

MEMORANDUM

TO: Health Care Commission
J. Scott Day
Steve Dechant
Kenneth Selzer
Sarah Shipman
Heather Young

FROM: Mike Michael

DATE: August 20, 2015

SUBJECT: **Medicare Advantage Plan Contract**

The request for proposal (RFP) EVT0003784 to obtain competitive bids from qualified vendors to provide a fully insured Medicare Advantage Plan for the direct bill component of the State Employee Health Plan (SEHP) was released on May 6, 2015. The bidding closed on June 26, 2015, and one response to the RFP was received. There are a limited number of companies that offer a statewide Medicare Advantage plan.

Medicare Advantage plans provide Medicare Part A, Part B and sometimes Part D benefits and the member's supplement coverage all in one. The plans commonly provide benefits that are not available under traditional Medicare. Direct bill members currently have the option of selecting a Medicare Advantage (Part C) Preferred Provider Organization (PPO) option with Coventry Health Care (CHC) or the Plan C Medicare Supplement policy with Blue Cross and Blue Shield of Kansas. Direct bill members pay the entire premium for their coverage.

Staff Recommendation:

Staff recommends that Coventry Health Care be awarded a three-year contract to provide the Medicare Part C Advantage plan.