



## EXECUTIVE SUMMARY

**Recommendation that the Broward College District Board of Trustees authorize the non-standard agreements with Cigna Health and Life Insurance Company and Standard Insurance Company (RFP-2023-125-OA) to provide HEALTH, LIFE & DISABILITY INSURANCE AND SERVICES. Fiscal Impact: Estimated \$17,039,867.44 spent over one year.**

**Presenter(s):** Sophia Galvin, Vice President, Talent and Culture

**What is the purpose of this contract and why is it needed?** The purpose is this contract with Cigna is for the vendor to serve as our fully insured employee group Medical, Pharmacy and Health Reimbursement Account (HRA) insurance provider. Through the Request for Proposals (RFP-2023-125-OA), conducted in 2024, various medical, pharmacy and HRA providers submitted proposals to Broward College. Cigna remained the most competitive with price and value. The per member per month cost will remain the same as the 2024 plan and was the only proposal to offer no per member cost increase.

Cigna estimated total cost is \$20,899,890.00 (**employer share \$16,821,783.12**, employee share \$4,078,106.88). Employer breakdown: College pays 80% of Medical Cost (\$15,621,124.32), HRA funding (\$1,112,250.00), HRA admin fee (\$61,560), and Motivate Me fee (\$26,848.80).

The purpose of the contract with Standard Insurance Company is for the vendor to serve as the employee's Group Basic Life and Voluntary and AD&D Services, Long Term Disability (LTD) and Employee Assistance Program (EAP) Services insurance provider. The Request for Proposals (RFP-2023-125-OA), was conducted in 2024, with various insurance providers. Standard Insurance Company offered the most competitive price and value. The contract is needed to ensure we have the most competitive coverage and pricing for the College.

Standard estimated **employer cost is \$218,084.32**. The College pays for Basic Life Coverage and Long Term Disability. Voluntary Life is employee paid and the Employee Assistance Program (EAP) was negotiated to be a value added at no additional cost to the College. The College is expected to save \$36,000 on Basic Life coverage and \$25,000 from a no cost EAP as compared to current provider 2025 proposal. Total savings expected: \$61,000.

Both contract terms are for one (1) year with services beginning January 1, 2025, through December 31, 2025. The term of this contract may, by mutual written agreement of the parties, upon final College approval, be renewed for four (4) additional one-year periods.

**What procurement process or bid waiver was used and why?** A formal competitive solicitation process was used per FLDOE Rule 6A-14.0734 and College Procedure A6Hx2-6.34. A Request for Proposals (RFP) was completed in 2024: RFP-2023-125-OA - HEALTH, LIFE & DISABILITY INSURANCE AND SERVICES. The RFP was conducted to ensure the most competitive rates and coverage were considered for plan year 2025.

- Cigna Health and Life Insurance Company for Medical, Pharmacy and Health Reimbursement Account (HRA) Services. The RFP was conducted to ensure the most competitive rates and coverage were considered for plan year starting January 1, 2025.

- Standard Insurance Company was selected as the carrier to Group Basic Life and Voluntary and AD&D Services, Long Term Disability (LTD) and Employee Assistance Program (EAP) Program Services insurance.

**Is this a budgeted expenditure from the budget established at the last June Board of Trustees meeting?**

Yes.

**What fund, cost center and line item(s) were used?** FD100: GLC59701 (Medical, Pharmacy, H.R.A), GLC59702 (Life), GL59704 (Disability)

**Has Broward College used this vendor before for these products or services?** Yes, for Cigna (the existing contract was effective 1/1/2018). No, for Standard Insurance.

**Was the product or service acceptable in the past?** Yes, Cigna has met the medical, pharmacy care needs along with HRA administration needs of the member population. Not applicable for Standard Insurance.

**Was there a return on investment anticipated when entering this contract?** Yes, for both Cigna and Standard Insurance. Through the RFP process, the College received competitive bids and leveraged negotiation capabilities resulting in a richer and more cost-effective contract proposal.

**Was that return on investment not met, met, or exceeded and how?**

**Cigna:** The return on investment met expectation by providing an offer of no per member per month rate increase in 2025. Other Health, Pharmacy and HRA coverage proposals had increased cost for the same benefits. The agreement with Cigna also includes a performance guarantee value of \$28,000 that ensures quality service in areas of implementation, claim readiness and processing, payment accuracy and account management. Cigna will also provide the College in 2025 with a onetime discretionary fund valued at \$10,000 for use on activities, products or services benefiting all plan participants.

**Standard Insurance Company:** The return on investment met and exceeded expectations by providing an expected cost savings of \$36,000 on Basic Life coverage and \$25,000 from a no cost EAP. Total Saving expected: \$61,000. The Standard plan feature enhancements include raising the guarantee issue for spouse from \$30,000 to \$50,000, removing the age cap for Voluntary Spouse Life eligibility, increasing EAP visits from three to six per issue, and age related volume reductions were eliminated for Basic Life and Voluntary Employee Life. We anticipate these enhanced plan changes will have a positive effect on employee well-being and help attract and retain talent. The rate guarantee through December 31, 2027, will allow a secured savings for the College.

**Does this directly or indirectly feed one of the Social Enterprise tactics and how?**

Indirectly by attracting and retaining top talent through the benefits offered to our faculty, staff and administrators (Talent Activation).

**Did the vendor amend Broward College's legal terms and conditions [to be answered by the Legal Office] if the College's standard contract was used and was this acceptable to the Legal Office?****FISCAL IMPACT:**

Total Fiscal Impact for Cigna and Standard: \$17,039,867.44

FD100 GLC59701 (Medical, Pharmacy, H.R.A administration)

FD100 GLC59702 (Life) FD100 GL59704 (Disability)

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**Sophia Marie Galvin**

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8/7/2024