City of Joplin

REQUEST FOR PROPOSAL (RFP)

RFP 2015-02

Life, AD&D, PPO Medical, Prescription Drug, Dental, and Vision
[Insured and Self-Funded]

April 1, 2015

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THE SEGAL GROUP
Founded in 1939

Segal Consulting

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M E M O R A N D U M

VIA E-MAIL

To: Prospective Bidders

From: John Hardy and Erin Murray

Date: April 1, 2015

Re: **City of Joplin – Request for Proposal (RFP) for Multiple Lines of Coverage and Administration Services**

On behalf of the City of Joplin (the City), Segal Consulting (Segal) invites your organization to submit a proposal to provide multiple lines of coverage and administration services to the City's health plan and its covered employees, retirees, and their dependents.

The anticipated effective date for coverage will be January 1, 2016. This memo and the attached RFP will provide the background information on which you are to base your proposal.

Using the Intent to Bid form found in Section 13, please notify us no later than Friday, April 10, 2015, whether or not you intend to submit a proposal for the City.

We believe this letter and the enclosed materials provide all the information necessary for your company to submit a proposal. However, in the event that additional information is desired, please submit your written requests to John Hardy and Erin Murray. It is requested that no representative from your firm contact anyone except the authors of this document with regard to all matters pertaining to this Request for Quotation. **Your sole contact is to be with Mr. Hardy or Ms. Murray.**

In order to promote timely completion of this project, we have established the schedule below. Vendors submitting affirmative responses on the Intent to Bid form must agree to adhere to this timetable.

Action	Due Date
RFP Released	April 1, 2015
Intent to Bid Reply Due	April 10, 2015
Proposal Due	May 1, 2015
Contract Effective Date	January 1, 2016

Your proposal must be received by Segal Consulting no later than **5:00 p.m. CST Friday, May 1, 2015**.

Please send one hard copy of your proposal to the following at Segal Consulting:

Mr. John Hardy
Health Consultant
Segal Consulting
101 North Wacker Drive, Suite 500
Chicago, IL 60606
Phone: (312) 984-8651
Fax: (312) 896-9364
E-mail: jhardy@segalco.com

Ms. Erin Murray
Health Benefits Analyst
Segal Consulting
101 North Wacker Drive, Suite 500
Chicago, IL 60606
Phone: (312) 984-8573
Fax: (312) 896-9364
E-mail: emurray@segalco.com

Additionally, an electronic copy of the bid proposal will be required following the bid opening on May 1, 2015. Please note that this Request for Proposal has been copyrighted. All rights are reserved, and it may not be reproduced, distributed or used, except as the basis for your proposal, without the written permission of Segal Consulting.

We look forward to receiving a timely response from your organization.

Attachments

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Section 1: Introduction

Background

The City of Joplin, founded in 1873 and located in Southwestern Missouri, provides Basic Life, AD&D, Supplemental Life, PPO Medical, Prescription Drug, Dental, and Vision benefits to 519 full-time employees, 84 part-time employees, 10 retirees and their dependents.

The City of Joplin's basic term life, supplemental life, supplemental dependent life, child life, accidental death & dismemberment (AD&D), and supplemental accidental death & dismemberment benefits are funded on a fully insured, non-dividend eligible basis through The Hartford.

The City of Joplin's current medical and prescription drug benefits are funded on a self-funded (ASO) basis with specific stop loss insurance at a $150,000 deductible on a paid contract basis. Anthem of MO provides the administrative services and stop loss insurance for a PPO medical plan. The pharmacy benefit management is provided through Express Scripts in conjunction with Anthem. The current specific stop loss insurance is also provided through Anthem.

The City's Dental benefits are funded on a fully insured basis with Delta Dental and the Vision plan is on a fully insured basis with Humana.

Further details on each of these benefits can be found under each specific plan's proposal section.

Scope of Services Requested

The City of Joplin is requesting quotes for a January 1, 2016 effective date on the following lines of coverage and funding basis:

- Life, AD&D, Supplemental Life and AD&D on a fully insured, non-dividend eligible basis.
- Medical and Prescription Drug on an Administrative Services Only (ASO) with specific and aggregate stop loss coverage.
- Dental on a fully insured, non-dividend eligible basis.
- Vision on a fully insured, non-dividend eligible basis.
- Employee Assistance Program (EAP), 6 session model.

Objective of Request for Proposal (RFP)

The City of Joplin is looking to evaluate costs, networks, and discounts on their current medical and prescription drug benefit plan offering. Any quoting medical vendor will need to be able to provide access to the Freeman Health System. Vendors will also be evaluated on their ability to

provide access to the Freeman Health System, the Mercy Hospital System, or both hospital systems with minimal disruption and competitive discounts.

Additionally, the City of Joplin will be evaluating their life, AD&D, dental, and vision programs in terms of costs, networks, and discounts and looking for any economies of scale advantages by packaging multiple lines of coverage together.

Confidentiality

All information presented in the RFP, including information subsequently disclosed during the proposal process, is confidential. Information and materials supplied during the RFP process should not be copied and redistributed to any third party, outside of your organization, without the express written consent of The City of Joplin and Segal.

All proposals submitted will be retained for at least 7 years by The City of Joplin and Segal and shall remain confidential.

Section 2: General Proposal Requirements

The following section addresses general proposal requirements. Please review this section thoroughly to determine your ability to meet these requirements. If you are unable to meet any of the following requirements, they must be noted or referenced in writing with your proposal.

Below are the general requirements for submitting proposals. All current vendors are required to respond to this proposal in full, including all requirements. Renewal letters will not be accepted.

1. **Award or Rejection:** Any award will be made to that vendor whose proposal is deemed to be in the best interest of the City of Joplin. The City of Joplin reserves the right to reject any or all proposals.

2. **Costs for Proposal Preparation:** Any costs incurred by vendor in preparing or submitting proposals are the vendors' sole responsibility. Proposals will not be returned.

3. **Oral Explanations:** The City of Joplin will not be bound by oral explanations or instructions given during the competitive process or after the award of the contract.

4. **Time for Acceptance:** The vendor agrees to be bound by its proposal for a period of at least 180 days, during which time the City of Joplin may request clarification or correction of the proposal for the purpose of evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified. Late proposals may not be accepted.

5. **Exceptions:** Any exceptions to terms, conditions, or other requirements in any part of these specifications must be clearly pointed out in the appropriate section of the proposal. Otherwise, it will be considered that all items offered are in strict compliance with the specifications. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified.

6. **Vendor's Representative:** The proposal must be signed (electronic signature is acceptable) by a legal representative of the firm, who is authorized to bind the firm to a contract in the event of the award. All rates, fees, and terms presented will be considered legally binding.

7. **General Compliance:** All vendor services must adhere to relevant federal and state laws and regulations.

8. **HIPAA Compliance:** All vendor systems and services must be in compliance with the HIPAA EDI, Privacy and Security regulations as well as the HITECH Act on the appropriate dates established by the Department of Health & Human Services.

9. **HIPAA Business Associate Agreement:** The selected vendor must sign a HIPAA Business Associate agreement with the City of Joplin.

10. **Non-Disclosure Agreement:** If you require the completion of a confidentiality agreement, in order to provide detailed claims data outlined in the Minimum Contractual Requirement section below, and you haven't already executed a master agreement with The Segal Company, you must submit a copy of your standard Non-Disclosure Agreement.

11. **ERISA Claims and Appeals Regulations:** Where applicable, all vendors, systems and services must be compliant with ERISA Claims and Appeals Regulations.

12. **Compliance with Specifications:** Bidders must fully respond in writing to the RFP's questionnaire, forms and other requests for information. All proposals are to be prepared according to these specifications.

13. **References:**

    a. Provide the following for each reference:

        1) Client name
        2) Contact name, title and phone number
        3) Total number of covered lives under the health program
        4) Length of time as a client of your company
        5) Type of services provided to the client for each reference

14. **Commissions:** All quotes must exclude commissions.

15. **Implementation:** The successful vendor(s) must be able and fully committed to support the City of Joplin with all aspects of the installation process. To this end, your proposal must include a detailed implementation timetable and key task checklist should your company be selected. The vendor must also agree to work efficiently and effectively with the current vendor to transition people currently being managed to the newly selected vendor.

It is assumed that all proposals submitted adhere to these conditions, unless otherwise noted in the proposal. Failure to meet any of these conditions may result in disqualification of bids. Vendor written responses, including all documents provided during this RFP process, will serve as the contract between the parties until replaced by a signed written contract.

Timetable

Listed below are the key target dates associated with the project described in this RFP:

Action	Due Date
RFP Released	April 1, 2015
Intent to Bid Notification (via email)	April 10, 2015
Vendor Clarification Questions	April 1, 2015 – April 10, 2015
Proposal Due	May 1, 2015
Bid Evaluation Completed	June 5, 2015
Finalist Interview	June 22, 2015 – June 24, 2015
Final Selection (Contract Award)	August 3, 2015
Contract Effective Date	January 1, 2016

Section 3: Minimum Contractual Requirements

Failure to complete this form and include it with your response may result in elimination from consideration.

Failure to comply with the listed Minimum Contractual Requirements may mean that the City of Joplin may not further evaluate your response or consider your offer.

Indicate "agree" or "disagree" as to your organization's ability to meet the minimum requirements.

An "Agree" response will override any contract deviations.

Minimum Requirements	Agree/Disagree Comments
1. **Recoveries:** 100% of all recoveries made through the vendor or City of Joplin audits will be credited to the client's experience.	☐ Agree ☐ Disagree
2. **Penalty for Sub-Standard Performance:** The City of Joplin may assess a penalty in the amount of $1,000 per Contract year if, after the first Contract Year and each successive Contract Year, the City of Joplin's benefits staff rate the vendor account team as failed to meet or exceed performance expectations in the following areas: A) Responsiveness B) Ability to Resolve Problems and Conflicts and C) Provide proactive education and notification of material program changes (e.g., network chain terminations, change in staffing).	☐ Agree ☐ Disagree
3. **Rights to Claims Data:** All employee claim records are the sole property of the City of Joplin. Selling of the City of Joplin data to outside entities must be disclosed and approved in writing in advance by the City of Joplin. All claims data obtained during the contact period and for up to seven years after the contact termination is the property of the plan and must be available upon request.	☐ Agree ☐ Disagree
4. **Draft Contract Including These Provisions:** The vendor will provide a draft contract incorporating all agreed upon provisions within this RFP.	☐ Agree ☐ Disagree
5. **No Employee Communication Without Client Consent:** The vendor will not automatically enroll the City of Joplin in any programs that involve any type of communication with enrollees, without express written consent from the City of Joplin.	☐ Agree ☐ Disagree
6. **For Self-Funded ASO:** Confirm you will be the claim fiduciary and will handle first level claims appeal and additional voluntary second level of appeal.	☐ Agree ☐ Disagree
7. The successful vendor's proposal must contain provisions reserving these rights to the City of Joplin: **No-Loss, No-Gain & Waiver of Actively-at-Work**. Current participants in any of the City of Joplin's sponsored health care plans will be provided coverage on a "no-loss, no-gain" basis. Any "actively-at-work" or non-confinement requirements will be waived on the effective date for all participants or dependents participating in the plan immediately prior to the effective date of your contract with the City of Joplin.	☐ Agree ☐ Disagree
8. **Eligibility Rules**: The vendor agrees to the specified eligibility rules established by the City of Joplin. The vendor(s) must communicate directly with the City of Joplin regarding any uncertain claimant eligibility situations before notifying the claimant of ineligibility.	☐ Agree ☐ Disagree
9. **Maintenance and Ownership of Records**: The vendor will be required to maintain all pertinent records for seven years. This is in conjunction with prudent business practice and ERISA provisions. The vendor would be charged with the safekeeping of plan experience information and, in the event of contract termination, would be required to cooperate with the City of Joplin, or their representative, in the orderly transfer of this plan experience information to the	☐ Agree ☐ Disagree

Minimum Requirements	Agree/Disagree Comments
City of Joplin or its designated succeeding health plan/carrier at no added fee.	
10. **Right to Audit**: The City of Joplin reserves the right to review and audit the health plan's files and financial accounting data to assure that claims subject to each proposed coverage are evaluated in accordance with the plan provisions. Additionally, the vendor agrees to allow for no less than one claim audit per year at no cost to the City of Joplin using the audit vendor of its choice (so long as the vendor is not a competitor or involved in any legal proceedings with the vendor). The vendor will cooperate with any outside audit firm the City of Joplin selects to perform the audit. This provision shall survive the termination of the agreement between the parties for a period of 3 years.	☐ Agree ☐ Disagree
11. **Internal Audit:** Conduct regular and diligent internal audits to monitor quality. Communicate the findings of these audits and similar Quality Assurance procedures to the City of Joplin no less frequently than annually.	☐ Agree ☐ Disagree
12. **Effective Date and Plan Anniversary**: January 1, 2016 (please guarantee your bids for at least 180 days) is the proposed effective date and anniversary thereafter.	☐ Agree ☐ Disagree
13. **Renewal Notification**: The vendor must provide any rate changes in writing with full justification at least *180 days* prior to a contract anniversary. Additionally, the vendor must provide the following with each renewal package: b. Any contract language changes requested c. Specific justification of rate/fee changes d. Current enrollment by rate class e. Additional options for consideration a. All underwriting caveats	☐ Agree ☐ Disagree
14. **Termination Provisions:** The City of Joplin may terminate the contract at any time, with or without cause, by giving 30 days written notice. The health plan may only terminate the contract prior to the date rates renew and then only by giving notice 120 days in advance, except in the event of non-payment of premium. Also, any early termination provision contained in your contract cannot be tied to the renewal or financial provisions or penalties.	☐ Agree ☐ Disagree
15. **Variance Provision.** Any provisions, references, or guidelines relating to reevaluation of proposed rates due to variation in enrollment in the plan must not be included as a condition of your proposal.	☐ Agree ☐ Disagree
16. **Indemnity Run-In**: The current vendor will pay run-out on the 2015 incurred medical claims prior to the January 1, 2016 effective date with the City of Joplin's IBNR reserve. Your responsibility will be to provide services for claims incurred on or after January 1, 2016 only.	☐ Agree ☐ Disagree
17. **Eligibility Questions**: Communicate directly with the City of Joplin or their designated staff regarding any uncertain claimant eligibility situations before notifying the claimant directly of an ineligible status.	☐ Agree ☐ Disagree
18. **On-Line Historical Data**: Maintain at least two years of the City of Joplin's claim (all fields indicated on the UB & HCFA) and eligibility information at all times.	☐ Agree ☐ Disagree
19. **Pended Claims**: Make available, upon request, reports regarding the number and nature of claims pended, if your organization is processing the claims.	☐ Agree ☐ Disagree
20. **Utilization Management:** Provide the City of Joplin with detailed reports and current information regarding your Utilization Management activities including pre-certifications (approvals, modifications and denials), concurrent review, case management and effectiveness of current UM review activity.	☐ Agree ☐ Disagree
21. **Communication Materials:** The City of Joplin will require prior approval of all communication materials before forwarding to the participants. Materials will be available as bilingual (English and Spanish).	☐ Agree ☐ Disagree
22. **Binding Arbitration:** Do you agree to a binding arbitration of any disputes that may arise with respect to a contract between your organization and the City of Joplin?	☐ Agree ☐ Disagree
23. **Subcontracting:** Unless otherwise explained in this RFP, do you agree that you will not subcontract for any services without the prior written approval of the City of	☐ Agree ☐ Disagree

Minimum Requirements	Agree/Disagree Comments
Joplin?	
24. **Assignment or Transfer of Rights:** Do you agree that you will not assign or transfer the rights or obligations of the contract or any portion thereof, without the prior written approval of the City of Joplin?	☐ Agree ☐ Disagree
25. **Mutual Indemnification:** Do you agree that the contract will contain a mutual indemnification/hold harmless provision?	☐ Agree ☐ Disagree
26. **Proper Licensure:** Do you agree to maintain proper licensure as required by any state law where it related to the services that you will be performing for this City of Joplin?	☐ Agree ☐ Disagree

Section 4: Implementation Questionnaire

Must be filled out regardless of products being offered.

1.	After being awarded the contract, please guarantee complete implementation within one of the following timeframes. ☐ Within 60 days of receiving eligibility ☐ Within 90 days of receiving eligibility ☐ Within 120 days of receiving eligibility ☐ Cannot provide a guarantee on implementation timing
2.	Provide a detailed proposed implementation plan and timetable, assuming a 1/1/2016 effective date. Begin with the award of business to effective date of coverage, including: b. Steps required to implement the program c. Role played by the client/vendor d. Contacts and personnel assigned to each step of the implementation process a. Production and distribution of ID cards, directories, and enrollment materials.
3.	Please describe the implementation process that you will follow (and expect clients to follow) for implementing claims exchange procedures? Please include a sample implementation work plan that identifies expected activities, roles and responsibilities and timing.
4.	Will you allow the City of Joplin to conduct implementation testing prior to the plan going live? ☐ Yes ☐ No
5.	In addition to testing, what other assistance do you offer internal staff, at no cost to the client, to familiarize them with the new system? ☐ Yes ☐ No
6.	Please identify and describe any technical and networking requirements (i.e., file transfer protocol, workstation requirements, connectivity, and transmission software) that must be implemented to facilitate the electronic exchange of claims information.

Section 5: General Questionnaire

Instructions

All bidders are required to complete the attached General Questionnaire, in addition to all attached questionnaires for the coverages in which your firm will be submitting a proposal.



General Questionnaire.docx

Section 6: Medical PPO Proposal Form

Instructions

If you plan to bid on the Medical PPO in its entirety, please complete the attached questionnaire.

Medical PPO Proposal Form.docx

Current Benefit

Please replicate the attached benefit(s).

PPO and Rx Plan Summary.pdf

Section 7: PBM Proposal Form

Instructions

If you plan to bid on the Pharmacy Benefits Management in its entirety, please complete the attached questionnaire.



PBM Proposal Form.docx

Current Benefit

Please replicate the attached benefit(s).



PPO and Rx Plan Summary.pdf

Section 8: Stop Loss Proposal Form

Instructions

If you plan to bid on Stop Loss in its entirety, please complete the attached questionnaire.



Stop Loss Proposal Form.docx

Section 9: Dental Proposal Form

Instructions

If you plan to bid on the Dental in its entirety, please complete the attached questionnaire.



Dental Proposal Form.docx

Current Benefit

Please replicate the attached benefit(s).



Dental Plan Summary.pdf

Section 10: Vision Proposal Form

Instructions

If you plan to bid on the Vision in its entirety, please complete the attached questionnaire.



Vision Proposal Form.docx

Current Benefit

Please replicate the attached benefit(s).



Vision Plan Summary 2.pdf



Vision Plan Summary.pdf

Section 11: Life and AD&D Proposal Form

Instructions

If you plan to bid on the Life and AD&D in its entirety, please complete the attached questionnaire.

Life and AD&D Proposal Form.docx

Current Benefit

Please replicate the attached benefit(s).

Life and AD&D Plan Summary.pdf

Section 12: Certification Form

As an officer of the following corporation,

_____

I certify that all of the information included in this proposal for the City of Joplin is true and accurate.

Signature: _____

Name: _____

Title: _____

Date: _____

Section 13: Intent to bid Form

_____
Date

***VIA E-MAIL* – jhardy@segalco.com**
Mr. John Hardy
Health Consultant
Segal Consulting
101 North Wacker Drive, Suite 500
Chicago, IL 60606

***VIA E-MAIL* – emurray@segalco.com**
Ms. Erin Murray
Health Benefits Analyst
Segal Consulting
101 North Wacker Drive, Suite 500
Chicago, IL 60606

Re: **City of Joplin - Request for Proposal**

Dear Mr. Hardy & Ms. Murray:

This is to advise that we are in receipt of the RFP. We also wish to advise that we:

❑ *will* be submitting a proposal in response to your request for all coverages designated below:

Line of Coverage	ASO	Fully Insured
Medical, Rx, and Stop-Loss		
Stop Loss – specific and optional aggregate		
Prescription Benefit Management (self-funded)		
Vision (fully-insured and self-funded) – Voluntary		
Dental (fully-insured and self-funded)		
Life and AD&D Insurance - Supplemental Voluntary		

❑ *will not* be submitting a proposal in response to your request.

We are not submitting a proposal because_____

_____

The individual representing our company during the proposal process will be:

Representative Name: _____

Telephone Number: _____ E-mail: _____

Sincerely,

_____
Name

_____
Title

_____
Company

_____
Telephone Number

Section 14: Attachments

Exhibit A: Employee Census

Exhibit B-1: Monthly Medical and Prescription Drug Claims 1/2012 to 2/2015

Exhibit B-2: Medical Large Claims Data

Exhibit B-3: Medical Provider Listing for Disruption Analysis

Exhibit C: Prescription Drug Claims Data

Exhibit D-1: Monthly Dental Claims and Lives Data

Exhibit D-2: Dental Provider Listing for Disruption Analysis

Exhibit D-3: Dental Benefit Comparison

Exhibit E: Vision Claims Data

Exhibit F-1: Life and AD&D Claims Data

Exhibit F-2: Life Premium Waiver Listing