

Status Report on Health Claims Administration/PPO Network RFP

BGSU Health Wellness Insurance
Committee
April 20, 2009

Today's Agenda

- Review Status & Next of Health Care TPA RFP
- Update on Collaboration Initiatives with Owens, UT & Other Universities
- Discuss Feasibility of Offering Another Health Plan Option Effective 1/1/2010

Objectives of Health Care TPA RFP

- Optimize financial aspects of the PPO program beginning 1/1/2010
 - Multi-year ASO fees
 - Preserve Strong Provider Discounts
 - Stable Stop Loss Premiums
- Improve Administrative Services
 - Proactive Account Management
 - Support for BGSU Wellness Initiatives

BGSU Purchasing Criteria

- Relevant Experience with Universities
- Direct Access Tools When We Need Them
 - Support Employee Engagement & Consumerism
 - Health Coaching to Facilitate Wellbeing
- Network Access to the Providers Used by Our Employees
- Look for Opportunities to Collaborate with Owens & UT to Achieve Economies of Scale

Vendors Under Consideration

- Only Humana Declined to Bid
- Responses Received from Carriers: Aetna, Anthem, CIGNA, Medical Mutual (incumbent), Paramount, and United Healthcare
- Additional Proposals Received from TPAs (can access either FrontPath or MMO network): HDP, HealthScope, Meritain, NGS, Principal

Current Situation

- MMO has offered significant ASO fee reduction in exchange for 3-5 year agreement
- Aetna's proposal and network discounts are competitive
- Due Diligence on administrative capabilities to be completed
- Observing Developments at Owens & UT as they complete their RFP processes

Feasibility of Offering Another Health Plan Option for 2010

- Would be administered by the same Carrier/TPA and use the same Network (do not want to manage multiple vendors)
- Would also be self-funded so as not to fragment BGSU's risk pool
- Would likely be less rich than current PPO (but with adequate protection vs. catastrophic expenses)
- There would need to be a different contribution philosophy for the new plan, creating a spread in employee costs between the 2 options