

Public Agenda Item #13c

Review, Discussion and Consideration of the Texas Employees
Group Benefits Program:

Selection and Contract Award Recommendation for Health Savings
Account Administrator

February 23, 2016

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Ginger Grissom, CTCM, CTPM and Manager of Proposal Activity

**Selection and Contract Award Recommendation for
Health Savings Account Administrator Beginning
September 1, 2016**

Health Savings Accounts

Background



High Deductible
Health Plan



Health Savings
Account



Consumer Directed
Health Plan



Health Savings Accounts

Background



- Tax-advantaged medical savings account available to certain individuals eligible to participate in the Texas Employees Group Benefit Program (GBP) and their qualified dependents.
- HSAs are authorized by the Internal Revenue Code, Section 223.
 - Legislation signed in 2015 requires ERS to develop and implement a Consumer Directed Health Plan, including a High Deductible Health Plan and a Health Savings Account.
 - Voluntary participation.

Health Savings Accounts

Contribution limits



- The maximum (yearly) contribution limits for HSAs are set by the Internal Revenue Service as part of IRS Code, Section 223.

Year	Individual Contribution Limit	Family Contribution Limit
2015	\$3,350	\$6,650
2016	\$3,350	\$6,750

Health Savings Accounts

Impact on other plans



- HSA eliminates the standard flexible spending account (FSA)
 - If member is currently in an FSA, they must have a zero (\$0) balance at policy year end to enroll in the HSA for the upcoming plan year
 - IRC allows CDHP participants to have a limited purpose flexible spending account (LP FSA)
 - The account can be used to reimburse qualified dental and vision expenses incurred during the benefit plan year
 - Works alongside the HSA

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Request for Proposal



- ERS issued a RFP on September 10, 2015 seeking qualified Vendor(s) to provide administrative services for the HSAs.
- Responses were due back on October 9, 2015.
- Proposals were received from eight vendors.

VENDORS
ADP, LLC (ADP)
ConnectYourCare (CYC)
HSA Bank, a division of Webster Bank, N.A. (HSA Bank)
MII Life, d/b/a SelectAccount (SelectAccount)
National Benefit Services, LLC (National Benefit)
PayFlex Systems USA, Inc. (PayFlex)
United HealthCare Services, Inc. (UHC)
Wells Fargo Bank, N.A. (Wells Fargo)

Health Savings Account Administrator

Request for Proposal - RFP Evaluation



- Proposals were evaluated on the following criteria:

Compliance with RFP

Proposal Evaluation Criteria For Minimum Requirements

Financial Considerations

Operational Capabilities and Services

Vendor Service Verification for Finalists (including face to face interviews, reference checks and site visits)

Contractibility

- Proposals of National Benefit, ADP and CYC did not meet all of the minimum requirements.

Health Savings Account Administrator

RFP Evaluation - Review



- Review by cross-divisional evaluation team.
 - Clarification process
- The proposals from PayFlex and SelectAccount had the lowest scores and were not advanced for further consideration.
- After additional clarifications, HSA Bank's bid was ranked third and was not considered a finalist.

Health Savings Account Administrator

RFP Evaluation – Wells Fargo and UHC



- Reference Checks, January 2016.
- Interviews, January 19 & 20, 2016.
 - Finalist interview sessions included presentations, key issue discussions and an opportunity for each respondent to highlight the strengths and unique aspects of their respective company.
- The “Best and Final” offers (BAFOs), January 2016.
- Site Visits and Final Review, January 2016.
 - ERS staff conducted site visits to each finalist’s operational and call center facility. ERS staff conducted a site visit of UHC’s data center. Wells Fargo’s data center was not made available for inspection.

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Staff Recommendation



- Based on the submitted proposals, clarifications, face-to-face meetings and the analysis, the Director of Procurement was able to sign off on best value.
- Staff recommends the contract award for the Health Savings Account Administrator.

Questions?