

**BE SUBJECT TO COUNTY AUDITORS PROCESSING PROCEDURES INCLUDING AUTHORITY FOR COUNTY TREASURER TO ISSUE PAYMENT(S)/CHECK(S).**

**A.**

**Hidalgo County**

**APPROVED**

1. AI-41674 Acceptance and approval of the final negotiated contracts and/or documents between Hidalgo County and Blue Cross Blue Shield of Texas and Dearborn National ( No. 1 ranked providers) for the "Third Party Administration, Individual Stop Loss for Self Funded Medical Plan, Group Term Life and Accidental Death and Dismemberment", project. (No.: 2013-143-10-16-CGA)

2. AI-41519 Requesting Authority to advertise and approval of qualifications, requirements, and scope of services as attached hereto for: "Hidalgo County Pool of Professional Services" for the following:  
1. Architectural Services (RFQ No. 2014-002-12-11-YSS)  
2. Engineering Services (RFQ No. 2014-003-12-11-YZV)  
3. Engineering Services Geotechnical & Construction Material Testing (RFQ No. 2014-004-12-11-SMA)  
4. Construction Management Services (RFQ No. 2014-005-12-11-MSS)  
5. Appraiser Services (RFQ No. 2014-006-12-11-SGS)  
6. Surveyor Services (RFQ No. 2014-007-12-11-MEG)  
for selection on an "as needed basis" (through a grading/scoring, ranking, negotiation protocol - as established by CC) per project by Hidalgo County Commissioners Court, Precincts, all County Departments and/or applicable Programs or Agencies requiring said services effective February 09, 2014 through March 15, 2015.

**B.**

**Pct. 3**

1. AI-41481 a. Requesting exemption from competitive bidding requirements under the Texas Local Government Code, Section 262.024 (A) (4) a professional services;  
b. Presentation of scoring grid (for the purpose of ranking by CC) of the firms graded and evaluated through the County's approved "pool" of Professional Engineering Services for the Shary Road Project;

	L&G Engineers	Izaguirre Engineering	ERO Engineering
EVALUATOR 1	99	88	92
RANKING	1	3	2

c. Authority for the Purchasing Department to negotiate a professional services contract with the No. 1 Ranked firm of L & G for the provision of, "Professional Engineering Services for the Shary Road Project.

**C.**

**Pct. 4**

1. AI-41490 A. Requesting exemption from competitive bidding requirements under the Texas Local Government Code, Section 262.024 (A) (4) a professional engineering services.

19.A.1



Gary R. Looney, REBC  
3201 Cherry Ridge Drive  
Suite D 405  
San Antonio, Texas 78230  
Phone: (210) 524-7104 Fax: (210) 524-7183

## Memorandum

Date : November 12, 2013  
To : Hidalgo County Commissioner's Court  
From : Gary Looney REBC  
RE : Recommendations RFP (Project No.: 2013-143-10-16-CGA) Third Party Administration, Individual Stop Loss for Self-Funded Medical Plan, Group Term Life and Accidental Death and Dismemberment

County Judge	Ramon Garcia		
Precinct 1	A C Cuellar	Precinct 2	Hector "Tito" Palacios
Precinct 3	Joe M. Flores	Precinct 4	Joseph Palacios

Dear Sirs,

There are two primary elements of the County's self-funded medical insurance plans. The two elements are fixed cost and variable claim costs. In Commissioner's Court on September 17 we addressed the variable plan costs by changing the plan design and increasing the contributions required to meet the estimated claim liability for 2014. A Request for Proposals was prepared and presented to address the fixed cost of the medical plan. The County's fixed costs are for Third Party Claims Administration (TPA), Individual Stop Loss Insurance (ISL) and Group Term Life and Accidental Death and Dismemberment Plans. The scoring grids were presented to the Court with Blue Cross Blue Shield having the highest point total for TPA and ISL services and Dearborn National with the highest point total for Group Term Life and AD&D. We have completed the negotiations with Blue Cross and Dearborn National. Please accept the following recommendations:

1. Contract with Blue Cross for TPA and Stop Loss Insurance services for the plan year 2014. The contract to include two one year renewals at rates that are acceptable to the County.
2. Contract with Dearborn National for the Group Term Life Insurance and Accidental Death and Dismemberment Policy for the policy year 2014. The contract to include two one year renewals at rates that are acceptable to the County.

The recommendations are based on the following:

1. Blue Cross
  - a. A spreadsheet is attached showing fixed cost. The administration fee is less than current. I am recommending an increase in the ISL from the current \$170,000 to \$200,000. Based on the last three years of claim experience the premium reduction will reduce the fixed cost sufficiently to meet any additional claim cost. The "Risk/Reward" is in favor of the County.

3201 Cherry Ridge Drive  
Suite D405  
San Antonio, Texas 78230

V 210-930-6665  
F 210-930-1838

alamogrp@alamoinsgrp.com

- b. There are no additional requirements for underwriting the ISL. No disclosure statements are required. The rates are fixed and final for plan year 2014.
- c. Banking arrangements will not be required to be altered or changed.
- d. The guaranteed discounts with providers are 63.9%. The guarantee is 2 to 4 points better than other vendors.. Annual billed charges are expected to be in excess of \$50,000,000. A 2% differential in the discount rate would increase cost by \$1,000,000.
- e. The Contract has no restrictions for an external audit.
- f. There is no disruption of care due to changes in the network of Physicians, Hospitals, or other vendors.

2. Dearborn National Group Term Life and AD&D

- a. Waiver of Actively at Work provisions. All employees are covered on the effective date.
- b. There is no reduction in an employee's insurance amount as a result of a Reduction Formula. Employees over the age of 65 will receive the same amount of life insurance as all other employees.
- c. The plan is both Portable and Convertible.
- d. There is no need to update beneficiary designations; however, it is recommended that they be reviewed by each employee.

The recommendations presented are within the budget requirements of the County.

Thank you for your confidence in our efforts to provide the employees of Hidalgo County a quality health care program at a reasonable cost.



Gary Looney REBC  
Sr VP Alamo Insurance Group

# Hidalgo County

## Recommended Rate Action for 2014

	BCBS	
	Current	Final
<b>ENROLLMENT</b>		
Enrollment	3,784	3,784
<b>ADMINISTRATION</b>		
Admin Fee PCPM	\$36.19	\$35.92
Rx Rebate Credit	\$5.00	\$6.35
Net Administration Fee	\$31.19	\$29.57
Monthly Administration Fee	\$118,022.96	\$111,892.88
Annual Administration Cost	\$1,416,275.52	\$1,342,714.56
<b>INDIVIDUAL STOP LOSS</b>		
Reinsurance Carrier	BCBS	BCBS
Specific Deductible	\$170,000	\$200,000
Contract Type	Paid 12 mos.	Paid 12 mos.
Covered Benefits	Med., Rx	Med., Rx
ISL Premium	\$30.09	\$29.87
ISL Annual Cost	\$1,366,326.72	\$1,356,336.96
<b>ANNUAL COST</b>		
Admin + ISL Cost	\$2,782,602.24	\$2,699,051.52
BCBS Administrative Fee RunOff	\$13.17	\$13.68
<b>OTHER</b>		
		No Lasers required
		Rates Fixed and Firm
Administrative Fee Rate Guarantee		3 yrs

Note: To retain the \$170,000 Specific Deductible the rate is:

	\$37.61	\$1,707,795
The \$200,000 Specific Deductible	\$29.57	\$1,356,337
	Net	\$351,458

Stop loss differential net exposure \$30,000 or 11.71 claims between \$170k and \$200k

Year 2012 7 claims over \$170,000

Year 2013 6 claims over \$170,000

Alamo Insurance Group

Gary R Looney REBC

File: Hidalgo County /2014 Renewal Information/Recommended Rate Action

November 12, 2014