Supplement B
Department Of Budget And Management
ACTION AGENDA
August 13, 2014

SERVICES CONTRACT

ITEM: 5-S

Agency Contact: Anne Timmons
410-767-4710
anne.timmons@maryland.gov

DEPARTMENT/PROGRAM:

Budget and Management (DBM)
Office of Personnel Services and Benefits (OPSB)
Employee Benefits Division (EBD)

CONTRACT ID:

SLEOLA Medical Plan Administration and
Services (PPO, EPO, & POS)
ADPICS # F10B4400011

CONTRACT DESCRIPTION: Provide medical plan administration and services through a Preferred Provider Organization (PPO), an Exclusive Provider Organization (EPO) and Point of Services (POS) for the State Law Enforcement Officers Labor Alliance (SEOLA).

AWARD:

CareFirst of Maryland, Inc.
Owings Mills, MD

TERM:

8/14/2014 - 12/31/2019

AMOUNT:

$80,323,272 Est. Total (5 Years, 4 ½ Months)

PROCUREMENT METHOD:

Competitive Sealed Proposals

PROPOSALS:

See page 17B

MBE PARTICIPATION:

0.2% (See Requesting Agency Remarks below)

PERFORMANCE BOND:

None

INCUMBENT:

None

REQUESTING AGENCY REMARKS: A notice of the availability of the Request for Proposals (RFP) was advertised on *eMarylandMarketplace.com* and posted on the DBM website. Copies of the solicitation notice were mailed directly to seven prospective vendors, three of which were Maryland firms, and included no MBEs. A copy was also sent to the Governor's Office of Minority Affairs.

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A 4% MBE participation goal and a 0.5% VSBE participation goal were established for the total actual administrative fees. Administrative fees do not include the claims reimbursements paid to health care providers for services rendered to State employee members of the SLEOLA union and dependents.

The RFP allowed for the award of one contract for each Functional Area (FA): PPO, EPO, and POS services. Four proposals were received in response to the solicitation. Three offerors proposed to all FAs, and one offeror proposed to all but the POS FA. Two proposals were found to be not reasonably susceptible of being selected for award; and two proposals were deemed to be reasonably susceptible of being selected for award. CareFirst of Maryland, Inc. was ranked overall #1 with the higher ranked technical offer and the lower price for all three FAs. Therefore, award is recommended to CareFirst of Maryland, Inc. as having the more advantageous offer for the State.

The *Award Amount* includes five years of fixed price administration and network fees, plus five years of projected claims. The financial model was based on enrollment assumptions and utilization using current enrollment levels across the various enrollment tiers (employee, employee + 1 child, employee + spouse, family).

The Contractors will begin offering their plans as of January 1, 2015. However, it is necessary for the selected Contractors to participate in Program Open Enrollment activities beginning in August 2014. No payments will be made for any activities prior to January 1, 2015.

FUND SOURCE: Various

APPROP. CODE: Various

RESIDENT BUSINESS: Yes

MD TAX CLEARANCE: 14-1773-1110

Board of Public Works Action – This Item was:

APPROVED   DISAPPROVED   DEFERRED   WITHDRAWN

        WITH DISCUSSION   WITHOUT DISCUSSION

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ITEM: 5-S (Cont.)

PROPOSALS (Cont.):

PPO			
OFFERORS	**TECHNICAL RANKING**	**FINANCIAL PRICE / RANKING**	**OVERALL RANKING**
CareFirst of Maryland, Inc. Owings Mills, MD	1	$42,942,989 / 1	1
Cigna Health & Life Insurance Company Columbia, MD	2	$50,050,787 / 2	2

EPO			
OFFERORS	**TECHNICAL RANKING**	**FINANCIAL PRICE* / RANKING**	**OVERALL RANKING**
CareFirst of Maryland, Inc. Owings Mills, MD	1	$18,843,905 / 1	1
Cigna Health & Life Insurance Company Columbia, MD	2	$22,242,172 / 2	2

POS			
OFFERORS	**TECHNICAL RANKING**	**FINANCIAL PRICE* / RANKING**	**OVERALL RANKING**
CareFirst of Maryland, Inc. Owings Mills, MD	1	$23,785,385 / 1	1
Cigna Health & Life Insurance Company Columbia, MD	2	$27,392,283 / 2	2