

##### Request For Proposal

Duluth Joint Powers Enterprise Trust

###### **Group Benefit Plans:**

######  Medicare Supplement

For consideration all proposals must be

returned to the following

CBIZ location no later than 2:00 p.m. on

August 24, 2012 *21 days after posting*

CBIZ Benefits & Insurance Services, Inc

Attn: Ramona McCree, Account Executive

1000 Campbell Mithun Tower

222 South Ninth Street

Minneapolis MN 55402

rmccree@cbiz.com

Phone: 612-436-4613

Fax: 612-677-7012

Client Information

### A. The Duluth Joint Powers Enterprise Trust (JPE)

The City of Duluth is headquartered in Duluth, MN. The JPE is a joint powers trust set up for The City of Duluth, Duluth Airport Authority, Duluth Entertainment and Convention Center and the Duluth Housing and Redevelopment Authority. The JPE currently provides coverage for its retirees. They are on the same plan as the active employees.

On average The City currently contributes toward premium (the exact contribution by bargaining unit is on the employer website.

 Retirees prior to 2007 Employer may pay up to 100% of the cost

Retirees after 2007 Retiree pays 100% of the cost

Note: While the City makes retiree contributions, the DAA makes limited contributions and HRA/DECC do not make contributions towards retiree premiums.

The current vendors utilized are as follows:

* Current TPA: HealthPartners.
* Current Pharmacy Benefits Manager (PBM): Clear Script.

 We are seeking bids on carving the retiree population out of the current self funded medical plan.

It is imperative that The City of Duluth have a vendor that can administer the benefits to the current level or better.

### B. Plan Design

Details about the existing plan are contained within this RFP and in the attached e-mail files. **Your proposal must be able to administer a duplication of the current benefit plan design.** **Any deviations from the current plans must be clearly identified in writing.** **If any devastations are found that have not been previously identified you may be held responsible for any costs incurred by the omission.**

### C. Underwriting Guidelines

1. All requested information must be supplied. If you cannot respond to any part of this request, please state the reasons you cannot respond. You may provide supplemental information, if necessary, to assist us in analyzing your proposal.
2. All current plan designs must be matched. If you can not match **ANY** areas it must be clearly noted.
3. All information contained in this RFP is considered to be strictly confidential. The census data, description of coverage and plan design contained in this RFP is solely intended to allow for the preparation of the response to the RFP. This information should not be used for any other purpose.
4. The effective date of coverage for The City of Duluth will be **January 1, 2013**. Future rate increase information must be submitted at least 120 days prior to the renewal date. Alternatives to this will be considered if approved in advance by CBIZ and The City of Duluth.
5. The City of Duluth has appointed CBIZ to prepare the RFP and analyze the responses.

### D. General Conditions

* All reports pertaining to the proposal shall become the property of Duluth JPE upon completion or termination of the services in accordance with conditions and requirements. The successful vendor may not, for any reason, use any information or report without the express written consent of The City of Duluth.
* Insurers must be licensed to do business in Minnesota.
* The JPE and City of Duluth reserves the right, before making an award, to investigate whether or not the qualifications or services offered by the responding carrier meet the requirements set forth in the proposal.
* The JPE along with City of Duluth may reject, accept or modify through negotiations any portion of the plan which in the City of Duluth’s opinion requires modification.
* Contracts entered into on the basis of the submitted proposal are revocable if contrary to law. The information furnished by The JPE is correct and accurate to the best of our knowledge. Any changes or additions will be provided as necessary.

### E. Timetable

Proposals should be returned to CBIZ Benefits, 1000 Campbell Mithun Tower, 222 South Ninth Street, Minneapolis MN 55402. **All proposals need to be received at CBIZ by 2:00 p.m. on August 24, 2012.** Any questions regarding the information contained in this proposal must be **in writing via email** to Ramona McCree at rmccree@cbiz.com.

**Please return three copies of your proposal. Two in hard copy and one in electronic format, preferably in Microsoft Word or Excel.**

*RFP Timetable Tentative*

*Release of RFP...................................................................................……….…..……… ……August 3, 2012*

*Due date...............................................................................................…………….…..……August 24, 2012*

*Review and analysis by CBIZ...............................................................………......Week of August 27, 2012*

*Report reviewed and Finalist selected by the City……...................................................September 3, 2012*

*Finalist presentation meetings....................................…………………..………..…… ………,,,,,,,,,,,,,, TBD*

*Recommendation to City Council................................................………………………………………….TBD*

*Carrier transition/enrollment/meetings................................................................................ November 2012*

*Effective date of coverage.................................................................................................. . January 1, 2013*

Questionnaire

All Respondents Answer (indicate n/a if appropriate)

### General Administration

1. Provide three current clients as references of similar size and context for whom you provide administration. Include the date the plan was effective, coverage’s provided, number of covered employees, name of entity/contact person and phone number.
2. Is your organization fully compliant with HIPAA’s electronic data standards, privacy and security rules, including the new HITECH rules?
3. Do you provide HIPAA notices and “Certificates of Credible Coverage”?
4. Please provide an implementation schedule including dates, tasks and persons responsible to successfully implement the proposed program effective January 1, 2013.

### Customer Service

1. It is important for The City of Duluth to have a dedicated service representative. Describe how account services will be handled. Provide brief biographies of the person responsible for daily ongoing administrative issues and other members of the service team. Where are they located? In addition, how many other clients and approximate number of employees in total are serviced by the Account Manager?
2. How many people will be assigned to the employer’s service team? What is their background and responsibilities with this employer?
3. What standards have been established to respond to employee complaints, issues or questions? Are the responses usually done by telephone? Within 24 hours? When is it necessary to respond in writing?
4. Describe your automated telephone voice response system (if available). Can retiree’s access claim status information through the voice response system? Describe your ability, if any, to track calls and provide statistics. In addition describe the ease of accessing a live person for assistance.
5. Describe your web based products. Are employees able to look up their claim history, request ID cards, etc?
6. Please provide statistics relating to the carrier’s performance such as turn-around-time, payment and statistical accuracy. Describe your internal procedures to monitor turn-around time and payment accuracy.

### Claims and Administration

1. Can you administer The City of Duluth’s existing plans as outlined in the Summary Plan Descriptions? If not, please explain and offer your potential solution.
2. Describe your monthly billing procedures, i.e., paper, online, timing, etc. Since the employer is the primary payer please describe the options available.
3. The City of Duluth requires their renewal information 120 days in advance of the renewal. Can you meet this deadline?
4. When was your organizations last SAS 70 audit conducted? What are you current SAS 70 status, level 1 or level 2? What is the frequency of your SAS 70 audits? Please provide a copy of the most recent report.
5. Describe your eligibility and enrollment process, i.e., paper, online, etc. What assistance will you provide with the enrolling of the retirees? Will you take a file feed of current retirees?
6. Are your claims processing system fully integrated with your eligibility system? What is the lag time between the receipt of eligibility data from the Online Enrollment System and when it is loaded in the claims system?
7. It is expected that the winning vendor will maintain and accurately keep the eligibility file for the operation of the plan. Do you have any concerns about performing this task?
8. Who is responsible for overpayment of a claim?
9. If a participant is traveling out of the country, how are claims submitted and paid for?
10. Do you offer any additional discounts on fees not already mentioned?
11. Explain how claims are coordinated with Medicare.
12. How will you handle 4th quarter carry over which is currently done?
13. What have you done to ensure the formulary match?
14. Please describe your transition of care procedures?
15. Do you have an online care option for participants

### Network Providers

* 1. We are including the top providers currently used by The City of Duluth. Please indicate if these providers are part of your network. If not, what steps can you take to recruit them and how long will it take to expand the network to include these providers?
	2. Please indentify any participants that fall outside of your coverage area.

Please answer the questions in the previous sections and these as they specifically apply to Medicare plans.

1. How are in-network providers, hospital, pharmacies selected for your plan?
2. How will coordination of benefits be handled?
3. How is emergency care covered “out of network”?
4. Do any procedures that require preauthorization?
5. Do the plans offered require a Primary Care Provider?
6. Do you utilize “Center of Excellence”. If so please described when they are used and how they were selected?
7. Do you offer vision, auditory or dental coverage included in the medical plan?
8. Describe your PBM relationship.
9. How are prescriptions priced in your plan?
10. Do you require step therapy, generic substitution or other cost control mechanisms?
11. Are specialty drugs treated differently?
12. How does Medicare Part D affect your plan? Do you take care of Part D filings for the employer?

Rates

|  |  |  |
| --- | --- | --- |
| **Medicare Coverage** | **2012 Premium** | **2011 Premium** |
| **Single**  | $443.84 | $385.96 |
| **Single +1** (Retiree Medicare eligible; Spouse is not Medicare eligible) | $968.61 | $842.27 |
| **Single +1**(Retiree & spouse are Medicare eligible) | $866.12 | $763.15 |
| **Family**(Retiree is Medicare eligible, spouse and dependents are not Medicare eligible) | $1,276.06 | $1,109.61 |

Confirmation of Proposal and Signature Page

Please confirm the following:

1. Proposals are based on the experience and demographics summarized herein.
2. Coverage will be provided to current retirees on a no loss/no gain basis.
3. All questions from the Questionnaire Section were answered in the order asked.
4. Premiums are payable at the end of the 60-day grace period.
5. There are no additional fees other than those included within your proposal.
6. You are responsible for any cost in preparing or submitting this proposal.
7. Any information submitted with the RFP will become the property of The City of Duluth and CBIZ Benefits and will not be returned to the submitting carrier.
8. You may be requested to sign a confidentiality statement to ensure that the confidentiality of employee information is maintained.
9. Any deviations or exceptions to the requirements of the RFP are separately stated in your proposal. Otherwise, all items offered will be considered to be in strict compliance with the RFP.
10. The person signing the proposal must be a legal representative of the firm authorized to bind the firm to a contract in the event of award.
11. Any bidder who declines to submit a proposal is requested to forward a formal “Declination to Decline” by August 17th.

**Proposal Submission:** Submission of this proposal is your certification that your company can provide the services as outlined within this proposal and that you confirm and agree with the statements listed above.

|  |  |  |  |
| --- | --- | --- | --- |
| Vendor Name: |  | Authorized Signature: |  |
| Address: |  | Print Name: |  |
| City: |  | Title: |  |
| State: Zip: |  | Phone#/Fax# |  |

Included in Attachment

* Past 2 years of monthly claim cost, enrollment and rates
* Census including retirees
* Top provider listing
* Benefit Summaries
* Plan SPDs