



## **MEMORANDUM**

**TO:** Health Care Commission  
Steve Dechant  
Sandy Praeger  
Nancy Ruoff  
John Staton  
Dennis Taylor

**FROM:** Mike Michael

**DATE:** June 3, 2012

**SUBJECT:** **Contract for Administrative Services Only Providers**

A request for proposal (RFP) for the Administrative Services Only (ASO) contracts for the medical plans was released January 31, 2011. A phone conference with potential vendors was held on February 24, 2011. The RFP closed on March 23, 2011 and four (4) bids were received. Based on a review of the services offered and the ability to administer the current plan designs, three (3) vendors, Blue Cross and Blue Shield of Kansas (BCBS), Coventry/Preferred Health Systems (PHS), and UnitedHealthCare (UHC), were invited in for negotiations. Each of the three vendors is offering ASO services for Plans A, B and C.

The vendors were asked as a follow-up to the face-to-face negotiations to provide written responses to the outstanding questions as well as to provide their best and final ASO rates. As there were still outstanding questions about the bid responses of Coventry/Preferred Health Systems and United HealthCare, additional phone conferences were held to obtain additional information, acceptance of the mandatory provisions of the RFP, and clarity on the vendors' proposals and fees. Staff has reviewed the vendors' responses with a focus on their abilities to accept the state requirements for vendors; the proposed ASO rates; the vendors' flexibility; their ability to administer the program; and their capabilities to provide accurate, timely, and quality customer service and claims processing.

### **Recommendation:**

Staff recommends that three (3) year ASO contracts be awarded to the following vendors: BCBS of Kansas, Coventry/PHS and UHC.