



**DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PROCUREMENT
ACTION AGENDA
June 3, 2020**



*Contact: Christina Kuminski 410-767-4787
christina.kuminski@maryland.gov*

14-S-OPT. SERVICES OPTION

***Budget and Management DBM , Office of Personnel Services and Benefits,
Employee Benefits Division***

Contract ID: Health Plan Administration and Services – Preferred Provider Organization PPO , Exclusive Provider Organization EPO and Integrated Health Model IHM
ADPICs No.: F10B5400002

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

Contractors:

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 Description: Provide health benefits for eligible Participants of the State Employee and Retiree Health and Welfare Benefits Program the 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 first two-year renewal option.

Original Contract Term: 08/14/2014 – 12/31/2020

Option Term: 01/01/2021 – 12/31/2022

Original Contract Amount: \$8,775,091,389 Est.

Option Amount: \$3,424,408,676



**DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PROCUREMENT
ACTION AGENDA
June 3, 2020**



14-S-OPT. SERVICES OPTION *cont'd*

Total Contract Amount: \$12,199,500,065

Percent +/- This Item : 28%

Total Percent Change: 28%

Prior Mods/Options:

CareFirst:

\$0 Mod #1, 08/17/2016

\$0 Mod #2, 08/08/2017

\$0 Mod #3, 06/25/2018

United Health Care:

\$0 Mod #1, 12/30/2014

\$0 Mod #2, 08/17/2016

\$0 Mod #3, 08/18/2017

\$0 Mod #4, 06/25/2018

Kaiser:

\$0 Mod #1, 06/25/2018

Original Procurement Method: Competitive Sealed Proposals

MBE/VSBE Participation: 0.2% see below

MBE/VSBE Compliance: See below

Requesting Agency Remarks: Request for approval to exercise the first of two 2-year renewal options as contained in the original contracts to provide health benefits for eligible Participants of the State Employee and Retiree Health and Welfare Benefits Program

MBE participation goals of 6% of the total administrative fees paid to the contractors for PPO and EPO contracts and 0.6% of the total premiums paid to the contractor for the IHM contract have been established for these contracts. All contract awardees have met these MBE goals. VSBE participation goals of 0.5% of the total administrative fees paid to the Contractors for PPO and EPO contracts and 0.05% of the total premiums paid to the Contractor for the IHM contract have been established for these contracts. All recommended contract awardees have met these VSBE goals.

Fund Source: Various

Approp. Code: Various

