

**Gaylord Community Schools**  
**P.A. 106 Solicitation**  
**Prepared by**  
**Plante Moran Group Benefit Advisors II, LLC**  
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## **Introduction**

Public Act 106 requires public employers, or pooled plan sponsors, procuring coverage for health benefits from 1 or more carriers to solicit four or more benefit proposals every three years when reviewing or continuing a medical, dental, and/or vision benefit plan. The Act applied to sponsors of fully insured plans and specifically excludes self-insured health (defined as medical, dental, and vision) plans. The solicitation must include at least one bid/proposal request from a Voluntary Employees' Beneficiary Association (VEBA) described in section 501(c)(9) of the Internal Revenue Code, 26 USC 501(c)(9).

Gaylord Community Schools (GCS) operates such plans, including a fully insured medical plan, and a self-insured dental and vision plans. As a result, On Behalf of GCS has retained Plante Moran Group Benefit Advisors II, LLC (PMGBA) to solicit medical proposals so that GCS is in compliance with the Act.

## **Process**

PMGBA prepared and released a solicitation request summarizing; the intent of the solicitation, background information relating to GCS, Standard Industrial Classification, industry, demographics, current fully insured medical plan designs, carrier, and enrollment data. The solicitations were sent out to four different medical insurance carriers one of which operating as a VEBA.

## **Carriers and Results**

What follows is a summary of the carriers asked to offer proposals and the response from each.

- Aetna – Uncompetitive and Declined to Quote
- United Health Care – Uncompetitive, specifically driven by lack of a strong provider network in the Gaylord service area, and Declined to Quote
- Priority Health – Uncompetitive and Declined to Quote
- MESSA (VEBA) – Responded to the request and provided the January 1, 2020 renewal terms as its proposal.

With MESSA providing the only viable option, GCS will be retaining the fully insured arrangement offered by MESSA.

## **Compliance**

With the completion of the solicitation, GCS satisfies its periodic compliance requirement under Michigan PA 106. GCS will undergo a similar process three years from now, in 2023, for the health plans effective 1/1/2024. We do note that the dental and vision plans are self-insured and as such, are specifically excluded from solicitation requirements of PA 106.

Please direct any questions to:

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