

ADDENDUM NO. __2__

RFP NUMBER: ____165188____

RFP TITLE: ____RFP for Benefits Advisor, Open Enrollment Communications and Voluntary Benefits____

DEPARTMENT: ____H.R.____

COMMODITY: ____Benefits and Insurance Policies and Services____

DATE OF ADDENDUM: ____February 8, 2018____

RFP DUE DATE: ____February 14, 2018____

RFP DUE TIME: ____4:00 p.m., e.s.t.____

REASON: MORE ANSWERS TO QUESTIONS

(SIGNED): _____(DATE): _____

(COMPANY): _____

Please sign one (1) copy of this page and return it with your proposal, or separately and clearly labelled if your proposal has already been submitted, to the Purchasing Department (email: dmkeylon@chattanooga.gov; or fax to 423-643-7244 Attn: D Keylon; or mail to Purchasing Dept., Attn: D Keylon, 101 E. 11th Street, Suite G-13, Chattanooga, TN 37402.

Retain a copy for your file.

Addendum 1

More Questions and Answers for RFP 165188 Benefits Advisor, Open Enrollment Communications, and Voluntary Benefits

PART 2

Question: Of the 2,400 benefit eligible employees (page 4, paragraph 4), what is the current number of enrolled employees in your health plans?

Answer: There are 2178 active employees on the plan.

Question: What is the current healthcare spend per year (or the last 12 months)?

Answer: The overall annual budget for Health and Wellness for the City is approx. \$45Mil.

Question: What has been the average annual cost per enrolled employee in each of the prior 4 years?

Answer: See benefit guide for employee and City premiums.

Question: What cost-savings programs have been implemented to date?

a. What has been the measurable impact of these programs?

Answer: The City has implemented a wellness program to include an onsite clinic and an onsite pharmacy which helps the City contain costs. We also have many programs in place through our medical plan with BCBST such as offering our employees to enroll in a discounted network within the BCBST plan, a high tech imaging review program, case management, etc. The results have been positive as our overall claims spend has averaged below national trend for the last several years.

Question: On a scale of 1-10 (with 10 being a 'Must Have'), given the growing fiduciary responsibilities on the City Council and City Staff regarding their oversight of this self-funded healthcare plan:

- a. How important would it be to reduce your annual healthcare and Rx spend by \$3,078,000 - with no adverse impact on benefit plan design? Hard to say as there are many variables that could come into play but cost containment is certainly a priority. If offered in a proposal, we would evaluate then.
- b. How important is performance based,, risk sharing from your next broker - including placing 50% - 100% of their fees at risk to meeting/exceeding targeted cost reductions and other mutually agreed upon performance metrics?

Answer: Any proposal for this type of arrangement will be reviewed and evaluated by they RFP committee.

Question: What is the desired outcome of the RFP process?

Answer: Please refer to goals in RFP.

Question: Would you please confirm the number of employees participating in each of the offered employee benefits, by product and tier?

Answer: See enrollment for voluntary benefits which are part of this RPF.

Question: Would you provide a demographic census for the 80 employees on the medical plan that are not employed by the City?

Answer: . 79 employees, 38 spouses, 41 children

Question: Please describe the City's key objectives in offering a dual option medical plan.

Answer: The two plans give our diverse population of employees choices in how best to cover themselves and their family members with value based health care. Many like to PPO plan (even with higher premiums) as it offers a lower risk for having to pay the higher deductible that this plan includes. We do offer two networks to choose from as well.

Question: Does the City seed the HSA? Can employees "earn" HSA money?

Answer: For those covered under the High Deductible Health Plan, the City currently contributes to each tier of coverage. EE = \$60/month, EE + SP = \$100/month, EE + CH = \$80/month, Family = \$125/month. This contribution is evaluated each year.

Question: Please describe the City's strategy regarding wellness and population health management. Is this an area of desired support?

Answer: The City provides a robust Wellness program that allows employees covered under the City's health plan to receive treatment at the onsite clinic and can receive their prescriptions at reduced co-pays. The contract with the onsite clinic includes ongoing risk stratification analysis with ongoing patient outreach. Data compiled with this process is analyzed routinely by our onsite clinic vendor as well as our Benefit Advisor. This relationship would be expected to continue.

Question: Please describe the resources, or desired support, for managing the onsite clinic, onsite pharmacy, and fitness center.

Answer: The Fitness Center is managed by The City's Manager of Occupational Health and Wellness and a BCBST Fitness Manager who is onsite at our facility. This is part of the contract with BCBST. The onsite clinic is managed by Marathon Health and the onsite pharmacy contract is with Onsite Rx. All contracts provide a great amount of reports which are analyzed by the vendor, the City and the Benefit Advisor.

Question: What data elements are available from the onsite clinic and onsite pharmacy and what types of data are currently integrated (ex. health, pharmacy, etc.)?

- a. What value does data analytics currently offer in regards to program strategy and employee communication?

Answer: The reports are reviewed periodically and program decisions are often made based on the results. We also use the data to provide us with an ROI to ensure that our funds are being used with positive outcomes.

Question: Regarding communication services, are there new or predicted needs the City has identified?

Answer: Please refer to the RFP for an overview. The RFP asks proposers to submit alternate processes that will be reviewed.

Question: Please describe any labor unions present.

Answer: NA

Question: When was the most recent pharmacy contract review and/or RFP?

Answer: I am assuming that you are referring to the onsite pharmacy. The City is in its 5th year of a 5 year contract and this will terminate 12/1/2018. The City should be putting out an RFP for those services in mid 2018.

Question: In order to provide a sample work product (including benchmark and high level program analysis), would the City be willing to provide the following data:

- a. Demographic Census - including DOB, DOH, gender, Coverage(s) elected, Coverage Tier [ex. Employee, Employee/Spouse, Employee/Children, Family), salary and home zip code
- b. Large Claims - (. \$50,000) for medical and pharmacy for the past two years
- c. Utilization - historical pattern of usage, including current networks used, network discounts, network vs. non-network usage and place of service (inpatient, outpatient, professional)
- d. Rates - the current COBRA rates by coverage tier, for past 2 years
- e. Contributions - the current cost sharing arrangement between the City and plan participant, by coverage tier, for past 2 years

Answer: Not made available for this RFP. The City will evaluate the proposers capability to provide advisor services, Communications and assist with voluntary products.

Question: Please describe the current budgeting and overall process for evaluating and making decisions regarding the employee benefit program.

Answer: For any given product, there is an RFP process followed and a set of criteria specific to the products or services being requested.

Question: What is the City's level of satisfaction with the current insurance carriers?

Answer: The City does not have any issues with our current carriers.

Question: Who/which departments are represented on the Evaluation Committee?

Answer: HR, IT, Purchasing and the Mayor's Office, Public Works.

Question: What are the top goals the City would like to accomplish and the top issues the City would like to address in the next 1-3 years? Examples might include retention, recruitment, compensation study, professional development, employee financial well-being, etc.

Answer: The City is interested in cost containment, providing a value based benefit package to our employees and retirees and be able to successfully communicate that to our members.

Question: Why are you doing an RFP now?

Answer: The contract for the current Benefit Advisor was for 4 years and it terminates 4/1/2018. City policy requires a new RFP process.

Question: Will the current vendor have to respond to the RFP in order to keep the contract ?

Answer: Yes but all all proposals will be evaluated equally.

Question: Who was the RFP sent to?

Answer: The City can choose to send the RFP directly to vendors that they are currently using, have used in the past, local vendors or any vendor that they felt might be interested in sending a proposal for a particular product or service.

Question: Who did you send this RFP to?

Answer: See above.

END

