

**RFP# 2017-003**

**Medical and Prescription Drug Coverage for Active and Retired Employees of  
The Town of Stratford**

**SCOPE RFP**

**❖ Carrier Request to Bid:**

- This bid will be released on the Town of Stratford Website and Local Newspapers
- Please email your intent to bid to Michael Bonnar at [purchasing@townofstratford.com](mailto:purchasing@townofstratford.com).
- A full copy of the RFP will be released by OneDigital to respondents via secure email

**❖ Required Coverage:**

- Medical and Prescription Drug coverage for Active and Retired Non-Medicare Eligible Employees

**❖ Effective Date:**

- July 1, 2017
- Carrier must agree to provide renewal rates for all subsequent years, no later than December 1<sup>st</sup>, prior to the actual July 1 effective date.

**❖ Current Funding Methods:**

- Self-Insured for Medical and Pharmacy

**❖ Collective Bargaining:**

- Benefits are provided pursuant to collective bargaining agreements, and all proposals must adhere to the “equivalent or better” standard of benefits and must be guaranteed by an officer of the company. (See Appendix A for collective bargaining guarantee and explanation of plan discrepancies.)

**APPROXIMATE SCHEDULE OF EVENTS**

EVENT	APPROXIMATE DATE
Request for Proposal Issued	2/7/2017
Deadline for Intent to Bid and Written Follow-up questions	2/10/2017
Response to Questions will be issued	2/17/2017
Proposals Due	2/27/2017
Finalists Selected, if any	3/10/2017
Finalist Presentations	3/13/2017-3/17/2017

## ❖ **Contractor Qualifications:**

- The contractor must be in good standing with the Connecticut Department of Insurance and provide documentation thereof.
- The contractor must have at least 10 years experience working in Healthcare Business.
- The contractor must have a proven track record in providing the requested services.
- The contractor must respond completely to design and financial specifications.
- The contractor will provide competitive and stable total cost structure.
- The contractor will demonstrate effective claims management and successful results of cost management & network programs; as well as geographic & provider coverage for network options.

## RFP OBJECTIVE

### ❖ The primary objective of this Request for Proposal (RFP)

- Provide the active and retired employees of the Town of Stratford with a long term medical and pharmacy solution promoting lower costs, better benefits and healthier people.
- Provide a multi-year premium rate guarantee. If a premium rate guarantee is not available then administrative and underwriting multi-year guarantees
- Provide a single carrier solution
- Provide self-insured option for the in force Medical and Rx plan designs
  - ◆ Individual stop loss level of \$200,000 covering Medical & Rx claims (current pooling level), along with pricing impacts of \$250,000 and \$150,000 levels
  - ◆ Aggregated stop loss of 120% covering Medical & Rx claims
  - ◆ Provide a 12/15 ISL/ASL stop loss contract that renews on a paid basis
  - ◆ Administrative fees on a mature basis
  - ◆ Medical and Rx claims development on a mature basis
  - ◆ Medical and Rx illustrative rates on a mature expected cost basis
  - ◆ Indicate any guarantees on multi-year administrative fee, stop loss rate cap, claim costs
  - ◆ Specify expected Rx rebate performance, and indicate what the offset in admin fees would be
- Provide fully insured option for the in force Medical and Rx plan designs
  - ◆ Medical/Rx rates should be on a 3-tier basis
  - ◆ Medical and Rx rates must be illustrated separately
  - ◆ All underwriting methodology and calculations must be disclosed
  - ◆ Indicate ability to provide 2 year rate guarantee or 1<sup>st</sup> year rate cap

### ❖ Carrier(s) will be assessed on their ability to provide the following information:

- Competitive pricing
- Multi-Year Fee/Rate Guarantee
- Applied underwriting methodology
- Ability to duplicate current benefits / benefit deviations
- Network Match
- Public Sector experience
- Reporting capabilities
- Health and consumer engagement tools
- Case & claim management
- Customer Service
- Wellness and health improvement expertise
- Completion of the RFP Questionnaire

## HISTORICAL INFORMATION

### ❖ Carrier History

- Self-Insured Medical and Rx Plan through Anthem since 7/1/2009
- Fully Insured Medical and Rx Plan through Anthem from 7/1/2003-6/30/2009
- Fully Insured Medical and Rx Plan through Health Net for the 10+ years prior

### ❖ Plan History

- There are currently 17 plan offerings. Please refer to the Medical Plan Summary (“Section 1 – Stratford Anthem Medical Plan Summary”) for current headcounts, allocation rates, and notes on any recent bargaining changes.
- In the most recently negotiated union contracts, retirees follow the active plan. However, there are prior retirees grandfathered into plans that are no longer being offered by the Town.

## Outline of Plan Options

### ❖ Current Anthem Medical & Rx Plans

- Stratford offers different plan designs for each union group. Please see Section 1 Anthem Medical Plan Summary and Section 4 for plan design information.

## Contribution Structure

### ❖ Active and Retiree

- Actives – Town pays 87% of Medical & Rx costs
- Retirees vary by union contract – Town pays 50-100% of Medical & Rx costs
- Town funds 40-50% of HDHP for both actives and retirees

## SECURE WEBSITE INSTRUCTIONS

The Secure Website includes all contractual and benefit information necessary for respondents to formulate a proposal and provide pricing. This is an electronic format, which includes specifications and bid sheets to help facilitate responses in the required format.

Sections 1 through 5 provide information for the carrier to properly evaluate the Medical & Rx Plans and Cost

Appendix A through C require carrier to complete in full and return to the Town of Stratford, as outlined in sections below

**Stratford: TOWN**  
**SECURE EMAIL INCLUDES:**

❖ **SECTION 1 – RFP**

- RFP Information
  - RFP memo/specifications
  - Stratford Anthem Medical Plan Summary

❖ **SECTION 2 – Census Data**

- Town Census
  - Doc A - Active and Retirees (Non-Medicare eligible) – Anthem

❖ **SECTION 3 - ANTHEM CLAIMS EXPERIENCE**

- Town Claims Experience for Active and Retired (Non-Medicare) employees. Experience period:
  - Doc A - Paid Claims from January 1, 2016 to December 31, 2016
  - Doc B - Paid Claims from January 1, 2015 to December 31, 2015
  - Doc C - Paid High Dollar Claims from January 1, 2016 to December 31, 2016
  - Doc D - Paid High Dollar Claims from January 1, 2015 to December 31, 2015
- Medical/Rx claim files for claims repricing and discount analysis will be forwarded upon receipt.

❖ **SECTION 4 – Anthem Medical/Rx Coverage (Town)**

- Town – Active and Retired Non-Medicare eligible Medical Schedule of Benefits
  - Plan D – Active Supervisors and Public Works Buy-Up; Retirees
    - Medical/Rx – PPO \$15/\$200/\$100/\$25 with \$750 drug card \$0/\$0
  - Plan E (Closed) – Retirees
    - Medical/Rx – PPO \$15/\$200/\$100/\$25 with \$2000 drug card \$5/\$15
  - Plan F – Active Unaffiliated At Will; Retirees
    - Medical/Rx – POS \$10/\$500/\$200/\$75 with \$2000 drug card \$5/\$15
  - Plan G – Active Unaffiliated Ordinance; Clerical/Town Hall Retirees
    - Medical/Rx – POS \$15/\$500/\$200/\$75 with \$2000 drug card \$5/\$25/\$40
  - Plan H – Active Public Works; Fire and Public Works Retirees
    - Medical/Rx – POS \$15/\$500/\$200/\$75 with \$2000 drug card \$5/\$15/\$30
  - Plan I (Closed) – Police Retirees
    - Medical/Rx – POS \$10/\$0/\$0/\$50 with \$2000 drug card \$5/\$20
  - Plan J (Closed) – Fire Retirees
    - Medical/Rx – POS \$15/\$0/\$0/\$50 with \$2000 drug card \$5/\$15/\$30
  - Plan J, no Rx (Closed) – Fire Retirees
    - Medical/Rx – POS \$15/\$0/\$0/\$50 with no Rx benefit
  - Plan K (Closed) – Public Works Retirees
    - Medical/Rx – POS \$10/\$500/\$200/\$75 with \$1000 drug card \$5/\$15
  - Plan L (Closed) – Public Works Retirees
    - Medical/Rx – HMO \$0/\$0/\$0/\$0 with \$1000 drug card \$0/\$0
  - Plan M (Closed) – Police and Fire Retirees

- Medical/Rx – POS \$10/\$0/\$0/50 with \$2000 drug card \$5/\$10
- Plan M1 (Closed) – Police and Fire Retirees
  - Medical/Rx – POS \$10/\$0/\$0/50 with \$1000 drug card \$5/\$5
- Plan M2 (Closed) – Police Retirees
  - Medical/Rx – POS \$10/\$0/\$0/50 with \$2000 drug card \$5/\$15
- Plan N – Active Supervisors; Police and Supervisor retirees
  - Medical/Rx – POS \$15/\$500/\$200/\$75 with \$2000 drug card \$5/\$15/\$30
- Plan O (Closed) – Police Retirees
  - Medical/Rx – POS \$15/\$0/\$0/\$50 with \$2000 drug card \$5/\$15/\$30
- Plan P – Fire, Police, UPSEU, Town Hall Actives & Retirees
  - Medical/Rx – HSA/HRA \$2,000/\$4,000 with Rx copays \$5/\$25/\$40 (50% deductible funding)
- Plan Q – Fire Retirees
  - Medical/Rx – HSA/HRA \$2,000/\$4,000 with Rx copays \$5/\$25/\$40 (0% deductible funding)

## ❖ SECTION 5 - RENEWAL

- FY2018 Anthem Renewal

### Appendix

## ❖ All Appendix Items Require the Carrier to Complete

- All Appendix Items must be submitted by 2/27/2017
- All Appendix Items must be submitted to Michael Bonnar via:
  - Unbound hard copies in triplicate AND
  - CD format

## ❖ Appendix A

- Guarantee of equivalent or better plan designs required by Union Bargaining Agreement with detailed explanation of any plan alterations
  - Signature of Vice President or higher authority required

## ❖ Appendix B

- Tab 1- Self Insured-Town Active and Retired (Non-Medicare) Employees
  - Requires rates to be filled in by plan design for July 1, 2017 to June 30, 2018
  - Signature of Vice President or higher authority required
- Tab 2- Fully Insured Town Active and Retired (Non-Medicare) Employees
  - Requires rates to be filled in by plan design for July 1, 2017 to June 30, 2016
  - Signature of Vice President or higher authority required
- Tab 3 – Repricing Results
- Tab 4 – Disruption Analysis

## ❖ Appendix C

- RFP Questionnaire
  - Signature of Vice President or higher authority required

### ISSUING AUTHORITY

Mr. Michael Bonnar, the Town's Purchasing Agent has been designated to be responsible for the conduct of this procurement. Mr. Bonnar's contact information is listed below:

Michael Bonnar  
Purchasing Agent  
Town of Stratford - Town Hall Room 202  
2725 Main Street  
Stratford, CT

Telephone: 203 385 4044  
Email: [purchasing@townofstratford.com](mailto:purchasing@townofstratford.com)

### RESPONDENT'S QUESTIONS

Questions relating to this RFP must be received by Jessica Lee ([jlee@onedigital.com](mailto:jlee@onedigital.com)) before February 10, 2017 at 5 PM. Questions that are received after this time will not be answered. All questions received will be answered in the form of an addendum to all carriers by February 17, 2017 at 5 PM.

### RFP ADDENDA

Substantive requests for information received prior to the deadline for proposals may be responded to in writing by the Town in the form of an addendum to this RFP. If a respondent finds any inconsistency or ambiguity in this RFP, the respondent should contact OneDigital for resolution of the issue. Any clarification given may become an addendum.

### PROPOSAL SUBMISSION DEADLINE

Respondents are expected to submit three unbound copies of the proposal AND an electronic copy of the RFP in CD format, in sealed envelopes clearly marked "Town of Stratford RFP #2017-003" no later than 3:00 PM on February 27, 2017, to Michael Bonnar in the Purchasing Department. Proposals may be either mailed or hand delivered. If the proposal is sent by mail or commercial express service, the respondent shall be responsible for actual delivery of the proposal to the Town of Stratford Purchasing Department before the deadline. Proposals received after the deadline will not be considered. All proposals become the property of the Town.

## **DURATION OF PROPOSAL**

A proposal will remain in effect for a period of one hundred eighty (180) calendar days from the deadline for submission of the proposal or until a contract is executed or this RFP is canceled, whichever occurs first.

## **WITHDRAWAL OF PROPOSAL PRIOR TO DEADLINE**

A respondent wishing to withdraw a proposal prior to the deadline may do so by preparing a formal written request on company letterhead. The person who signs the letter must be the same person who signs the reply sheets. The Town will verify that the signature on the letter matches the signature on the reply sheets.

The Town will also verify the request to withdraw the proposal by calling the respondent at the telephone number supplied on the reply sheets.

After the Town is satisfied that a request to withdraw a proposal before the established deadline is valid, the proposal will be returned to the respondent. The respondent may then withdraw completely from the RFP process, or may modify the proposal and resubmit it before the deadline.

## **WITHDRAWAL OF PROPOSAL AFTER THE DEADLINE**

After the proposal deadline has passed, the submitted proposals become the property of the Town and are valid offers to be honored by the respondent for 180 days or longer, as specified in the Request for Proposal.

Respondents who do not honor their proposals for the specified period, shall be declared irresponsible bidders.

If bid security is required and a respondent does not honor his/her bid for the specified time, the bid check shall become the property of the Town; or if a bid bond was furnished, the bid bond shall become payable to the Town.

## **ACCEPTANCE OF REQUEST FOR PROPOSAL CONTENT**

Provisions of this RFP and the contents of the successful response will be used to establish final contractual obligations. The Town retains the option of canceling the award if the successful respondent fails to accept such obligations. The Town and the successful respondent shall enter into a written contract for the work to be performed.

It is expressly understood that this RFP and the respondent's proposal shall be attached and included by reference in the contract signed by the Town and the successful respondent.

## **PROPOSAL COSTS**

The respondent shall be responsible for all costs incurred in the development and submission of this proposal. The Town assumes no contractual obligation as a result of the issuance of this RFP, the preparation or submission of a proposal by a Respondent, the evaluation of an accepted proposal, or the selection of finalists. The Town shall not be contractually bound until the Town and the successful respondent have executed a written contract for performance of



the work.

## **PRESENTATIONS**

Selected respondents may be asked to meet with Town representatives prior to the award. The costs of such presentations shall be borne solely by the respondents.

## **RESERVATION OF RIGHTS**

The Town of Stratford reserves the right to reject any and all proposals not deemed to be in the best interest of the Town, or to accept that proposal which appears to be in the best interest of the Town. The Town reserves the right to waive any and all formalities or reject any or all proposals or any part of any proposal.

## **LAWS AND ORDINANCES**

The contractor shall comply with all applicable laws, regulations, orders and ordinances. The contractor shall also obtain all necessary licenses and permits and keep necessary records as required.

## **CONFIDENTIALITY**

All data and information gathered by the contractor and its subcontractors shall be treated by the contractor and its subcontractors as confidential.

## **STATE, LOCAL AND FEDERAL LAWS**

The contractor will be solely responsible for strict compliance with all federal, state and local statutes, laws, codes, rules, regulations and ordinances, and for the procurement and maintenance of all necessary licenses and permits relating to contractor's performance of services.

## **INDEMNIFICATION**

The Contractor shall indemnify and save harmless the Town and its officers, agents, servants and employees, from and against any and all claims demands, suits, proceedings, liabilities, judgments, awards, losses, damages, costs and expenses, including attorneys' fees, on account of bodily injury, sickness, disease, death or other damages sustained by any person or persons injury or damage to or destruction of any property, directly or indirectly arising out of, relating to, or in connection with the work called for in the Contract, whether or not due or claimed to be due in whole or in part to the active, passive or concurrent negligence, fault or contractual default of the Contractor, its officers, agents, servants or employees, any of its subcontractors, the Town, any of its respective officers, agents, servants, or employees and/or any other person or persons, and whether or not such claims, demands, suits or proceedings are just, unjust, groundless, false, or fraudulent, and the Contractor shall and does hereby assume and agrees to pay for the defense of all such claims, demands, suits and proceedings, provided, however, that the Contractor shall not be required to indemnify the Town, its officers, agents, servants, or employees, against any such damages occasioned solely by acts or omissions of the Town, its officers, agents, servants or employees, other than supervisory acts or omissions of the Town,

its officers, agents, servants, or employees, in connection with the work called for in the Contract.

## **CANCELLATION OF AWARD OR CONTRACT**

If the awarded respondent or contractor fails to perform or observe any material term or condition of this RFP or the contract and such failure continues for thirty (30) days after receipt of written notice, The Town may cancel the award or contract without liability or penalty.