



To: Dr. Charles Johns
Board of Education

From: Dr. R.J. Gravel

Date: Monday, May 4, 2020

Re: Selection of a Consultant and Broker of Record for the School District's Self-Insurance Plan

Recommendation

It is recommended that the Board of Education authorize the administration to enter into an agreement with the Horton Group to serve as the school district's health benefits consultant and broker of record for the remainder of plan year 2020 at a cost not to exceed \$55,000, and plan year 2021 (January 1, 2021 - December 31, 2021), at a cost not to exceed \$110,000 per year.

Background

In November 2019, the school district released a request for proposal (RFP) to evaluate the school district's self-insurance health plan. The RFP resulted in responses from four providers:

- Benefit Consulting Group (Northfield, Illinois);
- Bjork Group (Northbrook, Illinois)
- DSP Insurance Services (Schaumburg, Illinois); and
- Horton Group (Orland Park, Illinois).

Each of the service providers met with members of the Finance Committee in December 2019, and two providers emerged as finalists: Bjork Group and Horton Group. A second committee was convened in January 2020 to take a more in-depth look at the analysis proposed by the two finalists. This committee included employee group representatives from the school district's Cost Containment Committee, as well as members of the Finance Committee. After the interviews, the committee discussed the merits of each service provider, and unanimously supported the selection of the Horton Group for the purposes of this preliminary engagement.

Over the past five months, the Business Services and Human Resources teams have worked closely with the Horton team to obtain and analyze historical health plan data, conduct comprehensive marketing of all health products, and outline recommendations and a three-year plan to maintain or decrease the expense of health benefits for both our employees and the school district. Throughout the engagement, our team repeatedly submitted additional requests to the Horton team, which were beyond the initial scope of our guiding questions. Additionally, as each analysis step was completed, the Horton team would meet at length with our team to explain in detail their findings and take additional questions for which they would follow-up on in the future. Regardless of the questions and process changes that we submitted, the Horton Team fulfilled every request and remained committed to responding to all of our needs, within the previously agreed-upon timeline. In short, they have served as more than a consultant, but a true partner in supporting our efforts to maintain or reduce health care expense for the long term.

In recognizing the scope of work presented in the Horton Group's final report, and the positive feedback we have received from both the Cost Containment Committee and the Board of Education, we are confident in the Horton Group's capability to continue supporting the consulting needs of the school district in the future. As a result, it is recommended that the Board of Education authorize the administration to enter into an agreement with the Horton Group to serve as the school district's health benefits consultant and broker of record for the remainder of plan year 2020 and plan year 2021. It should be noted that in accordance with the Illinois School Code (105 ILCS 5/10-20.21(i)), professional services, such as a health benefits consultant and broker of record is not required to be bid. However, the comprehensive RFP process performed in January fulfilled all of the bidding processes and elements for which the school district would typically implement in the selection of a professional service partner.

By maintaining continuity between our comprehensive evaluation process and our preparations for the 2021 plan year, the school district will be positioned to make significant progress with implementing critical cost-savings measures in the coming fiscal year. Included in Table 1 is a timeline of major events leading up to the start of plan year 2021 (January 1, 2021) should we continue our engagement with Horton Group.

Table 1
Activities Preparing for the 2021 Plan Year

Major Events	Timeline	Participants
Disruption Reports and Plan Design Review (included in preliminary engagement).	May 2020	Finance Committee Cost Containment Committee
Analysis of "Year 1 Recommendations" for Plan Year 2021; additional educational meetings.	May - June 2020	Finance Committee Cost Containment Committee
Recommendation to the Board of Education to implement Recommendations from the Finance and Cost Containment Committee.	August 2020	Administration
Presentation of Pre-Renewal for Plan Year 2021.	September 2020	Finance Committee Horton Group
Recommendation to the Board of Education to implement additional Recommendations from the Finance and Cost Containment Committee.	September 2020 (if needed)	Administration
Presentation of Final Renewal for Plan Year 2021.	October 2020	Finance Committee Horton Group
Recommendation to the Board of Education to accept the recommended premium equivalent rates for plan year 2021.	October 2020	Administration
Educational meetings with staff (Ongoing) and open enrollment.	October/ November 2020	Administration Horton Group