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AGENDA ITEM

Action Item

Information Only

Date: December 2, 2021

Item Number: VIII

Title: Contract Status Report

Summary

This report addresses the status of PEBP contracts to include:

1. Contract Overview
2. New Contracts for approval
3. Contract Amendments for approval
4. Contract Solicitations for approval
5. Status of Current Solicitations

8.1 Contracts Overview

Below is a listing of the active PEBP contracts as of September 30, 2021.

PEBP Active Contracts Summary							
Vendor	Service	Contract #	Effective Date	Termination Date	Contract Max	Current Expenditures	Amount Remaining
Morneau Shepell LTD	Benefits Management System	15941	1/1/2015	12/31/2021	\$ 8,623,789.00	\$ 6,321,365.13	\$ 2,302,423.87
AON Consulting	Consulting Services	17596	7/1/2016	6/30/2022	\$ 3,601,585.00	\$ 2,841,239.76	\$ 760,345.24
HealthScope Benefits	Dental Claims	14574	7/9/2013	6/30/2022	\$ 6,100,000.00	\$ 5,266,044.39	\$ 833,955.61
The Standard	Group Basic Life Insurance	14276	7/1/2013	6/30/2022	\$ 80,587,091.00	\$ 77,445,731.00	\$ 3,141,360.00
Hometown Health Providers	In-state PPO Network	15510	7/1/2014	6/30/2022	\$ 9,955,139.00	\$ 8,562,287.49	\$ 1,392,851.51
HealthScope Benefits	National PPO	13330	7/1/2012	6/30/2022	\$ 15,455,000.00	\$ 11,819,388.21	\$ 3,635,611.79
Express Scripts, Inc.	Pharmacy Benefit Manager	17551	4/12/2016	6/30/2022	\$291,134,666.00	\$236,057,102.45	\$ 55,077,563.55
HealthScope Benefits	TPA	11825	2/8/2011	6/30/2022	\$ 62,600,000.00	\$ 57,208,041.46	\$ 5,391,958.54
HealthScope Benefits	Voluntary Flexible Spending Account	14465	7/1/2013	6/30/2022	\$ 125,000.00	\$ -	\$ 125,000.00
American Health Holdings	PPO Utilization Management Case Management	21376	7/1/2019	6/30/2023	\$ 8,000,000.00	\$ 4,497,749.36	\$ 3,502,250.64
Standard Insurance Company	Voluntary Life Insurance	15503	7/1/2014	6/30/2023	\$ 22,500,000.00	\$ -	\$ 22,500,000.00
CliftonLarsonAllen	Financial Auditor	24088	5/15/2021	12/31/2024	\$ 212,485.00	\$ 10,500.00	\$ 201,985.00
Extend Health, Inc	Medicare Exchange	16468	7/1/2015	6/30/2025	\$ 1,546,000.00	\$ 1,233,741.92	\$ 312,258.08
Health Plan of Nevada Inc	Southern Nevada HMO	23802	7/1/2021	6/30/2025	\$192,093,848.00	\$ 13,443,176.21	\$178,650,671.79
Diversified Dental Services Inc.	Dental Contract	23810	7/1/2021	6/30/2026	\$ 1,601,613.00	\$ 101,965.44	\$ 1,499,647.56
Aetna	PPO Network	23846	7/1/2021	6/30/2026	\$ 7,127,250.00	\$ 438,621.25	\$ 6,688,628.75
Labyrinth Solutions, Inc.	Benefits Management System	23678	12/8/2020	6/30/2027	\$ 6,849,000.00	\$ -	\$ 6,849,000.00
Claim Technologies	Health Plan Auditor	24030	4/13/2021	6/30/2027	\$ 1,407,656.00	\$ -	\$ 1,407,656.00

Recommendation

No action necessary

8.2 New Contracts

The PEBP Board approved the solicitation for a Third-Party Administrator (TPA) to include TPA Medical, TPA Dental, National Network, Statewide Network and Subrogation services on January 28, 2021. At that same meeting the board approved the separate solicitations for a Telemedicine Provider, Shopping Comparison Tool, Second Opinion Services, and HSA/HRA Administration services with the contracts for those services to be held by the TPA. Request for Proposals were released for a TPA, HSA/HRA Administrator, and 2nd Opinion Services, and Telemedicine Services, and PEBP staff has successfully negotiated contracts for these services.

8.2.1 UMR INC.

On April 26, 2021, the Public Employees' Benefits Program released Request for Proposal (RFP) 95PEBP-S1579 for Third Party Administrator (TPA) Services. The following were some items important to PEBP in the consideration of the award of this contract:

- The objective of the RFP is to acquire a health and dental benefits administrator that will be a strategic partner in providing the Services included in the scope of work identified in this RFP while being able to accommodate the current and possible future plan designs approved by the PEBP Board.

- The RFP required an Out-Of-State medical network submission and the option to propose an In-State medical Network.
- PEBP required that the winning TPA agree to hold contracts for all ancillary services (HSA/HRA administration, Shopping Comparison Tool, 2nd Opinion, and Telemedicine Services) after being awarded and negotiated by PEBP.

Vendor responses were scored based on the following criteria.

- Minimum Qualifications and Critical Items
- Technical
- Customer Service
- Financial (includes (Fees, Credits, Performance Guarantees, and Network Discounts)
- Network Access and Member Disruption
- Finalist Presentations

On June 2, 2021, PEBP received seven (7) proposals in response to RFP 95PEBP-S1579. The evaluation period began on June 25, 2021 and ended on August 9, 2021. The seven-member evaluation committee included two PEBP Board members and other subject matter experts. UMR Inc. received the highest score by the evaluation committee and PEBP has successfully negotiated a contract. Some of the highest scoring areas by the evaluators were:

- Innovation/Delivery System
- Network Access/Management
- Account Management
- Customer Service
- Website and Mobile App Capabilities
- Communications
- Finalist Presentation
- Vendor Experience

UMR Inc. will be a new vendor for PEBP for TPA services; however, since UMR Inc. is the parent company to the incumbent vendor HealthScope Benefits, the transition is expected to be overall less disruptive to both members and staff and will require minimal implementation.

As part of the proposal, UMR submitted two network options; one using the incumbent network (Aetna) and another leveraging Choice and SHO. The Aon analysis showed minimal in-state disruption and significant cost savings with the latter. Additionally, by leveraging the proprietary networks, members will be able to take advantage of self-service technology in the UMR member portal that is currently not available through PEBP today, such as shopping comparison tools, interactive provider searches, and insight into prior authorization requests.

In order to use the Choice and SHO networks and have access to the above, UMR requires Utilization Management/Case Management (UMCM) Services to be incorporated into this contract. Currently PEBP contracts with American Health Holdings for these services. The contract is set to expire June 30, 2023, so PEBP must issue a no cause termination in order to end the contract a year early.

Additionally, PEBP will also need to issue an no cause termination to Aetna, who currently holds the contract for PEBP’s in-state network. Although this contract was only recently awarded, it is industry practice for TPA’s to bundle this as part of the offering of TPA services. As illustrated by the results of this RFP, a TPA/network bundle can not only typically provide savings to a plan, but it can also prove to be a major member benefit because it can increase member services and technology.

The effective date of the contract is anticipated to be December 14, 2021 (upon BOE approval) through June 30, 2028. Services and fees are expected to begin on June 1, 2022. The contract maximum is \$62,789,120.

UMR Inc. has agreed to hold contracts for the Telemedicine Provider, Shopping Comparison Tool, and Second Opinion Services vendors that are chosen and assist in contract negotiations with the winning vendors. The Shopping Comparison Tool is included as a no cost, integrated service of the TPA contract with the use of the selected network.

UMR also bid and was selected as the winning bidder for the additional ancillary services:

Service	RFP #	Release Date	Winning Vendor
Second Opinion Services	95PEBP-S1658	August 4, 2021	UMR, Inc. (2nd MD)
Telemedicine Services	95PEBP-S1671	July 28, 2021	UMR, Inc. (Doctor On Demand)

The UMR Inc. contract max above includes any fees associated with these services.

This contract includes the following services:

- Medical Claims Administration for all PEBP Self-Funded Plans
- Dental Claims Administration
- In-State Network Services (UHC Choice Plus Network (North); SHO Network (South))
- National Network Services (UHC Choice Plus Network)
- Utilization Management / Case Management Services
- Subrogation Recovery

Recommendation

Ratify and approve the evaluation committee’s recommendation to contract with UMR Inc. for Third Party Administration and associated services beginning July 1, 2022.

8.2.2 HSA BANK

On July 1, 2021, the Public Employees' Benefits Program released Request for Proposal (RFP) 95PEBP-S1646 for Health Savings Account / Health Reimbursement Account (HSA/HRA) Administrator Services.

The objective of the RFP is to acquire a HSA/HRA administrator that will be a strategic partner in providing the Services included in the scope of work identified in this RFP while being able to accommodate the current and possible future plan designs approved by the PEBP Board. The contract is subject to PEBP Board approval, and no contract is deemed effective until approved by the State of Nevada Board of Examiners.

Vendor responses were scored based on the following criteria.

- Minimum Qualifications
- Technical
- Customer Service
- Financial (includes Fees, Credits, Performance Guarantees)
- Finalist Presentations

On July 30, 2021, PEBP received fourteen (14) proposals in response to RFP 95PEBP-S1646. The evaluation period began on July 30, 2021 and ended on September 16, 2021. The five-member evaluation committee included two PEBP Board members and other subject matter experts. HSA Bank received the highest score by the evaluation committee and PEBP has successfully negotiated a contract.

HSA Bank will be a new vendor for PEBP for HSA/HRA Administration services; however, the transition is expected to be smooth.

The effective date of the contract is anticipated to be December 14, 2021 (upon BOE approval) through June 30, 2026. Services and fees are expected to begin on June 1, 2022. The contract maximum is \$0.

Recommendation

Ratify and approve the evaluation committee's recommendation to contract with HSA Bank for Health Savings Account / Health Reimbursement Account (HSA/HRA) Administrator Services beginning July 1, 2022.

8.3 Contract Amendment Ratifications

Upon ratification of the UMR Inc. contract to include the negotiated PPO Network and Utilization Management / Case Management option, PEBP will need to serve the current vendors with a (180-day) notice of termination without cause.

8.3.1 AETNA

PEBP contracted with Aetna for PPO Network services which became effective February 9, 2021 and has a termination date of June 30, 2026, resulting from RFP 95PEBP-S1289.

PEBP will serve Aetna with a notice of termination without cause effective June 30, 2022 as UMR Inc. will begin PPO network services effective July 1, 2022.

Recommendation

Approve PEBP staff to serve Aetna with a notice of termination without cause effective June 30, 2022.

8.3.2 AMERICAN HEALTH HOLDINGS INC.

PEBP contracted with American Health Holdings Inc. for Utilization Management / Case Management services which became effective January 8, 2019 and has a termination date of June 30, 2023, resulting from RFP 95PEBP-S314.

PEBP will serve American Health Holdings Inc. with a notice of termination without cause effective June 30, 2022 as UMR Inc. will begin Utilization Management / Case Management services effective July 1, 2022.

Recommendation

Approve PEBP staff to serve American Health Holdings Inc. with a notice of termination without cause effective June 30, 2022.

8.3.3 AON CONSULTING

On June 11, 2021, the PEBP Board approved staff to move forward in working with the Patient Protection Commission (PPC) and Medicaid to assist in the Peterson-Milbank Program for Sustainable Health Care Costs.

AON Consulting is able to develop a Claims Data Warehouse for this project. The original cost of this project was going to be \$150,000 and was potentially going to be a shared cost through Peterson Milbank funding. The work behind this project was reduced with the assistance of

Healthscope. The new cost of the project is \$50,000 so PEBP is no longer requesting the additional outside funding.

This contract amendment is required to amend the fee schedule to add the authority to pay for the Claims Data Warehouse.

Recommendation

PEBP recommends the Board authorize staff to complete a contract amendment between PEBP and AON Consulting for Actuarial and Consulting services in contract #17596 to increase the contract authority in the amount of \$50,000 instead of the previous \$150,000 approved amount.

8.3.4 LSI CONSULTING

On September 30, 2021, the PEBP Board approved staff to complete a contract amendment with LSI to begin services and payments in December 2021, to add authority for COBRA management, and to add additional work order authority.

After additional conversations, LSI agreed to revise the cost of the COBRA management being offered. The original amendment to increase contract authority by \$1,354,250 was withdrawn and will be revised to only increase authority by \$479,667.

Recommendation

PEBP recommends the Board authorize staff to submit the updated contract amendment between PEBP and LSI Consulting for Enrollment and Eligibility services in contract #23678 to update the fee schedule and increase the contract maximum.

8.4 Contract Solicitation Ratifications

Below are the contract solicitation ratification requests.

8.4.1 SHOPPING COMPARISON TOOL SOLICITATION

The PEBP Board approved the solicitation for a Shopping Comparison Tool vendor with the contracts for those services to be held by the TPA.

As a part of an integrated customer experience, the UMR Inc. member website includes a comprehensive shopping comparison tool at no additional cost to PEBP. As this service is already included as a part of the TPA contract, PEBP does not believe the solicitation for a shopping comparison tool vendor is necessary.

Recommendation

Approve PEBP staff to cancel the solicitation for a shopping comparison tool vendor.

8.5 Status of Current Solicitations

The chart below provides information on the status of PEBP's in-progress solicitations:

Service	Anticipated/ Actual RFP release date	Anticipated/ Actual NOI	Winning Vendor	Anticipated Board Approval
Medical TPA	04/26/2021	08/11/2021	UMR, Inc.	Nov 2021
Dental TPA	04/26/2021	08/11/2021		Nov 2021
Medical National Network	04/26/2021	08/11/2021		Nov 2021
Medical Statewide Network option	04/26/2021	08/11/2021		Nov 2021
HSA HRA Admin	07/02/2021	09/16/2021	Webster Bank / HSA Bank	Nov 2021
2 nd Opinion	07/28/2021	10/15/2021	UMR, Inc. (2 nd MD)	Jan 2022
Telemedicine	08/04/2021	11/05/2021	UMR, Inc. (Doctor on Demand)	Jan 2022
Shopping Comparison Tool	NA	12/01/2021	TBD	Jan 2022
Pharmacy Benefit Manager	09/02/2021	12/05/2021	TBD	Jan 2022
Actuary	10/18/2021	11/17/2021	TBD	Jan 2022
Life Insurance	10/14/2021	12/01/2021	TBD	Jan 2022

Recommendation

No action necessary