



DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PROCUREMENT
ACTION AGENDA
June 8, 2022



*Contact: Sherreon Washington 410-767-8006
sherreon.washington1@maryland.gov*

45-S-OPT. SERVICES OPTION
***Department of Budget and Management,
Office of Personnel Services and Benefits***

Contract ID: Medical Health Plan Administration and Services - Preferred Provider Organization, Exclusive Provider Organization and Integrated Health Model; *F10B5400002*
ADPICS No.: F10B2600038, F10B2600039; F10B2600040; F10B2600041

Contract Approved: DBM 4-S, 08/13/2014

Contract Description: Provide health benefits for eligible Participants of the State Employee and Retiree Health and Welfare Benefits Program beginning with the plan year effective January 1, 2015. The State's goal is to offer a full complement of benefits in order to attract and retain valued employees as well as ensure their long-term health and well-being. In addition, the State fully supports the belief that personal responsibility plays an important role in a member's overall health and wellness and, as a result, has adopted a phased-in strategic direction that includes Value-Based program components for implementation beginning with employee education starting in 2015 and additional plan design features being implemented during the contract.

Option Description: Exercise the final renewal option.

Awards: Functional Area (FA) 1 - PPO:
CareFirst of Maryland, Inc.; Baltimore, MD
United Healthcare Services, Inc.; Minnetonka, MN

FA 2 - EPO:
CareFirst of Maryland, Inc.; Baltimore, MD
United Healthcare Services, Inc.; Minnetonka, MN

FA 3 - IHM:
Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.;
Rockville, MD

Contract Term: 08/14/2014 - 12/31/2020 (w/two 2-year renewal options)

Option Term: 01/01/2023 - 12/31/2024

Original Amount: \$8,775,091,389



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45-S-OPT. SERVICES OPTION (cont'd)

Option Amount: \$3,837,722,590

Prior Mods/Options:

CareFirst:

\$ 0 (Mod #1: Amended compliance checklist & performance guarantee requirements in Contract Attachment S for FA1 and FA2; Delegated Authority - DBM, 08/17/2016)
 \$ 0 (Mod #2: Eliminated certain reporting requirements in the Contract Compliance Checklist Attachment S-9 for FA1 and FA2; Delegated Authority - DBM, 08/08/2017)
 \$ 0 (Mod #3: Amended certain performance guarantee requirements in Contract Attachment S-12 for FA1 and FA2 Delegated Authority - DBM, 06/25/2018)

United Health Care:

\$ 0 (Mod #1: Revised MBE plan for FA1 and FA2 Delegated Authority - DBM 12/30/2014)
 \$ 0 (Mod #2: Amended compliance checklist & performance guarantee requirements in Contract Attachment S for FA1 and FA2 Delegated Authority - DBM 08/17/2016)
 \$ 0 (Mod #3: Eliminated certain reporting requirements in the Contract Compliance Checklist Attachment S-9 for FA1 and FA2 Delegated Authority - DBM 08/18/2017)
 \$ 0 (Mod #4: Amended certain performance guarantee requirements in Contract Attachment S-12 for FA1 and FA2 Delegated Authority - DBM 06/25/2018)

Kaiser:

\$ 0 (Mod #1, Amended compliance checklist & performance guarantee requirements in Contract Attachment S for FA3 Delegated Authority - DBM 08/17/2016)
 \$ 0 (Mod #2, Added one year to the base contract term and two 2-year renewal option Delegated Authority - DBM, 09/25/2019)
 \$3,424,408,676 (Renewal Option #1: 01/01/2021 - 12/31/2022; DGS 14-S-OPT, 06/03/2020)

Total Contract Amount: \$16,037,222,655

Percent +/- (This Item): 43.73%



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45-S-OPT. SERVICES OPTION (cont'd)

Total Percent Change: 82.76%

Original Procurement Method: Competitive Sealed Proposals

Living Wage Eligible: Yes

MBE/VSBE Participation: 6% / 0.5% (Administrative Fees)

MBE/VSBE Compliance: 3.93% / 0.39%

Performance Security: N/A

Requesting Agency Remarks: This renewal option is determined to be in the best interest of the State because it will allow State to facilitate a successful transition between the current contractor and a future contractor, in keeping with BPW Advisory 1995-1 7a(2), by aligning the terms all of the Department’s medical benefit contracts to allow for a unified re-procurement effort, which will benefit participation of the vendor community and alleviate the burden of responding to multiple procurements. Conducting a unified re-procurement will also promote administrative efficiencies and the opportunity for more competitive pricing for the State.

Fund Source: Various

Approp. Code: Various

Resident Business: Two of Three

BOARD OF PUBLIC WORKS ACTION

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION