

Financial Services  
Judith M. Marte, Chief Financial Officer

**SUBJECT: CONFIRMATION OF FINAL RATES FOR 2015  
EMPLOYEE BENEFITS PROGRAM**

**COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL  
RELATIONS**

**LINK TO STRATEGIC  
FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY**

Agenda Items Revised E-67, Recommendation For Award For Request For Proposals (RFP) #040-PP10, District Healthcare Benefit Program and Revised E-68, Recommendation For Award For Request For Proposals (RFP) #041-PP10, Group Term Life Insurance and Flexible Benefits Program, Board meeting of September 3, 2014, awarded various contracts for employee benefit programs, effective January 1, 2015. In certain areas, staff informed the Board that additional information on final rates and terms needed to be confirmed and would be brought back to the Board at a subsequent Board meeting. This item is intended to clarify and provide rate confirmations as needed.

Long Term Disability

Upon final confirmation of the Long Term Disability rates that was stated in Agenda Item E-68 (Revised), School Board meeting of September 3, 2014, by Aon Hewitt, it was determined that, all appropriate and accurate conversion of rate structure results in a 20% reduction as compared to existing 2014 rates. Additionally, the revised rate structure does not affect the Superintendent's Ad-Hoc Committee's recommendation as to the recommended vendor selection. Updated (actual) rates are noted below:

Level	Actual LTD Monthly Rates effective January 1, 2015	Current (2014) LTD Monthly Rates
Level 1	\$19.88	\$24.14
Level 2	\$25.47	\$30.94
Level 3	\$38.40	\$46.63
Level 4	\$0.873/\$100	\$1.06/\$100

**E-68**

Group Medicare Program

Agenda Item E-67 (Revised), School Board meeting of September 3, 2014 included a recommendation that the Board agree to participate in the Group Medicare Program Medical and Pharmacy Plan through the Independent Benefits Council (IBC), herein after referred to as the Florida Schools Retiree Benefit Consortium (FSRBC). In addition to receiving authority to execute both the participation agreement and an inter-local agreement to participate in the FSRBC, the item stated that benefit levels and premium rates for the programs which will be offered to District retirees and eligible dependents that are Medicare-eligible would be confirmed and brought back to the Board at a subsequent Board meeting. Staff has now confirmed the Medicare programs which will be offered effective January 1, 2015.

Historically the Board has provided Medicare programs that included Part D (prescription plan). Although it is available through the IBC, the retiree will have the opportunity to choose a comprehensive Medicare Advantage Plan or more traditional Medicare Supplement Plans. Below are the Medicare Advantage Plans, the Medicare Supplement Plans and monthly rates, which were provided by the IBC review committee to be offered to Miami-Dade County Public Schools' Medicare-eligible retirees and their Medicare-eligible dependents:

Medicare Advantage Plans (Medical and Pharmacy)

<b>Cigna (Leon Medical Centers)</b>	<b>UnitedHealthcare</b>	<b>UnitedHealthcare Plan 3</b>
<b>\$0 Cost Plan</b>	<b>\$45 Cost Plan</b>	<b>\$328 Cost Plan</b>

Medicare Supplement Plans (Medical Only)\*

<b>United Healthcare</b>			
<b>Miami-Dade County</b>	<b>Plans</b>		
<b>Age Range</b>	<b>A</b>	<b>F</b>	<b>N</b>
<b>65</b>	\$179.50	\$249.25	\$179.37
<b>67</b>	\$196.62	\$271.95	\$195.69
<b>70</b>	\$224.26	\$310.27	\$223.28
<b>75</b>	\$247.06	\$341.12	\$245.53
<b>80</b>	\$271.47	\$373.52	\$269.19

\*Reflected rates are approved by Centers for Medicare and Medicaid Services (CMS) current for calendar year 2014. Rates for calendar year 2015 receive CMS approval in October. Rates for service areas outside Miami-Dade County would be subject to filed and approved 2015 rates with CMS. Medicare filed plans A, F, and N have specific stated benefits, pursuant to CMS guidelines. Pre-65 Medicare recipients are not eligible for these supplement plans.

Pharmacy Plans (Medicare Part D only)

United Healthcare		
1.	Comprehensive	\$ 84.18
2.	Premier	\$155.31

District retirees and eligible dependents that are Medicare eligible are being provided the opportunity of enrolling in both the Medicare supplement plans and Pharmacy Plans.

Identity Theft Protection

Agenda item E-68 (Revised), Board meeting of September 3, 2014 awarded the Identity Theft Protection program to U.S. Legal Services, Inc (US Legal). This award; however, was tentative due to a pending bid protest on this recommendation from the incumbent provider of these services, Identity Rehab Corporation (ID Watchdog).

Pursuant to procurement rules governing official bid protests, the Office of the School Board Clerk received an original and then an amended Formal Written Protest of the Superintendent's Ad-Hoc Insurance Committee' Recommendation to Award the ID Theft Insurance Program to US Legal, along with a Cashier's Check in the amount of \$12,149.34, pursuant to applicable law, reflecting 1% of the anticipated contract value (3-year).

District staff from the Office of Risk and Benefits Management, Office of Procurement Management and the School Board Attorney's Office, as well a representative from Aon Hewitt, the District's Employee Benefits Consulting firm, met with representatives from ID Watchdog and their attorney on Wednesday, September 17, 2014. This informal meeting is the first step in an attempt to resolve the bid protest, before it would be heard before a Judge.

During this meeting, representatives from ID Watchdog and their attorney provided documents which not only questioned whether US Legal's proposal included all required services as outlined in Request For Proposal (RFP) # 041-PP10, but also brought forth information that US Legal may be outsourcing more of the required services to sub-contractors than their response to the RFP indicated.

Following the meeting with ID Watchdog, District staff prepared a memorandum and an attachment which contained all of the required services for the Identity Theft Protection program, along with areas to identify which company or companies were providing these services. This memorandum and attachment was sent to the President of US Legal, who had signed the warranty page of the proposal, and requested that the attachment be completed and signed by the President.

The completed form was provided to staff and signed by the President of US Legal. Upon review of that form the following issues were identified:

1. US Legal confirmed that all requested services outlined in the RFP were being provided; however, there was a qualification with regard to the benefit of Court/Criminal Records Monitoring and Alerts.
2. The listing of companies providing required services, pursuant to the provisions of the RFP included the following companies:

AIG  
CLC Incorporated  
Identity & Credit Services

3. In 12 of the 21 required services referenced in the attachment, the sub-contractor CLC owned the contract for the services being provided by Identity & Credit Services.
4. The vendor listed as the company performing monitoring services through the administrator, CLC Incorporated (CLC), Identity & Credit Services with an effective date of June 5, 2014, was different than the company which was included in US Legal's proposal received on July 17, 2014 which was National ID Recovery, LLC (NIDR). District staff research indicated that National Recovery LLC (NIDR) filed for bankruptcy in 2013 and as such appeared to be out of business.

As a result of the information provided by US Legal on September 18, 2014, it became clear to District staff that US Legal was not providing **any** of the services sought by the District for its Identity Theft Services program, and outsourcing 100% of the services. Not only was this contradictory to the information submitted by US Legal for the Identity Theft Services program through RFP# 041-PP10, it did not comply with the Proposal Specification (10) Vendor's Use of Subcontractor which states:

**The vendor must perform the majority of the work specified in the document, as determined solely by M-DCPS. M-DCPS must provide permission for use of a subcontracted carrier for any proposed service.**

Therefore, on Friday, September 19, 2014, District staff sent a letter to the President of US Legal informing them that as a result of the information received in response to the inquiry, that the recommendation for award would be rescinded at the School Board meeting of October 3, 2014.

District staff has also re-reviewed the second least expensive proposal received in response to RFP # 041-PP10 for Identity Theft Services from ARAG. Staff has determined that that proposal also contains subcontracted arrangements for services which does not comply with the Vendor's Use of Subcontractor provision in the RFP. Therefore, staff is recommending that the award for its Identity Theft Protection Services be awarded to Identity Rehab Corporation (ID Watchdog), effective January 1, 2015, with the following monthly rate structure which is \$2.00 greater than US Legal, based on the Employee Only rates:

Employee Only	\$ 7.95
Employee & Family	\$13.95

RECOMMENDED:

That The School Board of Miami-Dade County, Florida:

1. approve the following rate structure for Long Term Disability with The Hartford, effective January 1, 2015, for benefit-eligible employees, (active and eligible part-time), for a three-year term, with the ability to extend for two additional one-year periods, subject to successful renewal negotiations and Board action:

<u>Level</u>	<u>Monthly Rate</u>
Level 1	\$19.88
Level 2	\$25.47
Level 3	\$38.40
Level 4	\$0.873/\$100

2. approve the following Medicare Advantage Plan monthly rates for calendar year 2015:

Cigna (Leon Medical Centers)	\$ 0.00
UnitedHealthcare	\$ 45.00
UnitedHealthcare Plan 3	\$328.00

3. approve Medicare Supplement Plan rates for United Healthcare Plans A, F, N, effective January 1, 2015 for Miami-Dade County and other service areas to be the age banded rates filed and approved by the Centers for Medicare and Medicaid Services (CMS);
4. approve Pharmacy Plans (Medicare Part D) monthly rates with UnitedHealthcare of Florida, effective January 1, 2015 as follows; and

Comprehensive:	\$ 84.18
Premier:	\$155.31

5. rescind its previous award for Identity Theft Protection Services to U.S. Legal Services, Inc., and award its Identity Theft Protection Services product, pursuant to RFP# 041-PP10, to Identity Rehab Corporation (ID Watchdog), effective January 1, 2015, at the following monthly rates for an initial three-year term, with the ability to extend for two additional one-year periods, subject to successful renewal negotiations and Board action:

Employee Only	\$ 7.95
Employee & Family	\$13.95

JMM:sbc