

**ALPENA-MONTMORENCY-ALCONA
EDUCATIONAL SERVICE DISTRICT**

2118 US 23 South, Alpena, MI 49707

Phone: 989-354-3101

Request for Proposal

**Insured Medical, Dental, and Vision
Employee Benefits**

Requested: April 2, 2025

Effective: July 1, 2025

Bids Received:

Alpena Agency:

Medical, Dental & Vision Insurances

MESSA:

Medical, Dental & Vision Insurances

Gallagher:

Medical, Dental & Vision Insurances

AssuredPartners:

Declined to Bid



102 S Third Ave. Alpena, MI
mboyk@alpenaagency.com
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Phone: 989-354-2175

Alpena-Montmorency-Alcona Educational Service District
2118 US 23 South
Alpena, MI 49707

Alpena Agency is honored to be considered for the Alpena-Montmorency-Alcona Educational Service District (AMA-ESD) Group Health. We look forward to providing excellent service and making all group benefit transactions as simple as possible for all of those involved.

Within the agency's health department, we have over 50 years combined experience which ensures the employees of AMA-ESD are taken care of. We work closely with Blue Cross Blue Shield of Michigan, Blue Care Network, Priority Health, and Aetna which are top group health providers in the State of Michigan.

Our health department has a dedicated team of four individuals which ensures you will never be left waiting for a response to any questions or inquiries that may arise. With Alpena Agency and its staff being located in Alpena, we are always available to meet face to face with the Board of Directors and any employees to assist with complicated billing and coverage situations.

We look forward to receiving feedback on our proposal and meeting to answer any questions.

Sincerely,

Mark Boyk
Vice President

Tanner Kostelic
Vice President

Attached you will find the requested rate sheets with quotes and benefits summaries for the plans indicated in the Request for Proposal. We solicited the following medical carriers for quotes:

- Blue Care Network – Quotes provided
- Priority Health – Quotes provided. Alternate coverage options are available
- Aetna – Quote request was rejected due to uncompetitive premiums

With Blue Care Network we did attempt to look at alternatives such as increasing copays for prescription drugs. Those quotes are not included as on average they provided about a 1% reduction in premium. If you would like to see these options we can provide them.

Priority Health quotes provided do not exactly match the requested coverage criteria as we received the quotes last minute and there was no time to ask for adjustments. However, Priority Health did indicate that they do have the ability to adjust coverage if needed.

We did solicit quotes for Dental and Vision to Blue Cross, MetLife, Pacific Life, and Delta Dental. We have only included the Blue Cross Dental and Vision Quotes in this proposal. The Dental plans with MetLife, Pacific Life, and Delta Dental were all fully insured (not self-insured). We also found the dental network for MetLife and Pacific Life to be extremely limited in Northeast Michigan. Delta Dental has a more robust network, however the coverage offered would result in a reduction in coverage for employees.

If there is any other information or clarification needed, please feel free to contact Mark Boyk or Tanner Kostelic through email or phone call.

Alpena-Montmorency-Alcona ESD

Gallagher Response to Request for Proposal – Employee Benefits Program

Michael Hagerty | Area Senior Vice President

Chris Glass | Area Vice President

Gallagher Benefit Services, Inc.

300 Ottawa Avenue NW, Suite 301
Grand Rapids, MI 49503

April 23, 2025



Gallagher

Insurance | Risk Management | Consulting

Cover Letter

Alpena-Montmorency-Alcona ESD

Attn: Melissa Cook – Business Manager

RE: Employee Benefits Support Services

Ms. Cook:

We appreciate the chance to present a proposal to administer your employee benefits program on behalf of Gallagher Benefit Services, Inc. ("Gallagher") for Alpena-Montmorency-Alcona ESD. Throughout our proposal, we demonstrate Gallagher's experience, integrity, resources, and innovative approach, assuring that we can effectively meet your needs.

In 2005, eight public entities in West Michigan recognized the need for greater control over their health insurance program quality, pricing, leading them to establish "The Pool." The mission from its inception has been clear: collaborate to manage a high-quality, affordable medical insurance pool by collaborating with public entities to meet the needs of their employees and organizations. The success of this initiative is evident in its growth – now including 233 public entities statewide, 22 of which are ISD/RESA/ESD members.

The success of The Pool is its focus on the members – because the members lead it. The Pool Board is comprised of a representative from each of the member organizations. This Board plays a pivotal role in approving rate increases, reviewing financial results, and steering the overall direction of The Pool. Importantly, those making decisions are also the individuals covered by The Pool. The organization operates under three fundamental pillars— value, member-focus, and trust. These pillars guide The Pool in providing rate increases below trend, offering value-driven benefits, employee focused communications and maintaining transparency and trust.

Since its inception, The Pool has exclusively partnered with Gallagher Benefit Services. The dedicated team at Gallagher collaborates directly with each organization, addressing member questions, devising plan strategies, and managing all aspects for members and employees covered by The Pool. With a 100% focus on public entities in Michigan, The Pool's Gallagher team is readily equipped to serve your needs.

We are grateful for the opportunity to share The Pool's story and determine its suitability for your district. Throughout this RFP response, we will go deeper into who The Pool is and how it can add significant value to your organization.

Sincerely,



Michael Hagerty
Area Senior Vice President
Michael_Hagerty@ajg.com
616-218-2204 (M)



Chris Glass
Area Vice President
Chris_Glass@ajg.com
616-308-9971 (M)

A. Executive Summary

This proposal stands out as a unique submission, representing the collaboration between Gallagher and The Pool. Gallagher serves as the exclusive agent for The Pool, a self-funded public entity pool established nearly two decades ago. By law, membership in The Pool is only for Michigan public entities - cities, schools, counties, and community colleges, aligning with the legal framework that prohibits the inclusion of "for-profit" entities. The Department of Insurance and Financial Services (DIFS) regulates The Pool, enabling public entities to share health insurance risks through this pooling mechanism.

With over 22,500 covered employees and 52,000 lives, The Pool has maintained a 100% retention rate for many years - a testament to its effectiveness for members.

Gallagher has served as the lead consultant for The Pool based on our reputation of delivering human resources and benefits consulting services since the 1960s, with a specific focus on healthcare consulting for the public sector in Michigan for more than 25 years. With proven partnerships for Michigan public sector employers, we pride ourselves on our independence from vendors, Third-Party Administrators (TPAs), and other administrators, ensuring the delivery of unbiased and impartial information to our partners.

B. Cost Proposal for AMA ESD

The Pool distinguishes itself through its commitment to cost-effectiveness. Since the beginning, our focus has been unwavering – delivering top-notch medical benefits at a price the lowest possible price. We work directly with Blue Cross Blue Shield of Michigan and Priority Health within The Pool, providing members with carrier options to meet their needs. With access to their PPO, HMO and affiliate networks we can tailor any plan to meet the needs of your organization.

For your group, our model shows 11.36% (\$158,369) savings from your renewal. All taxes, fees and administrative cost for The Pool are included in the premium amounts. There are no additional fees as a member of The Pool.

Additionally, our support extends beyond medical benefits. The Pool, in collaboration with Gallagher, provides a comprehensive suite of dental, vision, life/LTD/STD, and voluntary benefits solutions. The life/LTD/STD consortium, initiated several years ago, demonstrates our dedication to leveraging size for the benefit of our members. Opting in is optional, but over fifty groups in The Pool have joined, realizing average savings of 20% and securing a five-year rate guarantee.

C. Rate Protection – Stabilizing Costs for Members

A key priority for The Pool is not only providing value but also providing stability for our public sector members. Large swings in employee benefit costs can be extremely disruptive to budgets. Over the past six years, while Michigan's trend has fluctuated around 8-10%, The Pool has consistently kept its increases to an average of 4.9%. We have outperformed trend by an impressive 2-3% annually, resulting in a rate change 16.25% lower than trend over that period.

Another unique feature of The Pool is our rate protection model that protects members from large increases should they have significant claims. The value of The Pool is sharing risk -- you should not be punished with skyrocketing premiums because your staff needed care. Not only is the risk for large claims spread across members, if your claims are lower than premiums collected, your rates are lowered from The Pool wide average. This provides budget stability – a tremendous benefit for members.

D. Service Team

The reason our Pool continues to see a 100%-member retention for consecutive years is simple – our award-winning service team is best in class. Our dedicated staff of eighteen specialists caters exclusively to public sector clients in our Michigan offices. From the Upper Peninsula to southwest Michigan, members consistently compliment the exceptional service provided by our team.

Our team manages every facet of a benefits program. From skillfully bidding on coverage lines, conducting open enrollment presentations, to compiling comprehensive benefit guides and assisting employees with questions, the team's expertise is unparalleled.

Leading our expert team is Michael Hagerty, The Pool's Lead Consultant, who has over two decades of experience as a Director of Finance, Operations, and HR in public entities. Having served in the education sector for two different West Michigan school districts, Mike is well versed in bargaining employee contracts, balancing budgets, and overseeing large-scale medical programs. His involvement in the implementation of PA 106 and PA 152 as a school CFO in Kent County underscores his deep understanding of the intricacies of public entities. Mike's unique perspective, having also served as the Chair of The Pool during his time in education, ensures that he comprehensively understands issues that may arise within The Pool, bringing invaluable insights to clients like the district.

Chris Glass who is a consultant to The Pool spent over a decade working with West Michigan school districts as their lead legislative lobbyist Chris brings unique insights into how PA 152 and PA 106 impacts public entities and provides consultative support on how to structure benefit programs to meet the needs of employees and the organization.

E. Looking Ahead

Looking ahead, maintaining your benefit program with an organization your size will pose challenges. Over the past 5-10 years, we have seen organizations forced to move towards higher deductible plans with increased co-insurance. As the prescription drug market grows at a double-digit trend, medical inflation drives costs higher, and plans become increasingly unaffordable, the next 5-10 years may not be any easier.

This is precisely why groups continue to join The Pool. This past year we saw 48 new groups join The Pool. The advantages are clear – it is more cost-effective to purchase medical coverage with 22,500 employees compared to 100. Economies of scale lead to savings on carrier administration fees, stop loss coverage, and Rx rebates. Additionally, employees benefit from enhanced access to coverage through partnerships in diabetes, second opinions, and musculoskeletal programs.

Conclusion

Thank you for the opportunity to respond to the RFP. We hope to have the opportunity to partner with you and support your employee benefit program. Should you need any additional information to clarify our ongoing commitment to the district, we are happy to provide it.

Response to RFP Questions

Summary of Offering

Medical Coverage: Blue Cross Blue Shield Community Blue PPO plan, designed to align with current BCN HMO plan (Option 1) while offering expanded access, simplified referrals, and better prescription coverage.

Annual Savings: \$158,369 in first-year savings (11.36%) by switching from BCN HMO to The Pool's PPO plan.

Dental & Vision: As your agent we have several options to evaluate a dental and vision program that best meets your needs. Initially we would evaluate The Pool's pooled options or retain the current BCBS plan. We can explore any market options as needed on your behalf.

Rate Sheets & Plan Summaries

Detailed premium breakdown by contract type (Single, Two-Person, Family) included in the AMA ESD Pool Proposal presentation (Slide 14 & attached).

Benefit design aligned with RFP requirements and shown in summary on Slide 14.

Enrollment Requirements

The Pool accepts all eligible employees per the employer's eligibility rules. There are no minimum participation thresholds.

Carrier and Agent Information

Medical Carrier: Blue Cross Blue Shield of Michigan (BCBSM)

Servicing Agent: Chris Glass & Michael Hagerty – Gallagher & The Pool

Agency Address: 300 Ottawa Avenue NW, Suite 301, Grand Rapids, MI 49503

Cost Containment Features

The Pool provides industry-leading cost management strategies.

- Group pooling and underwriting to stabilize renewals
- Transparent, pass-through pharmacy rebate model
- RX rebate return directly to The Pool to reduce premium increases
- Rate protection model (max increase cap of 3.75% above Pool average)

Ancillary (Dental & Vision) Strategy

AMA ESD can retain existing BCBS dental and vision, we can evaluate market offerings on your behalf, or you can opt-into The Pool's preferred partnerships. As your agent of record, we will continue to benchmark market options to ensure the best value across all coverage lines.

Selection Criteria Response

Coverage Match: Proposed PPO plan aligns closely with BCN HMO structure and exceeds in prescription benefit access and flexibility

Cost: Projected 11.36% annual savings; rate protection moving forward

Member Service: Three-layered support model, dedicated client service team, and full integration into The Pool's benefit administration system



MESSA[®]

Response to the

Alpena Montmorency Alcona ESD

Request for Proposal

April 17, 2025



Let MESSA handle your benefits administration

Spend time on what matters most. Leave the administration to us.

When MESSA partners with your school business office, your district will save precious budget dollars while freeing up your staff to focus on more pressing matters.

If you offer MESSA health plan coverage to your employees, you also gain complete access to MESSA's expert team of administrative specialists in our Group Services Department. Our experts deliver free benefits administration, becoming a valuable member of your team.

You can choose how much you want to partner with MESSA by specifying which administrative tasks you need help with and which tasks you prefer to handle in-house. We can take all of your benefits administration off your plate or pick up a few tasks — at no cost.

Let MESSA take on any or all of these administrative duties:

- Open enrollment administration
- FMLA administration
- ACA reporting and compliance tools
- COBRA notices and enrollment
- HSA administration through HealthEquity
- Updated Section 125 plan document
- No-cost FSA for health services and dependent care, including a debit card with no employer prefunding requirement
- Dependent audits

MESSA can provide customized reports and analyses as needed. Additionally, you can add “Ask Emma,” our virtual assistant, to your open enrollment portal to help employees choose exactly the right medical plan to fit their needs.

MESSA does not charge consulting fees, administrative fees or commissions for any of these services. Our goal is to support public schools by making it easier for your staff to focus on other important work that you do. Simply put, we do these things to ease the burden on central office staff, and **we save districts time and money** in the process.