



District School Board of Pasco County

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Heather Fiorentino, Superintendent

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November 18, 2008

MEMORANDUM

TO: Honorable School Board Members

FROM: Kendra Goodman, CPPB, Purchasing Agent

SUBJECT: Direct Negotiation for Behavioral Benefits (MHSA) Services and Employee Assistance Plan (EAP) Services

On November 4, 2008, official action (attached) was taken to reject all proposals received under RFP 09-006-AZ for MHSA and EAP services. Permission was received to directly negotiate with all responsible proposers, with the results, including final cost and terms, being brought back to the Board for approval.

Invitations to negotiate were issued to Blue Cross/Blue Shield of Florida (BCBS), Horizon Health (Horizon), Lifesynch and ValueOptions. BCBS declined to participate in the negotiations. The remaining three (3) companies were given revised program requirements, and then met with the Evaluation Committee (either in person or via teleconference) on November 5, 2008. Based on the revised program requirements, all companies provided enhanced pricing and service proposals to the Evaluation Committee.

The Evaluation Committee and all voting members of the District's Insurance Committee met on November 6, 2008. It is the unanimous recommendation of the Insurance Committee to accept the revised offer from Horizon as offering the best overall value to the District. The program will be structured as a self-insured MHSA and EAP, and Horizon will also provide administrative services to the Employee Benefits, Assistance and Risk Management Department (EBARM). The governing terms and conditions will be those contained in the original RFP #09-006-AZ. The RFP is a five-year contract, which will be renewable annually at the mutual agreement of the parties. The first year term will be January 1, 2009 – December 31, 2009. Rates have been guaranteed for three (3) years.

The transition to this new provider will be seamless to the District's employees. Highlights of Horizon's program include:

- Preservation of the existing provider network
- Account representative, with clinical licensure, residing in Land O' Lakes
- Claims verification and processing
- 24/7 claims and clinical access by toll-free number
- Network administration
- Inpatient utilization case management

MHSA/EAP Services, continued

- Communication materials, including newsletters for employees related to behavioral health, substance abuse, health and wellness, and related issues
- Internet resources for behavioral health, substance abuse, health and wellness, and resources to assist with child care, home health care, assisted living facilities, schools, colleges, health clubs, pet services, and similar issues
- Legal and financial consultations; unlimited phone consultation with legal and financial professionals or an initial 30-minute, face-to-face consultation with in-state legal professionals
- Work/life resource program counselors; 24/7 telephonic access to counselors who do the legwork for members and provide qualified referrals for child-care, elder-care, and other resources
- Participation in District wellness initiatives

Horizon is providing the District performance guarantees as follows:

- 5% of the estimated annual administrative fee if 85% of each of the District's EAP providers and top 40 providers and inpatient facilities are not contracted by January 1, 2009
- An additional 5% of the estimated annual administrative fee if 100% of the EAP providers and top 40 providers and inpatient facilities are not contracted by July 1, 2009

The cost to the District will be \$1.00 per employee per month, or \$112,975.20 annually for administrative costs; this figure includes eligible dependents. Claims will be paid at the rates established by the network fee schedule. Based on historical data, claims are expected to be approximately \$250,000 for 2009. Funding for this program is provided by general insurance funds and dependent premiums paid by employees.

Board approval of this recommendation will enable EBARM to implement this District-wide program on a very aggressive schedule for a January 1, 2009 start date. If you have any questions or concerns, please feel free to contact Ms. Mary Tillman, Director of EBARM, or me at your earliest convenience.

KDG/az
Attachments

Date/Time

DISTRICT SCHOOL BOARD OF PASCO COUNTY RFP TABULATION

Date of Negotiation: November 5, 2008						
Proposal Title: Direct Negotiation for Behavioral (MHSA) Benefits & Employee Assistance Plan (EAP) Services		Horizon Health		Lifesynch		ValueOptions Inc.
Based on RFP Number: 09-006-AZ		2941 South Lake Vista Drive		1300 Summit Ave., Ste 600		240 Corporate Blvd.
BOARD MEETING NOVEMBER 18, 2008		Lewisville, TX 76507		Ft. Worth, TX 76102		Norfolk, VA 23502
EAP administration and value-added services, based on 9,525 employees						
		\$0.92	\$105,156.00	\$0.20	\$22,860.00	\$0.35 \$40,005.00
			(annualized)		(annualized)	(annualized)
MHSA benefits, based on 8,145 insured employees						
		\$0.08	\$7,819.20	\$1.21	\$118,265.40	\$1.58 \$154,429.20
			(annualized)		(annualized)	(annualized)
TOTAL			\$112,975.20		\$141,125.40*	\$194,434.20
* Does not include additional cost of \$30,085.44 for dependents (charged to employees)						