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Addendum No 3

April 19, 2017

City of Longview RFP # 1617-23 Health and Welfare Employee Benefits

DUE DATE 5/10/2017 @ 2:00 p.m. CST.

The City of Longview offers the following clarification for the above referenced Request for Proposal:

Q19. Please provide a copy of the full dental certificate? This will help clarify some items as the summary is confusing - It says there is a 6 month wait for Preventative and Basic, but no wait for Major.

A19. The Dental certificate is contained in the Plan Document for Medical sent via Addendum 2. The waiting period applies to late entrants only which is 6 months for Preventive, Basic, and Major.

Q20. Is it possible to have the 2017 claim file resent with the NABP column so we have complete information of where member are getting their prescriptions?

A20. This has been requested and will forward via addendum.

Q21. What is driving the group to market their benefits?

A21. The City is requesting proposals to identify a vendor partner who can help the City achieve its goal of controlling health plan spend while remaining competitive in the market as it pertains to employee benefits.

Q22. Is the group having any issues with the current TPA?

A22. There are no issues to date.

Q23. If they could change one thing about their current situation, what would it be and why?

A23. See response to Q21.

Q24. Will we have the opportunity to discuss our proposal in further detail with you and/or the broker prior to finalists being selected? The reason I ask is because we have several unique offerings that I want to be sure you are aware of and understand the value they bring to the client.

A24. There will not be an opportunity to discuss the proposal with the City or IPS Advisors prior to final selection. We recommend including all relevant information in the proposal for consideration. In the event IPS or the City need clarification to a particular response, we will reach out directly only for clarification.

Q25. For LTD can a P&L report be provided?

A25. This is not available.

Q26. Can you please provide a most recent 3 - 5 years (the more the better since it takes 15,000 life years to be fully credible)?

A26. The City has been with UNUM for 2 years which is the data provided with the initial RFP.

Q27. Paid Claims Totals by date incurred (not paid) for LTD?

A27. Please see attached (please contact Amanda Bowen at abowen@ipsadvisors.com).

Q28. Paid Premium Totals for LTD?

A28. Please see attached (please contact Amanda Bowen at abowen@ipsadvisors.com).

Q29. Any revisions to LTD plan?

A29. No plan changes.

Q30. It shows in the RFP that the TPA is keeping 25% of the out of network claims discount. Can we find out how much that has amounted to? That needs to be accounted for as a cost somewhere.

A30. To clarify, the total cost for out-of-network negotiated savings is 25% and the portion that Fringe Benefits receives as the TPA is 7%.

Q31. Are retirees designated at RE1, RE2, and RE4 under the "Division" tab on the census?

A31. Yes.

Q32. Are the retirees an open or closed class?

A32. They are an Open Class as long as they participated in the Pre-65 Retiree Health Plan prior to becoming a retiree.

Q33. Can I please get a month by month with premium, lives, and claims report for the past 2-3 years for LTD?

A33. Please see response to question to Q27 and Q28 and the corresponding report attached (please contact Amanda Bowen at abowen@ipsadvisors.com).

Q34. Please confirm the total number of lives (employees+dependents) bidders should be considering for this bid,

A34. The average total number of employees for the period 10/1/2016-1/31/2017 is 978 including Retirees. The total number of members for the same period is 1,957 including Retirees.

Q35. Please confirm is there an EGWP population included?

A35. Yes. Retirees are included in the total population.

Q36. Who is the Mail Order Pharmacy for the City?

A36. WellDyne Rx.

Q37. Please provide detailed clinical program information, if any.

A37. Standard Prior Authorization List, Special Prior Authorization List, Standard Quantity Level Limit, New Drugs to Market Program.

Q38. Please confirm the VADD is virgin.

A38. VADD is not being requested at this time as they do not have it currently.

Q39. Please confirm those on the census column heading "Division" with codes such as RE1, RE2, RE4 are retired employees.

A39. Yes, however RE2 is when a retiree reaches Age 65, they are no longer active on our plan. If they have a spouse that is younger than 65 on the plan, that spouse can remain on the coverage if the retiree enrolls in the Medicare Supplement. The spouse is moved from the RE1 category to RE2. They have to pay the full cost of the retiree premium, City doesn't contribute to that rate.

Q40. Is there a bill to confirm Basic and Vol. Life volume?

A40. Yes. Please see attached 2 invoices (contact Amanda Bowen at abowen@ipsadvisors.com).

Q41. Confirm no owned, leased or controlled aircraft. IF they do, we would need the following:

- a. How many passenger seats are on the aircraft?
- b. How many pilots are on the aircraft?
- c. How often do they fly?
- d. I'm assuming only police employees are on the aircraft but please confirm

A41. There is no owned, leased or controlled aircraft.

Q42. For Dental we have the provider information with claims, but could we get a month-by-month paid claims and lives history? Ideally this would be for more than one year.

A42. See aggregate reports sent with the initial release of RFP that reflect Dental claims and covered lives by month.

Q43. The Dental Plan of Benefits in the RFP show no waiting period for Major, but the SPD shows a 6-month waiting period. What is correct?

A43. The waiting period applies to late entrants only which is 6 months for Preventive, Basic, and Major.

Q44. The Dental Plan of Benefits and SPD reference pediatric dental, but there is no separate set of benefits. Are the pediatric benefits the same as listed, with the provision that they are not subject to the Calendar Year Maximum?

A44. Yes that is correct.

Q45. Palliative dental treatment and space maintainers are shown as Preventive in the SPD, but as Basic in the current and proposed plans in the RFP. Which takes precedence?

A45. The current is Palliative dental treatment and space maintainers are Preventive. Please quote same as current.

Q46. The current dental rates on pg. 27 of the RFP show different rates for actives and retirees. The 2016-2017 employee contributions on pg. 29 show the same rates for both and the submission forms have only one set of rates. How does the City want the premium equivalents calculated, blended or separate?

A46. The RFP is requesting ASO Dental only. On page 37 there is a place for Dental Administration and Dental Network access fee. Please disregard the Submission form for Dental rates which are on pages 45 and 47 as the RFP is not requesting 4 Tier rates.

Q47. We would prefer to quote this as a passive PPO to give the City the advantage of PPO dental discounts, and pay out of network claims at the 90th percentile of UCR. Is this acceptable to the City?

A47. Please provide your most competitive offer with or without a Dental PPO Network.

Q48. What is the number of lives on LTD?

A48. Please see response to question to Q27 and Q28 and the corresponding report attached (please contact Amanda Bowen at abowen@ipsadvisors.com).

Q49. Rate history for experience periods for LTD?

A49. The rate with UNUM has been \$.33 since 10/1/2015 to current.

If you have any further questions, please contact Amanda Bowen at IPS Advisors.

Amanda Bowen
IPS Advisors
10000 N. Central Expressway, Suite 1100
Dallas, Texas 75231
214-443-2482
Abowen@ipsadvisors.com

Posted – April 19, 2017

This form shall be signed and returned with your proposal.

Name: _____

Signature: _____

Company: _____

Title: _____

Date: _____