



**REQUEST FOR PROPOSAL
HEALTH and DENTAL EMPLOYEE BENEFIT PLANS
CITY OF TORRINGTON/BOARD OF EDUCATION
RFP #EBP-007-012811**

Addendum 2

RFP Participants,

In Addendum 2 we will address questions raised to date (as of end of business 1/4/2011). We have also providing two updated exhibits:

- **Section 1_RFP Questionnaire_updated 010411.docx**- The original questionnaire included in the RFP had references to other clients. The updated questionnaire has been revised to remove those references. We have also corrected question C.1.regarding the in-force networks.
 - **Top 100 rx.xls**-is being provided in an editable excel file (it was previously in a PDF format).
1. **I see the request is for an 18/12 contract. Does Torrington not have any run-out protection in place?** Correct, Torrington does not have run-out protection in place.
 2. **Are you looking for us to quote all financials net of commissions?** Yes, proposals should be provided net of commissions.
 3. **On the Q&A there were questions on HDHP plans. I believe this may have been referencing another account as there were 2 other clients listed in the Q&A. Please confirm whether you would like the HDHP questions answered.** Yes, please answer the questions related to the HDHP. Even though there is no current HDHP plan in place Torrington will be considering offering in the future. See updated Section 1_RFP Questionnaire_updated 10411.docx

4. **On Appendix A you are requesting an ASL with a 12/15 contract. Please confirm whether or not you are looking for run-out/terminal liability on the ASL or if you are only looking for a mature fee.** We are looking for your mature fee, we are not concerned with aggregate on the run-out/terminal liability.
5. **On Appendix A you have an Rx section that you are requesting us to complete. Are you looking for this to be completed assuming the carrier would only administer the Rx program and not the medical, vision and dental?** We would like it completed to reflect whether or not the RX is a standalone plan. If your response will be different based on standalone or integrated please provide an additional response in the same format.
6. **On the comprehensive vision plans with hardware there was mention that vision was mandatory if a member was enrolled in medical. Is the vision mandatory for the exam only plans, the materials plans or both?** Both.
7. **On the vision sections of Appendix A are you looking for this section to be completed with only the comprehensive vision plans with hardware?** Yes, but please note the plans with no hardware coverage also provide for a routine eye exam with refraction once every two years.
8. **Please confirm that the vision claims that appear on the expense reports are just for the comprehensive vision plans.** Confirmed.

Thank you.

Proposal Questionnaire

A. Experience And Stability

A1. Network Ownership & Background

A1.1. Complete the following information, for the benefits that are being proposed:

Parent Company, if any:

Location of Parent Company:

Local Headquarters:

Please respond with the location for the following services that would be assigned the servicing of the Plan Sponsor:

Location of Account/Sales Team:

Customer Service Location:

Claims Processing:

Medical Management Team:

Does your organization have any overseas customer service or claims processing centers that would be involved with the Plan Sponsor's participants?

A1.2. Is your firm anticipating restructuring or reorganizing in the next year? (Include any major staff relocations or office closings.)

A1.3. In the past 12 months, has your organization: *(Check all that apply)*.

a. Closed any network services areas. If yes, please list the areas:

b. Combined/consolidated member service or claims service centers. If yes, please list the centers:

c. Closed/consolidated or relocated any claims offices. If yes, please list the offices:

d. Does not apply

A1.4 Are you presently in Contract negotiations with key network providers? If yes, when is the contract renewal date? Which participating providers are involved and which Networks are affected?

A1.5 Provide your current accreditation status

A2. Financial Condition of Organization

A2.1. Indicate your **most current** claims-paying abilities as rated by:

Independent Rating Agency	Rating	Date
AM Best		
Standard & Poor		
Moody's		
Other/Not Rated (circle one and explain)		

A2.2. Has there been any downgrade in your ratings in the last two years?

A3. Public Sector Experience

A3.1. To how many municipalities does your organization currently provide services? Identify how many are located Connecticut?

A3.2. Please identify by size range the number of CT municipal clients you serve:

<u>Size</u>	<u>#</u>	<u>Size</u>	<u>#</u>
Under 50		400-799	
50-99		100-199	
200-399		800-999	
999-1999		Over 2000	

A3.3. Have you lost any municipalities in the last two years? If so, why?

A3.4. Describe your experience/process in supporting collective bargaining efforts by your clients.

A3.5. In recognition of collective bargaining agreements, is your team/organization able to exempt municipal clients from corporate wide plan changes?

If no, can changes be deferred to the next plan anniversary date?

B. Administrative Services

B1. Account Service

B1.1. Are your systems able to give credit for deductibles or charges applied to out-of-pocket maximums and plan maximums that accumulated with a prior carrier?

B1.2. What services do you offer with respect to the following? Include a description/summary of your services and capabilities with respect to each of the following.

Services Available	Check all that apply	Indicate any additional charges required
A. HIPAA Certificates of Creditable Coverage	<input type="checkbox"/>	
B. Medicare Part D Notification of Creditable Coverage	<input type="checkbox"/>	
C. Retiree Billing	<input type="checkbox"/>	
D. COBRA Administration	<input type="checkbox"/>	

B1.3. What on-line services/functions will be made available to the **plan** sponsor via the Internet?

B1.6. For this question, complete the following table and check all that apply.

Services	Cost: Included in Fee?	Cost: Additional
A. Plan Documents	<input type="checkbox"/> Included in Basic Fee	<input type="checkbox"/> Indicate additional cost_____
B. Plan Summaries	<input type="checkbox"/> Included in Basic Fee	<input type="checkbox"/> Indicate additional cost_____
C. Claims Forms	<input type="checkbox"/> Included in Basic Fee	<input type="checkbox"/> Indicate additional cost_____
D. EOBs	<input type="checkbox"/> Included in Basic Fee	<input type="checkbox"/> Indicate additional cost_____
E. Network Directory	<input type="checkbox"/> Included in Basic Fee	<input type="checkbox"/> Indicate additional cost_____
F. ID Cards	<input type="checkbox"/> Included in Basic Fee	<input type="checkbox"/> Indicate additional cost_____
G. Vendor Meetings (as needed-multiple locations)	<input type="checkbox"/> Included in Basic Fee <input type="checkbox"/> Not Available	<input type="checkbox"/> Indicate additional cost_____
H. Other, please describe:	<input type="checkbox"/> Included in Basic Fee	<input type="checkbox"/> Indicate additional cost_____

B1.7. Please provide a list of standard data reports included in your Basic Fee. Also provide a listing of reports that will require an additional fee.

B1.8. Please describe your ability to customize reports. Would additional fees apply?

B1.9. What information/reports are available via on-line access?

B2. Member Service

B2.1. What are you Member Services hours of operations?

B2.2. Do you have a dedicated municipal member service unit? Would a dedicated team be assigned to THE PLAN SPONSOR?

B2.3. Describe the training process/requirements for Member Service personnel.

B2.4. Are Member Service personnel permitted to make claim payment overrides? If so, are claim overrides restricted to certain dollar limits?

B2.5. Please list Member Service Functions available to participant via the internet and automated telephone response?

B2.6. Are you willing to provide Member Service performance guarantees? If so please provide a standard member service performance guarantee.

B2.7. Do you provide members with access to Provider Quality Ratings? *(Please Describe)*

B2.8 Do Member Service representatives have immediate on-line access to plan detail records? Additionally, please describe the relationship of your member service system to your claims and eligibility systems

B3. Claims Processing

B3.1. With regard to the claim offices that will be used, provide the following:

- A) Average Claims/Processor/Day:
- B) Annual Claim Volume:
- C) Staffing:

Position	# of Staff	Average Years of Claims Administration Experience	Annual Turnover (%)
Processors			
Supervisors			
Managers			

B3.2. Based upon the latest 12 month period: *(Please answer all parts of this question)*

- A) **Average** number of business days to process a claim from date received to date check/EOB issued:_____
- B) What percent of all claims submitted (regardless of information provided on claim) are processed (from date received to date check/EOB issued) within 10 business days? ____%
- C) What percent of all claims submitted (regardless of information provided on claim) are processed (from date received to date check/EOB issued) within 30 business days? ____%

B3.3. For the claim office proposed, please provide the following data:

Financial and Coding Accuracy	Latest 12 months
Financial accuracy as a percent of total claims dollars paid (include over/underpayments)	%
Coding accuracy (claims without error) as a percent of total claims submitted	%

B3.4. What are your procedures for recovery of overpayments or duplicate payments?

- B3.5. Do you agree to return all recovered monies from overpayments or duplicate payments to the plan sponsor? (*Check only one*)
- a. Yes, 100% of recovery
 - b. Yes, less _____ recovery collection fee
 - c. No, do not agree (If “no”, why not?)
- B3.7. Describe your internal audit procedures.
- B3.8. Do you have payment limits on based on claim processor’s experience/training?
- B3.9. Describe your claims appeal/grievance process?
- B3.10. Do you have an in-house Medical Director qualified to review treatment plans, interpret diagnostic testing, and support claim adjudication?
- B3.11. Describe your organization’s use of outside medical and/or mental health consultants. Include in your response:
- A. Location of consultants;
 - B. Part-time or full-time status;
 - C. Most prevalent reasons for referring claims to consultant; and
 - D. Approximate percentage of claims referred to consultant.
- B3.12. Describe your claims paying system. Do you have a medical and a dental system? How long have you used this system? When was your last “major” upgrade of this system? Are there any upgrades that have been released that you have not applied? What are your plans for upgrades and/or replacement during the next three years?
- B3.13. Approximately what percentage of your total processed claims have been received electronically during the past six (6) months?
- B3.14. Describe your claim payment system’s system edits to detect duplicate claims, erroneous data and fraud.

C. Network

- C.1. THE PLAN SPONSOR currently has Anthem Blue Cross and Blue Shield PPO and HMO Network. Which of your networks are you proposing to match the in-force plans?
- C.2. For each network you are proposing, please identify whether they are national, regional, or statewide?
- C.3. Do any of your proposed networks have limitations for out-of-state participants?
- C.4. Do you lease any portions of your proposed networks? If yes, from whom?
- C.5. Are any services currently provided under a capitated arrangement? *(Please List Services)*
- C.6. How often are providers re-credentialed?
- C.7. To the best of your ability, provide the likelihood of losing a CT hospital within your proposed network(s) in the next 12 months.

E. Care Management

E1. Utilization Management

- E1.1. Describe your current UM protocols. List services requiring standard prior authorizations/precertifications, treatment planning, visit limitations, mandatory network (e.g. transplant network) utilization, etc.
- E1.2. Are the UM protocols you have listed included in your pricing assumptions?
- E1.3. Are the UM protocols you have listed mandatory?
- E1.4. Do you subcontract any UM functions? If so please identify which service and the subcontractor.

E5. Disease Management

- E5.1. Please provide a listing of Disease Management programs. Include whether they are included in the Basic Fee or if an additional fee is charged. Also please provide the average ROI for each program.
- E5.2. Describe how participants are identified, initially contacted, educated, and managed throughout the disease management process.
- E5.3. Do you offer cost savings guarantees for any Disease Management Program offered?

E6. Wellness

- E6.1. Please provide a listing of wellness programs that you have available. Also explain your role in identifying appropriate wellness programs and fees associated with the programs.

F. Rating and Financial Functions

- F1. Please confirm your ability to provide the following:
- Underwriting and actuarial services related to:
 - Plan Designs Pricing
 - Funding Analysis
 - Renewal Projections
 - Rate Setting (COBRA)
 - Plan year accounting/settlement including IBNR reserve estimates
 - Negotiation Support-including pricing plan alternatives and providing applicable utilization and financial reports
 - Part D creditable coverage review

F2. Please describe the insured funding arrangement you are quoting.

Is any surplus due to favorable claims activity shared with the Customer? If so to what extent.

Are deficits recovered from future surpluses? Please describe.

Are renewal rates set based on claims experience or a combination of claims experience and Manual rates. Again please indicate to what extent each is used.

Please submit your rate calculation worksheets with your bid.

G. HDHP/HSA

G.1. Is your book of business experience mature/credible enough to begin to make credible assertions as to the performance of HDHP/HSA plans versus traditional copay based plans? If so, what are your findings?

G.2. What is your current trend on the HDHP plans and the traditional copay based PPO plans?

G.3. What are your findings regarding the employer funding of the HSA and the impact on claim utilization?

G.4. Do you add a premium load to the HDHP if employer funding levels exceed a certain threshold? If so, provide the threshold(s) and load(s).

G.5. Are you currently, or do you expect to adjust the actuarial relativity of HDHP/HSA plans? Are you no longer offering or discouraging any particular deductible levels?

G.6. What plan sponsor level reports are available to provide performance data on HDHP plans? Do you have reports capable of estimating the impact of an HDHP plan on an in-force traditional copay based plan?

G.7. What member level reports/tools do you provide for HDHP members? Do you have reports capable of estimating the impact of an HDHP plan for a member currently enrolled in a traditional copay based plan?

H. Implementation

The effective introduction and communication of any replacement programs are critical to the Plan Sponsor.

H.1. Please provide an Implementation Project Plan with key deliverables, milestones, and target dates. Identify Deliverables expected from THE PLAN SPONSOR.

H.2. Provide your willingness and experience in conducting and supporting education/communication meetings-this may include presale meetings with employees to address transition concerns (meetings likely to be held at vary times and locations).

H.3. Confirm your ability to prepare communication and enrollment materials including provider directories, Coordinate and Support the enrollment process, and Conduct one on one employee meetings if necessary.

H.4. Are you able to provide a Pre-Implementation Member Services phone number for member level transition questions?

H.5. Are you willing to accept and pursue referral made by members for currently utilized providers not in your network?