



## ADDENDUM #2

# EMPLOYEE BENEFITS INSURANCE BROKER & CONSULTING SERVICES RFP # 2012-02

December 16, 2011

The following seven (7) pages of questions, responses and addendums shall be made and incorporated in the subject Request for Proposals. Questions were presented to SBCCD by the deadline established within the RFP. Questions are included as presented to SBCCD, except for where similar questions from multiple Contractors were combined. SBCCD responses to questions are in *italics*:

### GENERAL QUESTIONS

1. In the RFP, Section 1.7 / Exhibits, it appears that Exhibit A –Non-Collusion Affidavit matches the included Appendix A, Exhibit B – Contractor Profile Form & Designation of Names matches the included Appendix B, but Exhibit C – Financial Statements doesn't match Appendix C – Professional Services Agreement. Can you please clarify which is actually being requested, or whether both need to be submitted? *RFP Section 1.7 outlines the format which CONTRACTOR'S proposal shall take. RFP Appendix A will become Exhibit A of CONTRACTOR'S proposal. RFP Appendix B will become Exhibit B of CONTRACTOR'S proposal. RFP Appendix C is for use in CONTRACTOR'S response to RFP Section 3.0. Exhibit C will be CONTRACTOR'S financial statements.*
2. Who is the current consultant/broker? *SBCCD's current broker/consultant for employee health benefits is Keenan & Associates.*

3. Why are you marketing consulting services at this time? How satisfied is SBCCD with its current employee benefit broker? *SBCCD is soliciting proposals for employee health benefit brokerage and consulting services, because SBCCD believes the formal public procurement process is the best way to ensure both SBCCD's interest and the public's interest are being served simultaneously. SBCCD's current broker/consultant is meeting its contractual obligations to SBCCD, and the broker/consultant's performance is not related to this RFP.*
4. Please disclose the current compensation arrangement with the current employee benefit broker. How much was paid over the past 3 years. Do you know how many consulting hours there were for each year 2008, 2009, 2010? *SBCCD's current broker/consultant is compensated in the amount not to exceed \$93,000 annually for all services enumerated in RFP Section 4.2.2 through 4.2.4.A as a percentage of the total Anthem Blue Cross benefit plan premiums. The number of consulting hours is not recorded as the consultant is expected to perform satisfactorily regardless of the number of consulting hours. In addition, SBCCD separately compensates its broker/consultant as a third-party administrator for the self-pay retiree benefits billing program at \$2.55 per retiree and the COBRA program at \$.85 per employee per month. Between 7/1/2008 and 6/30/2011, SBCCD paid \$23,374.05 to Keenan & Associates in administration fees for both programs.*
5. What is SBCCD's budget for consulting under this contract? *SBCCD intends to award this RFP for these services at a similar or reduced cost.*
6. On what basis is SBCCD evaluating each proposal? Do you have evaluation criteria with associated weighting? *The evaluation criteria are listed within the RFP Section 1.12.*
7. What are the top 3 H&B issues facing SBCCD over the next 3 years? *SBCCD's top three concerns over the next three years are similar to most other public institutions of higher education. SBCCD is concerned about health benefit rate increases and affordability, ensuring timely compliance with new regulations, and maintaining benefit plan options and services.*
8. Are benefits collectively bargained? If yes, what unions are involved? *Yes, benefits are subject to collective bargaining. Faculty members are represented by the California Teachers Association. Classified employees are represented by California School Employees Association. Additionally, SBCCD has a Health & Welfare Committee representing all constituencies of SBCCD through the collegial consultation process.*
9. There are a lot of services being requested, and we participated in the previous solicitation three years ago when we couldn't compete in cost. Could you provide some insight into how we're expected to respond to meet all the requested services? *In RFP Sections 4.3 and 4.4, SBCCD requests CONTRACTOR to propose work plan and service fees, respectively, which encompass all expected services outlined within the RFP. CONTRACTOR should review the outlined services, and working through its competitive advantages, propose a work plan and service fees which meet the expected services at the lowest cost and highest value to SBCCD. CONTRACTOR should also review RFP Section 1.12 for the criteria by which SBCCD will be evaluating proposals.*

**BENEFIT PLAN QUESTIONS**

10. Can you please clarify which plans are currently funded on a fully insured versus self-funded basis? *The following plans are fully insured: Anthem Blue Cross HMO & PPO, Kaiser HMO, Delta Care, and American Specialty Health plans. The following plans are self-insured: Medical Eye Services and Delta Dental DPO plans.*
11. Please provide last 2 years plan details, network options, employer contribution %, and rates, including renewal details (such as % of increase), and current census. *The plan details can be found online at [http://www.sbccd.org/District\\_Faculty\\_-\\_a\\_-\\_Staff\\_Information-Forms/Human\\_Resources\\_Forms.aspx](http://www.sbccd.org/District_Faculty_-_a_-_Staff_Information-Forms/Human_Resources_Forms.aspx). There were no changes in the plans between 2010-2011 and 2011-2012, and the network options have remained the same. SBCCD contributes \$12,130.08 annually to benefit-eligible classified and management employees. For benefit-eligible faculty, SBCCD contributes \$12,130.08, \$11,672.04, or \$10,522.92 depending upon the plan selected by the employee. The plan rates and census data are as follows:*

Plan	2011-2012 Annual Rate	2010-2011 Annual Rate	Percentage Change	2011-2012 Census
<b>Anthem Blue Cross HMO</b>	\$ 11,416.92	\$ 9,594.00	16%	543
<b>Anthem Blue Cross PPO</b>	\$ 14,189.64	\$ 12,392.76	13%	24
<b>Kaiser Permanente \$20 Copay</b>	\$ 14,962.56	\$ 14,210.52	5%	75
<b>Kaiser Permanente \$40 Copay</b>	\$ 13,988.40	\$ 13,224.12	5%	16
<b>Medical Eye Services</b>	\$ 227.76	\$ 227.76	0%	584
<b>American Specialty Health</b>	\$ 45.12	\$ 45.12	0%	657
<b>Delta Dental DPO</b>	\$ 1,105.44	\$ 953.16	14%	454
<b>Delta Care</b>	\$ 367.20	\$ 367.20	0%	236
<b>ACI Specialty Benefits</b>	\$ 23.40	\$ 23.40	0%	659
<b>Prudential Life Insurance</b>	\$ 49.68	\$49.68	0%	659

12. What are the effective dates of each of the plans? *Plans are currently effective July 1 through June 30 of each year.*
13. Section 4.2.2 letter G indicates that the CONTRACTOR will not be conducting renewal of benefits for fiscal year 2012 and 2013. If a new contractor is chosen when do you anticipate that will they begin their work? *CONTRACTOR will begin after successful negotiations are completed and the contract approved by SBCCD. The exact date for services to begin depends on a number of variables including, but not limited to, eligibility and enrollment systems migration, open enrollment requirements, and benefit plan implementation.*
14. Is SBCCD switching any carriers during 2012? *Current benefit plans expire on June 30, 2012. The 2012-2013 plans have not yet been negotiated.*

15. Does SBCCD offer any voluntary benefits? If so, what voluntary benefits are offered, and who are the carriers? *SBCCD currently offers \$30,000 per employee in life and AD&D insurance through Prudential. Additional life and AD&D insurance may be purchased voluntarily.*
16. Do you currently offer HSA/HRA options? If so, please provide details regarding Employer/Employee account contribution splits, and # of employees enrolled, as outlined in above grid. *SBCCD currently does not offer an HAS/HRA option.*
17. Do you currently offer incentives to working spouses for them to go onto / stay on their employers coverage? *SBCCD currently offers an opt-out option for employees with other verifiable coverage for a monthly benefit of \$250 payable to the employee. The opt-out program details can be found online at [http://www.sbccd.org/District\\_Faculty\\_-\\_a-,\\_\\_Staff\\_Information-Forms/Human\\_Resources\\_Forms.aspx](http://www.sbccd.org/District_Faculty_-_a-,__Staff_Information-Forms/Human_Resources_Forms.aspx).*
18. Do your employees currently participate in any form of a wellness program? (i.e. carrier or vendor provided, third-party, in-house efforts) If so, what is the level of participation and results achieved? *SBCCD currently does not offer a formal wellness program. SBCCD also does not monitor participation in wellness programs offered by individual insurance carriers and other informal wellness programs.*
19. When was the last time the benefit plans were competitively marketed? How many times over the next three years do you anticipate a full marketing of the plans? *The benefit plans are competitively solicited annually. SBCCD will rely on its broker/consultant for recommendations on the future solicitation of its benefit plans.*
20. When is the last time you completed a formal dependent eligibility audit? *SBCCD last conducted a formal dependent eligibility audit in December 2008.*
21. When is the last time you had a third-party claims audit performed on your plan? *SBCCD has not recently conducted a third-party claims audit.*
22. If self-funded, please clarify whether there is a carved out PBM in place. *SBCCD does not currently carve-out its pharmaceutical benefits.*
23. Please explain SBCCD's coverage and funding for retirees. What's SBCCD's GASB liability – if any? *SBCCD provides medical coverage to eligible retirees until the age of 65. SBCCD's GASB 45 liability is currently \$1,096,472.*

## CONSULTING SERVICES QUESTIONS

24. Who currently assists you on compliance (health and welfare related) and legal (labor law related) issues as they arise? *These services are currently provided by SBCCD's current broker/consultant Keenan & Associates.*
25. How many in-person meetings are expected within a 12 month period? Please split by meetings with staff and open enrollment meetings. *This question is answered within RFP Section 4.2.1.A.*

26. Are there any services that you are currently not receiving that you would like to receive in the upcoming contract? *SBCCD currently receives all services enumerated in RFP Section 4.0 and wishes to continue receiving these services.*
27. Do you receive aggregate claims information? If so, how often is this information reviewed with you by your current broker? What kind of data mining reports do you receive? *SBCCD receives and reviews claims and utilization reports monthly for each benefit plan.*
28. Would you please provide an example of reports currently provided to SBCCD by Keenan & Associates? *SBCCD currently receives monthly claims and utilization reports. Additionally, SBCCD can access and run reports on plan enrollment and other employee benefits data.*

### COMMUNICATIONS QUESTIONS

29. Please explain in detail what the current consultant is providing in communication consulting and what is expected under this contract. *The current broker/consultant drafts, distributes, and presents all formal communications, which can be found online at [http://www.sbccd.org/District\\_Faculty\\_-\\_a\\_-\\_Staff\\_Information-Forms/Human\\_Resources\\_Forms.aspx](http://www.sbccd.org/District_Faculty_-_a_-_Staff_Information-Forms/Human_Resources_Forms.aspx). The list includes the annual benefits guide, plan summaries, and open enrollment presentations. CONTRACTOR is expected to provide the same comprehensive communications as the current consultant.*
30. When is Open Enrollment? *Open enrollment typically begins in April or May.*
31. Is it an active open enrollment with employee meetings or passive with employee access to online information and enrollment only? *SBCCD conducts active open enrollment. More information may be found in RFP Section 4.2.1.A regarding expectations of CONTRACTOR.*
32. Please provide samples of employee benefits communication materials (new hire kit, enrollment brochures, etc.). *The employee benefits communication materials can be found online at [http://www.sbccd.org/District\\_Faculty\\_-\\_a\\_-\\_Staff\\_Information-Forms/Human\\_Resources\\_Forms.aspx](http://www.sbccd.org/District_Faculty_-_a_-_Staff_Information-Forms/Human_Resources_Forms.aspx). The main communication document provided to all benefit-eligible employees is titled "2011-2012 Guide to Your Benefits."*

### ELIGIBILITY & ENROLLMENT SYSTEM QUESTIONS

33. Does SBCCD currently have a benefits web portal or intranet? *SBCCD currently utilizes Keenan & Associates' proprietary web-based benefit eligibility and enrollment program, BenefitBridge.*
34. 4.2.4 Administrative Services – please explain SBCCD's current system with Keenan and what is expected from the new consultant. *Keenan & Associates' BenefitBridge program is a proprietary web-based benefit eligibility and enrollment program which maintains employee and dependents' eligibility, manages employee benefit elections, provides access for employees to view and compare benefit options, provides passive wellness information, and reports enrollment data to carriers. CONTRACTOR'S proposed system should be comparable.*

35. Section 4.2.4 – Administrative Services – Does SBCCD want to have payroll connection / integration with the online system? *SBCCD currently utilizes the San Bernardino County Superintendent of Schools’ proprietary financial system for payroll. This system does not allow for integration with other systems. Integration may be a concern in the future, however. As a general value of its product, CONTRACTOR should include its program’s ability to integrate with industry-standard enterprise resource programs including those produced by Datatel, Banner, and PeopleSoft.*
36. Section 4.2.4 – Administrative Services – Do part-time employees have access to the online system? *Only benefit-eligible employees may access BenefitBridge. Some part-time employees qualify for benefits while others do not.*

### **THIRD PARTY ADMINISTRATION QUESTIONS**

37. What additional services is your broker currently paying for/doing in house? What is the pass through cost? (i.e. COBRA administration, FSA/HSA admin, online benefits admin system, web portal, Health Advocate, etc.) *SBCCD’s current broker/consultant is providing all services outlined in RFP Section 4.0. No additional services are being provided at this time in relation to employee health benefits brokerage, consulting, or administration.*
38. Does the District System currently do COBRA and administrator self pay retiree billing. Is this to be included in the new consultant system? *SBCCD contracts with Keenan & Associates for third-party administration of the COBRA and self-pay retiree billing programs. CONTRACTOR shall propose to meet all specifications listed within RFP Section 4.0.*
39. Section 4.2.4 – Administrative Services – Who manages COBRA today? If an outside vendor, who keeps the 2% fee? *Keenan & Associates currently administers all aspects of SBCCD’s COBRA program.*
40. Would you please clarify Self-pay retiree billing? We would like to know the current process, product, and service. *SBCCD is seeking a third-party administrator for the administration of health benefit eligibility and enrollment for qualified retirees. CONTRACTOR will be expected to perform any and all services associated with administration of the program, including but not limited to, accounting of premiums due, collection and maintenance of records, program communication to eligible retirees, detailed invoicing for each enrolled retiree, collection and deposit of premium payments, and monthly accounting reports.*

### **ADDENDUM**

- SECTION 4.4: Change “This section should declare CONTRACTOR’s preference for payment method and billing. CONTRACTOR shall quote a total annual fee for completing all requirements outlined in RFP Section 4.2, Scope of Project. The term of the contract shall begin after approval by the Board of Trustees and shall not exceed five (5) years. The actual term of the contract is subject to successful negotiations between CONTRACTOR and SBCCD. The only

source of income, revenue, or compensation in connection with SBCCD account is the annual service fee paid to CONTRACTOR by SBCCD. Any other source of income, revenue, consideration, including commissions and overrides received by CONTRACTOR in connections with SBCCD account must be disclosed.” to “This section **shall** declare CONTRACTOR’s preference for payment method and billing. CONTRACTOR shall quote a **compensation package inclusive of a total annual fee, commission, and/or administrative fee schedule** for completing all requirements outlined in RFP Section 4.2, Scope of Project. The term of the contract shall begin after approval by the Board of Trustees and shall not exceed five (5) years. The actual term of the contract is subject to successful negotiations between CONTRACTOR and SBCCD. Any other source of income, revenue, consideration, including commissions and overrides received by CONTRACTOR in connections with SBCCD account must be disclosed.”

**END OF DOCUMENT**