drug Coverage	Employee Assistance Program	Dental Coverage
AETNA	Horizon Health	AETNA
BlueCross BlueShield of Florida	Corporate Care Works	Assurant Employee Benefits
CIGNA HealthCare	CIGNA Behavioral Health	BlueCross BlueShield of Florida / Florida Combined Life Insurance Company
		CIGNA HealthCare
		Guardian Life Insurance Company

**Nancy Kline, Superintendent**

School Board Members: Dr. David L. Anderson – Maura Barry-Sorenson - Laurie Gaylord – Susan J. Hershey - Lorie Shekailo

*"An Equal Opportunity Agency"*

All medical carriers are proposing fully insured programs with a guaranteed-cost basis. The guaranteed-costs basis contract means that the insurance company assumes all the risk and there is not a share or any surpluses or deficits unlike the current program that assumes surpluses and deficits. CIGNA HealthCare's current contract with the Board includes the provision that should the plan experience a deficit, which the Board is currently experiencing, the deficit would be taken from surpluses, but there is no call of any remaining deficit at the termination of the contract. Following is a list of the points discussed during several insurance committee meeting(s):

- Gehring Group and Wakely Consulting Groups' calculation of the CIGNA HealthCare renewal projection for July 1, 2010 exceeded an 18% increase in premiums. However, CIGNA HealthCare's initial renewal offer was a 17% increase in premiums.
- Subsequently, it was the recommendation of the Insurance Committee to bid coverages. CIGNA HealthCare further reduced its renewal offer to a 13.75% increase in premium in their RFP response.
- Best and final medical insurance rates (with Employee Assistance Program & dental coverage):
  - **AETNA** – Maintains similar benefits (i.e. copayments, out-of-pocket maximums), transition to Horizon Health for employee assistance program and change to AETNA for dental coverage for an overall premium increase of \$328,602 or 1.52% more than the current annual cost.
  - **BlueCross BlueShield of Florida** – Maintains similar benefits, transitions the employee assistance program to Corporate Care Works and Florida Combined Life Insurance for dental coverage with an overall premium increase of \$2,489,177 or 11.63% more than the current annual cost.
  - **CIGNA HealthCare** – Maintains similar benefits to the current plans for medical, employee assistance program and dental coverage with an overall premium increase of \$2,338,830 or 10.93% more than the current annual cost.
- AETNA is currently an 82% match to the top 50 providers utilized by Board employees, retirees & dependents. AETNA has also confirmed they will pursue additional providers currently participating in the CIGNA HealthCare network within Martin and St. Lucie Counties.
- AETNA has committed to providing a part-time employee in the Risk Management office for a maximum of 24-hours per week to assist in servicing employee and retirees during the transition and to provide ongoing customer support.
- AETNA has committed to paying up to \$212,000 to the School Board if specific performance and network goals are not achieved. The performance goals have been outlined in their proposal. AETNA has also committed to partnering with the Board on its wellness initiative; included in the offering is committing \$30,000 in cash resources to help the effort as well as offering its full array of disease management programs.
- AETNA has agreed to guarantee the health insurance inflation rate and administrative expense factors for the July 2011 renewal. BlueCross BlueShield of Florida and CIGNA HealthCare offer similar provider counts, on-site representatives, performance guarantees, wellness programs and certain renewal guarantees.

After several meetings with the Insurance Committee and much discussion/negotiation, including a review of the Board's upcoming financial projections, the Committee voted unanimously in favor of recommending the award of the following:

- **AETNA** – Maintains similar benefits (i.e. copayments, out-of-pocket maximums), transition to Horizon Health for employee assistance program and change to AETNA for dental coverage for an overall premium increase of \$328,602 or 1.52% more than the current annual cost.
- The overall budget impact to the School Board is an increase of \$271,696 or 1.58% and a dependent cost share of \$56,843.44 or 1.27% increase. This assumes the District maintains the current funding level of 100% per the current bargaining agreement. In addition, the School Board's share of the insurance premium for retirees is a net increase of \$26,034 or 1.01%.
- The total annual School Board Insurance budget for the 2010/2011 is proposed to be \$17,417,039 for employees and retirees. The total overall annual plan cost is \$21,945,036 or a 1.52% increase.

AETNA anticipates being present at the Board meeting on March 31, 2010, to answer any questions or concerns from the Board or the public. Contract documents will be prepared for approval at a future Board meeting.

Please feel free to contact me with any questions regarding the Committee's recommendation.

Attachments