

## DEPARTMENT OF BUDGET AND MANAGEMENT ACTION AGENDA

## SERVICES CONTRACT MODIFICATION

ITEM:	15-S-MOD	Agency Contact: Anne Timmons 410-767-4787 anne.timmons@maryland.gov
DEPARTME	NT/PROGRAM:	Budget and Management (DBM) Employee Benefits Division (EBD) Maryland State Employees' and Retirees' Benefits Program
CONTRACT	ID:	F10B1400014; Group Long Term Care Insurance ADPICS # COE79268
CONTRACT	APPROVED:	4/1/2012 DBM BPW Agenda Item 1-S
CONTRACT	OR:	The Prudential Insurance Company of America Livingston, NJ

**CONTRACT DESCRIPTION:** Provide voluntary, group long-term care insurance benefits to Maryland State Employees, Retirees and eligible family members. This is a tax-qualified group plan that has been approved/certified by the State of Maryland Insurance Administration.

**MODIFICATION DESCRIPTION:** Due to changes in the State's employee benefits plans, all of the State's benefits contracts require modifications (see related DBM contract modification Items 10-S-MOD through 16-S-MOD). This modification: (1) changes the contract's Plan Year from the State fiscal year (FY) to the calendar year (CY) beginning with CY2014; (2) creates a Short Plan Year to cover the period from 7/1/2013 to 12/31/2013 for six months; and (3) reduces the term of the contract by six months to coincide with the end of the CY for the final contract Plan Year.

TERM OF ORIGINAL CONTRACT	7/1/2012 - 6/30/2017
TERM OF MODIFICATION:	7/1/2013 - 12/31/2016
AMOUNT OF ORIGINAL CONTRACT	\$9,000,000 Est. Value (5 Years)
AMOUNT OF OPTION/MODIFICATION:	\$0

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**ITEM:** 15-S-MOD (Cont.)

PRIOR OPTIONS/MODIFICATION:	None
<b>REVISED TOTAL CONTRACT AMOUNT:</b>	\$9,000,000 Est.
<b>OVERALL PERCENT +/- (THIS MOD):</b>	+0.0%
ORIGINAL PROCUREMENT METHOD:	Competitive Sealed Proposals
MBE PARTICIPATION:	2%
<b>MBE COMPLIANCE:</b>	<mark>3%</mark>

**REQUESTING AGENCY REMARKS:** Request for approval to modify the contracts to (1) change the contract's Plan Year from the State fiscal year (FY) to the calendar year (CY) beginning with CY2014; and (2) create a Short Plan Year to cover the period from 7/1/2013 to 12/31/2013 for six months. An extension of this contract is not required as Group Long Term Care Insurance will not be continued to be provided through the State after this contract expires due to Prudential discontinuing new sales of their Group Long Term Care Insurance.

This change is necessary to align this plan's plan year with the other insurance plans under the State Employee and Retiree Health and Welfare Benefits Program.

FUND SOURCE:	100% Reimbursable
APPROP. CODE:	F10A02.02
<b>RESIDENT BUSINESS:</b>	No

Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
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WITH DISCUSSION

WITHOUT DISCUSSION