

# **Employer-Sponsored Medicare Supplement Plan** **DHR2303-MEDSUPPLAN**

## ***SEBC Proposal Review Committee Recommendation***

***March 1, 2024***

### **Background:**

- *August – October 2023:* Development of the RFP scope of work, evaluation criteria, and minimum requirements. The initial contract is for two years, from January 1, 2025 to December 31, 2026 with a one (1) year optional extension.
- *October 24, 2023:* Released RFP.
- *October – November, 2023:* Received four intent-to-bids and four bids from Aetna, Brighton Health Plans Solutions dba MagnaCare, Highmark Delaware (incumbent) and Trustmark Health Benefits, Inc./Luminare Health Benefits, Inc.
- *November - December, 2023:* The Statewide Benefits Office (SBO) and Willis Towers Watson (WTW) reviewed the proposals and sent follow-up questions as necessary. On December 14, 2023 all four vendors were notified that they were deemed finalists and were invited to participate in vendor interviews with the PRC.
- *January 9, 2024:* The Proposal Review Committee (PRC) met to review relevant historical context, consider the analysis of the bid responses including Medicare Supplement coverage program design, financial proposals, communication and engagement of members, and account management. Finalist interviews were conducted and Aetna, Brighton, Highmark, and Trustmark, where they presented their qualifications and overall capabilities. Afterward, WTW sent additional follow-up questions to the bidders, performed reference checks and continued the pricing analysis.
- *January 19, 2024:* On this date, vendors were requested to submit Best and Final Offer (BAFO) pricing by January 26, 2024. All four vendors submitted BAFOs.
- *February 6, 2024:* The PRC reconvened to review and discuss various aspects of the proposals including answers to follow-up questions, results from reference checks and pricing analysis of the BAFO pricing and information.

- *February 2024:* Additional questions were sent to vendors with updated information sent to the PRC on February 15 and February 19, 2024.
- *February 23 – 26, 2024:* PRC members submitted individual score sheets to the SBO and WTW.
- *March 1, 2024:* PRC members met to review scoring and develop a recommendation for submittal to the SEBC for the March 25, 2024 meeting.
- Aetna, Brighton, Highmark and Trustmark are all Medical TPA vendors offering Medicare Supplement insurance on a national scale. All participated in this RFP process and are qualified and eligible for consideration for the award of a contract, subject to the vendor meeting all minimum requirements, including technology and data security, at the time of the subsequent award.
- Highmark is the current vendor under contract DHR2201-MED\_TPA Medical Third Party Administration (TPA).

The PRC discussed the following in determining the recommendation.

- **Employer-Sponsored Medicare Supplement Plan :**

- All vendors are qualified to administer the Employer-Sponsored Medicare Supplement Plan that duplicates the current Medicare Supplement plan without deviation.
- RFP Scoring: Of a total of 100 weighted total score points, the weighted average scores by the vendors are as follows:
  - Aetna scored: 66.5
  - Brighton scored: 55.3
  - Highmark scored: 69.5
  - Trustmark scored: 66.7
- The estimated annual cost savings for State of Delaware as analyzed by WTW is as follows:
  - Aetna cost savings \$42,000, 1%
  - Brighton offered no cost savings. The cost increase would be \$2,002,000, 31%

- Highmark cost savings \$230,000, 4%
  - Trustmark cost savings \$2,146,000, 33%
  
- The RFP established the categories (for scoring) vendors were to address in their proposals and included the following:
  - Financial Proposal – 30 points
  - Plan Administration – 20 points
  - Communication and Engagement – 15 points
  - Program Design and Offerings – 15 points
  - Experience and References – 15 points
  - Responsiveness – 5 points
  
- While, all vendors offer Medicare supplement services, differences between the vendors in each category are noted below.
  - Financial Proposal
    - Trustmark had the most competitive financials overall.
    - Brighton had the lowest overall.
  - Plan Administration
    - Aetna, Highmark and Trustmark had similar scores with Brighton being slightly lower.
  - Communications and Engagement
    - Aetna scored the highest in the category with a large focus on the member concierge, open enrollment and the age-in to Medicare process with Brighton scoring the lowest with the least focus on telephonic, written and in-person communications. Highmark offered increased communications for members as compared to the current plan.
  - Program Design and Offerings
    - While all vendors scored similarly in this category, Highmark’s score was the highest.
  - Experiences and References
    - Highmark scored the highest as their references included Medicare supplement plans with high return rates of references and positive feedback. Trustmark scored the lowest based on the lack of Medicare supplement plan references provided and the responsiveness of those references.
  - Responsiveness
    - While all vendors scored similarly in this category, Trustmark scored the lowest because of the number of clarifications requested and the subsequent follow-up needed.

As such the PRC recommends the following:

**Recommendation**

RESOLVED that with respect to the Request for Proposal for Employer Sponsored Medicare Supplement Plan, the Proposal Review Committee recommends to the State Employee Benefits Committee as follows:

Contract Award of the Employer Sponsored Medicare Supplement Plan to Highmark for an initial two-year term effective January 1, 2025 through December 31, 2026 with one optional one-year period extension. Such an award shall be subject to approval of the Department of Technology and Information and Department of Insurance and a finalized contract which shall include performance guarantees and Highmark to agree in writing to work with the SBO and Pension Office to enhance member communications as these offices deem necessary relating to open enrollment and the transition into Medicare.