

Benefits Committee Meeting

September 9, 2025

How RFP Will Consider Employee Survey Results



The Survey & The RFP Process

Survey Says!

- APS employees want maximum choice of plans, carriers, doctors, drug coverage, etc.
- Many employees are tired of change; they want to keep their doctors and their current insurance.
- Cost out of paycheck and when getting medical services and prescriptions is very important – *obviously, the lower the better*
- Employees want help navigating the healthcare system, making appointments.

Key RFP Components Based on the Survey Results

- RFP asks for independent quotes for all lines of coverage and plans with intent to award a contract to one (1) or more carriers.
- Disruption to employees has been added to the evaluation criteria.
- The RFP makes it very clear about the need for data transparency during negotiation steps so APS can get the best contract terms and the lowest rates and fees (especially for pharmacy).
- RFP will ask all carriers to provide information about what they can do very specifically.

Most Important Aspects of Health plan

Very Important

- Current Providers in Network (68%)
- Premium costs per pay period (75%)
- Out of pocket costs (co-pays and deductibles) (79%)

Important/very important:

- More than one HMO plan (high, mid, low) 52%
- More than one PPO plan (high, mid, low) 70%
- Keeping current insurance carrier (62%)
- Time to process claims (82%)

Keeping Current Providers in Network:

- CareFirst has provided a report of all providers APS uses as well as data to know which are used the most and the least. *We also have out of network usage data to compare with other carriers who may have those providers in network!*
- Carriers responding to the RFP will need to provide a **disruption analysis report**, which indicates if their network includes (or not) every provider used by APS members under the CareFirst plan since inception.
- Carriers usually have more than one network option, with some networks providing deeper discounts on claims (which is very important to APS, being self-funded).
- Therefore, carriers will be asked to do disruption analysis for all network options they propose, so APS can find best fit to control costs and minimize disruption to APS employees.

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Cost per paycheck:

- Medical rates are made up of many components, such as fixed and variable fees, pharmacy rebates, discounted claims, taxes. The RFP will request this information in detail so APS can compare options and avoid hidden fees.
- The RFP will request information to assess the many ways that carriers can reduce total costs for APS, such as:
 - Pre-negotiated discounts on provider services
 - Discounts and rebates on drugs
 - Utilization management programs
 - Condition management programs
 - Wellness funds and programs
- The actual cost share per paycheck for employees is determined by APS policies and procedures and the collective bargaining agreement. There are set percentages which we follow.
- The RFP process *with a negotiation component* is how USI can help APS can find carriers which will allow APS to have the lowest total rates possible, which in turn impacts a employees' costs.

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Copays, Deductible and Max Out of Pocket Costs:

- APS regularly reviews benchmarking data to ensure copays and deductibles for plans are competitive. As of now, the RFP does not request any changes to plan copays and deductibles *for the existing plans*.
- The RFP process will confirm potential carriers can administratively support plan the current designs APS offers, as well as an additional “low” HMO option.

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More than one HMO and PPO plan with high and low benefit options:

- USI developing a suggest “Low” HMO plan design to be offered alongside the current HMO plan.
- RFP will request High/Low HMO **and** High/Low replacement for the PPO plan (could be PPO, POS, OAP, etc.).
- Carriers usually have 2 or 3 options with in and out of network benefits. RFP will assess PPO as well as other options that could provide savings without significant disruption.

How RFP Will Address Choices APS Employees Want to See

APS employees want more than one medical carrier to choose from, as well as choice of more than one level for an HMO, as well as the PPO.

Therefore, the RFP will ask all respondents to provide independent quotes for each plan, allowing APS to build their medical offering in a variety of ways.

We are also stating that we will accept fully insured HMO proposals, so carriers that prefer that type of arrangement will be inclined to quote.

Note: Slicing benefits between two carriers generally costs more than bundling with one carrier. There is a trade off between flexibility and options and cost.

Examples of how two medical carriers (A and B) could split administration of four APS medical plans

Plan	High Plan	Low Plan	High HMO	Low HMO
	with in and out of network coverage	with in and out of network coverage	with no out of network coverage (except emergencies)	with no out of network coverage (except emergencies)
Carrier	A	A	B	B
Carrier	A	A	A	B
Carrier	B	A	B	B

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Keeping Current Insurance Carrier:

- The RFP is requesting proposals from all current and past carriers that APS has used, which includes current carrier.
- We are soliciting to have two medical carriers to ensure choice for employees.

Claim Processing Time:

- The RFP questionnaires request data around timing for all major administrative activities and we will be requesting performance guarantees to hold them accountable to represented timelines.

Most Important Aspects of Health plan

Expansive Drug Coverage:

Expansive Drug Coverage (62%)

Availability of Providers in network (82%)

Support with finding specialty doctors and scheduling appointments (51%)

- The RFP will request that proposals include the carriers/PBMs most expansive drug formulary(drugs they cover) and pharmacy network (retail chains you can go to).
- Carriers usually have 2 or 3 options for administering drug benefits; therefore, RFP will request information about all options available.
- The cost impacts of each will be reviewed and weighed against the desire for employees to have maximum flexibility and coverage.

Most Important Aspects of Health plan

Availability of providers in-network:

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- To ensure employees and retirees have sufficient in-network options, all carriers will be asked to provide a GeoAccess report, which is a report on how many providers (PCP, Specialists, Hospitals) are available in every zip code where APS employees/retirees reside.
- RFP will also ask about:
 - Coverage/providers outside the US
 - Process for nominating providers to the network
 - Any upcoming contract negotiations with hospital systems where desired providers network status could be in jeopardy.

Specialty doctors and appointment assistance:

- The RFP will ask each carrier to explain their capabilities in this area and so we can assess our options.