



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

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**File #:** 21-0653, **Version:** 1

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### **TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 5, 2021**

#### COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authorization to enter into an agreement for Contract 21-RFP-05 Vision Plan Administrator, with EyeMed Vision Care, LLC, for a three-year period, effective January 1, 2022 to December 31, 2024, Account 101-25000-601250

Dear Sir:

Authorization is requested to enter into an agreement with EyeMed Vision Care, LLC (EyeMed) to administer the District vision plan offered to employees as part of the health insurance benefits. EyeMed will be responsible for all aspects of plan administration and compliance. The vision plan is a separate, stand-alone benefit within the health insurance program. All employees enrolling in one of the District medical plans receive the vision coverage. The agreement will be for the period from January 1, 2022 through December 31, 2024.

On March 10, 2021, Request for Proposal 21-RFP-05 Vision Plan Administrator was publicly advertised. One hundred thirty-seven (137) firms were notified and seventeen (17) requested proposal documents. On April 9, 2021, the District received seven (7) responsive proposals from the following vendors: Aetna Life Insurance Company; Avesis Third Party Administrators, Inc.; EyeMed; Humana Insurance Company; Metropolitan Life Insurance Company; UnitedHealthcare Insurance Company; and Vision Service Plan.

The proposals were evaluated by staff from Human Resources and the Procurement and Materials Management departments. The criteria for these evaluations were outlined in Request for Proposal 21-RFP-05 and included: organizational stability and experience; ability to administer the plan design; network size and quality; claims administration performance; member service performance; administrative performance; financial stability; compliance with insurance and licensure requirements; and cost.

Following the preliminary evaluation of proposals, excluding cost, four of the seven proposers were deemed to be finalists and were invited to interviews conducted May 26-27, 2021. On June 9, 2021, a solicitation was sent to the finalists requesting an unqualified "best and final" offer. The "best and final" offers were returned to the Director of Procurement and Materials Management on June 16, 2021.

Based on the evaluation of proposals, finalist interviews and pricing, the Human Resources Department recommends EyeMed as the selected vendor to provide self-insured vision benefits to District employees. EyeMed provides vision plan services to 22,000 employer groups covering 62 million members. They have 700 public sector clients, including the State of Illinois and Chicago Public Schools, covering more than 2 million public sector employees and their families. EyeMed offers participants a broad network of providers with a balance of independent optometrists and retail providers such as Target Optical, LensCrafters, Pearle Vision, America's Best, and others. Participants can also purchase frames, lens, and contacts online from glasses.com, contactsdirect.com, and several of the retail providers with plan benefits applied at the time of purchase. The plan offered by EyeMed helps control out-of-pocket costs for the participant through fixed,

discounted pricing on common purchases such as progressive lens and premium lens options. EyeMed provides members with access to a user-friendly website and mobile app that provides benefits summaries, claims information, wellness resources, a provider search tool, and other valuable information. It also provides a "Know Before You Go" transparency tool allowing participants to estimate the cost of services upfront based on the District benefits plan. The EyeMed customer service center received a "Certified Center of Excellence" rating and provides evening and weekend hours to plan participants that need assistance with their vision benefits. Finally, EyeMed provides a comprehensive member communication plan that includes Welcome Packets, individual participant ID cards, a virtual open enrollment booth, quarterly newsletters, and ongoing vision benefits and wellness materials.

The Diversity Section reviewed the request for proposal and concluded that the contract does not provide practical opportunities for subcontracting. The estimated annual cost of these services is \$183,000.00. This includes \$166,000.00 in provider claims expense and \$17,000.00 in administrative fees. The claims expenses are not applicable because the District cannot control the providers employees utilize for vision services. Since the estimated cost of administrative fees are only \$17,000.00 annually, the Affirmative Action participation goals do not apply.

In view of the foregoing, it is requested that the Director of Procurement and Materials Management be authorized to enter into an agreement with EyeMed to administer the vision plan for a three-year period from January 1, 2022 through December 31, 2024. Funds for 2022, 2023 and 2024 are contingent on the Board of Commissioners' approval of the District's budget for those years.

Recommended, Beverly K. Sanders, Director of Human Resources  
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management  
Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement  
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for August 5, 2021

Attachment