



1230 West Washington Street Suite 501
Tempe, AZ 85281-1248
T 602.381.4000 www.segalco.com

MEMORANDUM

To: Prospective Vendors
From: Rachel Calisi
Date: December 4, 2018
**Re: Addendum No. 1 to City of Buckeye
Request for Proposal (RFP) No. – 2018008 – Group Insurance Benefits**

This addendum becomes an official part of the RFP and one signed copy should be attached to your response.

The purpose of this Addendum is to provide a response to all vendor questions received regarding this RFP.

GENERAL QUESTIONS	
QUESTIONS	RESPONSE
1. I wanted to ask if there is any chance to get an extension.	An extension has been granted. Revised due date is December 12, 2018 at 2 P.M. MST.
2. On page 15 of the RFP, Section V, Proposal Form A. Request for Proposal Contents, Section 2 it says “Financial Workbook” and bullets our Vendor Information Form and Fee Quotation Forms. Are we go include all of the tabs of the Attachment B workbook, including provider counts and disruption tabs, in that section of our response?	Please include at a minimum the Vendor Information and Fee Quotation Forms. The Provider Counts and Disruption Forms may be submitted electronically on a flash drive with your firm’s proposal.
3. Please provide clarification around the Performance Guarantees number 14, Network Discounts. It states “as responded to in the Network Composition section of this questionnaire.” Can you please provide where in the questionnaire this is in reference to?	Please disregard item #14 under Performance Guarantees.
4. Is the City interested in including a proposal on voluntary legal or identity theft benefits?	Not at this time.

GENERAL QUESTIONS	
QUESTIONS	RESPONSE
5. Is there any commission in this proposal?	Proposals should be net of commissions. If you are unable to remove commissions from your rates/ fees, your firm will need to pay them to the City's consultant, Segal Group.
6. Are contractors required to fill out exhibits for services we are not bidding on?	No
7. Is your health plan self-funded?	No, the health plan is fully insured.
8. Who is your health plan provider?	Cigna
9. If proposing vendor is unable to meet the minimum contractual agreements, will the proposing vendor still be considered?	The proposing vendor will still be considered even if they are unable to meet all of the minimum contractual requirements; however, the ability or inability to meet the requirements will be factored into the evaluation of the proposals.
10. Does Cigna currently offer the City of Buckeye a wellness fund or any other funds outside of the \$7,500 requested in the RFP (Questionnaire Exhibit 2, page 28, question 12)?	Yes, Cigna offers a \$25,000 wellness fund annually. It is the City's desire that they want to continue with a \$25,000 wellness fund, at a minimum. Please address the wellness fund in your proposal cover letter.
11. Regarding Question 9 of the General Information section: How does the City intend to submit their enrollment – paper enrollment or electronic enrollment?	The City will most likely submit paper enrollment forms for open enrollment 2019 as their employee self-service enrollment system is not expected to be fully implemented until after open enrollment.
12. Will we be non-compliant if we submit a password protected flash drive along with instructions to access the documents?	You may submit a password protected flash drive if needed.
13. Should we place all other items that do not have a placeholder on the specific Table of Contents in Section 7?	Yes, submit miscellaneous items under Section 7 of your proposal.
14. Are we able to place documents that tend to be hundreds of pages in print on USB only (sample reports, GeoAccess reports, etc.)?	Yes, you may submit sample reporting, provider directories, and GeoAccess reports on the USB only.
15. Please confirm which tabs from Attachment B/Financial Workbook need to be submitted with our proposal.	Your firm only needs to submit the worksheets from the Financial Workbook that pertain to the line of coverage your firm is quoting (i.e. – Medical, Dental, etc).
16. If we are not providing quotes for specific coverages are we still required to return those portions of the RFP and notate "No Quote Provided" or omit entirely and just respond to what we have proposed?	Your firm only needs to submit the worksheets from the Financial Workbook that pertain to the line of coverage your firm is quoting (i.e. – Medical, Dental, etc).

GENERAL QUESTIONS	
QUESTIONS	RESPONSE
17. Where can we find the Vendor Information and Fee Quotation Forms? We've been unable to locate them.	These forms are located in Attachment B: Financial Workbook.
18. Can we get clarification regarding the documents to be submitted on the flash drive? Is the entire proposal to be on a flash drive (including the Vendor Information Form, Fee Quotation Form, Questionnaire Responses, Performance Guarantees)? If there forms are submitted on a flash drive, should they also be part of the hard copy proposal?	<p>Your <i>entire proposal</i> must be submitted on the flash drive that is submitted with your hard copy proposal. The hard copy proposal should include your entire proposal with the exception of the large files (Provider Directory, Disruption, GeoAccess, Sample Reports) which will be submitted electronically on the flash drive.</p> <p>Please remember to keep all electronic files in their native format (i.e. – Word or Excel) and do not provide a PDF copy.</p>
19. Are we to include the NDA, Intent to Bid, and Inquiry Form in our final submission?	No, you do not need to submit these documents in your proposal.
20. It appears as though for the medical and ancillary lines that we have to match current. I find that when we have to mirror another carrier we end up in the same rate and benefit structure as current/renewal. In that case, we do not have much of a story to win the business. We are much more successful if we can quote our unique products that allow wellness and simple plan designs to drive much of the savings. Can you confirm that we must match current to present to this group?	Please submit a quote for the current plan(s) and your firm may also submit an alternate plan proposal as well.
21. Will the City of Buckeye consider joining a self-funded, multi-employer pool as an option?	The City will consider multi-employer pool options, but we will not consider self-funding.

HSA/FSA/COBRA	
QUESTIONS	RESPONSE
1. Please rate your FSA customer service on a scale of 1-10.	This is a competitive RFP process and proposals will be evaluated based upon the selection criteria.
2. Please rate your COBRA customer service on a scale of 1-10.	This is a competitive RFP process and proposals will be evaluated based upon the selection criteria.
3. Are you looking for any plan enhancements for FSA and/or COBRA administration services?	No
4. Are you currently experiencing any issues with your FSA and/or COBRA Administration?	No
5. What are your current FSA rates?	\$4.25 monthly Admin Fee, \$50.00 monthly compliance fee
6. What are your current COBRA rates?	The last 3 years (2016, 2017, and 2018) the City has paid a COBRA Notices Administration Core Services Fee of \$2,315.00 per year. In addition 2% of the premiums are paid to Infinisource.
7. What is the total number of employees?	514 FTE's
8. What is the total number of benefit eligible employees?	484 employees
9. What is the total number enrolled in a COBRA eligible benefit?	441 employees
10. Is the group motivated to move this year?	This is a competitive RFP process and proposals will be evaluated based upon the selection criteria.
11. Are there currently any service issues with COBRA administration?	No issues at this time.
12. Please provide the Infinisource fee history.	The last 3 years (2016, 2017, and 218) the City has paid a COBRA Notices Administration Core Services Fee of \$2,315.00 per year. In addition 2% of the premiums are paid to Infinisource.

HSA/FSA/COBRA	
QUESTIONS	RESPONSE
13. What are the current rates with Wageworks and Infinisource?	The last 3 years (2016, 2017, and 2018) the City has paid a COBRA Notices Administration Core Services Fee of \$2,315.00 per year. In addition 2% of the premiums are paid to Infinisource. \$4.25 monthly Admin Fee, \$50.00 monthly compliance fee
14. Who are the other carriers bidding?	This information will not be provided.
15. Bidding vendor noticed there is an HSA/HDHP plan. Would the City like to include HSA in the bid as well for hopes of consolidation? If so, please provide participation as well as who the incumbent is. Is possible, please provide total HSA assets as well.	An HSA is offered in conjunction with their HDHP plan through Cigna. It is the City's intent that the vendor who is awarded the medical will administer the HSA or have a preferred partner that they work with who will administer the plan for the City.
16. Do they also offer an HSA? Why are they not marketing that at this time?	An HSA is offered in conjunction with their HDHP plan through Cigna. It is the City's intent that the vendor who is awarded the medical will administer the HSA or have a preferred partner that they work with who will administer the plan for the City.

<u>EAP</u>	
QUESTIONS	RESPONSE
1. Are there any improvements to your current EAP that you would like to have?	They are interested having the EAP firm handle the administration of HB2502.
2. On a scale of 1 to 4, 4 being best, how would you rate your current service?	This is a competitive RFP process and proposals will be evaluated based upon the selection criteria.
3. Do you require eligibility certification in order to access services currently?	No
4. What will be required of the clients we list as references? Will you conduct a telephone interview, require a written reference response, etc.?	References are verified via telephone interview.
5. Is your EAP Helpline currently answered by customer service representatives or by clinical personnel?	Each call is answered by a licensed Master level clinician.
6. Are legal, financial, and daily living work/life services currently part of your EAP program?	Yes
7. Please provide insight into the condition of the workforce. Are there specific issues facing your workforce (i.e. – stress, morale, etc.) and HR?	The City of Buckeye has extremely low turnover. Morale remains high as the city continues to grow. There are no specific issues facing our workforce.
8. Have there been any major events in the last year (i.e. – reductions in force, critical incidents, etc.)?	No
9. How many hours of the following services are included within the current EAP contract per year?	
a. Onsite training/orientation/educational seminars.	8 hours
b. Onsite health fair/event participation	1 per year
c. Onsite critical incident response	20 hours per incidence

<u>EAP</u>	
QUESTIONS	RESPONSE
10. How many hours of the following services were utilized in each of the last two years?	
a. Onsite training/orientation/educational seminars.	4 hours in 2018 and 4 hours in 2017 (Training workshops were conducted onsite.)
b. Onsite health fair/event participation	1 health fair per year in May with approximately 75 participants.
c. Onsite critical incident response	None
11. Does the City require the administration of HB2502 benefits as part of the EAP?	No they do not, but are interested in hearing if your firm can handle the administration of HB2502 or your firm's recommendations on how to administer HB2502.

LIFE/AD&D/STD	
QUESTIONS	RESPONSE
1. Can we please receive STD experience on a paid basis?	Report has been requested and is expected to be released shortly.
2. Please confirm whether the group prepares W-2s for STD claimants, or if the group requires the carrier to do so.	W-2 service is provided by the carrier and this is a service that will be required under the new contract.
3. Please confirm whether the group requires the carrier to pay the FICA match for STD claimants or if the group intends to pay the FICA match.	The City currently pays the FICA match.
4. Please confirm whether the group currently has telephonic claims service on the STD.	Telephonic submission is not included.
5. What does "E" mean on the SunLife bill next to Billing Statement Date? If this means estimated, why are premiums being estimated back to January 1, 2016?	The E stands for E-Bill (electronic bill).
6. Do you know if monthly claims data (premium vs. claims paid for 12 to 24 months) is available for the STD for this group?	Report has been requested and is expected to be released shortly.
7. The RFP requests up to 4, one year renewals for the Life/AD&D/STD products. Will the City accept a shorter rate guarantee period or does it have to be 4 years?	It is the City's preference to have a multi-year rate guarantee, but your firm may submit a proposal that is not offering a multi-year guarantee.
8. Please confirm if Voluntary AD&D matches life amount or can be elected separately.	The stand-alone Voluntary AD&D is independent of the Voluntary Life and can be elected separately.
9. Please provide rates for Employee, Spouse, and Child Voluntary AD&D if amounts can be elected separate from Voluntary Life.	\$0.037 per \$1,000
10. Please confirm if Class II, Elected Officials, are eligible for Voluntary Life and AD&D.	Yes, Elected Officials are eligible for the Voluntary Life and AD&D

DENTAL/VISION	
QUESTIONS	RESPONSE
1. Can you provide the MetLife dental experience for July 2015-June 2016?	Claims information is attached to the addendum.
2. Please provide dental claims experience for January 1, 2018 – June 30, 2018 broken out by high and low plans, including enrollment, paid claims, and paid premium.	Not available.
3. What is in and out of network utilization by dental plan?	Current network utilization is 95% in-network and 5% out-of-network.
4. Why the July 1, 2019 solicitation for the City of Buckeye with only 4 months into the Cigna contract?	Dental being bid due to 5 year bid cycle.
5. The City just moved to Cigna for dental on July 1, 2018. Why are they bidding again?	Dental being bid due to 5 year bid cycle.
6. What was the reason for the move on dental to MetLife off of procurement cycle?	Dissatisfaction with reporting, underwriting, and service.
7. Please confirm the solicitation number for the City of Buckeye’s July 1, 2018 RFP which resulted in the move from MetLife to Cigna dental.	No solicitation number was issued.
8. Please provide summaries of benefits from MetLife Dental plan(s) for the plan(s) that were inforce from July 1, 2014 through June 30, 2018	Plan summaries are attached to the addendum
9. Please provide the detailed dental plan booklets for the prior MetLife dental plans.	Plan summaries are attached to the addendum
10. Can we be provided MetLife Dental SPD/Summaries for both the high and low plans?	Plan summaries are attached to the addendum
11. Please indicate if any of the dental benefits (i.e. – coinsurances, plan designs, exclusions and limitations, etc.) changed in the past three years (aside from the carrier). If so, please describe the change and when it occurred.	No significant plan changes were made with the transition from MetLife to Cigna.
12. Were there any changes in benefits when the City moved from MetLife to Cigna?	No significant plan changes were made with the transition from MetLife to Cigna.
13. Were there any plan changes when moving from MetLife to Cigna?	No significant plan changes were made with the transition from MetLife to Cigna.
14. Was there different coinsurance under MetLife than there is with Cigna?	No

DENTAL/VISION	
QUESTIONS	RESPONSE
15. For a recent 12-month period, what percent of dental submitted charges were from in-network providers?	Current network utilization is 95% in-network and 5% out-of-network.
16. During a recent 12-month period, by what percent were the in-network claims discounted from the submitted amounts?	This information is not available.
17. Why the significant rate hike from 2016-2017 to 2017-2018?	No rate guarantee/cap and therefore conservative renewal underwriting.
18. Please provide any renewal information from MetLife for the 2018 renewal/bid.	Available information has already been provided.
19. Aside from the inforce plan design, is the City interested in alternative dental products that can enhance enrollment and provide dental benefits to employees who are seeking lower cost and less comprehensive benefits?	Please provide a quote which matches the current plan designs. In addition, you may provide a quote for an alternative plan design.
20. The experience report states that the dental experience from January 2018 through June 2018 is not available. Is the City seeking to obtain this data?	Not available.
21. Notes on the dental experience tab say that "January 2018-June 2018 is not available" – is there a reason it is missing and can it be provided?	Not available.
22. Can we be provided MetLife claims from January 1, 2018 through June 30, 2018?	Not available.
23. Can you please provide the experience data from Cigna from August 2018 through October 2018?	Updated paid claims report is attached.
24. Is there any additional experience on dental since they have been with Cigna?	Updated paid claims report is attached.
25. Can the City provide a total number of currently enrolled members (subscribers plus dependents)?	This information is located on the provided experience reports.
26. For a recent-12 month period, by what percent were the out-of-network claims discounted from the submitted amounts?	High Plan reimburses providers at the 90 th percentile while the Low Plan reimburses providers at the Cigna contracted fee.
27. What is the purpose of the \$5,000 RFP process allowance?	To assist the City with the cost of the RFP process.

DENTAL/VISION	
QUESTIONS	RESPONSE
28. Please confirm premiums for current vision plans separately (EyeMed, VSP).	Both plans have the same premium rates.
29. For the 2 vision plans, are the rates the same for both plans just different network options?	Correct
30. What is the purpose of the \$2,500 RFP process allowance?	To assist the City with the cost of the RFP process.
31. Would the group be open to 1 vision plan with matching/better benefits seeing as they pay the same for either plan?	Please provide a quote which matches the current plan designs. In addition, you may provide a quote for an alternative plan design.
32. Which carriers are bidding on this case?	This information will not be provided.

MEDICAL	
QUESTIONS	RESPONSE
1. The paid claims report provided for the current policy period only includes claims for July 2018. The large claims report for the current policy period includes claims for July through August. Can you provide a paid claims report that lines up with large claim report?	Updated paid claims report is attached. Large claims report through October 2018 will be distributed to the carriers who have a confidentiality agreement on file and who have notified Segal of their intention of submitting a proposal for medical.
2. Can you provide the paid claims and large claims reports updated through October 2018 or for the most recent time-period available?	Updated paid claims report is attached. Large claims report through October 2018 will be distributed to the carriers who have a confidentiality agreement on file and who have notified Segal of their intention of submitting a proposal for medical.
3. Regarding the large claims report for the current period, can you provide the primary diagnosis, last date of service, and the eligibility status of all members listed? Have any of the large claimants terminated coverage?	A large claims report through October 2018 will be distributed, however some of the requested data is not available on fully insured business and therefore cannot be provided.
4. Looking at the census medical plan election: What is the difference between OAP vs. OAP months: HMO vs. HMO monthly, and HSAF monthly vs. HSAS monthly?	HMO – COBRA or Line of Duty Officers Wife HMO Monthly – Active OAP – COBRA or Line of Duty Officers Wife OAP Monthly – Active HSAF Monthly – Active with Family HSAS Monthly – Active with Employee Only
5. Are the claims over the pooling point included in the experience?	Yes
6. Can you please provide a Rolling 12 large claim report to match the most recent 12 months of experience (August 17-July 18)? Please provide diagnosis/status (active of termed).	Large claims report through October 2018 will be distributed to the carriers who have a confidentiality agreement on file and who have notified Segal of their intention of submitting a proposal for medical.
7. What medical management programs does the group currently receive today (i.e. – maternity program, disease management, enhanced clinical review)?	Personal Health Solutions Plus (utilization and case management), Your Health First 200 (chronic condition management), Cigna One Guide (enhanced digital and customer service), Comprehensive Oncology, Healthy Pregnancies/Healthy Babies.
8. What allowances, if any, are included in the current premium?	\$25,000 wellness fund (annually)
9. Is the current HMO an open access plan?	The current HMO plan requires members to select their primary care provider and obtain referrals for specialty care.

<u>FMLA</u>	
QUESTIONS	RESPONSE
1. The RFP listed FML. Do they want FML coverage? Do they currently have a FML policy in place, if so please provide current rates.	FMLA is currently administered in-house. The city is interested in receiving quotes for FMLA administration.

Signature