

The press release referenced FAQs. They are now updated and available at http://www.myflorida.com/myBenefits/Tools/FAQs_HMOProcurement.htm.



FOR IMMEDIATE RELEASE
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**DMS ENSURES HEALTH CARE OPTIONS FOR STATE EMPLOYEES,
REACHES AGREEMENTS WITH 5 HMO COMPANIES**

TALLAHASSEE – The Department of Management Services (DMS) has signed contracts for health maintenance organization (HMO) services with five companies. These agreements ensure that state employees and retirees will retain access to quality health care plans for the 2012 calendar year, while reducing the cost burden upon Florida's taxpayers.

Employees and retirees can make elections during Open Enrollment, beginning November 7.

DMS awarded contracts for HMO services on a county-by-county basis to the following companies: Aetna, AvMed, Capital Health Plan, Coventry, Florida Health Care Plans and UnitedHealthcare. All but United signed contracts. The contracts are contingent upon the Florida Legislature permitting the release of State funds.

The contracts were offered following settlement negotiations between DMS and company representatives. DMS has agreed to the settlement that does not materially alter the contract awards or the projected costs.

Florida Health Care Plans will be offered as a second HMO in Flagler and Volusia, after lowering their rates as part of the settlement agreement. Coventry will be offered as a second HMO in Broward, Miami-Dade, Palm Beach and St. Lucie counties. Aetna will be the sole HMO in Brevard County.

United has not agreed to contract terms that would make it the sole HMO provider in 18 counties. However, the State is ready to continue working with them as health care partners and is hopeful that they will be available to our members as an Open Enrollment choice.

BACKGROUND

Following a thorough, open and competitive solicitation process, DMS recommended an award for HMO services on July 29 projected to reduce forecasted expenditures by about \$400 million, or 17.5 percent, over two years.

The State achieved these savings by conducting a fair and competitive procurement process; by consolidating the State's pharmacy benefit management under the contract recently awarded to Medco; by reducing the number of HMOs for each countywide service area; and by moving to a self-funding model for several HMO providers.

DMS retained expert benefit consultants and actuaries to provide an independent financial evaluation of each bid to establish the relative cost competitiveness of the offers. DMS awarded contracts on the basis of best overall rates and stands by the outcome that resulted from the competitive procurement.

Four HMO carriers protested those recommendations, starting an administrative legal process that has now concluded. The Division of Administrative Hearings (DOAH) judge dismissed UnitedHealthcare's petition, which it appealed to the First District Court of Appeal. Coventry, Florida Health Care Plans and Aetna voluntarily dismissed their petitions and agreed to a settlement.

Attached is a chart detailing changes in HMO providers by county and the number of subscribers (contract disruptions) who will need to choose between a new HMO carrier and the State's PPO plan. Also attached is a revised Frequently Asked Questions document.

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Counties	HMOs in 2011 Service Area	Enrollees by Plan as of June 2011	Recommended Awardee	Contracts Disrupted
Alachua	AvMed	3,228	AvMed	717
	Coventry	21		
	United	696		
Baker	AvMed	887	AvMed	20
	United	20		
Bay	United	68	United	-
Bradford	AvMed	694	AvMed	24
	Coventry	1		
	United	23		
Brevard	United	1,047	Aetna	1,047
Broward	AvMed	2,408	AvMed Coventry	984
	Coventry	640		
	United	984		
Calhoun	CHP	108	CHP	179
	Coventry	163		
	United	16		
Charlotte	United	195	United	-
	AvMed	146	AvMed	86
United	86			
Clay	AvMed	521	AvMed	134
	United	134		
Collier	United	115	United	-
Columbia	AvMed	852	AvMed	61
	Coventry	4		
	United	57		
DeSoto	United	40	United	-
	AvMed	283	AvMed	4
Coventry	0			
United	4			
Duval	AvMed	2,747	AvMed	684
	United	684		
Escambia	Coventry	788	Coventry	673
	United	673		
Flagler	FHCP	102	AvMed FHCP	123
	United	123		
Franklin	Coventry	121	CHP	137
	United	16		
Gadsden	CHP	3,376	CHP	337
	Coventry	296		
	United	41		
Gilchrist	AvMed	216	AvMed	10
	Coventry	3		
	United	7		
Glades	United	4	United	-
Gulf	United	8	United	-
Hamilton	AvMed	145	AvMed	23
	Coventry	8		
	United	15		
Hardee	United	37	AvMed	37
Hendry	Coventry	1	Coventry	21
	United	21		
Hernando	AvMed	397	AvMed	116
	United	116		
Highlands	United	196	AvMed	196
Hillsborough	Avmed	2,445	AvMed	2,061
	United	2,061		
Holmes	United	6	United	-
Indian River	United	115	AvMed	115
Jackson	United	57	United	-
Jefferson	CHP	730	CHP	132
	Coventry	104		
	United	28		
Lafayette	Coventry	8	United	8
	United	11		
Lake	AvMed	112	AvMed	386
	United	386		
Totals				8,315

Counties	HMOs in 2011 Service Area	Enrollees by Plan as of June 2011	Recommended Awardee	Contracts Disrupted
Lee	AvMed	203	United	203
	United	743		
Leon	CHP	19,310	CHP	2,150
	Coventry	1,424		
	United	726		
Levy	AvMed	376	AvMed	27
	Coventry	5		
	United	22		
Liberty	CHP	209	CHP	149
	Coventry	139		
	United	10		
Madison	Coventry	163	Coventry	134
	United	134		
Manatee	United	420	AvMed	420
	AvMed	685		
Marion	Coventry	49	AvMed	436
	United	387		
	Coventry	6		
Martin	United	49	AvMed	55
	AvMed	5,211		
Miami-Dade	Coventry	390	AvMed Coventry	2,002
	United	2,002		
	United	3		
Monroe	United	3	United	-
	AvMed	207		
Nassau	United	40	AvMed	40
	United	183		
Okaloosa	United	50	United	-
	United	50		
Okeechobee	AvMed	2,000	AvMed	1,959
	United	1,959		
Osceola	AvMed	337	AvMed	329
	United	329		
Palm Beach	AvMed	832	AvMed Coventry	1,190
	Coventry	245		
	United	1,190		
Pasco	AvMed	824	AvMed	552
	United	552		
Pinellas	AvMed	1,343	AvMed	1,010
	United	1,010		
Polk	AvMed	452	AvMed	1,370
	United	1,370		
Putnam	United	68	United	-
Santa Rosa	Coventry	548	Coventry	365
	United	365		
Sarasota	AvMed	47	United	47
	United	442		
Seminole	AvMed	711	AvMed	873
	United	873		
St. Johns	AvMed	217	AvMed	249
	United	249		
St. Lucie	Coventry	11	AvMed Coventry	163
	United	163		
Sumter	United	58	AvMed	58
Suwannee	AvMed	405	AvMed	34
	Coventry	16		
Taylor	United	18	United	-
	United	79		
Union	AvMed	533	AvMed	10
	Coventry	1		
	United	9		
Volusia	FHCP	989	AvMed FHCP	763
	United	763		
Wakulla	CHP	1,973	CHP	231
	Coventry	179		
	United	52		
Walton	United	31	United	-
Washington	United	13	United	-
Totals				14,819

	HMO Enrollees as of June 2011	Contracts Disrupted	% Contracts Disrupted
GRAND TOTAL	84,047	23,134	27.5%