



## **ADDENDUM NO. I**

**DATE:** September 8, 2021  
**TO:** All Potential Proposers  
**FROM:** James McKeehan, Assistant Purchasing Agent, City of Knoxville  
**SUBJECT:** Addendum No. I to RFP - COBRA Administration Service

**PROPOSALS TO BE OPENED:** September 17, 2021

This addendum is being published to provide clarification regarding the above referenced ITB. This addendum becomes a part of the contract documents and modifies the original specifications as follows:

Items for Clarification:

1. What is the City's primary driving factor for marketing their COBRA?

**The term for the current contract is expiring at the end of the 2021 calendar year.**

2. Can you please confirm the desired effective date?

**The term is to begin January 1, 2022**

3. Please provide current Medical and Dental plan participation?

**There are 1,454 benefits eligible employees. 1,384 elect medical, while 166 waive coverage. Our medical plan also has 96 pre-65 retirees covered as well.**

**100% of the 1,454 eligible employees participate in Dental coverage because the City pays for a Base plan. 318 elect only Base plan, while 1,119 elect a buy-up plan.**

4. Who is currently administering the City's COBRA admin?

**The current administrator is PayFlex**

5. Can you explain how the current administration is going? Are there any current pain points we should be aware of?

**When a COBRA participant terminates, it does not get terminated from the vendor side. If notification is happening, there is no follow up to ensure it was completed.**

6. Can you confirm who the City utilizes for their ben admin/HRIS system?

**PeopleSoft**



7. Does the City have any additional marketings/projects going on (i.e. Medical, Dental, Ben Admin)?

**The City has several procurements in progress. Active and expired solicitations can be found on the City's bid page at [www.knoxvilletn.gov/bids](http://www.knoxvilletn.gov/bids).**

8. What does the current rate structure look like for the City - are they paying COBRA admin fees on a pepm or per event basis today?  
a. Are you willing to share what the City is currently paying for COBRA administration?

**Currently pay per notice. \$4.55 per initial notice, and \$17.00 per qualifying event.**

9. Which carriers are the City utilizing for Medical, Dental and Vision?

**The City currently utilizes services from Blue Cross Blue Shield for medical/dental, CIGNA DHMO, and EyeMed for vision.**

10. Average turnover?

**Approximately 5%**

11. Number of current COBRA participants?

**Current participants equal 28, some have multiple coverages, while some are only paying for one of the following benefits: medical, dental, vision or EAP.**

12. Are you able to confirm if the HRA/FSA RFP project is still under evaluation or has this solicitation been closed/awarded? Is there any interest in us including FSA and HRA administrative services within our proposal submission as well?

**HRA/FSA Administration has been awarded to HealthEquity, Inc.**

13. Is the COBRA administrator expected to pay carriers directly? Or can COBRA premiums be remitted to the City on a monthly basis?

**Premiums are remitted to the City, and we pay the vendors.**

14. How does the City currently pay for COBRA? Per insured or per notice?

**We currently pay per notice.**

15. Does the City prefer insured or per notice?

**Proposers may quote their price both ways.**



16. What is the City's COBRA activity - approximately, how many terms per year? How many new hires?

**In the last 12 months, the City hired 120 people**

**In the last 12 months, 157 employees were terminated or retired**

17. What is the tentative award date?

**The City's intent is to award as soon as possible after submissions are evaluated and a selection is approved by City Council.**

18. Are there any issues to mitigate?

**See item number five.**

**END OF ADDENDUM NO. I**