

THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA

FINANCIAL SERVICES DEPARTMENT

M_E_M_O_R_A_N_D_U_M

TO: Mitsi Corcoran, Chief Financial Officer

FROM: Lynn Peterson, Risk Manager

DATE: October 1, 2012

SUBJECT: Enrollment and Benefit Administration System

Background

Currently, Sarasota County School Board uses a paper enrollment system for new hires enrollment, open enrollment, as well as life event changes. Because this system is inefficient, due to the manual processes, the Risk Management Department set out to find a no cost solution to automate the benefit enrollment process using Cross Pointe or a Third Party Vendor. Cross Pointe does not currently have a system in place capable of electronically processing benefit enrollments and maybe several years away from implementing such a system.

Several Enrollment solutions through various carriers were analyzed, including Aflac, Colonial, Unum and Humana. Because Aflac is a current approved vendor and because of the overall product and service offerings, the District chose to proceed with an enrollment solution through Aflac and their worksite partner Univers.

Aflac and Univers Proposal for Enrollment System

The proposal is a comprehensive enrollment system with web and call center support that would be funded through the introduction of new Aflac plans offered at group rates during 2013 Annual Enrollment, as well as years 2014 and 2015.

In year one [2013], Aflac will introduce three new group voluntary benefits plans which will include a Short Term Disability, Critical Illness and Permanent Life Insurance plans. All of these will fill the gaps in the core benefits currently provided to employees. In year two [2014], will offer the same as year one and add an Accident Insurance plan. In year three [2015], plans offered will include year's one and two and one additional plan that will be determined in the future. Employees who have current Aflac plans will be allowed to remain in their current plan or they will have the option to switch to the group plan.

Univers services proposed includes the following:

- Enrollment (Face-to-Face, Call Center and Online)
 - The First year of Annual Enrollment [October 26, 2012 – November 30, 2012] Sarasota County School Board will make every effort to have at least 80% of the employee population meet face-to-face with enrollers at each of the worksites to verify data and enroll in benefits. The remaining 20% of employees will either use the call center to enroll or if the employee does nothing then benefits will transfer over from the prior year and remain unchanged.
 - Year round processing of Life Events and New Hires with transactions sent to Risk Management for approval.
 - Links to carrier provider networks and plan comparison tools.

- Call Center will have dedicated (800) number and certified counselors employed by Unifers and will provide assistance with navigation and products without a hard sell of voluntary products for Open Enrollment and newly benefit eligible employees.
 - Online Employee Self-service access through the system for all benefit eligible employees for viewing benefit information and enrollment confirmation statements and for self reporting life event.
 - Online Employee Self-service will be available for all benefit eligible employees for Open Enrollment in 2013 and 2014.
- **Benefits Administration**
 - Risk Management to have Administrative access to the system.
 - Enrollments to be automatically transmitted to carriers
 - Business rules control enrollment eligibility and dependent eligibility.
 - Customized reports
 - Payroll interface and data management
 - Enrollment history and tracking with real time and audit information
 - **Communication and Marketing**
 - Unifers to provide Open Enrollment communication, posters, postcards and other marketing materials, as well as telecommunications for reminder phone calls.
 - Website and marketing materials will be theme based so employees see continuity between the two.
 - **Health Advocate**
 - Allows employees access to a health advocate to help with a variety of issues including health cost estimator, fee negotiation, claims assistance, grievance advise, physician locator and RxAdvocate.

Unifers and AON Hewitt will be the broker of record for the voluntary benefits listed for minimum of three years.

Enrollment System Cost

The initial setup fee is \$0 and the monthly fee is \$0.30 Per Employee Per Month (PEPM). This monthly fee which is approximately \$21,000 per year will be offset by the \$65,000.00 allowance that was provided by Florida Blue for an online enrollment system per the 2012 RFP. [Without the commissions earned through the Aflac plans, the system would cost \$5.85 PEPM]. Although no additional fees are expected, AON Hewitt has agreed to pay Unifers any additional fees required in the normal course of business incurred for system costs in excess of the \$0.30 PEPM throughout the three year contract. This ensures Sarasota County School Board will not incur funds to pay for this enrollment system.

Recommendation

It is recommended that the Sarasota County School Board accept the \$0 cost proposal for three years.

Attachments: Unifers Proposal
 Aflac Critical Illness Plan
 Aflac Whole Life Plan
 Aflac Short Term Disability Plan