

Transcription of Pre-Proposal Conference

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REQUEST FOR PROPOSALS

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FOR

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MEDICAL BENEFITS, BEHAVIORAL HEALTH, WELLNESS

5

AND PRESCRIPTION DRUG PROGRAMS

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1450 N.E. 2nd Avenue
Miami, Florida
December 7, 2005
2:00 p.m. - 3:00 p.m.

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12 APPEARANCES:

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Miami-Dade County Public Schools
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SCOTT CLARK
Miami-Dade County Public Schools

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REPORTED BY: FELECIA CURRERI,
Registered Professional Reporter

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(Thereupon, the following proceedings were had.)

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MS. ERBS: Good afternoon. I'm Carol Erbs with

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the Office of Risk and Benefits Management.

We're here, I'm sure you know, for the Preproposal Conference to RFP 019-FF10. I would assume that you all have access to it or you wouldn't be here, but you know that everything is on the Web site, the District's Web site referenced by that RFP number. Any addenda will also be provided on that Web site.

The District basically closes as of next Friday, the 16th. So we would hope to have everything -- We have a mandate. We have to have everything back on the Web site by the 16th.

The schools close down completely. Most of the offices downtown also close down and it's pretty much a ghost town after the 16th getting somebody to put it on the Web site would be my problem.

We'd ask that you sign the sign-in sheet that is going around, please.

There's a number of ways to access the RFP information. WWW.DadeSchools.net. But if you have a copy of the printout, you have the direct link. I don't think that's a problem.

As you see, this is being reported by a court

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reporter so that we make sure that we get all of your questions written down correctly.

On Page 7 of the RFP we reference any written questions. This session, the purpose of it, is to find out if you have any questions. We think it's a pretty comprehensive document. God knows we've spent enough hours on it and we hope everything is in

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8 there, but that's not always the case. This is for
9 you to ask any questions you have. If you have any
10 additional questions after today, Page 7 will give
11 you the information. It's in written questions that
12 may be faxed and the fax number is there by 3:00 p.m.
13 on December 13th.

14 That's not giving us a whole lot of time between
15 Christmas and the 15th to get everything done, but we
16 figured we could stretch it that far. If we don't
17 get to your question today, please fax in additional
18 questions.

19 I would like for you to pay attention to the
20 Cone of Silence which begins on Page 11 of the
21 document. The District has a board rule that
22 includes a Cone of Silence language. This is
23 relatively new for Miami-Dade County Public Schools.

24 It basically says that any person that is going
25 to propose is prohibited from contacting anybody

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1 involved at the School Board including board members.
2 I would also like you to pay attention to Paragraph F
3 which is in bold which states that if a proposer does
4 contact a board member or a member of the District it
5 may make your proposal void. That's in bold because
6 they plan to enforce it. It is an enforceable
7 agreement.

8 The bid is due January 17th. It is due to the
9 Procurement Office. All of that information is also
10 in the document.

11 And now I'm going to have to turn it over to the

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12 Board's Benefit Consultant, John Erb, who is my long
13 lost cousin who doesn't know how to spell his name.
14 He doesn't use the S. That's the only relationship
15 we have.

16 MR. ERB: For the court reporter, when you have
17 a question, can you state your name and the
18 organization you represent each time so that we'll be
19 able to correlate them back and forth when we look at
20 this record next week sometime.

21 We're not going to really go through the RFP.
22 You folks have pretty much determined the profit,
23 know the health plan. You've responded to them very
24 well. What we'd like to do today is give you the
25 opportunity to ask us questions to the extent we can

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1 answer them today we will. To the extent we want to
2 think about them, we'll put them in written questions
3 in the addenda that will be attached to the Web site.

4 Does anyone have any questions?

5 MS. CONWAY: Amy Conway with Express Scripts.

6 Can you clarify which groups would be
7 implemented July 1st of '06 versus January 1st of
8 '07?

9 MR. ERB: The original intent was to ask for
10 proposals that would be effective January 1st of
11 2007. It was the feeling of staff as part of the
12 Executive Bargaining Process if some really good deal
13 came in that could be implemented prior to January
14 1st that the board and unions would want to take
15 advantage of that.

16 There's no requirement in the RFP that you bid
Page 4

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17 an 18-month beginning July 1st. However, if you do
18 bid it, it would be an 18-month contract. You would
19 have to guarantee rates for at least the first 12
20 months and then for the final six months you either
21 have to give us a rate cap or another rate or however
22 you want to do it.

23 Further complicating it is the fact that some of
24 the unions said, well, we may want to go July 1st
25 without the rest of the group and ultimately that is

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1 a board decision as to whether the group puts up or
2 not, but in order to proffer the full flexibility
3 we've given you claims data by bargaining unit. So
4 if, for example, one union decides they want to go
5 with one vendor on July 1, we'll be able to negotiate
6 a deal, if you will.

7 Does that answer your question?

8 MS. ERBS: Just to expand on that a little bit.
9 Data must be kept by Bargaining Union for whatever of
10 the products you respond to and it gets very
11 complicated and I think we have 37 different buckets
12 that end up having to be created, but data systems
13 need to be in place to be able to do that, because we
14 analyze the loss runs, participation by bargaining
15 unit. Everything is split up that way. That's why
16 the reference to bargaining.

17 MR. MAFALE: Tom Mafale, United Health Care.

18 What's your expectations for the deductibles and
19 out-of-pockets with an 18-month deal specifically
20 starting in 7/1?

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21 MR. ERB: Don't know. We'll get back to you on
22 that. You're saying what they carry over?
23 MR. MAFALE: Right.
24 MR. ERB: Okay. Would you give your business
25 cards to the court reporter so she can spell your

7

1 names correctly.

2 Tom, I didn't mean to cut you off. We haven't
3 already considered that. We want to make sure we
4 have it right.

5 MR. MAFALE: There's always some concern that
6 the filings, the HMO filings. We don't have ability
7 to file a contract more than 15 months versus
8 12 months. So the 18-month guarantee will cause some
9 concern so doing 12-month plus six-month cap will
10 guarantee may be.

11 MR. ERB: I just heard that yesterday.

12 MR. GRINSPAN: Lee Grinspan with Magellan Health
13 Services.

14 So just specifics of the MBH carve out, is it
15 possible, then, that one union, for example, may
16 decide that they want to go -- they want their
17 membership to go with one provider, three other
18 unions may decide they want to go with some other
19 provider, so it could be parceled out like that
20 rather than the full 45,000 employees that would end
21 up, and if you decide to go full carve out for MBH
22 that as the MBH vendor goes about the underwriting
23 process, we have to be sensitive to the possibility
24 that it could split out; is that right?

25 MR. ERB: We envision a carve out either for
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1 managed behavioral health care or for prescription
2 drugs to be sole provider for the entire group.

3 MR. GRINSPAN: Okay. It's just some may start
4 sooner than others?

5 MR. ERB: Correct.

6 MR. GRINSPAN: Is that right?

7 MR. ERB: Correct.

8 MR. GRINSPAN: Okay. Thank you.

9 MS. ERBS: As a District, each bargaining unit
10 individually, collectively bargains for their unit
11 for benefits which is not to say if each one of them
12 wants a different carrier that that's what's going to
13 happen, because ultimately the financial impact of
14 all of that is analyzed, and while they are the
15 bargaining agent, the board that sits here, sits here
16 and makes the ultimate decision for the District.
17 The board has to approve whatever collective
18 bargaining requests are made. The overall impact to
19 the entire District is analyzed which is, you know,
20 fuels decision.

21 MR. GRINSPAN: Sure.

22 MS. ERBS: Especially in times whereas you all
23 know and read there's no money coming. As a matter
24 of fact, they are taking money away. 80 million
25 here, 80 million there, particularly targeting

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1 Miami-Dade. We're losing. So it's not just union
2 agents that say I want this and union agents that say

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3 I want this and it's a done deal because it's an
4 overall impact of a District of increase in cost and
5 we have no money for it even though the politicians
6 don't understand there's no money.

7 MR. GRINSPAN: Tom Grinspan, Magellan Health
8 Services.

9 Is it an accurate assumption if a carrier chose
10 not to participate in a bid or rate qualification for
11 July 1st they still have the ability to participate
12 in 1107?

13 MR. ERB: Yes.

14 MS. PANSIUS: Odie Pansius with Aetna.

15 There's a scarring or awaiting system. Nothing
16 like that for any of the bids on any particular bids?

17 MS. ERBS: We have a superintendent ad hoc
18 commission committee which is made up of a number of
19 people that those are identified also in the RFP, but
20 not by name, by position. It's District people.
21 People from the outside versus managers from
22 Miami-Dade County, Broward County Schools and one
23 representative from each of the unions. We have
24 abandoned that point system a number of years ago. I
25 give you a four, he gives you a three. What's the

10

1 difference between my four and his three?

2 We present spread sheets of all of the different
3 data items. One which is surprising, of course, but
4 not the only one, and recommendations and the charge
5 of that committee is as a unit to make a
6 recommendation to the superintendent for award.

7 MR. GRINSPAN: I have a few other questions.
Page 8

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8 Would you like for me to go through them now?

9 MS. ERBS: Sure.

10 MR. GRINSPAN: If you look at this with all the
11 different entities, the July 1st, the January 1st,
12 there's really like as many as like 20 different
13 plans we could be quoting.

14 Is January 17th, as a due date, a hard number or
15 a hard date? Is there any chance of an extension?

16 MS. ERBS: We would have to get back to you on
17 that. As it stands right now, backing into any
18 ability to implement anything July 1, that would be
19 the date that we would have to stick with. However,
20 depending on the number of questions in the addenda
21 that we have to issue are complex and those addenda
22 are -- if we had missed an entire data set and it was
23 brought to our attention as producing, there might be
24 a need to do that, but as it stands right now,
25 unfortunately the 17th is the date and I realize it's

11

1 a really lousy time of year, but...

2 MR. GRINSPAN: Okay. On Page 47 you're talking
3 about service representatives. How many do you
4 currently have? How many does United have?

5 MS. ERBS: We currently have four on-site reps.
6 We have one in a lead capacity and three additional.
7 We've put that language in all of our RPFs depending
8 on the need for on-site.

9 HIPAA actually took some of the work away from
10 the on-sites in the past encounter with other clients
11 as well. On-sites had access to claims. Systems

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12 could go in for an employee and look up. There's a
13 status of the claim -- that's all gone. HIPAA took
14 that all away.

15 I have to say, that's one of the things I'm
16 happy about is that we're a very paternalistic
17 organization. We end up taking on much more than we
18 should in trying to resolve issues for people who
19 just went -- things like that. This is kind of taken
20 up with the on-sites responsible for responding to
21 phone calls, but they have to tell the individual I
22 don't have access to that, the information would have
23 to come from United Health Care.

24 Now, United also has dedicated customer service
25 people so that if there's a need for a team behind

12

1 the on-sites that knows the group, knows the
2 benefits, not just your organization's benefits in
3 general.

4 MR. GRINSPAN: On Page 21, Number 46, you're
5 talking about the pharmacy. What are your current
6 rebate levels of pharmacy?

7 MR. ERB: We don't know.

8 MS. ERBS: We're fully insured.

9 MR. ERB: If we knew we'd tell you.

10 MR. GRINSPAN: So can you break out any pharmacy
11 utilization data because we didn't see any of that?

12 MR. ERB: I believe we've provided.

13 MS. ERBS: It should have been.

14 MR. ERB: We'll check.

15 MR. GRINSPAN: All right. If it's broken out,
16 we'd like to see it by retail mail order, generic.

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17 MS. ERBS: I don't know what level we gave to
18 you.

19 MR. GRINSPAN: Number 87, under the
20 communications piece, you're talking about certain
21 forms that you use. Can we get copies of those
22 forms?

23 MS. ERBS: What page are you on?

24 MR. GRINSPAN: Number 87. That would be Page --
25 I don't have a page number for it. You're saying

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1 that the carrier must utilize specific forms and
2 materials as necessary. I think it might be Page 55
3 actually. At the top. Number 87 at the top of
4 Page 55.

5 MS. ERBS: As far as communication, we probably
6 are going to have to address that more carefully in
7 an addenda, but I will say to you one of the --
8 probably the word should have been format rather than
9 forms. One of the things that is critical to us is
10 that all communication goes to the employees run by
11 us.

12 MR. GRINSPAN: Okay.

13 MS. ERBS: For a group of -- we're not a one
14 size fits all organization and we're very sensitive
15 to unions and negotiations and things that are going
16 on, but as far as -- I think it's more in format
17 rather than forms.

18 This is Rosa Lima, Risk Manager. Do you have
19 anything to add to that?

20 MS. LIMA: As far as paper forms we don't -- we

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21 do utilize paper forms in some arenas, but we keep
22 those all. The information is sent to the carrier.
23 MR. GRINSPAN: Okay.
24 MS. ERBS: Our enrollment -- if you benefit RFP
25 enrollment is on line, has been for the last four or
14

1 five years. The exception to that is that after the
2 close down open enrollment we do have an appeals
3 process. That's a paper form.

4 MR. GRINSPAN: Really that question you're just
5 looking for approval that you approve the forms that
6 are going to be used?

7 MS. ERBS: Exactly.

8 MR. GRINSPAN: I thought you had something
9 specific that you're using now.

10 MS. ERBS: It's kind of a general risk statement
11 that we probably should have cleaned up a little bit
12 and said we agree to abide by our format. Even
13 letters go out. We want to see them before they go
14 out, because form letters just don't seem to work
15 well.

16 MR. GRINSPAN: Okay. Just one more I think.

17 We'd like the opportunity to show some claims
18 savings through facility reporting. Is there any way
19 we can get like your 30 most utilized facilities a
20 listing and then get any claim files so that we could
21 like re-price the claims to show the difference?

22 MS. ERBS: Facilities. What facilities, if you
23 would, please?

24 MR. GRINSPAN: Hospitals. You know, mostly
25 hospitals.

1 MR. ERB: I believe that the hospital
2 information is provided. As far as getting claims
3 tapes we can ask the incumbent.

4 MR. GRINSPAN: Okay.

5 MS. ERBS: I don't know that the data because
6 it's broken up by facility.

7 MR. ERB: We'll check.

8 MR. GRINSPAN: One last piece. Just very minor.

9 One of the quotes is asking for a gatekeeper.
10 Fringe benefit manager, copy file. They don't have
11 anything in that tile that would allow for PCP to be
12 put in there and they would need that. It's just a
13 technical issue.

14 MS. ERBS: Thank you for pointing that out.
15 That's correct. You're probably right. Currently
16 the union --

17 MR. ERB: It's suppressed. We've had it.

18 MR. GRINSPAN: You can just open it up. Okay.
19 Thank you.

20 MS. ERBS: We have to have PCP.

21 Anything else?

22 MS. DORCELY-HENDERSON: The questions that I
23 have --

24 MR. ERB: Could you introduce yourself?

25 MS. DORCELY-HENDERSON: Marjorie

1 Dorcelly-Henderson, Health System One.

2 The questions I have relate to your medical

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3 plan. Most of the exhibits in the addenda that are
4 attached to that seem to apply to me. Is there any
5 invention to specific items, exhibits that you would
6 want in the site plan submitted to you?

7 MS. ERBS: Well, the alternative medical plans
8 don't kind of fit in the standard forms that we have,
9 so we would ask you for as much information as you
10 can give us.

11 MS. DORCELY-HENDERSON: Okay. I mean, we're
12 looking at this and thinking about well, okay, what
13 do we do? Do we try to stay as close to the medical
14 model that you have, or do --

15 MR. ERB: No. This is the one area in the RFP
16 where you are free to be creative. We did provide
17 you with a pricing scheme that we want you to follow,
18 but in terms of describing the plan, benefits,
19 limitations, exclusions, we will accept preprinted
20 documents so long as the proposal is signed by an
21 officer of your company. We're looking for
22 alternatives and we're trying to be as inclusive as
23 possible.

24 MS. ERBS: You may or may not know about the
25 population at Miami-Dade County Public Schools. We

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1 have a very diverse population. We have some
2 positions, part-time positions that are really
3 part-time because that's all that's necessary.

4 A bus driver doesn't work an eight-hour day, but
5 full-time is a six-hour day. We have some
6 unbelievably low paid employees. We have some
7 employees that make \$11,000 a year. A year. This

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8 population, most of them, are represented by one
9 union and they have repeatedly asked us to try to
10 find some type of coverage for these people.
11 Something.

12 So while we have our main population that we
13 need full coverage for, we have this other group that
14 -- if you notice, the board's current program is very
15 rich on the dependant side trying to help out the
16 family units of our lower paying employees, but it
17 doesn't matter that it cost \$200 and to buy family
18 coverage to someone that's making \$11,000 a year.

19 So we're also looking for some alternatives out
20 there that might give people some access to some kind
21 of health insurance. So that's the gamut of what
22 we're trying to get; something for somebody, for
23 every bit of our population.

24 MS. DORCELY-HENDERSON: Just as a matter of
25 clarification, in the RFP it references dependant.

18

1 So you are anticipating that the alternative that we
2 would propose would be not only for the dependants of
3 your employees, but also tend to your part-time
4 workers or other?

5 MS. ERBS: We refer to benefit eligible
6 employees.

7 MS. DORCELY-HENDERSON: Okay.

8 MS. ERBS: That when I referenced part-time,
9 there are some part-time people for whom full-time
10 benefits are provided. What that means is the board
11 pays a hundred percent of the employee, only cost for

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13 whichever coverage they choose.

14 MS. DORCELY-HENDERSON: Okay.

15 MS. ERBS: Bit of an oddity in the tiers that
16 have been requested. We're on a four tier
17 employee/spouse, employee/child/children,
18 employee/family. We have been asked through the
19 unions to provide a children only type plan.

20 We could have employees that get theirs paid for
21 by the District, but still can't afford the family
22 coverage. So they have requested that we get a
23 child, child plus one, child plus one specifically
24 for our lower paid employees.

25 MS. DORCELY-HENDERSON: All right. So I think
 that you've answered my question.

19

1 As an alternative plan, we should probably try
2 to encompass as many variations as we possibly can?

3 MS. ERBS: Yes, ma'am.

4 MS. DORCELY-HENDERSON: Great. Thank you.

5 MR. ERB: If we could just take a moment to
6 introduce Scott Clark.

7 MR. SCOTT: Thank you all for being here. Sorry
8 I wasn't here at the beginning. I had an audit
9 meeting.

10 MR. GRINSPAN: Lee Grinspan with Magellan Health
11 Services.

12 There seems to be on the behavioral health care
13 information provided, there is some confusion about
14 the experience and the information that's provided
15 and I'll just read what I got from the underwriter
16 within our companies that look at this.

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17 This is after reviewing the claims data. It's
18 not clear if we have behavioral health utilization.
19 There are three-year reports titled UPC lag reports
20 and reports heading benefit type category equals
21 medical benefit or managed pharmacy benefit.

22 There's a summary for 1004 and 905 of, quote,
23 ATC/SA which is, I assume, substance abuse,
24 miscellaneous and psychiatric payments, but they
25 don't seem to be any general reports with specifics

20

1 on behavioral health. I mean, some of this is
2 behavioral health, but it's a dot parsing process.
3 It apparently -- it's not as clear as would be
4 preferred.

5 MR. ERB: Could I ask you to send us that
6 question in writing --

7 MR. GRINSPAN: Absolutely.

8 MS. ERBS: -- so we can refer to the page?

9 MR. GRINSPAN: I'll be glad to.

10 MR. ERB: We're more than anxious to provide you
11 with exactly what you need and that goes for
12 everybody.

13 MR. GRINSPAN: Okay.

14 MR. ERB: If we haven't done that, we will.

15 MR. GRINSPAN: Be glad to.

16 There's one other question I have.

17 Communications piece on General Section, Page 54.

18 Other than the SPDs, do you anticipate any other
19 materials that you will need at least on the
20 behavioral health side, any other materials to be

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21 sent to the members' homes by the vendor other than
22 the SPDs, or is it like any communication materials
23 that are relative to the behavioral health would be
24 sent to a centralized location for distribution?

25 MS. ERBS: A couple of things. The SPDs we're

21

1 trying to get away from a hard copy being sent to
2 147,000. Distribution is difficult. No one looks at
3 it. They've got a problem and then they can't find
4 it and they ask you for it anyway. So we have said
5 that all SPDs will be provided on the District's Web
6 site with a link. We had also said if a member asks
7 for a certified copy or a copy directly from the
8 carrier, then you will be required to send that one
9 copy directly to the employee.

10 MR. GRINSPAN: Historically does that happen
11 very often?

12 MS. ERBS: No.

13 MR. GRINSPAN: Just so I'm clear. We don't need
14 to be pricing in the cost of mailing SPDs out to all?

15 MS. ERBS: That's correct.

16 MR. GRINSPAN: Got it.

17 MS. ERBS: However, on materials, we try to
18 communicate in every manner we can to our employees
19 to get the information out. We understand there's a
20 segment of our population that wouldn't begin to know
21 how to turn on a computer, much less find our Web
22 site. So we make an effort to send materials out and
23 have the locations, print them out, this, that and
24 the other. However, we also want to have vendors
25 provide employees, again, can't be detail stuff,

1 because, you know, it's going to go in the garbage,
2 but periodically I think it's to the vendor's benefit
3 as well as the employee that some documentation be
4 sent directly to home addresses.

5 "Did you know that you have these benefits
6 available to them."

7 MR. GRINSPAN: Does the District have a
8 preference as to how many times a year you would like
9 to see that?

10 MS. ERBS: We do not. We have a hard time
11 getting the information out as it is once a year, but
12 we're trying to do it better. Our staff is very
13 limited. Five for 50,000 employees. They do a
14 really great job.

15 MR. GRINSPAN: Okay.

16 MS. ERBS: So there's just so much we can
17 handle, but we would come to you to ask you to -- and
18 in your best interest for the people to know what the
19 product is and what the benefits are. We have it on
20 our Web site all year-round.

21 We're, as a District, trying to do a much better
22 job of setting it up, present to different groups
23 throughout the District and maybe 14, 15 locations
24 what the program is about. We would at that time we
25 ask that the vendors not do presentation, but be that

1 as a resource that setup tables for the different
2 things to hand out to family, to talk to people about

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3 what it is that you do or with the managed behavioral
4 health company, medic company, whatever it is. We
5 have not been real successful in doing that, but that
6 is a goal of ours next year. So we would ask for
7 your participation in that, but that's not agenda
8 mail out.

9 MR. GRINSPAN: Okay. And I do have one more
10 that is on Page 27, the Selection Criteria.

11 You talk about local service or administrative
12 office and accessibility of a medical director. Is
13 there a preference on the part of the District to
14 have the call center, for example, located in the
15 area versus out of state, for example?

16 MS. ERBS: I don't think we care where the call
17 is, because the employee calling has no idea where
18 they are calling, but there are local requirements
19 that we have for accessibility. It's very difficult
20 if a firm is located in Spokane and we say we'd like
21 for you to come down here tomorrow about this crisis
22 or this situation.

23 The local presence we find it necessary for
24 knowing our population, our group, responding to our
25 needs, but a call is not anything anybody knows what

24

1 state the person is.

2 MR. CLARK: Specific to behavioral health, the
3 board does have an internal EAP department through
4 the District. We have contracts with certain
5 entities to do nighttime, to receive nighttime
6 emergency calls, et cetera.

7 So in some instances, depending on how

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8 historically to put a program together, certain
9 services that inherently have been offered are part
10 of a package behavioral health program.

11 We may or may not decide to implement that
12 because we don't want to have our employees confused
13 as to if I have an emergency that behavioral health
14 in the middle of the night, do I call the carrier, do
15 I call the company that's under contract to the AEP.
16 So I can't give you a specific answer of which way
17 we're going to go because obviously the department
18 could decide to make some changes in the future.

19 As it exists right now, we don't take the
20 services of 24-hour, you know, calls through our
21 health carrier on behavioral health issues because we
22 funnel it through the AEP Department.

23 MS. ERBS: We have a very active aggressive AEP
24 Department. So it's to the administrative people
25 handling it. They are very dedicated to what they

25

1 do. Our employees have a high trust level in that
2 department. And as far as the behavioral health
3 piece, there would be a real tie into them to the
4 vendor that's absolutely necessary. The board and
5 local agency may come into it.

6 In that case, they will get managerial referral
7 or a teacher in crisis. Our EAP department has to
8 have a tape and phone numbers of local people that
9 they can get a hold of that says we need John Doe
10 admitted now, and I will tell you a story.

11 The impact of not getting someone admitted in a

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12 crisis situation tonight is that tomorrow morning
13 they show back up in the classroom to teach your
14 children and they have not gotten help while they
15 might have been in a crisis tonight, they get over it
16 by tomorrow without any mention of any health.

17 So it is very critical that they are being a
18 local team who understands the District, understands
19 the employee, understands that when we call it's
20 critical they need response and that they get a
21 response quickly.

22 MR. GRINSPAN: So what you're saying is, Scott,
23 is that are you saying, then, that the internal AEP,
24 you say it does have a 24 by seven capability after
25 hours?

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1 MR. CLARK: It actually contracts out for that
2 service on the local basis.

3 MR. GRINSPAN: You do it locally? It's not part
4 of what you would expect from --

5 MR. CLARK: No, because once global aids do
6 that, once we get proposals in and decide we want to
7 negotiate, they can choose certain circumstances they
8 think are going to fit.

9 MR. GRINSPAN: Okay. Is the internal AEP some
10 sort of -- you have network relationships that you
11 developed in the county; is that right?

12 MR. CLARK: In many instances they live through
13 our networks. Obviously our employees in order to
14 access the services they need and have to pay for
15 them by health carrier have to work in the networks
16 established by the carriers.

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17 MR. GRINSPAN: Okay.

18 MR. CLARK: For instance, we need to ask every
19 proposal to make sure that certain lists of
20 psychologists are in there, are people that have
21 proven to our EAP people that they are responsive and
22 good clinicians themselves.

23 MR. GRINSPAN: I'm sorry to be dominating this.
24 I have one more question as far as the AEP is
25 concerned.

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1 Does AEP function as a gatekeeper at all because
2 it's not noted anywhere?

3 MR. CLARK: They do not.

4 MR. GRINSPAN: They do not?

5 MR. CLARK: They do not assume that liability.

6 MR. GRINSPAN: That's okay.

7 MS. ERBS: The employee doesn't have mandate to
8 go through them; however, there's a high trust factor
9 within the District that an employee can go to them
10 and then they will refer the employee to different
11 providers of services.

12 MR. GRINSPAN: Through the vendor?

13 MS. ERBS: Yes.

14 MR. GRINSPAN: Network. Thank you.

15 MR. ERB: Any other questions?

16 MR. MILLER: Jeff Miller, Cigna Behavioral
17 Health.

18 Just historically you have not carved out mental
19 health or pharmacy and I'm just wondering what's the
20 driver for that. Is it for cost savings? Are you

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21 looking for the best program or is there some sort of
22 underlying issue that making the decision to go to --
23 to do that and is that truly the strategy you're
24 looking for entertaining rather than keeping it?

25 MS. ERBS: We don't at this point have a

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1 preference to keep it within the medical. We have
2 asked even the medical carrier to separate out their
3 pricing for the prescription drugs and behavioral.

4 I think one of the drivers is determining more
5 specifically what the program consists of rather than
6 getting whatever the carrier has. That's a method
7 that we are looking for in behavioral health.

8 MR. CLARK: We're looking for the best in the
9 class. We don't know necessarily we have the best,
10 but we're looking. We're working very closely with
11 employee associations and we made a commitment to
12 them and their members to look at all aspects of the
13 program so that we could pick and choose, and
14 something we can afford.

15 MR. MAFALE: Tom Mafale, United Health Care.

16 Two questions. The first is, clarification of
17 an earlier query on the child/children rate. I still
18 need further clarification. I'm not sure how that
19 rate is supposed to apply.

20 MS. ERBS: We have four tiers. We are asking
21 for a fifth and a sixth tier, if you will, that
22 covers an employee's child or other than one child,
23 two or more. We're asking for a children only tier.

24 MR. CLARK: What the difference is is that it
25 doesn't require to get enrollment with employee.

1 Right now you have to have an employee enroll in
2 order to have the child enrolled. We're looking at a
3 stand alone children rate that would only be for
4 dependent child, even though that employee may not be
5 enrolled in that program.

6 MR. MAFALÉ: Right now the employee is still
7 three cross, which he is automatically enrolled in
8 that fourth tier?

9 MS. ERBS: Right. If the employee wants
10 coverage for their child or children, it's one tier
11 with one rate. However, we allow certain segments of
12 our population that bargain for the ability to buy
13 our coverage. They pay the full premium. No
14 subsidy. This would give someone who doesn't have
15 access, say, to coverage to buy for their children.
16 It would also allow the spouse -- the parent to
17 choose Plan A, but they still can't afford the
18 employee plus child premium hoping to find an
19 alternative that would afford them some coverage for
20 their children that they can't afford.

21 MR. CLARK: Under the current program where we
22 allow employees to opt out, we would also allow that
23 to continue, but allow the employee to opt out to
24 enroll their children into a program where that's not
25 possible right now.

1 MR. MAFALÉ: Thank you.

2 The second question is design plan, that five,

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3 six tier. If I interpret the RFP correctly, you have
4 HMO and PS requesting. Are those going to be in
5 addition to the current plans? Are they going to
6 replace the current plans or you haven't yet to
7 decide?

8 MS. ERBS: We have yet to decide.

9 As far as in the proposal, we would ask for
10 quotations on each of them. The HMO, the alternative
11 HMOs refers to a gatekeeper model. We have heard
12 from segments of our population that they don't care
13 if Baptist, all of the bells and whistles that
14 Baptist can offer is available to their population.
15 If they have a child or illness themselves giving
16 that group a narrow gatekeeper model, narrow network,
17 not all the hospitals in the county is not a problem.
18 They view it as access for a group of people who
19 currently don't have access to medical coverage,
20 albeit a narrow range of coverage and hospitals and
21 physicians.

22 MS. DORCELY-HENDERSON: Marjorie Henderson,
23 Health System One.

24 Can you please specify what you consider a
25 child, because that definition varies. What is

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1 the --

2 MS. ERBS: In our enrollment material it
3 included our enrollment information, the definition
4 of eligibility is stated there.

5 MS. DORCELY-HENDERSON: I mean, in terms of age
6 bracket, because some people are 0 to 18, some are to
7 21 is considered a child. So that was the range.

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8 MR. CLARK: We allow to have children up until
9 the end of the -- until they turn the age of 25,
10 full-time, part-time students or they are living in
11 your house depended upon you. They don't have to
12 have both.

13 MS. DORCELY-HENDERSON: Up to 25. Thank you.

14 MR. WHITE: Kevin White, Cigna HealthCare. I
15 have four questions.

16 Your current Medicare risk contract, is that
17 going to be required of the new vendors and, if so,
18 is it going to require for all the areas which
19 retiree resides?

20 MS. ERBS: Florida statute mandates that we
21 provide coverage for our retirees. As you may, we
22 have an entire population who could probably get a
23 better program outside of the District, but don't
24 want to leave the mother ship for.

25 We're a unique employer where people have

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1 30 years here is the norm, not the exception. A
2 teacher out of college is 22 until you retire. It's
3 that mind-set. So the retirees are very vocal, very
4 concerned about their retirement.

5 We understand that Medicare risk vary and change
6 every year. Dade, Broward and Palm Beach are three
7 of them. The only counties in the state that are
8 even still offering Medicare.

9 We have to have some type of programs for those
10 retirees. So if it's not Medicare product which
11 would be our preference to have Medicare supplement,

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12 it's not a mandate that would be automatically
13 disqualified if you don't have Medicare risk product
14 because we do understand the problem with that in the
15 state, but as a supplement it will.

16 MR. WHITE: So you'll leave that creative for
17 carriers?

18 MS. ERBS: Yes. No proposal will be rejected
19 because of a piece being missing. All proposals
20 would be evaluated.

21 MR. WHITE: The alternative medical hand that
22 you were speaking about earlier, I think it's
23 interpreted by different people for different things.
24 I was looking at it possibly offering products for a
25 segment of your population. Is that another area

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1 where you're giving us wide latitude to design the
2 program that you think may be a good fit?

3 MS. ERBS: Yes. I guess there's two
4 alternatives in the medical plan. I may have
5 mistaken a question and my response was truly
6 alternative medical product that may be able to
7 discount services type situation to give our
8 employees some type of coverage. However, we have
9 given an alternative language to tell us, you know,
10 what it is you have. As stated by somebody here,
11 there could be 27 different. We couldn't make it 270
12 different iterations because we wouldn't be able to
13 get them analyzed, but we have asked for
14 alternatives.

15 MR. CLARK: You'll see in the plan designs which
16 are in our RFP is the conspicuous absence of consumer

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17 model and that doesn't mean that if one shows up it's
18 not going to be looked at, but in creation of the RFP
19 we had some long and lengthy discussions with the
20 union representatives about whether or not this was
21 going to be a model we need for the employees, and
22 could we communicate it effectively, and, A, we're
23 not all that wind up about it so when we put out the
24 hand, you'll see it's not fair. It doesn't mean if
25 you want to put something on paper, a concept of an

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1 alternative medical plan design that it wouldn't be
2 looked at, but we're not searching for that.

3 MR. WHITE: Okay. Thank you.

4 In the RFP when you were asking for rate
5 guarantees for the initial 18-month period, you also
6 state you have to have -- fees have to be for
7 22 months. Should that be 48?

8 MR. ERB: I don't know. We won't answer that.

9 MS. ERBS: It did come up, but it gets to the --
10 if it's end of July 1, then you've got a six-month
11 period, and then three years after that to get it
12 back in sync with the calendar year process. I'm
13 pretty sure it's the first six months and then three
14 years thereafter that gets it back.

15 MR. CLARK: The answer is the longer the better.

16 MR. WHITE: Last question. Challenge for all
17 insurance companies that are offering the ability of
18 these individual bargaining units to select Cigna,
19 United, Humana, Blue Cross. We're not rating it the
20 products based on the individual, the union. We're

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21 basing it on the group, rating it on the group. I
22 believe I saw in the RFP that we will have the
23 ability to negotiate individual bargaining rates; is
24 that correct?

25 MS. ERBS: Yes. 11208 gives us the ability

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1 after putting out an RFP and receiving formal
2 proposals on the due date to the District for
3 procurement office that then we have the latitude to
4 negotiate which we absolutely will do.

5 I was remiss, it's probably, in saying that
6 we've got in the document that when they ask you to
7 come to presentations that may be 40-ad hoc
8 committee. The Cone of Silence does not include
9 responding to the consultant's questions for
10 clarification. So all of that happens subsequent to
11 receipt of the proposal.

12 MR. CLARK: What she said is absolutely right.

13 MS. ERBS: And, Scott, I mentioned to them that
14 each bargaining unit has the ability to negotiate for
15 a particular hand, however, the ultimate decision is
16 that of the board's.

17 MR. CLARK: School Board is the whole way.

18 MR. WHITE: I actually have one more question I
19 just thought of.

20 Is there a preference by the board of the
21 self-insured?

22 MS. ERBS: We have gone over that and our
23 consultant will tell you we no longer can go to the
24 self-insured conference in the sky with all.
25 Embarrassment of having a group our size fully

1 insured, but we did an analysis probably three years
2 ago, fully insured -- actually, we did an RFP. We
3 analyzed the results projected out five years versus
4 the fully insured product we have.

5 At that point, we took it to the board in an
6 executive session. The board had no appetite for it.
7 At that point, part of the decision for that
8 particular year was that we were looking at
9 zero percent increase in fully insured products over
10 the next year.

11 So while the projections and savings, we took on
12 some liability versus keeping the same program at the
13 same premium for the next cap of the year. At that
14 point the board gave us -- we are not at all adverse
15 to self-insured. We understand that we're the size
16 of some small insurance companies. So we certainly
17 are an incredible group.

18 We thank you for your time. Please, if you have
19 any written questions --

20 MR. ERB: Again, could we get business cards,
21 folks, especially those of you that asked questions.

22 MR. WHITE: Will the transcript be available?

23 MR. ERB: We'll let you know.

24 MS. ERBS: The transcript the last time we did
25 this was 80 pages. I'm not sure we want to go

1 through all that, but we can post it on the Web site
2 if you care to look at it. As a municipality we're

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Sunshine. The minute it comes to us it's public
information. Don't call me and ask me for copies,
make your own.

MR. GRINSPAN: Would you like us to submit the
questions we asked in writing to make sure they are
clear?

MR. ERB: Please.

MS. ERBS: Particularly if an answer was not
exactly what you were looking for, or you want to
pose the question a little differently. Please get
it to us because we would rather have more specifics
than less.

MR. GRINSPAN: Is this Q and A session part of
the addenda?

MR. CLARK: The transcript will be posted as
opposed to sending it out.

MS. ERBS: Everything that's referenced in
Addendum Number 1 will be -- we did not anticipate
going through this entire transcript between now and
next Friday and getting it on line to answer
everything that was asked here. However, questions
that we said we'll have to get to you on will be,
absolutely, those questions.

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MR. GRINSPAN: Will these questions be
available?

MS. ERBS: They will be on line, the petition.

MR. GRINSPAN: It will be on the Web site at
some point?

MS. ERBS: Absolutely. It has to be on by next
Friday after that.

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8 Thank you very much.

9 (Thereupon, the meeting was concluded at 3:00

10 p.m.)

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1 CERTIFICATE

2 STATE OF FLORIDA)

3 COUNTY OF MIAMI-DADE)

4

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6 I, FELECIA CURRERI, Registered Professional

7 Reporter, certify that I was authorized to and did

8 stenographically report the foregoing proceedings and

9 that the transcript is a true and complete record of my

10 stenographic notes.

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