

SERVICES CONTRACT

ITEM: 2-S **Agency Contact:** Cecilia Januszkiewicz
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DEPARTMENT/PROGRAM: Budget and Management (DBM)
Maryland State Employees and Retirees
Benefits Program

CONTRACT ID: F10R6200016;
Long Term Care Insurance for Maryland State
Employees, Retirees and Other Eligible Individuals
ADPICS NO. F10B6200009

CONTRACT DESCRIPTION: Contract to provide voluntary, group long-term care insurance benefits to Maryland State employees, retirees, satellite agencies, contractual and part-time employees.

AWARD: Prudential Insurance Company of America
Livingston, NJ

TERM: 2/16/2006 - 6/30/2011

AMOUNT: \$0 (5 Years, 4.5 Months; see Requesting Agency
Remarks below)

PROCUREMENT METHOD: Competitive Sealed Proposals

BIDS OR PROPOSALS: N/A (see Requesting Agency Remarks below)

MBE PARTICIPATION: 2%

FUND SOURCE: 100% Reimb. (see Requesting Agency Remarks
below)

APPROP. CODE: F10A02

INCUMBENT: UNUM Life Insurance Company
Columbia, MD

REQUESTING AGENCY REMARKS: A notice of the availability of the Request for Proposals (RFP) was advertised in the *Maryland Contract Weekly* and at the website *eMarylandmarketplace.com*. Also, the notice of availability was e-mailed to 21 vendors, of which 15 were Maryland firms and 8 were MBEs.

Two offerors responded to this solicitation. However only one of these two offerors was deemed reasonably susceptible of being selected for award. This left one responding vendor, the Prudential Insurance Company of America (“Prudential”), whose technical proposal was deemed to be acceptable. Prudential was also determined to be responsible and its financial offer was considered fair and reasonable.

This contract provides voluntary, group long-term care insurance benefits to Maryland State employees, retirees, satellite agencies, contractual and part-time employees. The group long-term insurance benefits include: coverage for nursing home care; home health care services; adult day care; homemaker services; home health aide services; respite care for family caregivers; hospice care; assisted living facilities; Alzheimer’s facilities; and speech and physical therapy services. Premiums are age based (ages 18 - 85).

Employees can select from four reimbursement levels (\$75; \$100; \$150; and \$200 daily rates) and have the option to select inflation protection. There is also a cash value (non-forfeiture) option. Under this contract benefits will be paid solely by employees and retirees; there is no State subsidy provided.

The current contract expires on 6/30/2006. There is an overlap between this contract and the current contract due to transition needs. For example, during the transition period the recommended contractor will conduct a Statewide education program to educate employees and eligible individuals about the benefits of obtaining group long-term care insurance coverage. However, no payment will be made to the contractor until after 6/30/2006 when the old contract ends.

The actual premium amount received by the contractor will be a function of the number of participant employees/retirees and dependents who elect the coverage, their ages, as well as the benefit levels that are chosen. It is estimated that the value of this contract to the vendor will approximate \$8,500,000 over its five year operational term.

RESIDENT BUSINESS: No
MD TAX CLEARANCE: 06-0167-1112

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

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	