

District School Board of Pasco County

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Heather Fiorentino, Superintendent


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October 6, 2009

MEMORANDUM

TO: Honorable School Board Members

FROM: Kendra Goodman, CPPB, Purchasing Agent 

RE: RFP 09-005-AZ, Health Insurance Plan, Blue Cross/Blue Shield of Florida
RFP 09-005-AZ, Pharmacy Benefits Management, Medco Inc.
Second Year of Five-Year Agreements

On September 2, 2008, official actions (attached) were taken to award the District's health insurance plan to Blue Cross/Blue Shield of Florida (BCBS), and pharmacy benefits management to Medco, Inc. These agreements are five-year contracts, renewable annually at the mutual consent of the parties. The first year of both agreements will expire on December 31, 2009. Ms. Mary Tillman, Director of Employee Benefits Assistance and Risk Management (EBARM), on behalf of the District's Insurance Committee, is requesting renewal of the plans for their second years. Please reference her memo, attached, for further information.

Health Insurance Plan

On September 21, 2009, the District's Insurance Committee unanimously voted to renew the District's agreement with Blue Cross/Blue Shield (BCBS) for the 2010 calendar year. BCBS acts as the program administrator for our self-insured program. In addition to claims expense, the District pays BCBS a fee of \$33.60 per insured employee. This fee has been guaranteed fixed since 2009, and will continue through calendar year 2011. The expected fee of \$3 million for 2010 is funded by Board contributions.

Pharmacy Benefits Management

On September 21, 2009, the District's Insurance Committee unanimously voted to renew the District's agreement with Medco for the 2010 calendar year. The District is self-insured for its prescription plan, with Medco providing Pharmacy Benefit Management services.

Date/Time: September 30, 2009 10:34:00

The District pays Medco a utilization fee of \$.40 per member per month, other fees as outlined by the contract, and actual claims expenses. These fees have been guaranteed fixed since 2009, and will continue through calendar year 2011. The expected fee of \$315,000 in 2010 is funded by Board contributions.

Based on the recommendations of the Insurance Committee, it is my recommendation to enter into the second year of the agreements with Blue Cross/Blue Shield of Florida, and Medoc Inc., under existing terms and conditions. The terms of both contracts will be January 1, 2010 – December 31, 2010. Should you have any questions, or wish to discuss this matter further, please feel free to contact Mary Tillman or me at your earliest convenience.

KDG/az
Attachments