DEPARTMENT OF EMPLOYEE SERVICES

Jacksonville
Where Florida Begins.

MEMORANDUM

TO: Greg Pease, Chairperson
Professional Services Evaluation Committee

FROM: Bob Parr, Chief, Compensation and Benefits
Mary DiPerna, Manage, Compensation and Benefits

SUBJECT: Sole Source Justification – TRICARE Supplement

DATE: June 11, 2018 P-30-18 SS#6

We would like to request a sole source approval for Selman & Company as they are the only company to offer the TRICARE Supplement as a voluntary group health insurance plan. There is no other source to provide this specific service.

The TRICARE Supplement plan will be offered to employees that currently have TRICARE and want to opt out of the City's health insurance. The City will not subsidize or incentivize this plan and it will be paid for solely by the employees that choose to voluntarily enroll in this plan. For your reference, I have attached a copy of the proposal from Selman & Company which outlines the details of the product as well as the cost of those services.

Please approve our request to purchase this professional service from Selman & Company.

Attachments:

TRICARE proposal
Sole Source Letter

Office of Employee Benefits 117 W Duval St., Suite 150 Jacksonville, FL 32202
Phone: 904 630 1314 Fax: 904 630 1294 www.coj.net

SelmanCo

Insurance Administrative Services from an Extraordinary Partner

May 23, 2018

Mary DiPerna
Manager
City of Jacksonville
117 W. Duval Street, Suite 150
Jacksonville FL, 32202

Subject: **TRICARE Supplement Plan Renewal for the 2019 Benefit Year**

Dear Mary:

This is in response to your request for the 2019 renewal of the TRICARE Supplement Plan for City of Jacksonville (Client ID 0001644).

Rate Submission – Due to the nature and type of plan, Selman & Company does not perform underwriting methodology of the TRICARE Supplement. Information for all groups participating in the plan are aggregated in one corporate rated pool. Therefore, Selman does not look at claims experience separately or at the nature or size of the client.

The GEA TRICARE Supplement Plan benefits and monthly rates will remain unchanged for the 2019 Benefit Year. The rates are guaranteed for the time period of January 1, 2019 to December 31, 2019.

Tier Level	Employees By Tier	Current Premium Rates	2019 Premium Rates
Employee Only	4	$67.50	$67.50
Employee plus Spouse	3	$132.50	$132.50
Employee plus Child(ren)	1	$132.50	$132.50
Employee plus Family	4	$178.50	$178.50

State of Washington residents

Tier Level	Employees By Tier	Current Premium Rates	2019 Premium Rates
Employee Only	0	$44.17	$44.17
Employee plus One	0	$86.17	$86.17
Employee plus Two/More	0	$116.50	$116.50

The supplement plan will continue to provide the following benefits for TRICARE covered services:

When TRICARE Select is used:

- 50% of the TRICARE Select Outpatient Deductible of $150 per person (maximum $300 per family)
- 100% of the TRICARE Select Outpatient Deductible of $150 per person (maximum $300 per family) if employee is a resident of the state of Washington.
- 100% of the TRICARE Select cost share
- 100% of Excess Charges up to TRICARE's Legal Limits (non-participating providers)

When TRICARE Prime/Point of Service (POS) is used:

- 100% of the TRICARE Prime copayments
- 25% of the POS deductible of $300 per person (maximum $600 per family)
- 100% of the POS cost share
- 100% of Excess Charges up to the TRICARE's Legal Limits (non-participating providers)

When TRICARE Reserve Select (TRS) is used:

- 100% of the TRICARE Reserve Select Outpatient Deductible of $150 per person (maximum $300 per family) if Rank E4 or lower.
- 50% of the TRICARE Reserve Select Outpatient Deductible of $150 per person (maximum $300 per family) if Rank E5 or higher.
- 100% of the TRICARE Reserve Select cost share
- 100% of Excess Charges up to TRICARE's Legal Limits (non-participating providers)

Covered expenses are subject to supplement plan deductible of $100 per individual (maximum $200 per family) plus exclusions and limitations still apply.

Mandatory Benefit and/or Contract Changes – TRICARE and the TRICARE Supplement Plan is an excepted benefit. Therefore, ACA is not applicable. There are no mandatory benefits or contract changes to the supplement plan for the 2019 year.

I would like to express my sincere appreciation for City of Jacksonville's business and for your continued participation in the TRICARE Supplement Plan. We look forward to working with you and City of Jacksonville in continuing our relationship for another benefit year.

If you have questions, please do not hesitate to contact me at 800-638-2610, extension 195 or via email at lhoytt@selmanco.com.

Sincerely,

Laine Hoytt

Laine Hoytt

Client Relations Specialist

SelmanCo

Insurance Administrative Services from an Extraordinary Partner

June 3, 2018

Mary DiPerna, MAcc, CEBS
Manager, Compensation and Benefits
City of Jacksonville
117 W. Duval Street, Suite 150
Jacksonville, FL 32202

Dear Mary,

Selman & Company is the only vendor able to offer TRICARE Supplement, as we are the originator of the group TRICARE Supplement Plan originally sponsored by the American Military Retirees Association and underwritten by The Hartford Life and Accident Insurance Co. under a national exclusive contract until September 30, 2010 and currently sponsored by the Government Employees Association and underwritten by Transamerica Premier Life Insurance Company.

Selman & Company provides insurance marketing and administrative services to associations, credit unions, banks, employers and insurance companies. Managing over $300 million in premium under administration, we serve more than 1.3 million individual customers with integrity and dedication.

Please feel free to direct any additional questions to my attention, and I look forward to our continued partnership!

Sincerely,

Cheryl Ahmad
Vice President, Client & Corporate Services
6110 Parkland Boulevard
Cleveland, OH 44124
Direct 440.646.9336 ext. 221
Email cahmad@selmanco.com
Web www.SelmanCo.com

SOLE SOURCE/PROPRIETARY REQUEST

Pursuant to the City of Jacksonville Procurement Code § 126.206 & § 126.312, when requesting a purchase from a vendor subject to the referenced sections, please complete this form to justify your request and submit to Procurement with applicable attachments.

REQUESTING AGENCY (DEPT./DIVISION): Employee Services/Comp and Benefits

PROPRIETARY ☐

SOLE SOURCE ☒

FUNDING SOURCE: ESCB571 -04555

BRIEF DESCRIPTION OF GOODS/SERVICES:
Tricare supplement for employees who have access to Tricare.

AMOUNT OF PROJECT (attach quote): $18,000

PROVIDE A SUMMARY OF THE SCOPE OF GOODS/SERVICES TO BE PROVIDED; IDENTIFY EACH ITEM, COMPONENT OR SERVICE BEING PROCURED (ATTACH QUOTE/PROPOSAL):
Tricare Supplement for the following:
Employee Only-$67.50
Employee/Spouse or Employee/Children-$132.50
Employee/Family-$178.50

PROVIDE A DETAILED JUSTIFICATION AS TO WHY THE REQUESTED GOODS/SERVICES CAN ONLY BE EFFICIENTLY AND EFFECTIVELY PROCURED THROUGH THE RECOMMENDED PROPRIETARY/SOLE SOURCE PROVIDER:
Per attached letter Selman & Compnay is the only vendor that is able to offer the Tricare Supplement plan.

ASSERT THAT YOU HAVE RESEARCHED THE AVAILABILITY OF THE REQUESTED GOODS/SERVICES FROM OTHER SOURCES IN APPLICABLE MARKETS AND HAVE DISCUSSED AND EVALUATED THE SAME WITH COJ'S PROCUREMENT AND EBO DIVISIONS:
Yes.

Submitted by:

(Name) **(Title)**

Date: Bob Parr, Chief, Compensation and Benefits, 06/11/2018

Requesting Agency's Director's Signature: DIANE F. MOSER