**

*THE CITY OF ROCKWALL, TEXAS*

REQUEST FOR PROPOSAL

EMPLOYEE BENEFIT PLANS

JANUARY 1, 2017

RFP#2016-20

Self-insured Medical PPO and Fully Insured Medical PPO

Medical Stop Loss Insurance

Prescription Drug Service

FSA

Self-Funded Dental

Vision Plan

COBRA

NOTICE TO BIDDERS

Sealed request for proposals will be received by the Purchasing Agent of the City of Rockwall, 385 S. Goliad, Rockwall, TX 75087 until **\_2:00\_pm.**, local time, June 17th and publicly read the names of the respondents in the City Hall Council Chambers at the address noted above for furnishing:

Self-insured Medical PPO and Fully Insured Medical PPO

Medical Stop Loss Insurance

Prescription Drug Service

FSA

Self-Funded Dental

Vision Plan

COBRA

Proposal forms, specifications and all necessary information may be obtained from Purchasing Agent at The City of Rockwall, 385 S. Goliad, Rockwall, TX 75087. Questions must be in writing to the above address by the deadlines stated within the proposal. **Proposals shall be returned to the Purchasing Agent, at the above stated address and time**.

The City reserves the right to reject any or all proposals, in whole or part, or to accept any proposal or combination of proposals deemed advantageous to it.

Vendors requesting the proposal documents should call Lea Ann Ewing at the City of Rockwall at (972) 771-7700 or by Email: lewing@rockwall.com. Please make reference to Proposal Number **RFP #2016-20**. Closing Date**: June 17th, 2016**

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Questions in Writing: May 20th – June 10th 2016

Final Response to Vendor Questions: June 10th 2016

Due Date: June 17, 2016

Notification of Finalist: Early July 2016

Tentative Vendor Presentations: Mid July 2016

Tentative Council Approval: October 3, 2016

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I. **GENERAL INFORMATION**

1.0 City of Rockwall

The City of Rockwall is a suburban municipality located east of Dallas, Texas.

The City of Rockwall offers benefits to all full-time employees who are in a position budgeted to work at least 30 hours per week. Coverage begins on the 31st day of continuous employment. All eligible employees are able to choose either the Core, Standard or Premium plans. The City of Rockwall also offers benefits to dependents. An eligible dependent is defined as (1) your legal spouse, (2) your unmarried, dependent children up to age 19, or (3)your unmarried, dependent children up to age 19 through 26 provided they are full-time students at a post-secondary or an accredited college or university. Retirees are not covered or eligible for benefits.

The City has approximately 260 full time employees.

2.0 Requests for Proposals

The City is requesting proposals for a January 1, 2017 effective date.

2.1 The City is requesting proposals for the following:

6.1.1 To duplicate the current plans as well as offer a self funded medical plan option.

2.2 The City recognizes the fact that there are very important considerations involved other than the rates/charges, **and therefore will not be bound to accept the lowest cost proposal**. Proposals will be judged on the following criteria:

2.2.1 Competitiveness of fees; ability to provide multi-year rate guarantees; and ability to control cost through health management and quality controls.

2.2.2 Ability to underwrite and administer coverages requested in the RFP.

2.2.3 Extent of network coverage and access for the City’s employees/dependents.

2.2.4 Ability to deliver a provider network that represents the highest quality care available.

2.2.5 Level of ability to provide administrative services.

2.2.6 Ability to generate meaningful, usable management reports for the City.

2.2.7 Willingness to provide effective benefit communication materials (i.e. summary plan booklets, claims forms, EOBs, etc.).

2.2.8 Willingness to assist with the enrollment meetings at implementation and ongoing annual enrollment periods.

2.2.9 Ability to provide the necessary software to support electronic membership eligibility in compliance with HIPAA requirements.

2.2.10 Ability of the proposer to assume the work in a timely manner.

2.2.11 Financial stability, service reputation, references, and experience with other clients of similar size and/or government entities.

3.0 This proposal addresses the Self-insured Medical PPO and Fully Insured Medical PPO, Medical Stop Loss Insurance, Prescription Drug Service, FSA, Fully Insured Dental, Vision Plan, EAP Services and Voluntary LTD and STD. These plans will expire December 31, 2016. The City will review all proposals and recommend the most advantageous plan meeting the specific criteria detailed herein. Proposers shall indicate any specific restrictions if awarded contracts for less than the current enrollment. The City’s goal is to award one administrator a contract for both medical plans and dental plans with an effective date of January 1, 2017, however the City reserves the right to accept or reject any and all proposals.

4.0 For purposes of this bid, provider/administrator refers to a provider of any of the plans specified. Please be advised benefits may be richer but not reduced. Proposals will be reviewed by staff that may then conduct an on-site visit or request a meeting with officials for clarification of the program's benefits.

5.0 The City of Rockwall intends to enter into a multi-year agreement for the provision of its medical and dental insurance plans. The prices quoted for this Agreement shall be for a twelve (12) month period. The extension of this Agreement will be on a year-to-year basis to a maximum of three (3) years if it is determined to be in the best interest of the City and mutual agreement can be reached. The renewal shall be received by the City of Rockwall at least 90 days prior to the expiration of the contract.

6.0 The City believes that the data contained in these specifications is sufficient for the preparation of proposals. The information is believed to be accurate and is based on the latest available information, but is not to be considered in any way as a warranty. Requests for additional information will be considered depending on the proposal time frame and the availability of the requested information. Such information will be submitted to all known proposers simultaneously.

7.0 One original plus two (2) copies plus two CD-RW or two flash drives of the proposal must be submitted to facilitate evaluation. If the copies are not submitted with the original, the bid may be considered as "non-responsive to specifications" and may not be considered for further evaluation. Proposers shall use the format of this RFP in responding.

8.0 The information contained in this request for proposal is confidential and is to be used only in conjunction with preparing this document.

**9.0 The City currently recognizes Holmes Murphy and Associates, Inc. as the benefits consultant for all benefit plans and related issues. Therefore, all quotes shall be provided net of commission, consulting and broker fees, and no taxes.**

10.0 The City may award a contract on the basis of proposals received, without discussions. Therefore, each proposal should contain the proposer’s best terms from a financial and technical standpoint. **Please also indicate any and all contingencies for your proposal**

The City may develop a short list of qualified companies, conduct interviews and select a healthcare provider/administrator to provide the health and dental plans requested.

At the conclusion of presentations, and on the basis of the evaluation factors as stated in the RFP and information developed in the selection process, the City shall rank in order of preference the professional qualifications and proposed services that are deemed most meritorious. The City may negotiate with one or more proposers and no proposers shall have any rights against the City arising from such negotiations or any invitation to negotiate.

Negotiations shall then be conducted for a contract to provide health care services beginning with the proposer ranked first. If a contract satisfactory and advantageous to the City can be negotiated at a price fair and reasonable, the award shall be made to that proposer.

Otherwise, negotiations with the proposer ranked first shall be formally terminated and negotiations conducted with the proposer ranked second, and so on until such a contract can be negotiated at a fair and reasonable price.

11.0 All proposals should assume a January 1, 2017 implementation date and all Proposers must agree that their proposals are valid until January 1, 2017.

12.0 The City has sole discretion to cancel this RFP, to reject any or all proposals or any part thereof received prior to contract award, or to waive any formalities.

13.0 The City may request clarification of any proposal after all proposals have been received.

14.0 This RFP does not commit the City of Rockwall to award a contract or to pay any cost

incurred in the preparation of a proposal in response to this request.

15.0 Provider/administrators must assume existing COBRA and FMLA participants.

26.0 The City does not guarantee a minimum participation in the plan. Employees may transfer between plans during annual enrollment with an effective date of January 1st with no pre-existing condition clause.

17.0 ACI currently provides administrative services for the following medical plans: Core, Blue and Gold and the self-insured dental. The PPO medical administrative fees include claims administration, claims repricing, precertification, utilization review, subrogation, and large case management. Dental administrative fees include claims administration.

18.0 Funds for payment are provided by the City of Rockwall budget approved by City Council for this fiscal year only. The State of Texas statutes prohibit the obligation and expenditure of public funds beyond the fiscal year for which a budget has been approved. Obligations beyond the end of the current City of Rockwall fiscal year will be subject to budget approval.

19.0 Proposers are expected to comply with all local, state and federal insurance laws and regulations relative to the preparation and submission of proposals. All proposals submitted will be presumed to be in compliance with applicable laws.

20.0 Payment of claims for self-funded plans must be through the City’s named depository. The City is prohibited from using out of state depositories.

21.0 No person has authority to verbally alter these specifications. Any changes to specifications will be made in writing and sent to each person having a proposal packet.

22.0 All requests for information, must be in written form, and will be directed to the name and email address below by the stated deadlines herein:

Brittany Wall

Account Manager

Holmes Murphy   
[bwall@holmesmurphy.com](mailto:bwall@holmesmurphy.com)

Each proposer is responsible for taking necessary steps to ensure their proposal is received by the date and time noted herein. The City is not responsible for any mail delays, internal or external, that may result in the proposal arriving after the set time. Proposals received late will not be opened and will not be considered in the proposal process.

II. **SPECIFIC REQUIREMENTS**

Proposers must comply with the following requirements. Describe how the proposer will comply with each of the following specific requirements. If you are unable to meet a condition please give an explanation.

1.0 All proposals must be prepared and submitted as outlined in this request. The excel document must be fully completed. Supporting documents may be included, however will not be accepted as a replacement of the excel spreadsheet. Failure to complete the document in the format provided may result in disqualification.

2.0 The selected provider/administrator must provide a plan design, which retains the same level of benefits as the current summary plans. Benefits, which exceed the current level, will be acceptable as long as there is a no gain/no loss provision.

3.0 **No commissions, overrides, and/or finder’s fees shall be paid to any party. All rates should be quoted net. If fees cannot be quoted net, please explain.**

4.0 No loss/No gain: No covered employee or covered dependent shall lose or gain benefits as a result of a vendor change. All pre-existing condition limitations, actively-at-work and nonconfinement provisions must be expressly waived for the initial enrollment for covered employees and covered dependents that have already satisfied the limitations under the current plan. **Also, any partial or full satisfaction of a current limitation, deductible, or annual co-payment must be credited.**

6.0 Renewal rate computations must be furnished at least 90 days prior to the end of the contract year.

7.0 Multiple year rate guarantees are requested.

8.0 The vendor must agree to attend monthly update and quarterly review meetings at the City’s desired location in Rockwall, Texas.

9.0 The vendor must provide a single point-of-contact account manager and local contact medical and dental representative. This person shall be available through a toll-free telephone number and a direct telephone number.

10.0 The vendor that is awarded a contract must agree to transmit test data to a new vendor no less than 30 days prior to the termination of a contract and to provide a final verified transition data file to the new vendor within 30 days after the termination date.

1. The vendor that is awarded a contract providing administrative services must provide the City with City- specific comprehensive experience reports monthly and summary reports annually.

12.0 The vendor that is awarded a contract must mail I.D. cards to participant’s (employee, COBRA) home address within ten (10) working days after receiving the initial enrollment eligibility file and at the beginning of each plan year. Thereafter, new I.D. cards must be provided to a participant within five (5) working days of receiving any change request.

13.0 The vendor that is awarded a contract must capture employee and dependent information from enrollment materials and maintain it throughout the term of the contract. The City requires access to an automated computer-based system, either on-line or through a PC based package to allow for easy updating of the eligibility data. Eligibility software must be HIPAA compliant. The cost for this service should be included as part of the rate and should provide the following capabilities:

* In-house maintenance of participants’ eligibility/census;
* Ability to run standard eligibility/census reports and
* Automatic update or electronic transfer of eligibility data to the vendor provider/ administrator.

14.0 Properly staffed and supervised customer/member service representatives must be available to plan participants via a 1-800 number.

15.0 The vendor that is awarded a contract shall provide and maintain networks of qualified providers that provide quality services on a cost-effective basis for the PPO plans during the term of the contract. Each proposer must ensure that the providers continue to meet licensing, selection, and screening criteria and that required liability insurance is maintained. Each proposer must confirm in its response that its proposed network will remain under agreement throughout this proposal process. Subsequent to submission, any material changes must be brought to the City’s attention immediately. Failure to do so may eliminate the proposal from consideration.

16.0 The City requires that for each type of plan administered the benefits must be interpreted and claims processed in accordance with the summary plan description. The benefits structure of the provider/administrator must be capable of handling this provision.

17.0 All specific reinsurance rates quoted should be based on employee only and employee & family. Aggregate rates and administrative fees should be on a composite basis. The City shall remit payment based on the monthly enrollment invoiced in accordance with this rate structure.

18.0 The vendor awarded a contract will develop and provide a summary handout/overview of plan benefits for initial annual enrollment, employee orientation and ongoing annual enrollment.

19.0 The vendor awarded a contract will provide a supply of enrollment forms and SPD booklets, marketing materials and directories for distribution from the City, as needed.

20.0 If necessary, the vendor awarded a contract must develop and mail a summary of plan changes/amendments to all members at their home address.

21.0 The selected vendor shall provide an actuarial determination of COBRA rates/premiums to the City on an annual basis, the cost to be included as part of the administration rate.

22.0 Services associated with mental health/substance abuse should provide, at a minimum, the following:

* Initial benefit coordination with the City’s EAP;
* 24-hour emergency screening;
* Marketing materials explaining benefits offered, methods of access and confidentiality;
* A directory of psychiatrists, licensed counselors, psychologists, professional staff and their credentials; and
* Training programs offered. Attach a copy of the brochure, which outlines the benefits provided.

23.0 All services offered/provided must be clearly identified/explained. All costs must be fully detailed and summarized with exceptions or deviations to specific requirements clearly enumerated.

24.0 All questions including the enclosed questionnaire must be completed in its entirety and submitted with the proposal. Questions not answered in their entirety may disqualify the proposal.

25.0 The City would like access for all eligible employees, COBRA participants and eligible dependents.

26.0 The selected provider/administrator shall notify service providers of the effective date of the contract award of City business and provide the billing address for claim submission relating to City employees/COBRA participants for services rendered after the effective date of this change. This will ensure a smooth transition for claims processing and payments.

27.0 A specimen contract, summary plan description, network directories showing open access to Texas providers, and sample eligibility/cost reports shall be included in the proposal.

1. The “actively at work” requirement shall be waived for employees (and dependents) not

Performing normal work activities on the effective date. The selected provider/administrator shall include a no-loss, no-gain provision. No person will lose coverage due to a change in provider or administrator.

29.0 The identification cards (ID) and directories, etc. for the initial enrollment must be received by each participant by the effective date of the contract (January 1, 2017). The summary plan document (SPD) must be developed and submitted to each participant not later than March 1, 2017 unless the City has agreed upon another date.

**III. SERVICE/PERFORMANCE STANDARDS - GUARANTEES**

1.0 For the standards listed below please indicate whether or not you will agree to the performance standards, and the percent of premium you are willing to put at risk. The proposer will be expected to conduct regular internal audits and report the results to the City for use in enforcing performance guarantees. If you are not willing to meet the proposed standard, please explain and propose an alternative performance measure.

2.0 Member ID Card must be processed and mailed to participant within ten (10) working days of member’s data being entered by City staff.

3.0 90% of all City enrollees’ calls routed to the selected provider/administrator’s automatic call distribution system unit shall be answered within an average of 45 seconds during normal business hours.

4.0 95% of all enrollees/providers’ appeals shall be resolved within 60 days of receipt.

5.0 At a minimum, the City requires the following claims service guarantees:

a. All enrollees’ clean claims will be paid maximum of 14 calendar days from receipt date.

b. 93% of all claims will be correctly coded.

c. 93% of all claims will be correctly and accurately processed.

d. 95% of all claims will be paid accurately.

e. 95% of all claims will be accurately coordinated with other plans.

f. 99% of all claims will be financially drafted correctly.

g. 95% of all City enrollee’s claims submitted by the provider/administrator to the insurer shall be paid within 21 days of receipt.

**6.0 Selected administrator shall provide a quarterly report indicating their compliance with their published performance standards. Proposers shall provide monetary remedies for failure to meet their performance standards. Describe how you will monitor your performance of these standards.**

7.0 The proposer must guarantee that accurate management reports be delivered no later than the agreed upon due date.

8.0 The proposer must guarantee at a minimum, that enrollment data provided by the City will be loaded into the proposer’s enrollment system within 48 hours of receipt, an eligibility discrepancy report must be provided to the City within seven (7) working days following receipt of enrollment data.

9.0 The vendor that is awarded a contract shall agree to indemnify and hold harmless the City of Rockwall and its officers, agents, and employees from any and all claims, causes, or actions, and damages of every kind, for injury to or death of any person and damages to property arising out of or in connection with the work done by Contractor under this contract, and including acts or omissions of the City of Rockwall or its officers, agents, nor employees in connection with said contract.

10.0 All proposals shall include certificates of coverage for fiduciary liability, errors and omissions and fidelity bond including carriers, policy numbers, expiration dates and limits. A certificate of insurance, or a copy of the insurance policy will be furnished to the City within ten (10) days after award of proposal and will provide that the City will receive ten (10) days prior written notice before any change or cancellation of any policy. The City of Rockwall must be named as additional insured on all policies.

11.0 Following is a list of reports required as part of the selected provider/administrator’s responsibility. Data is required separately for each type of plan administered. Each report should provide a summary with a total for each category and each employee/dependent group. All reports must be received by the fifth of each month. Cost of these reports must be included in the rate bid.

11.1 Must provide on a monthly basis a hard copy of the employee eligibility/census report by group. A separate census will be required for each type of plan administered. When requested, eligibility report must be provided on diskette. These reports must include the following information:

* employee and dependent names -- last, first and middle
* employee SS# and gender
* employee and dependent date of birth
* employee address, including city, state and zip code
* effective date of coverage
* termination date
* medical plan coverage status -- E0, E1, E2, E3, E4, etc. with totals for each group
* Suspense report

11.2 Dollar (separate report) amount of claims paid by group and summary of all groups will be required for each type of plan administered. (monthly/quarterly)

11.3 Paid claims register (separate report) per employee and dependents for each type of plan administered. (monthly and quarterly)

11.4 Separate substantial users report by employee/retiree/dependent group (claims of $10,000 and above) by budget year and contract year will be required for each type of plan administered. (monthly/quarterly)

11.5 Separate COBRA participants listing with effective date, level of coverage (employee only, employee +spouse, employee + child(ren) or employee + family coverage), by employee group, premium amount billed and paid, coverage type (i.e., medical/dental/prescription drug), termination date, and paid through date for each type of plan administered. (monthly)

11.6 Large case management activity. (monthly)

12.0 Stop loss carrier must waive any and all actively at work provisions.

**IV. SUBMISSION REQUIREMENTS**

1. Submission Requirements

The City of Rockwall will consider all applicable factors in determining which proposal serves the interests of the City of Rockwall. The City of Rockwall reserves the right to reject any, all, or part of the proposals, and to accept any advantage considered beneficial to the City of Rockwall. The City of Rockwall reserves the right to waive any information or minor technicalities or to accept any proposal deemed advantageous to it.

At all times during the term of this contract, the contractor shall procure, pay for and maintain, with approved insurance carriers, the minimum insurance requirements set forth below, and shall require all subcontractors and sub-subcontractors performing work for which the same liabilities may apply under this contract to do likewise. The contractor may cause the insurance to be effected in whole or in part by the subcontractors of sub-subcontractors under their contracts.

* Workers Compensation: Statutory limits and employer’s liability of not less than $100,000 for each accident.
* Commercial General Liability:
  + Minimum Required Limits
    - $1,000,000 per occurrence
    - $1,000,000 General Aggregate
  + Commercial General Liability policy shall include:
    - Coverage A: Bodily injury and property damage
    - Coverage B: Personal and Advertising Injury liability
    - Coverage C: Medical Payments
    - Products – Completed Operations
    - Fire Legal Liability
  + Policy coverage must be on an “occurrence” basis using CGL forms: as approved by the Texas State Board of Insurance.
  + Attachment of Endorsement CG 20 10 – additional insured
  + All other endorsements shall require prior approval by the Contract Administrator or Risk Manager.
* Professional Liability/Errors and Omissions: Employee benefits liability. Minimum required limit: $1,000,000 per occurrence.
* Fidelity Bond: The City of Rockwall requires a fidelity bond in the amount of $1,000,000 for this contract, which shall remain in effect for the term of this contract as modified and extended. The City shall be named as “Loss Payee.”