



**MEQUON-THIENSVILLE SCHOOL DISTRICT  
BOARD OF EDUCATION**

**EXECUTIVE SUMMARY**

<b><u>Subject:</u></b> <b>Action to Approve Health and Dental Carriers for 2011-2012 (Effective September 1, 2011)</b>	<b><u>Category:</u></b> <input checked="" type="checkbox"/> <b>Action</b> <input type="checkbox"/> Discussion <input type="checkbox"/> Information
<b>Executive Summary – The Horton Group Bid Results</b>	<b><u>Date for Consideration:</u></b> July 18, 2011

**Background**

The Mequon-Thiensville School District engaged the services of The Horton Group to release a Request for Proposal (RFP) to the marketplace on behalf of the district in order to review options for medical and dental coverage for all employees. It was the desire of the district to insure all employee groups with same provider.

Bids were reviewed and analyzed throughout the months of May and June. Due to the delay in implementation of provisions of the Budget Repair Bill carriers were asked to hold rates until September 1, 2011.

Please see attached report and recommendation from The Horton Group.

**Recommendation**

Based on overall costs, review of network/plan design, previous experience with carrier and recommendation from our consultant it is recommended the board approve the quote from Wisconsin Counties Association (WCA) as the health carrier and Delta Dental as the dental carrier for all employee groups effective September 1, 2011.

Submitted By: Gail Grieger	
<b>Board of Education Action:</b>	<input type="checkbox"/> <b>Approve</b> <input type="checkbox"/> <b>Reject</b> <input type="checkbox"/> <b>Research/Report Back</b>

**Mequon-Thiensville School District  
Renewal and Options Current Plan Designs (Includes Retirees, Excludes Direct Billed)  
All Plans (other than renewals) based on Teacher Plan as base**

**Teacher Plan**

**Stand Alone Option**

	WCA		Current WCA		Current WEA Teachers		WCA Combined (\$150 ER \$10 UC)		WEA Combined (no rate change)		Humana HPN Network	
	# of Lives	# of Lives	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Monthly Premium</b>			<b>Current</b>	<b>Renewal</b>	<b>Current</b>	<b>Renewal</b>						
Single Family	48	39	\$774.36	\$758.87	\$767.04	\$796.02	\$702.00	\$757.06	\$697.79	\$757.06	\$697.79	
Single Medicare	67	210	\$1,765.80	\$1,730.48	\$1,737.46	\$1,800.66	\$1,601.00	\$1,714.88	\$1,576.46	\$1,714.88	\$1,576.46	
Family Medicare	0	3	\$160.92	\$157.70	\$443.78	\$465.74	\$146.00	\$443.78	\$400.90	\$443.78	\$400.90	
Special Medicare	0	1	\$320.76	\$314.34	\$887.56	\$931.48	\$292.00	\$887.56	\$802.35	\$887.56	\$802.35	
Rx Carve Out	1	8	\$935.28	\$916.57	\$1,210.82	\$1,261.76	\$848.00	\$1,200.84	\$1,094.56	\$1,200.84	\$1,094.56	
Single Medicare	N/A	0	N/A	N/A	\$144.76	\$140.76	N/A	N/A	N/A	N/A	N/A	
Family Medicare	N/A	0	N/A	N/A	\$289.52	\$281.52	N/A	N/A	N/A	N/A	N/A	
<b>Monthly Premium</b>			\$156,413	\$153,285	\$406,687	\$421,606	\$512,913	\$553,912	\$509,243	\$553,912	\$509,243	
Annual			\$1,876,958	\$1,839,419	\$4,880,239	\$5,059,274	\$6,154,956	\$6,646,949	\$6,110,919	\$6,646,949	\$6,110,919	
Percentage Change over Current			-2.0%		3.7%		-8.9%	-1.6%	-9.6%	-1.6%	-9.6%	
Dollar Change over Current			-\$37,539		\$179,034		-\$602,241		-\$646,278	-\$110,248		
<b>Total Combined Cost</b>			<b>Combined Current</b>		<b>Combined Renewal</b>							
Percentage Change Combined			\$6,757,197	N/A	\$6,898,693							
Dollar Change Combined			N/A	N/A	\$141,495							
Not to Exceed			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Deductible	Single Family		\$100	\$250	\$100	\$200	\$100	\$200	\$100	\$200	\$100	\$250
Coinsurance	Single Family		\$200	\$500	\$200	\$400	\$200	\$400	\$200	\$400	\$200	\$500
Coinsurance Out of Pocket	Single Family		100%	70%	100%	80%	100%	80%	100%	80%	100%	70%
Out-of-Pocket Maximum (Excludes Copays)	Single Family		\$0	\$1,500	\$0	\$1,250	\$0	\$1,500	\$0	\$1,250	\$0	\$1,500
Office Visit Copay - PCP	Single Family		\$0	\$3,000	\$0	\$2,500	\$0	\$3,000	\$0	\$2,500	\$0	\$3,000
Office Visit Copay - Specialist	Single Family		Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible
Urgent Care Copay	Single Family		\$100	\$1,750	\$100	\$1,450	\$100	\$1,750	\$100	\$1,450	\$100	\$1,750
ER Visit Copay	Single Family		\$200	\$3,500	\$200	\$2,900	\$200	\$3,500	\$200	\$2,900	\$200	\$3,500
Prescription Drugs - Retail (30 Day)	Level 1		\$0	Deductible then 70%	\$0	\$10	\$0	Deductible then 70%	\$0	\$10	\$0	Deductible then 70%
Level 2			\$0	Deductible then 70%	\$0	\$10	\$0	Deductible then 70%	\$0	\$10	\$0	Deductible then 70%
Level 3			\$0	Deductible then 70%	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10
Level 4			\$25	\$25 copay then 100%	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Mail Order			Copay - Value Choice	Copay - Value Choice	Copay - Value Choice	Copay - Value Choice	Copay - Value Choice	Copay - Value Choice	Copay - Value Choice	Copay - Value Choice	Copay - Value Choice	Copay - Value Choice
			\$10	\$10	\$0	\$0	\$10	\$10	\$0	\$0	\$10	\$10
			\$20	\$20	\$5	\$5	\$20	\$20	\$5	\$5	\$20	\$20
			\$40	\$40	\$20	\$20	\$40	\$40	\$20	\$20	\$40	\$40
			N/A	N/A	\$40	\$40	N/A	N/A	\$40	\$40	N/A	N/A
			Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days	Two Copays for 90 Days

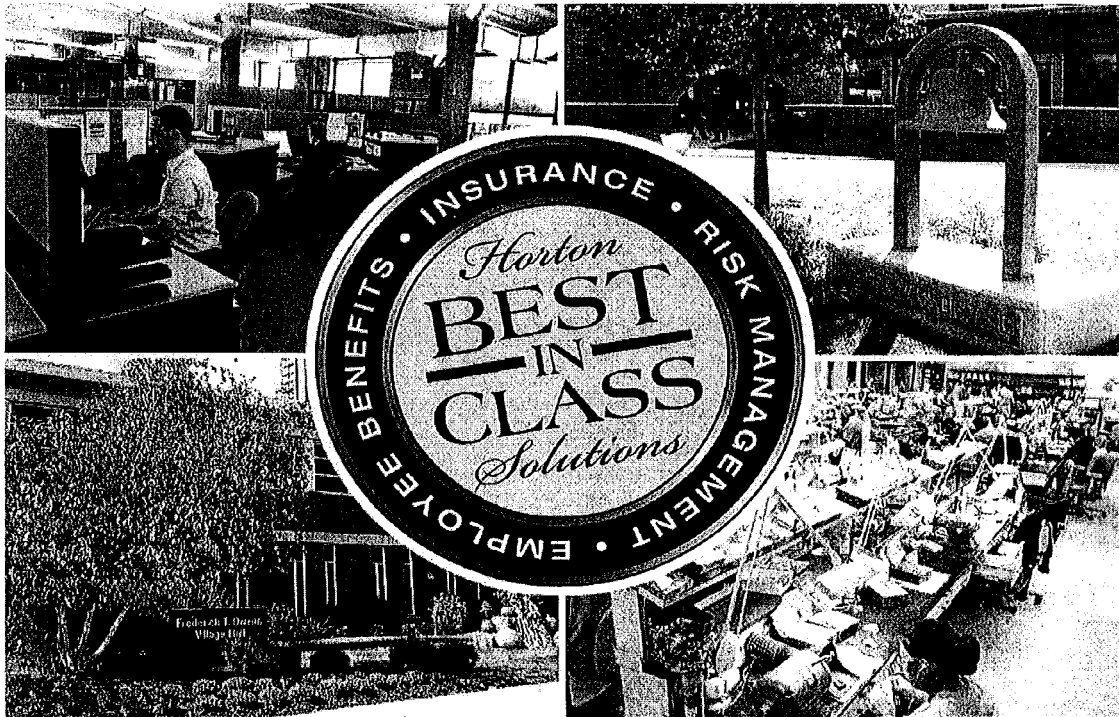
underwriting and final enrollment process. Rates quoted are not guaranteed and may change subject to updated claim information, changes to the census &/or enrollment elections. If there is a discrepancy between the rates provided in this proposal and the rates provided by the carrier, the carrier's final rates will govern. Additional coverage may be available. All efforts have been made to ensure the information in this proposal is accurate; however no warranty of complete accuracy is warranted.

**Mequon-Thiensville School District  
Dental Plan Analysis - Excludes Direct Billed  
Effective 9/1/11**



Lives based on Census		Current WEA	Renewal WEA	Delta Dental	Humana
<b>Monthly Premium</b>				Non-Network subject to Reasonable & Customary Guidelines	
Single	71	\$32.66	\$35.04	\$31.03	\$33.22
Family	338	\$94.34	\$100.80	\$89.62	\$95.76
Not to Exceed Increase		N/A	N/A	N/A	N/A
Estimated Monthly Premium		\$34,206	\$36,558	\$32,495	\$34,726
Estimated Annual Premium		\$410,469	\$438,699	\$389,936	\$416,706
Percentage Change			6.9%	-5.0%	1.5%
Dollar Change			\$28,230	-\$20,533	\$6,237
Not to Exceed Increase			8% not to exceed	12% not to exceed	2 year rate guarantee
Deductible		\$25 per person (3 per family)	\$25 per person (3 per family)	\$25 per person (3 per family)	\$25 per person (3 per family)
Annual Maximum		\$1,000	\$1,000	\$1,000	\$1,000
Per Person		100%	100%	100%	100%
<b>Diagnostic &amp; Preventative</b>					
Frequency/Limits		Two per benefit period	Two per benefit period	Two per benefit period	Two per benefit period
Periodic Oral Exams		Two sets per benefit period	Two sets per benefit period	Two sets per benefit period	Two sets per benefit period
Biting x-rays		Once per 24-month period	Once per 24-month period	Once per 24-month period	Once per 24-month period
Full mouth x-rays		Two per benefit period	Two per benefit period	Two per benefit period	Two per benefit period
Prophylaxes					
Fluoride Applications		Two applications per benefit period for dependent children to age 19	Two applications per benefit period for dependent children to age 19	Two applications per benefit period for dependent children to age 19	Two applications per benefit period for dependent children to age 14
Sealants		Once every 5 years for bicuspid and molars for dependent children to age 17	Once every 5 years for bicuspid and molars for dependent children to age 17	Once every 5 years for bicuspid and molars for dependent children to age 17	Once every 5 years for bicuspid and molars for dependent children to age 14
Diagnostic x-rays		Covered as necessary for diagnosing and providing covered treatment of dental disease or injury	Covered as necessary for diagnosing and providing covered treatment of dental disease or injury	Covered as necessary for diagnosing and providing covered treatment of dental disease or injury	Covered as necessary for diagnosing and providing covered treatment of dental disease or injury
Pulp Vitality Tests		Covered as medically necessary	Covered as medically necessary	Covered as medically necessary	Not covered
Office Visits or Consultations		Covered in conjunction with covered services	Covered in conjunction with covered services	Covered in conjunction with covered services	Covered in conjunction with covered services
<b>Basic Services</b>					
Fillings		80%	80%	80%	80%
Anesthesia		80%	80%	80%	80%
Extraction of Teeth		80%	80%	80%	80%
Oral Surgery		80%	80%	80%	80%
Stainless Steel Crowns		80%	80%	80%	50%
Space Maintainers		80% to age 19	80% to age 19	80% to age 19	80% to age 14
Pulpotomies and Root Canal Treatment		80%	80%	80%	Not specified
Periodontic Treatment		80%	80%	80%	80%
Denture Repair		80%	80%	80%	80%
Occlusal Adjustments		100% no deductible up to \$100 lifetime maximum	100% no deductible up to \$100 lifetime maximum	Not specified	Not covered
Bruxism Appliances		80%	80%	Not specified	Not covered
<b>Major Services</b>					
Onlays and Crowns		50%	50%	50%	50%
Dentures, Bridgework, and Implants		50%	50%	50%	50%
Orthodontics		50%	50%	50%	50%
Adult Ortho		Included	Included	Included	Included
Lifetime Maximum		\$1,500	\$1,500	\$1,500	\$1,500

This proposal is based off the information provided by you and is intended to be illustrative of the proposal provided by the carrier. Final rates are determined by the carrier after the carrier completes the underwriting and final enrollment process.



July 18, 2011

## **Finalist Recommendation**

Prepared for:

**Mequon-Thiensville School District**

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Presented by:  
Rae Anne Beaudry, Executive Vice President, HBS Division  
**The Horton Group**

## **Request for Proposal**

Mequon-Thiensville School District engaged The Horton Group (Horton) to create and market a Request for Proposal (RFP). The original effective date requested within the Request for Proposal was July, 1, 2011, relative to the below plans:

- Medical
- Dental

### **RFP Process**

Horton compiled a detailed narrative that outlined the current plans and history and the guidelines that any of the carriers quoting must follow in order to issue a proposal. Horton worked very closely with the District and each of the existing carriers to compile a census, along with any pertinent attachments including benefit summaries, demographic information, carrier histories, etc. Each carrier was provided with the narrative, questionnaires and other attachments and asked to submit their proposal. The carrier proposals outline the benefits quoted, rates, rate guarantees and any deviations from the current programs.

In addition to the existing plan designs, the RFP narrative outlined other plan design options that the carrier should provide as alternatives to the existing benefit levels. These alternatives typically include a change to deductibles, coinsurance or office visit copayments. As an alternative, the carriers were also asked to provide a proposal for an HSA compatible plan. This gives the District a broad range of choices to evaluate in addition to the proposals based on the existing plan design.

Each carrier is also asked to complete a questionnaire for each line of coverage. The intent of the questionnaires is to gain an overall understanding of the administrative processes of each carrier and also to point out any variances in administrative practices or benefit deviations over the existing programs. Some of the areas that are addressed in the questionnaires are number of public sector groups, ability to administer waiver of premium, average premium increases, implementation process, out of area dependents, ability to direct bill, etc.

Carriers are asked to submit any questions relating to the RFP in writing. Horton tracks the questions and provides the responses for global questions to all carriers quoting so that all proposals are based on the same information.

As part of the RFP process, Horton weighs each response based on the rates, benefit deviations, networks and questionnaire responses. Horton completes a financial analysis in addition to outlining the positives, negatives and benefit deviations for each proposal received.

Finalists are determined based on the selection criteria outlined above. Those carriers that are selected as finalists may be asked to participate in a finalist interview. The incumbents may or may not participate in the finalist interviews. Once the finalist interviews are conducted, Horton prepares a final recommendation to the District.

## Timeline for RFP

As a part of the Request for Proposal process, we include a tentative timeline to give each of the carriers quoting a general idea of the time frame that we may be working with. This timeline provides a broad indication of the timeframe, and may vary based on a variety of factors.

Issue RFP	April 11, 2011
Deadline for Submission of Written Questions	April 20, 2011
Proposal Due Date	April 29, 2011
Preliminary Report/Potential Meeting with the District	May 10, 2011
Meetings with Finalists (tentative)	May 12-13, 2011
Selection	May 27, 2011

With the uncertainty of the Budget bill and how this would impact the District, it was determined that it would be unrealistic to make a change with an effective date of 7/1/2011 as it would not allow adequate time to properly communicate the change. As such, it was determined that the most realistic date to implement the changes and properly communicate the information to participants would be for a September 1, 2011 effective date.

## Medical Marketing Overview

The following vendors were sent a Request for Proposal for Fully Insured Medical Quotes. The medical carriers are outlined below:

Carrier	Status
Anthem	Declined to quote as their rates are not competitive
Humana	Provided a proposal for their High Performance Network plan
UnitedHealthcare	Provided a Proposal through the Wisconsin Counties Association Group Health Trust
WEA Trust	Incumbent – Quotation provided on current and combined group
Wisconsin Counties Association Group Health Trust (Administered by UMR)	Incumbent – Quotation provided on current and combined group
WPS	Due to Aurora not being included in its fully insured network, a proposal request was not submitted to WPS.

In addition to the above, we elected not to provide an RFP opportunity to CIGNA as they have indicated that their network in Wisconsin is not competitive on several previous requests. Their network has a geographical access match of only 80%.

The request for proposal asked for quotes to match the current underlying plan, in addition to some plan alternatives. Any plan discrepancies as compared to the existing plans were to be identified in the proposal response.

In addition to the quotes and questionnaires provided, the criteria used for evaluating medical providers is outlined below.

- Ability to match existing plan design and eligibility requirements
- Competitive Pricing
- Network Providers/Available Discounts
- Performance Guarantees
- Cost and Rate Offerings
- Direct Billing of Retirees

Additionally each group was asked to combine plan designs for the entire group under one package to gain the best financial advantage for the District. Below are the Pros and Cons for each of the Respondents:

WEA Trust

Fully Insured Quote Received

PROS:

- As the incumbent provider of services there would be no transition or implementation issues for the District or the Plan Participants
- They are able to direct bill participants (retirees and COBRA)
- They are able to provide the current plan design and administer the current eligibility requirements fully.
- Renewal increases over time have been stable.
- WEA offers a substantially similar network as compared to WCA.
- WEA provides medical benefits to approximately 48,000 subscribers.
- WEA has been providing medical insurance for over 40 years.
- WEA Trust provides a layoff benefit and a waiver of premium benefit.
- WEA provided pricing for all of the requested benefit plans, with the exception of the HSA plan.
- WEA Trust has elected to be subject to the Office of The Commissioner of Insurance for Independent Review and Reporting Requirements.

CONS:

- In order to achieve similar savings to the WCA or Humana plan options, substantial benefit changes would need to be made.
- The combined rates with no plan changes are higher than with WCA or Humana.
- Although some limited information is available on large claims, the level of detail of the large claim reporting is not always sufficient.
- WEA does not offer an HSA compatible plan.
- There are limits to the number of reports and frequency from WEA Trust.
- Although services such as the layoff benefit and the waiver of premium benefit protect participants, they may increase the overall cost of the plan.

Anthem

Declined to issue a proposal as their rates were not competitive.

WCA Group Health Trust  
(Wisconsin Counties Association (WCA) Group Health Trust (administered by UMR)  
Self-Funded Trust proposal received

PROS:

- WCA renewed at existing rates for the non-represented group.
- WCA is willing to reduce rates by approximately 8% or approximately \$535,000 over the current rates and approximately \$715,000 over the WEA renewal provided for the combined group based on the existing WCA benefits for all participants.
- WCA can duplicate benefits such as the waiver of premium. They are also able to duplicate the current formulary for prescription drug tiering and utilization.
- WCA pays coverage at an in-network benefit level for retirees and dependents (college students) that live outside the area.
- WCA can direct bill participants as well as provide COBRA services.
- WCA offers a substantially similar network as compared to WEA.
- WCA can provide all customer reports requested in the RFP.

CONS:

- The benefits quoted for the combined group are based on the current non-represented benefit for all participants.
- WCA is not able to match the layoff provision.
- Although they provided a premium differential for a \$250 deductible plan, pricing was not provided for other requested alternatives.
- The District would need to carefully evaluate some of the "value added" services currently provided. Although WCA has indicated a willingness to duplicate, it will be necessary to determine which of these benefits have a cost associated with them, without the "value" that either Trust may place on them.

Humana  
Fully Insured Proposal Received

PROS:

- The Humana proposal includes the Vitality wellness program as a value-added benefit.
- Humana can provide all reports requested in the RFP
- The Humana benefits offer a slight improvement over current for the teachers as copays do not apply for out of network care, other than Emergency room (as a result of Federal Health Care Reform).
- Humana can direct bill participants as well as provide COBRA services, albeit through a third party carrier.
- Humana provided all of the requested plan design alternatives.
- The Humana proposal includes a performance guarantee.
- The Humana proposal includes three telephonic Employee Assistance Program sessions.

CONS:

- Although the Humana savings are slightly higher than the combined WCA quotation, because this is a narrow network plan, the Humana plan may not be viewed as a more attractive option.
- Humana only issued a competitive proposal for its narrow network plan (HPN – High Performance Network) which excludes Wheaton providers.
- Although Humana has the ability to offer an expanded network, the cost savings will be reduced if they were to provide a proposal for their expanded network (National Point of Service)

- Humana can offer a similar prescription drug benefit, but would not be able to match which prescriptions fall into each tier.
- Humana's transition process is extremely detailed and would likely take longer to transition than to move to either WEA or WCA.
- The Humana proposal does not include the waiver of premium benefit.

### **Medical Recommendation for Finalist Interviews**

Normally The Horton Group would recommend that anyone to be considered as a finalist be interviewed. However, because Mequon-Thiensville School District is very familiar with the WEA Trust and WCA Group Health Trust, if finalist interviews are conducted, the District may not feel it necessary to meet with WEA or WCA. Each carrier offered an attractive financial proposal, depending on the ultimate goals of the District. Because the District is not as familiar with Humana, we would recommend that the District conduct a finalist interview if Humana is to be considered as a finalist.

### **Finalist Interviews**

Finalist interviews were scheduled to be conducted on June 29, 2011. Prior to scheduling those interviews, the District determined that the three selected finalists would be advised that they would have one final opportunity to set rates for the "combined group" under one plan design (that being the one with the highest copayments) and for a short plan year (meaning the District would still wish to renew on July 1, 2012).

WEA confirmed their rates would hold although they were the least financially competitive. Both WCA/GHT and Humana sharpened their rates for the combined proposal and the District, in consultation with The Horton Group, determined that finalist interviews would only be conducted with WCA/GHT and Humana.

As previously stated, finalist interviews were held on the morning of June 29, 2011. The following findings and rate adjustments have been noted below:

#### Humana

##### PROS

- Number of public sector groups.
- Will present at Employee meetings and participate in question and answer sessions.
- Rates for Dual Choice were reduced by 2.5%, therefore, the overall change approximately -9.6% if all employees and retirees are enrolled in the HPN/BHCG (narrow network option).
- Vitality, wellness program, is available to the group for a short plan year
- There is a 97% network match on claim dollars.
- There are no **benefit** deviations other than those required as a result of mandate changes.
- Enrollment can be handled via an electronic download from current carriers.

CONS

- Minimum lead time required for smooth transition is 45 days.
- There is only an 81% match on the providers in the network.
- Humana can not offer a second year rate guarantee or an extended rate guarantee.
- Humana can not administer the Waiver of Premium, Domestic Partner Coverage, or the current Prescription Drug formulary.
- If a dual option were offered through Humana, dependent upon enrollment in the NPOS (broad network plan), the savings to the District would decrease.
- Humana can not guarantee the continued provider participation in their network for 2012.

WCA Group Health Trust

PROS

- They currently cover the Administrative staff of Mequon Thiensville, so they would only need to transition the Teachers portion of the group.
- Their pricing is firm and represents an 8.9% savings to the District.
- They can match benefits and prescription drug formulary of WEA.
- They can administer the Waiver of Premium AND THIS Trust continues to pay for this benefit.
- They are using the UHC Choice Plus network, therefore minimal provider disruption to members is inherent. There is a 98% provider match. There is no loss of savings to the District.
- The minimum lead time for a transition is two weeks.
- They utilize an electronic enrollment submission, then follow up with each employee with an enrollment verification letter so the District is provided with an audit.
- They will add to their internal Customer Service staff.
- A second year rate guarantee has been offered at a not to exceed 8%. This means that two way pricing will result in no costs greater than current for two years with a substantial savings in the first year.

CONS

- They did not offer a dental program so there are no packaged savings opportunities available.
- The WEA current subscriber population is the larger of the two plans to transition, so there will be some disruption and education necessary to this group.

WEA Trust

Pros and Cons remain as stated earlier in this report. At the time of this writing they were not financially competitive so were not asked to provide a second year rate guarantee. The Horton Group cannot state they would not do so if asked.

## **Final Medical Recommendation**

The Horton Group is making a recommendation that Mequon-Thiensville School District combine its medical and prescription drug benefit programs under the WCA/Group Health Trust (GHT). The first year savings represent an 8.9% decrease over a combined program with WEA. Additionally, although there is a loss to the District of WEA Early Retiree Reimbursement Program (ERRP) monies with this transition, the WCA/GHT does provide payment for the current and future beneficiaries of Waiver of Premium. This represents an overall cost neutral benefit with this move.

Additionally, WCA/GHT has provided a second year rate guarantee of not to exceed an 8% increase. This means the District is guaranteed not to pay more in Fiscal 2012-2013 as they are in the current July 2011 rates and they have a substantial savings in year one of the transition.

There is no provider disruption under this move to employees and the transition provides for enrollment to be generated through an electronic process from WEA but also has the desired effect of an audit process to determine that all enrolled are properly the District's responsibility and are accounted for by employees and retirees alike.

Lastly, although WCA/GHT did not provide a dental quote, this gives the District the flexibility to seek a relationship with the best financial proposal under this benefit as well.

## Dental Marketing Overview

The dental vendors are outlined below:

Carrier	Status
Anthem	Declined to quote as their rates are not competitive
Delta Dental	Quotation provided
Guardian	Provided a Proposal
Humana	Provided a Proposal
MetLife	Provided a Proposal
WEA Trust	Incumbent - Quotation provided on combined group
Wisconsin Counties Association Group Health Trust (Administered by UMR)	Did not provide a dental proposal

The request for proposal asked for quotes to match the current underlying plan. Any plan discrepancies were to be identified in the proposal response.

In addition to the quotes and questionnaires provided, the criteria used for evaluating dental providers is outlined below.

- Ability to match existing plan design and eligibility requirements
- Competitive pricing
- Network providers/available discounts
- Performance Guarantees
- Not to Exceed rate offering for contract years two and three
- Direct billing of Retirees

Below are the Pros and Cons for each of the Respondents:

WEA Trust  
Fully Insured Renewal Received

PROS:

- As the incumbent provider of services there would be no transition or implementation issues for participants.
- They are able to direct bill participants.
- They are able provide the current plan design and administer the current eligibility requirements.
- Benefits are paid at the 99<sup>th</sup> percentile of Reasonable and Customary for any dental provider.
- WEA Trust does not have a waiting period for services.
- Extended coverage for certain dental expenses incurred after termination.
- Waiver of premium provided.
- Not to exceed Rate guarantee of 8% provided for second year.

CONS:

- Renewal offered at 6.9% increase.
- There is no underlying network which means the out of pocket costs to participants will likely be higher due to lack of discounts.

Anthem

Declined to issue a proposal as their rates were not competitive.

Delta  
Proposal Received

PROS:

- Rates for a comparable plan are substantially less than the renewal provided by WEA with a potential annual savings of approximately \$20,500 over current WEA rates or a savings of approximately \$49,000 as compared to the WEA Renewal.
- They offer a large network of providers, with more than 231,000 providers nationwide.
- They can administer a substantially similar plan design.
- They have transitioned a number of plans from WEA and are very familiar with the WEA benefit program.
- They offer an underlining PPO network with no balance billing for amounts above reasonable and customary if a PPO or Premier network provider is used.
- Due to the PPO and Premier networks, the cost for dental care will be reduced, which will reduce the out of pocket cost to participants.
- They are able to direct bill retirees.
- There are no waiting periods.
- They process claims for approximately 68,000 public sector employees.
- They offered a not to exceed rate guarantee of 12%.
- Performance Guarantees are included.
- They have been providing dental benefits for 49 years.

CONS:

- Although the plans are substantially similar, there may be some transition issues when moving carriers.

Humana  
Proposal Received

PROS:

- Two Year Rate Guarantee.
- Rates are less than the renewal provided by WEA with a potential annual savings of approximately \$22,000 as compared to the WEA renewal.
- If Mequon-Thiensville elects the medical and dental plans through Humana, they are eligible for a .5% discount on the medical rates provided. If the District were to offer voluntary vision, the District would be eligible for an additional .5% off the medical rates.
- They offer an underlining PPO network with no balance billing for amounts above reasonable and customary if a PPO network provider is used.
- Due to the PPO discounts, the cost for dental care will be reduced, which will reduce the out of pocket cost to participants.
- Humana has been providing dental benefits for 34 years.
- Public sector references were provided. Humana processes claims for approximately 223,000 public sector employees.
- They offer a strong provider network; 111,000 to 143,000 dentist locations.
- Network discounts average 28%.
- They are able to direct bill retirees.

CONS:

- There are some minor differences in plan design such as benefit percentage for crowns, age limits for fluoride applications, sealants and space maintainers, and no coverage for occlusal adjustments or bruxism appliances.
- Humana fully insured waiting period applied to basic, major and orthodontics for new employees. There is no waiting period for preventive services.
- There may be some transition issues when moving carriers.

MetLife  
Proposal Received

PROS:

- Rates are less than the renewal provided by WEA with a potential annual savings of approximately \$28,000 over the WEA renewal.
- Dental administration services have been offered for 49 years.
- Public sector references provided. MetLife processes claims for approximately 3,320,850 public sector employees.
- They offer an underlining PPO network with no balance billing for amounts above reasonable and customary if a PPO network provider is used.
- Due to the PPO discounts, the cost for dental care will be reduced, which will reduce the out of pocket cost to participants.
- They offer a strong provider network with more than 153,000 providers.
- Network discounts average 28% - 37%.
- Proposal includes a not to exceed rate guarantee for year two of 8%.

CONS:

- The MetLife proposal did **not** include coverage for Adult orthodontia. The addition of coverage for Adult orthodontia would substantially increase the rates.
- A waiting period would apply for new employees for basic, major and orthodontics. There would be no waiting period for preventive services.
- MetLife is unable to direct bill retirees.
- There may be some transition issues when moving carriers.

Guardian  
Proposal Received

PROS:

- Dental administration services have been offered for over 30 years.
- Public sector references were provided. Guardian processes claims for approximately 289,000 public sector employees.
- The benefits were substantially similar with variances in timing for full mouth x-rays and age limits for sealants.
- Space maintainers are covered at 100%, rather than 80%.
- Network discounts average 30%.

CONS:

- The rates provided by Guardian were substantially higher (approximately 20%) than the current WEA rates.
- The Guardian network includes approximately 72,000 dentists.
- Although a not to exceed increase was provided, it was not to exceed 14% which is substantially higher than most dental increases.
- Guardian is unable to direct bill retirees.
- There may be some transition issues when moving carriers.

Group Health Trust

(Wisconsin Counties Association (WCA) Group Health Trust (administered by UMR))

Did not provide a Dental Proposal.

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## **Dental Recommendation for Finalist Interviews**

It is Horton's recommendation that the District invite WEA Trust, Delta Dental and Humana to interview as finalists. WEA is the incumbent, has a rich level of benefits and would mean no changes to plan participants. Delta Dental provides the most competitive rates, offers substantially similar benefits, and the underlying network would offer discounts to participants when a PPO or Premier network provider is used. Humana offers a benefit that is similar to current, includes a two year rate guarantee, and would offer additional discounts under the Medical plan if dental is offered through Humana. The Guardian rates are substantially higher than the renewal provided and there are minor benefit modifications. Although the MetLife rates appear competitive, they did not cover adult orthodontia, which would increase the rates beyond those provided by the other vendors. Because the District is quite familiar with WEA as the incumbent for the dental plan, it would also be possible to only interview Delta Dental and Humana.

### **Final Dental Recommendation**

The Horton Group is recommending a dental plan transition to Delta Dental. Due to the competitive rates for the first year, a second year not to exceed, substantially similar benefits and a large underlying national dental network, this offer provides the District with a benefit match and financial security for the next two years.