

# Executive Summary

Board of Governors Meeting, September 23, 2020

## Contract Renewal of Medical and Prescription Drug Administrative Services Only (1-year Renewal of existing contract)

### Topic

This Action Item requests Board approval to renew the contract for the administrative services related to Citizens medical and prescription drug programs. Blue Cross Blue Shield Florida, Inc. (Florida Blue) is the current contractual provider of the Medical and Prescription Drug Administrative Services Only plan.

The renewal will take effect January 1, 2021 through December 31, 2021.

### History

The current contract with Florida Blue was competitively procured via ITN on June 24, 2016.

This Action Item seeks Board approval for renewing the current contract with Citizens' Medical and Prescription Drug Administrative Services Only provider, Florida Blue, to administer all services needed for Citizens' self-funded plans including an Exclusive Provider Organization (EPO) plan, a High Deductible Health Plan (HDHP) plan, and a Preferred Provider Organization (PPO) medical plan, all of which have a prescription benefit program. The plans will be offered to Citizens' employees, effective January 1, 2021.

For 2020, 92% of employees elected coverage under one of Citizens Medical and Prescription Drug plans and 71% of those employees selected coverage for themselves and at least one dependent. Employee participation for 2021 will be determined based on the outcome of the open enrollment period for 2021 benefit offerings, commencing on October 5, 2021.

Citizens cost for the administrative fees will be \$44.29 per employee per month, which is estimated to total \$562,305 during 2021. The actual total amount expended will be a function of employee enrollment within the offered medical and prescription drug plans.

### Recommendation

It is recommended that the Board of Governors:

- a) Approve the one-year renewal of the contract with Florida Blue for Medical and Prescription Drug Administrative Services Only, beginning January 1, 2021 and ending December 31, 2021, at an estimated cost of \$562,305 as described in this Action Item; and
- b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.

# ACTION ITEM

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- Contract – New  Committee or Board Minutes  
 Contract – Amendment of Contract Terms  Product Changes  
 Contract – Additional Spend  Other One-Year Contract Renewal

<b>Contract ID</b>	<b>Medical and Prescription Drug Administrative Services Only</b> <b>Contract Number: 1616000100</b> <b>Recommended Vendor: Blue Cross Blue Shield of Florida, Inc. ("Florida Blue")</b>
<b>Budgeted Item</b>	<input checked="" type="checkbox"/> Yes continuation of services <input type="checkbox"/> No Funding to be included in the Annual Operating Budget for each respective contract term year.
<b>Procurement Method</b>	Contract to be renewed in accordance with terms of the underlying contract, Citizens' Purchasing Policy, and Section 287.057(13) Florida Statutes.
<b>Contract Amount</b>	<b>One Year Renewal Term:</b> Citizens cost for the administrative services fee is \$44.29 per employee per month from January 1, 2021 - December 31, 2021  Total Renewal Term estimated cost: \$562,305
<b>Contract Term(s)</b>	The requested one (1) year renewal will be effective from January 1, 2021 through December 31, 2021. This contract was competitively procured through ITN No.: 16-0001, awarded to Blue Cross and Blue Shield of Florida, Inc. on June 24, 2016.
<b>Purpose/Scope</b>	This Action Item seeks Board approval for renewing the current contract with Citizens' current Medical and Prescription Drug Administrative Services Only provider, Florida Blue, to administer all services needed for Citizens' self-funded Exclusive Provider Organization (EPO), High Deductible Health Plan (HDHP) and the Preferred Provider Organization (PPO) medical plans with a prescription benefit program to be offered to Citizens' employees, effective January 1, 2021.  Employee participation will be determined during the open enrollment period for 2021 benefit offerings. The total amount expended will be a

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	function of employee enrollment within the offered medical and prescription drug plans.
<b>Recommendation</b>	<p>This Medical and Prescription Drug Administrative Services Only Action Item will be presented at the September 23, 2020 Citizens Board of Governors' meeting.</p> <p>Recommendation:</p> <ul style="list-style-type: none"><li>a) Approve a contract with Florida Blue for a term one year, beginning January 1, 2021 and ending December 31, 2021, for an estimated amount of \$562,305, dependent upon employee enrollment, as set forth in this Action Item; and</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.</li></ul>
<b>Contacts</b>	<p>Violet Bloom, Chief Human Resources Officer James Taylor, Director, Total Rewards</p>