

## ADDENDUM NO. 1

### **REQUEST FOR PROPOSALS EMPLOYEE BENEFITS BROKERAGE AND CONSULTING SERVICES FOR SELF-FUNDED HEALTH PLAN RELATING TO STOP LOSS INSURANCE & OTHER INSURANCE BENEFITS – DENTAL & LIFE**

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This **ADDENDUM** modifies, amends, and supplements designated parts of the identified services and are hereby made a part thereof by reference and shall be as binding as though inserted in its entirety in the locations designated hereunder. No claims for additional compensation, due to lack of knowledge of the contents hereof, will be considered.

#### **RESPONSES TO QUESTIONS UNDER SECTION II SCOPE OF SERVICES:**

**Question 1.** The **Scope of Services/Account Management** section of the bid specifications seems to combine a selection of different functions across dental, life, stop loss AND health insurance consulting. From what is indicated on page five, there are commissions only for this contract across life, dental and stop loss and no additional per contract fee for the health insurance management. Being that the City is self-insured with Tufts Health Plan, a baseline scope that should be regularly administered by a broker/consultant is as follows (note there could be additional functions as well as this is presented as a suggested baseline – **confirm if being done and by whom:**

1. On an annual basis, review the health benefit offerings, service capabilities, cost, satisfaction of the City's employee and retiree insurance program(s)? **RESPONSE: Performed by Broker/Consultant and City.**
2. Work with Tufts Health Plan to obtain and analyze all available self-insured claim data to identify areas presenting possible opportunities to develop new programs to drive savings and improve clinical outcomes, and/or enhance existing benefit programs? **RESPONSE: Performed by Broker/Consultant and City.**
3. Review claims monthly to monitor changes in medical and pharmacy spend? **RESPONSE: Performed by Broker/Consultant and City.**
4. Conduct an annual analysis of the City's claims utilization, rating history and cost drivers? **RESPONSE: Performed by Broker/Consultant and Tufts.**
5. Represent the City in the renewal process with the insurance carriers and manage the bid process accordingly to when the plans are bid? **RESPONSE: Performed by Broker/Consultant.**
6. Manage the implementation process with any given vendor in the event of a new carrier change through the duration of the contract? **RESPONSE: Performed by Broker/Consultant and City.**
7. Provide information to the City for the possible provision of an "Rx carve-out" option through use of a Pharmacy Benefit Manager (PBM) for both employees and retirees. Is the City currently doing so? **RESPONSE: City not currently doing these services...currently under consideration.**
8. Provide advisement on ACA compliance and other Chapter 32B provisions? **RESPONSE: Performed by Broker/Consultant.**
9. Manage the City's Retiree Drug Subsidy Program? **RESPONSE: Performed by Broker/Consultant and City.**
10. Attend Insurance Advisory Committee (IAC) meetings to present information on claim history, benefit proposals and rate structures during a fiscal year. This is included in the specifications,

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but it is unclear if it is for medical, life, dental or all of the above? **Broker/Consultant attends IAC. Life not included.**

11. Provide "On Call" consult service to assist the City on benefit issues as they arise. Would the City consider this be in lieu of being on-site 4 hours per week? **RESPONSE: No.**

**Question 2. If it is assumed the commissions for dental, life and stop loss subsidize the consulting scope for the health insurance, can the scope above (with any recommendations from the City) please be made clear?** To emphasize further, the above baseline scope should be enforced /and managed ongoing for the City's fiduciary sake independently of Tufts Health plan. The City could also consider alternatively carving out a separate consulting contract based on either a flat fee or fee per contract to manage the health insurance program independent of the life, dental and stop loss. However, if the scope is clear, it could also fall under the current bid specifications as part of the ancillary programs subsidized by these commissions from our vantage point. **RESPONSE: City's scope is clear. City is not currently considering separate broker and consultant contracts and/or change in fee arrangement through commissions.**

**Question 3. We are interested in bidding on this contract. However, some of the requirements we would need to make caveats to as follows and would therefore ask for confirmation that we would not be disqualified under the following parameters:**

1. **For Cobra, claims audits, dependent audits-** please clarify what programs this is for (medical, dental, life)? Regardless of which programs, we would use a Third-Party Vendor to administer these and this would be an additional fee to the City which we will disclose under our fee schedule. **RESPONSE: All services MUST BE handled through the Broker/Consultant for no additional fee.**
2. **1095C reporting-** this is not something we would be able to manage or administer and can be done through the City's payroll vendor. These reports are typically generated either through payroll or specialty firms. **RESPONSE: Performed through City Payroll Dept with assistance from Broker/Consultant.**
3. **Onsite support-** we would not be able to allocate a consulting resource/account manager weekly to the City and do not manage enrollment. However, when the City needs assistance for benefit fairs or other critical times of the processes we would be available. We would leverage our relationships with the plan carriers to arrange for any on-site benefit/enrollment support for employees and retirees otherwise needed. **RESPONSE: Onsite support representative for 4 hours per week and enrollment support services are required by the scope of services as specified.**

**End of Addendum No. 1**

Beverly J. Sleeper,  
Chief Procurement Officer  
May 31, 2019