



Landon State Office Building  
900 SW Jackson Street, Room 900-N  
Topeka, KS 66612

Phone: 785-296-3226  
Fax: 785-368-7180  
[www.kdheks.gov/hcf/sehp/default.htm](http://www.kdheks.gov/hcf/sehp/default.htm)

Robert Moser, MD, Secretary  
Kari Bruffett, Director

Sam Brownback, Governor

## **MEMORANDUM**

**TO:** Health Care Commission  
J. Scott Day  
Steve Dechant  
Sandy Praeger  
Nancy Ruoff  
Dennis Taylor

**FROM:** Mike Michael

**DATE:** May 30, 2012

**SUBJECT:** **Contract for Plan C Medicare Supplement Policy**

The State's Direct Bill members, who include retirees, pay the entire cost of their health insurance. Once they are eligible for Medicare they may switch from Plan A or B to the fully insured Medicare Supplement or Medicare Part C Advantage plans offered by the State. They are also free to leave the State group and select coverage in the private market. If the member leaves they are not eligible to enroll in the State group at a later time.

A request for proposal (RFP) EVT0001204 for a fully insured Plan C Medicare Supplement policy was released February 8, 2012. The RFP closed on March 15, 2012. Only two (2) bidders responded to the RFP and negotiations were held with both bidders.

The incumbent bidder's RFP response agreed to all the current terms and requirements of the bid. The other bidder's RFP response was non compliant with the RFP requirements. Substantial discussion and follow-up was required to obtain all the necessary information to complete this bid. The vendors were asked as a follow-up to the face-to-face negotiations to provide written responses to any outstanding issues with their bid as well as to provide their best and final rates. Staff reviewed the vendors' responses with a focus on acceptance and understanding of the State's requirements for vendors; the proposed premiums and rate caps; the vendors' flexibility; and their capabilities to provide accurate, timely, and quality customer service and claims processing.

### **Recommendation:**

Staff recommends that a three (3) year Plan C Medicare Supplement contract be awarded to Blue Cross and Blue Shield of Kansas.