



# **Report to the Human Resources Committee**

## **Recommendation to Award Contracts for the Metropolitan Washington Airports Authority's Medical, Prescription Drug, and Dental Benefits Plans**

**July 2019**





## PURPOSE

Staff requests that the Human Resources Committee approve and recommend that the Board of Directors (Board) approve the award of Self-Insured Preferred Provider Option (PPO) Medical, Fully-Insured Health Maintenance Organization (HMO) Medical, Prescription Drug, and Dental insurance contracts for the provision of benefits plans for employees and retirees of the Metropolitan Washington Airports Authority (Airports Authority).

Each contract will have a three-year base term with three, one-year unpriced option periods, which may be exercised at the discretion of the Airports Authority with approval of the Board. The contracts will become effective January 1, 2020, with open season for employees scheduled for the fall of 2019.



## BACKGROUND

- In December 2018, the Human Resources Committee concurred with the recommendation to issue four solicitations using the competitively negotiated “Best Value” procurement method.
  - This method takes into consideration technical factors and price, which are separately evaluated, and the proposal that is found to represent the best overall value to the Airports Authority forms the basis of the award.
- A Request for Proposals (RFP) was issued on January 10, 2019, for each of the four solicitations, and proposals were received on February 21, 2019.



## EVALUATION

- **Technical evaluation was based on the following criteria, with each element given equal weight for each respective solicitation:**
  - Network Access and Management
  - Organizational Qualifications and Capabilities
  - Member Services and Claims Administration
  - Care and Wellness
  - Performance Guarantees/Standards
- The Contracting Officer separately reviewed the proposed prices.



## DISCUSSION

- Taking into consideration technical and price evaluations, as well as pre-award due diligence procedures, the following firms provided the best overall value to the Airports Authority:
  - Self-Insured PPO Medical; UnitedHealthcare Services Inc., and its affiliated companies (UnitedHealthcare)
  - Fully-Insured HMO Medical; Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. (Kaiser)
  - Prescription Drug; Express Scripts, Inc. (Express Scripts)
  - Dental; United Concordia Insurance Company (United Concordia)
- The four proposals offered a combined savings of \$2.9 million against the Airports Authority's estimates.
- Total award amount for all contracts for three-year base terms is \$126,356,211.



## RECOMMENDATION

Staff requests that the Human Resources Committee approve and recommend that the Board approve the award of Self-Insured PPO Medical, Fully-Insured HMO Medical, Prescription Drug, and Dental insurance contracts to UnitedHealthcare, Kaiser, Express Scripts, and United Concordia, respectively.



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## Proposed Resolution

### Selecting Firms to Provide Medical, Prescription Drug, and Dental Benefits Plans

WHEREAS, In December 2018, the Business Administration Committee concurred with staff's recommendation to issue a solicitation for medical, dental, and prescription drug benefit plans using the competitively negotiated "Best Value" procurement method;

WHEREAS, In January 2019, a Request for Proposals (RFP) was issued for each of the four solicitations;

WHEREAS, At its July 2019 meeting, the Human Resources Committee received the results of the competitive evaluation of the firms that responded to the RFPs, including the consideration of the technical and price evaluations, as well as pre-award due diligence procedures; and

WHEREAS, The Human Resources Committee recommended that the Board of Directors approve the selection of United Healthcare Services Inc., and its affiliated companies (UnitedHealthcare) for the self-insured Preferred Provider Option; Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., (Kaiser) for the fully-insured Health Maintenance Organization Medical; Express Scripts, Inc. (Express Scripts) for prescription drugs; and United Concordia Insurance Company (United Concordia) for dental insurance contracts for the provision of benefit plans for employees and retirees of the Metropolitan Washington Airports Authority; now, therefore, be it

RESOLVED, That the selection of United Healthcare, Kaiser, Express Scripts, and United Concordia to provide medical, prescription drug, and dental benefits is approved; and

2. That the President and Chief Executive Officer is authorized to execute contracts with United Healthcare and Kaiser for the provision of Medical insurance plans, with Express Scripts for the provision of Prescription Drug coverage, and with United Concordia for the provision of Dental insurance plans, and, each contract having a three-year term with three one-year, unpriced options for a total award amount of \$126,356,211, and being consistent with the terms and conditions presented to the Human Resources Committee at its July 2019 meeting.

*For Consideration by the Human Resources Committee and  
Board of Directors on July 17, 2019*