



ANDY CARROLL | Strategic Account Executive, Public Sector • Telephone: 407-833-7703 • Facsimile: 904-301-1605

June 30, 2011

St. Lucie County Public Schools
4204 Okeechobee Road
Fort Pierce, FL 34947

c/o Employers Mutual, Inc.
Attn: Jim Davis
700 Central Parkway
Stuart, FL 34994

Dear Jim:

Blue Cross Blue Shield of Florida (BCBSF) and Florida Combined Life Insurance Company (FCL) are grateful to be selected as a short-list finalist to provide dental coverage for the St Lucie County Public Schools. We have attempted to put our best foot forward in proposing a dental package that meets the needs of St. Lucie County Public Schools today and into the future.

As requested, below we have responded to the additional questions as outlined in your June 23, 2011 email. I think you'll find our responses favorable for the school district in most all cases.

1. Your proposal included a two year rate guarantee period. Would you be willing to offer a third year rate cap?

Due to State of Florida Office of Insurance Regulation Statute and Insurance Administrative Code F.A.C. Rule 690-149.005(14)(b) rate guarantees or rate caps beyond 24 months are prohibited for 51+ size fully insured groups. Specifically, the rule states "prohibits rate guarantees for periods greater than 24 months for products issued to groups with 51 or more employees". This has been specifically discussed between BCBSF/FCL and the OIR, and clarified for our health (to include dental insurance) quoting purposes.

2. In our experience with your fully insured program, we have encountered a provision within your contract for "Elective Termination of Coverage". A two-year reenrollment restriction applies if an employee elects to opt out of the dental program for any reason. Will this provision apply to St. Lucie Co. School Board if FCL/BCBS is selected as the dental carrier? Can this standard provision be removed?



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This standard will not apply to St. Lucie County Schools. In March, 2011 a new dental contract was filed with the Florida OIR, which among other improvements, included removing this provision. We have subsequently received approval on this contract.

3. Do you have any dental clients located in the Treasure Coast (St. Lucie, Martin and Indian River Counties)? If so, provide their names and confirm the total membership.

We have a number of clients located on the Treasure Coast. Included below are some of the larger groups and the corresponding total membership. If a complete list with smaller groups is desired, FCL/BCBSF will be glad to provide such.

Martin County BOCC
1,167 contracts

City of Port St. Lucie
925 contracts

Piper Aircraft
711 contracts

Indian River County Sheriff's Office
261 contracts

Indian River BOCC (effective 10/1/2011)
314 contracts

Fort Pierce Utilities Authority
291 contracts

City of Vero Beach
196 contracts

4. Provide a listing of three dental references, preferably located in the Treasure Coast (St. Lucie, Martin and Indian River Counties).

Martin County BOCC
Geidy Reitor
(561) 626-6796
geidy@gehringgroup.com



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City of Port St. Lucie

Claudia McCaskill

(772) 344-4081

CMcCaskill@cityofpsl.com

Fort Pierce Utilities Authority

Ed Cox

(772) 466-1600 x3266

ecox@fpua.com

- 5. Please confirm your commitment to recruit the School Board's top dentists that are not currently in your PPO network. At this point, within the top 25 providers by paid amount, we have identified five dentists that are not contracted with your network.**

Since the initiation of quoting on St. Lucie Public Schools, FCL has been working in the immediate area on additional recruitment efforts. We have been in negotiations with Dr. Dermody and Dr. Ardulan's offices this week, and expect to have both of these offices contracted soon. Additionally, we are working to contract as many of the other top utilized providers as possible, in order to have as little disruption to the school district as possible. This effort will continue prior to and, if necessary, after the January 1, 2012 effective date.

- 6. Would you be willing to match the current dependent eligibility age limits, which mirror the medical plan as follows:**

- Up to age 26 with no qualifications other than those dependents eligible for other employer based coverage
- From age 26 to 30 if a) unmarried and does not have a dependent of their own; b) is a resident of the State of Florida or a full-time or part-time student; and c) is not covered for health expense benefits by any other plan, or entitled to benefits under Medicare. But, if coverage is terminated before the child's 31st birthday, you may not re-enroll the child unless he or she was continuously covered by other creditable coverage without a gap in coverage of more than 63 days.
- If you are not willing to match this language, please state your dependent eligibility guidelines.

FCL will match the BCBSF dependent eligibility age limits.



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I am also very pleased to offer an **additional 2% reduction to our previously quoted dental rates** on both the high and low plans. This represents over \$54,000 in additional savings over our previously quote.

Please remember that in our initial proposal response **BCBSF also committed to reduce the January 1, 2012 medical renewal by 1%**, should our dental offering be selected. In addition to this, **we will be providing a \$150,000.00 Wellness Incentive to the school district in 2011 at the time our proposal is selected**. Our organization is thoroughly committed to our health and dental packaged offerings and believe new integrated programs, such as **Total Health**, bring great value and future improved medical savings for groups that combine health and dental products under one umbrella. With the integration of health and dental, we are seeing better disease management and care coordination outcomes, which ultimately can reduce medical claims costs.

We believe this updated, enhanced offering and the integration of the health and dental products under the Blue umbrella represent a very attractive financial decision for St. Lucie County Public Schools for both the short and long term.

Thank you again for your continued consideration and we look forward to expanding our product offerings for St. Lucie County Public Schools.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andy Carroll".

Andy Carroll