

ARLINGTON COUNTY, VIRGINIA
OFFICE OF THE PURCHASING AGENT
2100 CLARENDON BOULEVARD, SUITE 500
ARLINGTON, VIRGINIA 22201

CONTRACT AMENDMENT COVERPAGE

TO: AON CONSULTING	DATE ISSUED:	DECEMBER 18, 2020
200 E. RANDOLPH STREET	CONTRACT NO:	20-054-R
CHICAGO, ILLINOIS 60601	CONTRACT TITLE:	EMPLOYEE BENEFITS & CONSULTING SERVICES

THIS IS A NOTICE OF AWARD OF CONTRACT AND NOT AN ORDER. NO WORK IS AUTHORIZED UNTIL THE VENDOR RECEIVES A VALID COUNTY PURCHASE ORDER ENCUMBERING CONTRACT FUNDS.

The contract documents consist of the terms and conditions of AGREEMENT No. 20-054-R including any attachments or amendments thereto.

EFFECTIVE DATE: DECEMBER 18, 2020

EXPIRES: MAY 31, 2022

RENEWALS: TWO (2) ADDITIONAL TWELVE (12) MONTH PERIODS FROM June 1, 2022 to May 31, 2024.

COMMODITY CODE(S): 91840; 91832

LIVING WAGE: N

ATTACHMENTS:

AMENDMENT NO.1

EMPLOYEES NOT TO BENEFIT:

NO COUNTY EMPLOYEE SHALL RECEIVE ANY SHARE OR BENEFIT OF THIS CONTRACT NOT AVAILABLE TO THE GENERAL PUBLIC.

VENDOR CONTACT: KAREN KISSAM

VENDOR TEL. NO.:

(410) 783-4342

EMAIL ADDRESS: KAREN.KISSAM@AON.COM

COUNTY CONTACT: LOAN HOANG (HRD)

COUNTY TEL. NO.:

(703) 228-3417

COUNTY CONTACT EMAIL: LHOANG@ARLINGTONVA.US

PURCHASING DIVISION AUTHORIZATION

VANESSA MOOREHEAD Title **PROCUREMENT OFFICER** Date **12/18/2020**

ARLINGTON COUNTY, VIRGINIA

**AGREEMENT NO. 20-054-R
AMENDMENT NUMBER 1**

This Amendment Number 1 is made on the date of 12/18/2020 by the County and amends Agreement Number 20-054-R (“Main Agreement”) dated December 30, 2019 between Aon Consulting, 200 E. Randolph Street, Chicago, Illinois 60601 (“Contractor”) and the County Board of Arlington County, Virginia (“County”).

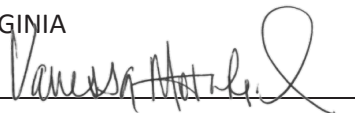
The County and the Contractor agree to amend the main contract called for under the Main Agreement as follows:

Add additional Scope of Work **Exhibit D** for Consulting Services for one comprehensive RFP covering two benefit options.

All other terms and conditions of the Main Agreement remain in effect.

WITNESS these signatures:

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA


SIGNATURE: 

NAME: VANESSA MOOREHEAD

TITLE: PROCUREMENT OFFICER

DATE: 12/18/2020

AON CONSULTING

SIGNATURE: 

NAME: DEANNE HETTICH

TITLE: COO, US Health Solutions

DATE: 12/17/2020

EXHIBIT D

Statement of Work

Consulting Services for one comprehensive RFP covering two benefit options: 1) group Medicare Advantage with Medicare Part D Rx coverage (fully insured group MAPD) and 2) group Medicare Supplement (group MS) with group Medicare Part D Rx (EGWP Rx) coverage, both on a self-insured basis.

This Statement of Work ("SOW"), effective as of 12/18/2020, and the services provided hereunder are subject to the terms and conditions in the Rider Agreement No. 20-054-R ("Agreement") between Aon Consulting, Inc. ("Aon") and Arlington County Government, ("Client"), dated as of December 30, 2019 ("Agreement").

The term of this SOW shall begin on 12/18/2020 and terminate on July 31, 2021 unless otherwise terminated pursuant to the terms of the Agreement.

Services

Client acknowledges that, in order for Aon to meet critical completion dates and operate within budget expectations, Client will need to provide information requested by Aon at various intervals. For example, Aon may need Client to:

- Provide historical benefit plan documentation.
- React to preliminary project findings.
- Approve final versions of project-related documentation.

Fees and Payment Schedule

For completing the assignment, Phases I - IV outlined in this Agreement, Client will pay to Aon a fixed fee of \$105,000. The fee applies without regard to the amount of time that Aon spends on the assignment. For illustrative purposes, the fee is based on the following hourly rates and estimated hours.

Description	FCG Rates	Anticipated hours
Senior VP	\$435.00	90
VP	\$390.00	90
AVP	\$300.00	
Senior Consultant	\$270.00	55
Consultant	\$250.00	
Analyst	\$200.00	45
Specialist	\$170.00	45
Admin	\$100.00	
	Subtotal	\$ 105,750
	Maximum	\$ 105,000

The fee for Phases I-IV will be invoiced in equal monthly installments.

The fee range anticipates evaluating up to

- five (5) Medicare Advantage insurers for fully-insured group Medicare Advantage with Medicare Part D Rx coverage (group MAPD),
- three (3) Medicare Supplement (group MS) administrators for self-insured group coverage (group MS), and
- three (3) pharmacy benefit manager administrators for self-insured Employer Group Waiver Plan Rx (EGWP Rx) coverage to pair with self-insured group MS coverage.

For the two optional Implementation Services, Client will pay Aon a fixed fee as follows:

Option 1: Ongoing Implementation Calls - \$4,000

Option 2: Contract Review / Comments - \$3,500

For any additional services requested and not defined in the services listed above, fees will be determined on a time and materials basis in accordance with Aon's billing rates as provided in the Agreement.

Out-of-Pocket Expenses

Charges from third-party bidders for printing or production services on Client's behalf will be passed through to Client, as well as any sales or use tax that Aon becomes obligated to pay in connection with services provided on Client's behalf (no out of pocket expenses are anticipated for this SOW).

If Client requires copies of files for transferring services to other service providers during or after this engagement, such services will be available on a time and materials cost based on Aon's contractual rate for Client.

Change In Scope

Please be aware that requested changes in the scope of services provided by Aon could result in an increase in fees and charges. Changes in scope could include, but are not limited to, the following:

- Assignment of additional roles, responsibilities, or functions related to the plan; or
- Other factors which were not anticipated and increase the complexity or timing of work/deliverables or which affect Aon's responsibilities or duties.

In the event that Client's operations or insurance programs substantially change in scope and nature of exposures, Client will inform Aon, and Client and Aon will negotiate in good faith to revise this SOW as appropriate.

Changes in the services or additional projects may also be included as part of this engagement, as mutually agreed to in writing or email by the parties.

Disclosures

Aon will disclose to Client all marketing quotes, including any applicable commission rates, received prior to binding any coverages for Client's insurance programs. Client will also be provided prior to binding with a disclosure of any amounts to be paid to Aon and/or Aon affiliate intermediaries if available, in connection with coverages placed for Client's insurance programs, including any fees, if applicable, paid to Aon for services it provides to third parties.

Aon's goal is to procure insurance for Client with insurance companies possessing the financial strength to perform in today's economic environment. Toward this objective, Aon regularly reviews publicly available information concerning an insurer's financial condition, including, but not limited to:

- Approvals by various regulatory authorities;
- Analyses of insurers by professional rating agencies such as A.M. Best, Standard and Poor's, Moody's, and/or Fitch; and
- The input of Aon's global affiliates and correspondents.

Most Aon placements are made with insurers that are rated "Excellent" by the professional rating agencies; however, Aon does not guarantee the solvency of any insurer. Aon encourages Client to review the publicly available information made available by Aon. The decision to accept or reject an insurer will be made solely by Client.

Aon and/or its affiliates may from time to time maintain contractual relationships with the insurers that are recommended as potential markets, or with whom Client's coverage may ultimately be placed. Further details concerning Aon's relationship with insurance carriers can be found at <http://www.aon.com/about-aon/corporate-governance/corporate/market-relationships/contractual-relationship-with-carriers.jsp#>.

Aon's professional services do not in any case include legal, investment, or accounting services, and we are not a fiduciary to your plans. The services and work product provided by Aon hereunder are provided solely for Client's internal use; they are not intended to be used or relied upon by third parties.

This SOW must be signed below by authorized representatives of the parties. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Scope of Work Accepted by

Services to Be Provided

We will provide consulting services for one comprehensive RFP covering two benefit options: 1) group Medicare Advantage with Medicare Part D Rx coverage (fully insured group MAPD) and 2) group Medicare Supplement (group MS) with group Medicare Part D Rx (EGWP Rx) coverage, both on a self-insured basis.

Phase I—Develop RFP

Step 1: Project Planning

- Data Requests
 - Setup secure site for data transfer with AmWINS
 - Data requests to AmWINS, and compilation of data received from AmWINS and Client, in Aon-requested format, for RFP, including but not limited to:
 - Detailed plan descriptions (Client to provide),
 - 2021 retiree rate sheets (Client to provide),
 - claims and enrollment experience,
 - providers used information, and
 - pharmacy claims, utilization and formulary details
- Pre-Procurement Planning
 - Confirm plan designs—Medicare Supplement, Medicare Part D Rx and Medicare Advantage, specific plan designs to include in the RFP
 - Assist in project schedule
 - Conduct project kickoff with Client to understand the scope of the RFP requirements
 - Determine RFP breadth, depth, and format to include but not limited to:
 - Mandatory Requirements
 - Administrative preferences for Client
 - Evaluation areas
- Discuss additions to the RFP for MAPD:
 - Multi-year rate guarantees
 - Gain share agreement
- Confirm procurement process, and evaluation committee requirements

Step 2: Develop Selection Criteria

We will work closely with the Client to identify and develop selection criteria. These selection criteria will be used as the basis for evaluating and scoring the proposals.

Proposed selection criteria include, but are not limited to, the following:

Selection Criteria	Evaluation components
Mandatory Requirements	<ul style="list-style-type: none"> • Clients of similar size with Medicare retirees • Any other “must have” issues from Client
Organization, Structure, Experience,	<ul style="list-style-type: none"> • Financial ratings • Group MAPD and group MS plus EGWP Rx experience

Selection Criteria	Evaluation components
Compliance, Contractual	<ul style="list-style-type: none"> • Subcontractors for retiree-facing services • Client references –national passive MA PPO with Medicare Part D Rx references and group MS plus Medicare Part D Rx references • Systems and claims administration • Legal and compliance (forms, insurance coverage, benefits law compliance, termination requirements, liability insurance)
Retiree Services and Administration	<ul style="list-style-type: none"> • Eligibility • Enrollment • Customer services for retirees • Retiree tools: website, mobile app, communications
Account Management	<ul style="list-style-type: none"> • Account team • Training / education support • Billing • Reporting • Implementation support • Performance guarantees (ability to provide guarantee) • Online portal / tools for employer
Prescription Drugs	<ul style="list-style-type: none"> • Retail network • Mail order functionality • Specialty services • Internal audits
Plan Design, Clinical and Wellness, Provider Networks, Formulary Disruption	<ul style="list-style-type: none"> • Plan design duplication • Prescription drug design capabilities • Clinical programs (medical, Rx) • Wellness programs • Formulary disruption* • Provider access and provider disruption (pertaining to MA offer)*
Financials	<ul style="list-style-type: none"> • Fully insured rates – group MAPD • Self-insured pricing terms – group MS, EGWP Rx • Underwriting assumptions, confirm administration included vs. not include • Renewal services

* Assumes incumbent AmWINS will provide utilization data

Step 3: Creation of the RFP

Aon will develop a comprehensive Medicare Retiree RFP customized to solicit the necessary information from each bidder. The format of the bid specifications includes the Aon Excel-based RFP with tabs corresponding to each Evaluation criteria above, and a document provided by the Client's procurement department (the "wrap" document).

- Create RFP specifications with the assistance of the Client
- Client will develop scoring document; Aon to provide review
- Aon will provide three versions of the Excel-based RFP:
 - Initial draft of the RFP
 - After soliciting comments from Client on the initial draft, prepare a 2nd version for review,
 - Final version that ensures all review comments are correctly incorporated
- Aon will review no more than 3 draft versions of the Client "wrap" document and provide comments for Background, Scope of Services, Instructions to Bidders; Mandatory Requirements, and scoring system of evaluation criteria.
- Aon and Client will work together to ensure the Client "wrap" document and Excel Spreadsheet are consistent
- Adjust and finalize all Excel-based attachments that will be part of the RFP Package ensuring the RFP addresses criteria and services desired by Client

Step 4: RFP Process

Client's procurement department will distribute and manage the RFP process. Aon will assist in responding to bidder's written questions, and will attend one (1) pre-bid conference, if one is held, where additional questions may be asked.

Phase II—Healthcare 101 Briefing

Aon will provide the evaluation committee with a 90-minute to 2-hour education session about Medicare Advantage plans, employer group Medicare supplemental plans and group Medicare Part D plans to facilitate their ability to review proposals.

Phase III—Analysis

Step 1: Evaluation of Proposals—Qualitative

After Client determines which bidders meet mandatory requirements, Aon will assist the evaluation team in conducting a thorough analysis of each bidder by:

- Creating easy-to-evaluate "side-by-side" exhibits of proposal responses
- Providing a summary of Technical responses by Evaluation criteria, noting meaningful observations/strengths/weaknesses and differentiators;

Step 2: Provider Disruption Analysis (for Group Medicare Advantage bidders only)

For each bidder, we will perform a study of current medical providers being used by your population, their existence in each bidder's provider networks, and the possible "disruption" that would be caused by members seeing providers who may not be in-network and who will not "accept" the group MAPD plan.

Step 3: GeoAccess Network Analysis (for Group Medicare Advantage bidders only)

Our GeoAccess network analysis tool allows us to conduct comprehensive, customized network evaluations. Bidders compare retiree files with provider files to show access based on specific standards (e.g., percent of retirees with access to two primary care physicians within ten miles).

Step 4: Formulary Disruption Analysis

To the extent incumbent provides the currently utilized prescription drug data, we will compare the utilized drugs by Medicare retiree members in the last 12 months to the bidders' most recent Part D Rx formulary with proposed enhancements (note, the Part D formularies are not available until later in summer, based on CMS approval timeframes, often beyond the date a decision will be made for the new insurer), noting where members will see a non-covered drug, and a drug at a higher/lower/same tier level.

Step 5: Cost analysis

Using RFP responses/data, Aon will provide a summary and analysis of cost proposals. Aon will project self-insured costs for the MS plan and EGWP Rx plan, for each plan year in which a bidder provides a guarantee, using a projection of current plan costs adjusted by proposed pricing terms from the EGWP Rx component and MS fees in each proposal. Aon will compare the group MAPD rates to the self-insured projected costs for the group MS and EGWP Rx proposals to a projection of current plan costs to develop savings potential for each type of program, and across each bidder..

For each bidder, the timing for cost proposal submission and analysis results in receiving and using illustrative rates for 2022 for the group MAPD program. The initial comparison of costs will be done using these illustrative rates.

Aon will also assess each bidder's financial conditions, and proposal for multi-year rate guarantees and gain share agreements, to report on findings and areas for negotiation.

Step 6 Presentation of Analysis to Evaluation Team

- Presenting the summary of proposals and discussion after finalist interviews at two (2) evaluation team meetings

Phase IV—Finalist Meetings/ Negotiations/Approval Process

Step 1: Finalist Selection

The Evaluation Team will collectively select finalists for interviews. Aon's scope of services assumes up to 3 finalists for each combination (group MAPD, group MS with Part D Rx) will be interviewed.

- Develop and assist with a list of questions for bidders to further clarify proposals during finalist meetings.
- Aon will assist with the interview agenda and questions for each finalists.

Step 2: Finalist Interviews

In conjunction with Evaluation Teams, Aon will attend finalist interviews as determined by the Evaluation Team.

Aon will :

- Provide guidance before and during interviews to ensure productive interviews that allow a confident final selection
- Participate in Client's end-of-day discussions on each bidder's interview
- Assist with finalist scoring adjustments based on interviews

Step 3 – Follow-up after Finalist Meetings

- Aon will attend one meeting to discuss finalist interviews
- Identify bidder-specific follow-ups required; and advise Evaluation Team on associated risks or unknowns that remain with any particular finalist
- Assist Client in determining final two offerors for negotiation phase

Step 4: Finalist Negotiations

In conjunction with the Client , Aon will develop a strategy for negotiation.

- Aon will prepare a list of negotiation points based on feedback from evaluation team’s analysis of proposals and Aon’s analysis. County Procurement will negotiate the most competitive terms with the finalists . During this step, bidders will be requested to provide Best and Final Cost proposals, including final 2022 rates, and any guarantees offered, for the group MAPD program.

Step 5: Final Recommendation for Award

- Aon will participate in one meeting with Client to review Best and Final Offers and to discuss/decide the recommendation for award.

Phase V—Implementation (optional services)

Option 1: Ongoing Implementation Calls

Aon will attend 4-5 implementation calls between the Insurer and the County at the request of the County. Aon will provide guidance, advice, and observations to help ensure a successful implementation. Beyond Aon’s participation in the joint implementation calls, Aon will engage in up to 5 phone calls with the County’s implementation team if follow-up questions arise.

Option 2: Contract Review / Comments

Aon will review up to two drafts of the proposed group MAPD or group MS plus EGWP Rx agreement (whichever is applicable) between the selected insurer and Client, highlighting areas in the agreement that need to reflect the agreed upon administration of the plan.

Project Timeline

We will follow the approximate highlevel timeline outlined below. Deviations will be discussed and mutually agreed upon. Then, Aon will prepare a more detailed project plan to meet the timeline.

Task	Target Completion Date
RFP drafting and review—first draft to client	Mid- December 2020
RFP draft provided to Procurement	January 2021
RFP released to bidders	Mid-February 2021
RFP responses due	Mid-March 2021
Meeting to review results	Mid April 2021
Selection Scoring	Mid April 2021
Finalist interviews	Early May 2021
Negotiations	End May-Early June 2021
Contracts	June 2021
Business award	June/July 2021

Footprint and Financial Analysis Data Requirements

This procurement process is conducted for the Medicare-eligible retiree/spouse population only; please limit the data provided to only the Medicare-eligible retiree/spouse population, or ensure that this data can be easily identified and extracted from the data provided.

1. Retiree Census Data (current retirees)

- Retiree date of birth
- Retiree gender
- Retiree – Medicare indicator if under age 65
- Retiree zipcode
- Spouse date of birth
- Spouse gender
- Spouse – Medicare indicator if under age 65
- Spouse zip code
- Medical plan code
- Medical coverage tier
- Contribution/grandfather code, if applicable
- 2020 or 2021 medical/Rx retiree premiums, if available

2. Plan and Cost Details – Aon will develop this information with AmWINS assistance

- 2021 Medical/Rx plan design summaries
- 2021 renewals, rate projections, fixed fees, pricing terms for Rx
- Providers used during most recent 12-month period
- Prescription drugs details during most recent 12-month period
- Claims and enrollment history
- Utilization history for prescription drugs