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■ Port Huron Area School District 2017 Public Act 106 Marketing Results

JANUARY 2017

PA 106

Executive Summary

- Michigan Public Employees Health Act 106 (PA 106) of 2007 requires that public employers that maintain a medical benefit plan, as defined by the Act, including school districts such as Port Huron Area School District, shall solicit four or more bids every three years when renewing or continuing a medical benefit plan. This applies if under either insured or pooled plan arrangement (not required for self-insured plans)
- Port Huron Area School District (PHASD) was required to satisfy the bid requirements for plan year 2017 for its Medical and Prescription Drug plans currently offered through MESSA and Priority Health
- Plante Moran Group Benefit Advisors II (PMGBA II) solicited bids from multiple carriers, with an effective date beginning January 1, 2017

PA 106

Executive Summary

- Fully-insured and self-insured medical and prescription drug bids were solicited for the following groups:
 - All eligible MESSA and Priority Health employees (combined)
 - MESSA eligible employees only
 - Priority Health eligible employees only
- Medical and prescription drug carriers engaged for proposals included:
 - Blue Cross Blue Shield of Michigan
 - Priority Health
 - United Healthcare
 - Aetna
 - CIGNA
 - Health Alliance Plan

PA 106 - Medical Marketing Results Overview

- The following chart summarizes the responses provided from medical carriers during the PA 106 marketing process
- All carriers engaged in the bid process either declined to provide a formal proposal or were uncompetitive in pricing versus the current carriers in place (MESSA/Priority Health)

Medical Carrier	Response
Blue Cross Blue Shield of Michigan	Provided Fully-Insured and Self-Insured Proposals(+34.6% total costs above 2017 MESSA/Priority Health renewals) Uncompetitive costs and plan designs versus in-force MESSA and Priority Health plans
Priority Health	Declined to Quote for the entire PHASD population - Uncompetitive premium rates versus MESSA. Priority Health did provide competitive plans and proposals for the existing Priority enrolled plan participants
Aetna	Declined to Quote - Uncompetitive costs and plan designs versus in-force MESSA and Priority Health plans
Meritain (TPA - Aetna)	Provided proposal; unable to procure adequate stop-loss proposal
Health Alliance Plan	Declined to Quote - Uncompetitive costs versus in-force MESSA and Priority Health plans
CIGNA	Declined to Quote - Network Access Deficiencies in Port Huron area

PA 106 - Stop Loss Marketing Results Overview

- The following chart summarizes the responses provided from third-party stop-loss carriers during the PA 106 marketing process
 - Due to a lack of large claimant data, third party stop-loss carriers declined to provide competitive proposals for self-funded arrangements

Medical Carrier	Response
HCC (Tokio Marine)	Declined to Quote - Lack of claims data
QBE	Declined to Quote - Lack of claims data
Aetna	Declined to Quote - Lack of claims data
Sun Life	Declined to Quote - Lack of claims data
Symetra	Declined to Quote - Lack of claims data

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■ Thank you.