

June 2016
RFP 136180

PURCHASING DEPARTMENT
101 EAST 11th STREET, STE. G-13
CHATTANOOGA, TENNESSEE 37402
CITY HALL

Request for Proposals for the City of Chattanooga, TN

Requisition No.: RFP – 136180
Ordering Dept.: Chattanooga Hamilton County Regional Planning Agency
Buyer: Sharon Lea / slea@chattanooga.gov
Phone No.: 423 643-7235
Fax No.: 423 643-7244

Request for Proposals for Stop Loss Insurance

*****REQUEST FOR PROPOSALS MUST BE RECEIVED*****

****NO LATER THAN 4:00 PM EST on Monday, June 13, 2016****

*****QUESTIONS MUST BE SUBMITTED IN WRITING*****

****NO LATER THAN 4:30 PM EST on Tuesday, June 7, 2016****

PLEASE EMAIL SHARON LEA FOR ALL DOCUMENTS

slea@chattanooga.gov

The City of Chattanooga (COC) Terms and Conditions posted on Website are applicable:

<http://www.chattanooga.gov/purchasing/standard-terms-and-conditions>

NOTE: ALL PROPOSALS MUST BE SIGNED.

All proposals received are subject to the terms and conditions contained herein and as listed in the above referenced website. The undersigned Offeror acknowledges having received, reviewed, and agrees to be bound to these terms and conditions, unless specific written exceptions are otherwise stated.

PLEASE PROVIDE US WITH THE FOLLOWING

Company Name: _____
Mailing Address: _____
City & Zip Code: _____
Phone/Toll-Free No.: _____
Fax No.: _____
E-Mail Address: _____
Contact Person: _____
Signature: _____

City of Chattanooga

Benefit History

Plan year July 2012 through current – no plan changes have been made to the plans

July 2014 only changing the PPO plan to have the medical copays and medical deductible apply to the Out-of-Pocket Maximum, increasing deductible to \$1,000 and the out-of-pocket to \$3,000. Net result is a \$200 increase in member liability. The H.S.A. is staying the same.

July 2015 all copays including the pharmacy copays will not apply to the Out-of-Pocket maximum. The OOP maximum will increase from \$3,000 to \$3,250 single and \$6,500 family along with the specialist copay going up to \$50 from \$40.

The City has a full onsite pharmacy and onsite medical clinic. This facility also has a full fitness facility and education facility that is used to help improve the health of the population. The City has an incentive points program in place through Chip Rewards to encourage healthy lifestyles. Recently, the City implemented DataSmart which is a predictive modeling tool that will be used to make sure the high risk members are targeted for coaching and care coordination. This will be done through the onsite clinic as well as the care coordinator that is dedicated to the City from BCBS of TN. The goal of making these changes is to specifically reduce the number of large claims that occur each year and historical results of using DataSmart show a tremendous opportunity for the City.

RFP 136180 - Instructions

RFP 136180 - 2016 Specific Stop Loss, City of Chattanooga

Primary Contact:

Sharon Lea, Buyer

slea@chattanooga.gov

Phone: 423-643-7235

RFP Submission Deadline:

06/13/2016 at 4:00 PM EST

Instructions

1) Before completing this document, please read all instructions and review additional files included:

2) Provide answers in light blue cells only:

example answer

3) All questions and requested information must be completed to have your proposal excepted.

Proposals/Documents Upload (Please use this section to upload applicable documents, including proposals, contingencies and disclosure information. Keep in mind that if you need to upload more than one document, you must zip the documents together and upload the zip file.)

4) Provide 1 original, 3 copies (4 total proposals) and one electronic copy on CD to:

City of Chattanooga

Purchasing Department

Attn: Sharon Lea, Buyer

101 East 11th Street, Suite G13

Chattanooga, TN 37402

5) Questions must be submitted in writing to slea@chattanooga.gov no later than 4:30 PM EST June 7, 2016

6) The City is soliciting Stop Loss proposals for it's group health plan. Proposals will only be excepted directly from Carriers or MGU's. The City has a Benefit Advisor and no other Advisor, Consultant or Broker will be compensated through the RFP process.

Event Description

RFP 136180 - Instructions

RFP Questions

Please direct all RFP questions to Sharon Lea at slea@chattanooga.gov.

Employer (Client) Description

Chattanooga, the 4th largest city in the state, is located in Southeast Tennessee near the border of Georgia at the junction of four interstate highways. The city has received national recognition for the renaissance of its beautiful downtown and redevelopment of its riverfront. The city boasts the most productive affordable housing program in the nation, and is notable for leveraging development funds through effective public/private partnerships, with significant civic involvement on the part of private foundations. Chattanooga was one of the first US cities to effectively use a citizen visioning process to set specific long-range goals to enrich the lives of residents and visitors. The main address is 101 East 11th St., Chattanooga, TN 37402. The City has had a very successful Wellness program in place for many year which includes a full service onsite pharmacy and full service onsite medical clinic. The facility also has dietary training facilities as well as full fitness facilities. Throug the past several years the City has seen trends well below industry averages and has seen large claim incidents well below industry standards.

Advisor Profile

Russ Blakely & Associates - 620 Lindsay Street, Chattanooga, TN 37403 - Producer: Russ Blakely Benefit

Advisor: Brent Wick

Project Timeline

RFP Released

June 3, 2016

Questions Due

4:30 PM EST June 7, 2016

Response to Questions Provided

4:30 PM EST June 9, 2016

RFP Responses Due

4:00 PM EST June 13, 2016

RFP Details

Effective Date - July 1st, 2016

Number of Employees - 2,900

Commission - 6%

Current Carriers - TPA - BCBSTN; Medical Network - BCBSTN Networks P & S; Rx Provider -

BCBSTN/Express Scripts; Stop Loss Carrier - Blue Re

Proposed Carriers - TPA - BCBSTN; Medical Network - BCBSTN Networks P & S; Rx Provider -

BCBSTN/Express Scripts;

The following has been provided in the RFP Attachments zip file below: Employer Census, Medical SPDs, Stop Loss Contract, Experience Data

RFP 136180 - Questions

Proposer Qualifications and Experience

The successful provider must be experienced in the provision of Stop Loss Coverage and currently be in this business. Please describe your firm's experience in managing programs of this type, including, but not limited to, information about the following items. Attach additional documents as required to support your response.

Free Response

Questions:

1. Describe your form of business (i.e. individual, sole proprietor, corporation, non-profit corporation, partnership, Limited Liability Company, etc.) and business location (physical location and state of domicile). (required)
2. Audited financial statements from the 2 most recent fiscal years (note that privately held corporations may substitute other business/credit substantiation for financial stability). (required)
3. Provide your A.M. Best ratings for each of the last 3 years specifically for your Stop Loss products. (required)
4. Has your organization recently been acquired (past 2 years) or currently in any discussions regarding mergers or acquisitions? (required)
5. What has your client retention rate been for the past three (3) years? (required)
6. From what location will the services be provided to the City of Chattanooga? (required)
7. How long has your organization been providing Stop Loss Insurance? (required)
8. Provide a statement of whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation proving relevant details (required)
9. Provide a statement of whether there is any material, pending litigation against the Proposer that the Proposer should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material impact on the Proposer's financial condition. If such exists, list each separately, explain the relevant details and attach the opinion of counsel addressing whether and to what extent it would impair the Proposer's performance in a contract pursuant to the RFP. (required)

Free Response

Account Management/Implementation

Please reply to each question/request below.

Free Response

Questions:

1. Who will be the main contact from your organization responsible for the contract with the City? Please provide credentials and experience for this individual. (required)
2. Will there be other support staff from your organization supporting the City? If so please list these employees and the responsibilities they will have. (required)
3. What type of reporting will be provided to measure results of the services provided? Will you commit to working with our consultant to provide all needed information for reporting purposes? (required)

Free Response

RFP 136180 - Questions

4. The City expects the account management team to coordinate with both the City plan administrator, PBM, care management vendors, consultant, etc. Confirm your willingness to coordinate with all parties to successfully fulfill the stop loss contract terms. This will include any claim questions, data collection, etc (required)

5. Will there be a dedicated Implementation Manager for the City? If so provide a description of how they will manage the process. (required)

General Stop Loss Services

Please reply to each question/request below.

Free Response

Questions:

1. Describe the process and format for collecting claims data from the Administrator and PBM for all large claims. Provide frequency, data elements needed and willingness to except the administrator and PBM standard format. (required)
2. What is the length of time for reimbursement after notification of claim? (required)
3. Can you provide an automated reimbursement process? (required)
4. Does your contract mirror the City's Plan Document? (required)
5. How do you handle any claims for services outside the Plan Document but approved by medical management? (required)
6. What audit process do you perform prior to paying a claim? What is the timeframe to complete this process? (required)
7. Do you maintain current eligibility data in your system? (required)
8. Do you offer a participating stop loss contract? (required)
9. Will you guarantee pricing for more than 12 months? Please explain. (required)
10. What is your average rate increase for the past 3 years for similar individual pooling levels? (required)
11. Are there any other services you will provide to the City at no additional cost? (required)
12. Confirm your ability to provide a firm renewal 60 days prior to the renewal date. (required)

Free Response

Carrier Confirmation of Plan Design - Specific Stop Loss

Please review the plan specifications outlined below and enter "Confirm" if you can match the specification or "Non-Confirm" if you cannot. Should you "Non-Confirm" a given specification, please provide your alternative response in the box provided.

Specific Stop Loss

Questions:

1. Contract Type - 24/12 (required)
2. Coverages Included - Medical and Rx (required)
3. Specific Deductible - Current - \$425,000 (required)
4. Specific Deductible - Option 1 - \$500,000 (required)
5. Specific Deductible - Option 2 - \$525,000 (required)
6. Annual Maximum - Unlimited (required)
7. Lifetime Maximum - Unlimited (required)
8. Pre- and Post-65 Retirees - Covered (required)

Please Confirm if not confirmed must explain.

RFP 136180 - Questions

9. Please confirm you are offering a No Laser at Renewal Contract. (required)

10. Please confirm you have offered a firm and bindable quote. (required)

11. Please confirm that no Run-in Limits apply. (required)

Compensation Confirmation

Questions:

1. SPECIFIC STOP LOSS - Total Compensation - 6%

COMPENSATION ALLOCATION -
Russ Blakely & Associates - 6%

Question Matrix (select one from dropdown):

Quote Assumptions

Please provide any other relevant information pursuant to your offer.

Free Response

Questions:

1. Plan Design Commentary - If you have recommendations for plan design alternatives please note them here.

2. Value Added Enhancements - Please indicate any value added enhancements you can offer and indicate any financial impact to your quoted rate.

3. Please confirm your proposal is valid for sixty (60) days. (required)

Free Response

RFP 136180 - Financials

Bid Item	Deductible Level	Number of Lives	Current Rate	Current Annual Premium	Quoted PEPM	Annual Premium	Savings
Current - \$425,000 Ded							
Specific Rate	\$425,000	2913	13.86	\$484,490.16		#REF!	#REF!
Option 1 - \$500,000 Ded							
Specific Rate	\$500,000	2913	13.86	\$484,490.16		#REF!	#REF!
Option 2 - \$525,000 Ded							
Specific Rate	\$525,000	2913	13.86	\$484,490.16		#REF!	#REF!
Confirm rates are Firm and Bindable							
Confirm No New Laser Contract							
Confirm Rate Cap at Renewal							
Confirm and Explain any Refund/Participating aspect of your contract							
Provide additional financial contributions you will provide for Predictive Modeling tools targeted at high cost claimants							
Any and all financial or contractual contingencies must be provided below:							