

Public Agenda Item #14b

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

Selection and Contract Award Recommendation for Vision Care Services
Administration beginning September 1, 2016

May 17, 2016

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Background



- Although some of the medical plans within the Texas Employees Group Benefits Program (GBP) offer basic vision benefits (which may include a routine eye exam and discounted vision care services), the GBP currently does not offer a comprehensive group vision care plan.
- In a 2014 survey of 136,000 employees, 67% indicated a strong interest in a vision care benefit.

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Projected Enrollment



- Beginning September 1, 2016, a group vision care plan will be an optional benefit for Members (employees, retirees and eligible dependents).
 - Services will be provided at Member's own expense.
 - ERS estimates that approximately 50% of Members will choose to enroll in the plan during its initial year.
- The plan will be called State of Texas Vision.

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Vision Care Coverages



| | In-Network | Out-of-Network |
|---|---|---|
| Routine Eye Exam | Covered in full after paying a \$25.00 Co-Pay | Covered up to \$40.00 after paying a \$25.00 Co-Pay |
| Frames | \$150.00 retail allowance | \$50.00 retail allowance |
| Contact Lens Fitting (Standard Fitting) | Covered in full after paying a \$25.00 Co-Pay | Allowance up to \$100.00 |
| Contact Lens Fitting (Specialty Fitting) | Covered in full after paying a \$35.00 Co-Pay | Allowance up to \$100.00 |
| Single Vision | Covered in full after paying a \$10.00 Co-Pay | Allowance up to \$30.00 |

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Vision Care Coverages (Continued)



| | In-Network | Out-of-Network |
|---|---|-------------------------|
| Bifocals | Covered in full after paying a \$15.00 Co-Pay | Allowance up to \$45.00 |
| Trifocals | Covered in full after paying a \$20.00 Co-Pay | Allowance up to \$60.00 |
| Progressives | Covered in full after paying a \$70.00 Co-Pay | Not covered |
| Polycarbonate | Covered in full after paying a \$50.00 Co-Pay | Not Covered |
| Scratch Coat (factory, single sided) | Covered in full after paying a \$10.00 Co-Pay | Not Covered |

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Vision Care Coverages (Continued)



| | In-Network | Out-of-Network |
|--|---|-----------------------------|
| Ultraviolet Coat | Covered in full after paying a \$10.00 Co-Pay | Not Covered |
| Tint | Covered in full after paying a \$10.00 Co-Pay | Not Covered |
| Standard Anti-Reflective | Covered in full after paying a \$40.00 Co-Pay | Not Covered |
| Contact Lenses (Conventional or Disposable) | Allowance up to \$150.00 | Allowance up to \$100.00 |

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Request for Proposal



- ERS issued a RFP on December 22, 2015 seeking qualified Vendor(s) to provide Group Vision Care Services.
- Responses were due back on January 26, 2016.
- Proposals were received from four vendors.

| Vendors |
|--|
| Davis Vision, Inc. (Davis Vision) |
| EyeMed Vision Care, LLC (EyeMed) |
| Superior Vision Services, Inc. (Superior Vision) |
| United HealthCare Services, Inc. (UHC) |

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RFP Evaluation



- Proposals were evaluated on the following criteria:

Compliance with RFP

Proposal Evaluation Criteria For Minimum Requirements

Financial Considerations / Price Proposal

Operational Capabilities and Services

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

Contractibility

- All four proposals met minimum requirements.

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RFP Evaluation



- Financial Considerations/Price Proposal included review of vendor's:
 - Administration Fee
 - Network discounts
 - Claims funding and payment methodologies

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RFP Evaluation



- Operational Capabilities and Services included review of:
 - Legal Requirements
 - Group Vision Care Plan Provisions and Eligibility
 - Provider Network Requirements
 - Operational Specifications
 - Communications Requirements
 - Information Systems Requirements

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RFP Evaluation - Review



- Review by cross-divisional evaluation team.
- Clarification process.
- The proposal from Davis Vision had the lowest score and was not advanced for further consideration.
- EyeMed, UHC and Superior Vision were considered finalists.

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RFP Evaluation – EyeMed, UHC and Superior Vision



- Reference Checks, April 2016.
- Interviews, April 4, 6 & 7, 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.
- “Best and Final” offers (BAFOs), April 2016.
- Site Visits and Final Review, April 2016.
 - ERS staff conducted site visits.

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Best Value



- Based on the submitted proposals, clarifications, face-to-face meetings and the analysis, the Director of Procurement and Contract Oversight was able to sign off on best value.

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- Based on the review:
 - Superior had the most comprehensive network, strongest in the rural area of Texas.
 - Superior's cost based on reported discounts and administrative fees were essentially equal to or better than the other bidders.

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Staff Recommendation



- Staff has a proposed recommendation regarding the contract award for the Group Vision Care Services Administrator.

Questions?

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Proposed Rates Effective September 1, 2016



| Plan | Rates |
|-----------------------|---------|
| Member Only | \$ 6.69 |
| Member and Spouse | \$13.38 |
| Member and Child(ren) | \$14.38 |
| Member and Family | \$21.07 |

Questions?