

**RFP #12-002-35**  
**Employee Healthcare and Pharmacy Benefit Programs – Administrative Services**  
**Clarification Questions and Answers**

**Note: The section numbers listed below are referenced in the electronic RFP (eRFP), which can be found at Proposal Tech’s website, [www.proposaltech.com](http://www.proposaltech.com).**

**Section 7.1**

1. Can a new census be provided with a gender designation?

A new census will not be provided at this time; however, the employee (active and retiree) average percent female is 54.4%.

**Section 7.2**

2. Will the Plan or Segal sign a Non-Disclosure Agreement (NDA) regarding the data included in our claims repricing file? If so, please provide instructions on where to send/upload our proposed NDA.

Neither Segal nor the County will sign a separate non-disclosure agreement provided by the vendor at this time. If the vendor cannot provide the “provider by provider” discount information as requested in the RFP in the absence of a separate non-disclosure agreement, we suggest that the vendor provide the overall summary discount information only, leaving out the “provider by provider” discount information in their response to the RFP. If the vendor is selected as a finalist, and if the “provider by provider” discount information is needed as back up to confirm the summary discount results provided by the vendor, a separate non-disclosure agreement will be considered at that time.

**Section 7.3**

3. What is the Plan's position on offering a dual option between different carriers to provide members with increased choices and access? Specifically, where one carrier may offer network access to different providers?

The Plan may consider alternates to offer more than one carrier, should it be determined to be in the best interest of the Plan.

4. In 6.4 Appendix B: Repricing Claim File and Exhibit 7A and 7B: Disruption File, the Plan requests a claims re-pricing and disruption analysis based on historical provider utilization. Our provider network offers a different group of hospital facilities than the incumbent's provider network. Re-pricing and running a disruption based on the historical utilization, implies significant disruption. How would the Plan factor this issue into their evaluation of the re-pricing and provider disruption reports?

The geo access reports will indicate the access to network providers for each carrier. The disruption report will indicate the volume of provider network changes indicated by a carrier change. The discounts in network reflected in the repricing will provide information to back up the carriers self-reported discounts. The analysis of total costs will consider total costs at the current provider network as well as giving consideration to the estimated change in the network as may be indicated by the geo access reports.

5. Is the Plan's intent to continue to use Medco to administer Rx benefits for the HMO and PPO plans and one carrier for the HRA medical and PBM, or does the Plan have another intent?

The RFP accepts quotations for PBM services only, Medical/ASO services only, or for both Medical/ASO and PBM services. A change in either the PBM or the Medical/ASO vendor could result from the bidding process. A different PBM may administer the HRA compared to the HMO/PPO plans.

6. The Plan notes that Part A eligible Medicare retirees are given a different plan option, which is not included in the current RFP. What plan options are these retirees provided and please explain why that population is carved out of this RFP.

A quotation is not needed for the Medicare plan retirees at this time. The current Medicare plan vendor is NEBCO.

7. Does the Plan have any interest in expanding participation in the HRA Plan, or does the Plan expect the current participation by plan to remain stable OAP (PPO) 483, OAPIN (HMO) 5,263 and HRA 73?

The plan assumes the population to remain stable.

8. Please provide claims and enrollment data from the last 3 years. Only claims and enrollment data for 2011 was included.

Since this is a self-funded plan quotation, only the most recent year of information will be provided at this time.

9. Will the Plan request bidders of the medical component to disclose any capitated fees that may be included in their proposal/contract? For instance, if a bidder includes a Per Member Per Month capitation charge for services such as mental health services, will this amount need to be disclosed and will this capitation be factored into the claims re-pricing?

The fee exhibit asks for any capitation charges, and this would be considered in the total cost analysis.

10. Please provide detailed claims data with corresponding lives and large claims data for at least the most recent past 24 months.

Since this is a self-funded plan quotation, only the most recent year of information will be provided at this time. The re-pricing information includes a full year of claim charges that may be referred to for information on large claims.

11. Have there been any plan design changes in the past three years and if so what have those changes been?

The 2009 SPD and the 2012 benefit schedules were included in the RFP.

12. Please provide utilization data by facility

The re-pricing data indicates the utilization by provider and facility.

13. Please provide prevalence and/or claims data for the top disease conditions for the Shelby County population.

The re-pricing data indicates the diagnoses by claim.

14. The RFP requests Hardcopies of the proposal response. Would shipping the binders on March 28th with an arrival of March 29th be acceptable?

The proposal receipt deadline has not been extended at this time. Completed Proposals are due Wednesday, March 28, 2012 (3 p.m. CST).

15. Will the Plan or Segal sign a Non-Disclosure Agreement (NDA) regarding the data included in our claims re-pricing file? If so, please provide instructions on where to send/upload our proposed NDA.

Neither Segal nor the County will sign a separate non-disclosure agreement provided by the vendor at this time. If the vendor cannot provide the "provider by provider" discount information as requested in the RFP in the absence of a separate non-disclosure agreement, we suggest that the vendor provide the overall summary discount information only, leaving out the "provider by provider" discount information in their response to the RFP. If the vendor is selected as a finalist, and if the "provider by provider" discount information is needed as back up to confirm the summary discount results provided by the vendor, a separate non-disclosure agreement will be considered at that time.

#### **Section 7.4**

16. Appendix 6.5 C Required Response Exhibit - Exhibits 2 and 3 (which corresponds also to Proposal Tech online questionnaire items 5.8.1.1 and 5.8.2.1) - please confirm how we should be providing the info in this tab whether average discount or guarantee?

Please report your average discounts in the first columns and your guaranteed discounts in the last column of the response worksheet.

17. Appendix 6.3 A2. Prescription Utilization data file (which corresponds to Proposal Tech online questionnaire item 5.16.2.15)-- please clarify the exercise needed on this file (disruption, reprice and/or formulary comparison). If disruption requested, we will need an updated report with an indicator field to be able to do a disruption.

The question 5.16.4.5.10 requests a response using the prescription utilization data file. A disruption or repricing is not needed at this time.

18. Based on the RFP specification (PDF - Shelby Co RFP), all contractors must request a Vendor # as well as an Equal Opportunity Compliance (EOC) Certification Number online. The online contains 1 application which appears to cover both Vendor and EOC number requests. Should this understanding be incorrect, please advise.

Yes, all vendors must have a vendor number and a current EOC number prior to submitting a bid. The joint online application covers both requests (Vendor # and EOC #); instructions are on page 5 of the County's RFP.

19. Shelby County RFP website documents - There were 3 documents posted on the initial Shelby County Government website announcing the release of the Sealed Bid. These documents were provided in a PDF format. To allow us to input our responses within these same documents, please provide these documents in an editable format (MS Word or Excel). The files referenced are - RFP, Proposal Response Sheet and Living Wages.

The LOSB Participation Requirement Document and the Proposal Response Cover Sheet document have been downloaded to Proposal Tech. The County RFP will not be provided in a MS Word document, as the document may only be posted as a PDF. The Living Wages document simply explains the Ordinance.

20. Shelby County RFP under Proposal Requirement Section -- item #24, Please provide detailed information your company would provide for the services listed above. Can you please clarify what should be provided for this item?

For the responses to questions in the County RFP, it will be acceptable for vendors to refer to the question number in the eRFP that responds to the question in the County RFP. Item 24 restates that detailed information is needed for each of the above items in the list. For instance, in the County RFP, on page 22, a detailed response is required for (number 1) network access for medical programs. In providing the detailed response, the vendor may refer to the question number in the eRFP where the vendor's information regarding network access for the medical program is provided, such as, "Please see response to eRFP 5.11.1.1 geo access results in exhibits 6A and 6B, eRFP 5.11.2 network comprehensiveness by specialty,....."

21. Shelby County RFP specification (PDF - Shelby County RFP) with regards to LSBO (Section H-I and accompany LSBO forms) - please clarify that the LSBO needs requested are to be measured by a local direct spend on services that will be specifically associated and contracted with this procurement; ensuring that any vendor is spending money specifically with Shelby County associated subcontractors.

That is correct.

### **Section 7.5**

22. In Section 4, Instructions to Respondents, 4.1. A. General Proposal Conditions, question 16 of the RFP indicates, "Shelby County has determined that 25% of the contract sum will be contracted with Locally-Owned Small Business (LOSB) vendors." Could you please clarify whether the LOSB requirement is applicable to PBM vendors? If so, will Shelby County determine the LOSB vendor(s) or is that the responsibility of the PBM?

Yes, all vendors have to comply. For a listing of all certified LOSB vendors, contact the Shelby County Equal Opportunity Compliance (EOC) office at 901-222-1100.

### **Section 7.6**

23. What compelling issues are driving the County to go to market? Are there specific areas of dissatisfaction with current performance or results, are there any unmet needs or solutions you would like to put in place and if so why?

While the contract is up, the County periodically reviews its current benefit programs. The County is very interested in employee wellness solutions.

24. Please explain the current Disease Management programs and the number actively in place today to serve County employees and their dependents. How are members identified today for participation in DM programs? What % of those members are identified as high risk, moderate risk and low risk? Does the County provide any type of incentive for participation in the DM programs? Are the programs "opt out" or "opt in"?

The County currently participates in the CIGNA disease management programs identified in the RFP. There is currently no incentive for participation in the DM programs. Please refer to the re-pricing claims for information regarding the diagnoses of the current population. The current programs are opt in.

25. Please confirm that the County does not currently purchase stop loss coverage nor is requesting coverage with this RFP.

Correct

26. The RFP states that the three primary disease states impacting the County's health spend today are Coronary Artery Disease, Hypertension and Diabetes? What percentage of the County's annual claim spend do these disease states represent? Are there any unique programs in place today to help the County manage this spend, if so please explain?

Please refer to the re-pricing data claims by diagnosis. The County presently has the disease management programs identified in the RFP.

27. What percentage of the County's covered population receives DM outreach today? Is the current administrator's performance measured? If so, what are the parameters around any ROI performance guarantees in place today? Please describe in the County's view what an "optimal" disease management program would look like.

One purpose of the RFP is to receive information regarding proposed optimal wellness and disease management programs. DM information will not be available at this time.

28. Please provide the current ROI attained as well as a list of clinical care and utilization improvement statistics by disease state and case management.

Information on ROI is not available at this time.

29. Please describe your current wellness offering in greater detail.

The 2009 SPD spells out the wellness benefits in place prior to the date that the plan became non-grandfathered on 8/1/2011. Effective 8/1/2011, the plan must provide the wellness and preventive services as required of a non-grandfathered plan.

30. Do you or will you be incenting members to participate if so please describe the incentive plan in greater detail.

One purpose of the RFP is to receive information regarding proposed optimal wellness and disease management programs, including recommended incentives.

31. How many educational forums do you hold each year and at how many locations?

The County may hold 2-3 educational forums during the year. Forums would be held in various downtown locations and locations in the eastern part of the County.

32. Do you perform biometric screenings on site each year, how many locations are they held at and how many people participate?

The plan currently does not perform biometric screenings.

33. What percent of members are outreached to by a Health Coach for telephonic counseling and what % perform their lifestyle modification programs on line?

This information is not available at this time.

34. What results have been achieved with these current programs, risk reduction improvement, improvements in lifestyle modifications, please provide the actual results.

This information is not available at this time.

35. The RFP does not reference the County's current efforts around work-site wellness. Please provide a short explanation of the County's current formal programs for worksite wellness? What is the annual budget to support these initiatives? What enhancements are planned for 2013 and beyond? What is the current number of active and retiree participants in one or more of the County's wellness programs? Does the incumbent administrator contribute towards the County's wellness efforts, if so how much?

The County does not presently provide a worksite wellness program. One purpose of the RFP is to receive information regarding proposed optimal wellness and disease management programs, including recommended incentives.

36. In addition to the incumbent administrator, are there additional vendors who provide any services to County employees under the wellness programs? If so, what services are provided? What are the costs to provide these services?

There are no additional wellness vendors.

37. Are there any incentives in place today to encourage member participation in an annual Health Risk Assessment, if so please identify the types of incentives and how they are administered? What was the level of participation by employees in completing an annual health risk assessment in 2011, 2012?

There are no current meaningful incentives.

38. Of those that complete a Health Assessment what % participate in lifestyle modification programs, what programs are offered today?

Not applicable

39. Does the County currently utilize or take advantage of high performance (quality and efficiency) networks in delivering benefits to members?

The County participates in the CIGNA OAP and OAPIN networks.

40. Please explain the current ASO banking arrangement in place with the current administrator. What is the frequency of the County's reimbursement to the administrator for claims paid on behalf of members-daily or weekly? Is an imprest balance in place to fund the County's claims? How are funds transferred between the 2 parties today?

Every business day, the County provides a wire transfer to CIGNA, based on the CIGNA website reflecting the funding needs. A surplus deposit account is not maintained by CIGNA.

41. Does the County have existing collective bargaining contracts in place today? What unions are represented? Are benefits and/or employer contributions part of the collective bargaining?

The County does have existing collective bargaining contracts in place with the following Unions; IBEW, AFSCME, Firefighters Association and Shelby County Government Deputy Sheriff Association. The benefits and employer contributions are not part of the collective bargaining.

42. Are stated performance guarantees negotiable, is the County receptive to alternative recommendations around specific administrative and/or service metrics?

Performance guarantees are negotiable.

43. Since the County is requesting proposals for Medical, Pharmacy at the same time, can an administrator who can offer both lines of coverage submit required responses in a single binder as long as all required forms and attachments are included?

Yes

44. Please clarify how the County is currently billed for managed behavioral health and substance abuse services- as a fixed cost or through your claim fund? Does it differ by plan or population segment, i.e. active employees Vs retirees?

A separate fee for PPO/POS/HRA managed behavioral health and substance abuse services is not currently charged.

45. What is the level of integration today between the County's pharmacy benefit manager Medco and Cigna on the HMO and PPO? Is data routinely shared between Cigna and Medco? If so please be specific on expected data fields and frequency of exchange?

The PBM data is not currently integrated with the medical vendor. The RFP asks for weekly data interchange of data. Information on the specific fields of data would depend on data necessary for optimal disease management integration.

46. The RFP indicates that the County has determined that 25% of the contract sum will be contracted with Locally Owned Small Business (LOSB). Please provide additional information on the requirements associated with the County's LOSB program. Please clarify the definition of "contract sum" as it applies to this procurement. Are there exceptions made to the LOSB targets when highly specialized services like those requested with this procurement cannot be subcontracted to a local contractor?

The County RFP addresses all of these questions, in Section H and I, beginning on page 9 through page 19.

47. What services is the County looking for to be performed by the LOSB? Please confirm what services are currently being subcontracted under the current contract and what percentage of the target sum is being achieved?

The services to be performed by the LOSB are up to the discretion of the provider. There are no LOSB's under the current contract. The percentage is stated in the RFP at 25%.

48. What precautions need to be made to prevent sections of the proposal response such as the requested claim re-pricing and other information around proprietary and confidential contracts from being subject to TN public disclosure laws? Will the County and/or Segal execute non-disclosure agreements?

The eRFP directs that the claim by claim re-pricing response and the provider by provider displacement response not be included in the hard copy of your proposal response. Additionally, we would recommend that you mark any portion of your proposal that you deem to be confidential as such, however, we cannot guarantee that the County will not have to disclose such information as included in the hard copy of your proposal in accordance with its interpretation of the applicable public records laws.

Neither Segal nor the County will sign a separate non-disclosure agreement provided by the vendor at this time. If the vendor cannot provide the "provider by provider" discount information as requested in the RFP in the absence of a separate non-disclosure agreement, we suggest that the vendor provide the overall summary discount information only, leaving out the "provider by provider" discount information in their response to the RFP. If the vendor is selected as a finalist, and if the "provider by provider" discount information is needed as back up to confirm the summary discount results provided by the vendor, a separate non-disclosure agreement will be considered at that time.

49. The County indicates it would like to provide electronic enrollment directly to vendors from the County's payroll system. Please provide details around the HRIS system currently in place and what the County envisions as an ideal process.

The County does not currently do an electronic enrollment process and is looking for information from vendors regarding the available options to accept enrollee information electronically.

50. Does the County's medical program run on a calendar year or plan year basis? Question 5.10.1.9 asks about the handling of carry over credit for deductibles and out of pocket maximums, are there carry over credit provisions in place?

Any remaining balance in HRA plan member's Personal Account does carry over to the next year; however the HMO/PPO and HRA plans do not include a carry-over deductible provision. The plan includes calendar year deductible and out of pocket maximum provisions. The answer may be "not applicable, as no carry over deductible or out of pocket provisions apply to this plan".

51. Please describe what is working well with your current program offerings, what needs to be improved, what the biggest lifestyle issues are facing your population.

The current offerings appear to provide competitive plan designs that are well received by the participants. The main issues are increasing the wellness of the population group and reducing plan costs.

52. Please provide a census with gender.

A new census will not be provided at this time; however, the employee (active and retiree) average percent female is 54.4%.

53. How are rebates being handled with Medco, 80/20 or rebate credit?

Rebate per script

54. This bidder has concerns that portions of its proposal may contain confidential or trade secret information from which bidder derives independent economic value from such information not being publicly available. Such information is also subject to bidder's reasonable efforts to maintain its secrecy. In order to adhere to the County's RFP submission requirements, bidder requests instructions as to how it may submit such confidential or trade secret information to the County and still be assured that such information will be treated as privileged and thus exempt from public disclosure pursuant to a public records request.

Refer to item 48 above.

### **Section 7.7**

55. Can you tell us what percentage of the current contract is attributable to LOSBs?

There is no current percentage.

### **section 7.8**

56. Can you tell us what the current administrative fees are for both the medical and the PBM?

The current medical and PBM administration fees will not be released.

### **Section 7.9**

57. Can you tell us what clinical programs the group currently purchases and whether or not they are through CIGNA or a third party vendor?

The disease management programs the group is currently enrolled in are provided by CIGNA and are stated in the RFP to include Asthma, Lower back pain, Cardiac, Chronic obstructive pulmonary, (COPD), Diabetes, Weight complications, Acid related stomach disorders, Atrial fibrillation, Decubitus ulcer, Fibromyalgia, Hepatitis C, Inflammatory bowel disease, Irritable bowel syndrome, Osteoarthritis, Osteoporosis, Urinary incontinence and Tobacco cessation.

The current clinical pharmacy program the group is currently enrolled in through Medco includes comprehensive drug step therapy rules for key categories, RationalMed, a program designed to prevent adverse events associated with drug utilization, and standard DUR rules. A drug by drug list for the step therapy programs is not currently available.

#### **Section 7.10**

58. Can you provide a census with Gender and Date of Birth?

A new census will not be provided at this time, however, the employee (active and retiree) average percent female is 54.4%.

#### **Section 7.11**

59. Is the County willing to consider a slice offering between a Methodist based vendor and a Baptist based vendor?

The County may consider alternatives to offer more than one carrier.

#### **Section 7.12**

60. If yes to above, can we provide fees on a sliding scale based on enrollment?

Fee quotations should be based on the stated enrollment assumption, however, you may advise in your response that if enrollment changes by X% that your fees may be adjusted by X%, should it be determined to be in the best interest of the Plan.

#### **Section 7.13**

61. For purposes of re-pricing, should a Baptist based payor reprice any claims on the file incurred at a Methodist facility based on our reimbursement rate with Baptist?

Repricing should reflect the discounts at the actual vendors listed in the data. You should not reprice a file incurred at a Methodist facility based on your reimbursement at a Baptist facility. Your proposed discount guarantees should reflect the amounts of discount that you assume will be applicable to the group considering any changes in facility or providers according to your network composition and expected utilization of the participants following a network change.

#### **Section 7.14**

62. Would certifications other than the Shelby County Office of Equal Opportunity Compliance be accepted of LOSBs (i.e. SBA, WBENC, NMSDC, etc.)?

No, vendors can contact the EOC office at 901-222-1100 for a list of certified LOSB vendors.

#### **Section 7.15**

63. Would "indirect" spend with certified MBE/WBEs be considered acceptable good faith utilization (i.e. janitorial, IT, etc....generally not in direct support of the contract)?

No. MBE/WBE is NOT the same as an LOSB. An LOSB must be a locally owned (Shelby County only) vendor with less than 5 million dollar average, for a three year period and certified through Shelby County as an LOSB. They do not have to be a MBE/WBE supplier.

#### **Section 7.16**

**64.** Would Tier II spend be considered acceptable good faith utilization?

If you are calling the dollars spent with an LOSB, Tier II, then you must designate the services, the dollars and the LOSB you are utilizing in the RFP response.

#### **Section 7.17**

**65.** The RFP indicates on page 2 that all vendors must apply and qualify for a vendor number and an Equal Opportunity Compliance (EOC) certification number through the EOC Administration prior to submission. Please clarify the requirements for the EOC certification number. Do all vendors have to apply for such certification in order to bid?

Yes, all vendors must have a vendor number and a current EOC number prior to submitting a bid. The joint online application covers both requests (Vendor # and EOC #); instructions are on page 5 of the County's RFP.

#### **Section 7.18**

**66.** Notice

The deadline for questions has been extended to Wednesday, February 29<sup>th</sup>; 12:00 CST. No other deadlines have been extended.

#### **Section 7.19**

**67.** Can you please provide a copy of the current SPDs for 2012?

An SPD for the 2009 year, and the schedule of benefits for 2012 was provided in the RFP attachments. A 2012 SPD has not yet been produced.

#### **Section 7.20**

**68.** Does the current plan have a fourth quarter deductible carryover? If not, can you provide clarification regarding the request to detail the administration credit for deductible and out-of-pocket maximum?

Any remaining balance in HRA plan member's Personal Account does carry over to the next year; however the HMO/PPO and HRA plans do not include a carry-over deductible provision.

The plan includes calendar year deductible and out of pocket maximum provisions. The answer to 5.10.1.9 may be "not applicable as no carry over deductible or out of pocket provisions apply to this plan".

### **Section 7.21**

69. Is the County requesting the administrator for either the medical or pharmacy plan accept full fiduciary responsibility?

No, however, third parties under contract with the County to administer such plans generally are required to carry insurance and to indemnify the County against loss, etc. which is a result of negligence, etc. on the part of that third party.

### **Section 7.22**

70. Question 6.16.2.16 requires all fees be based on approved paid claims as defined in “2.f definitions”. We are having trouble locating these definitions. Can you please provide the definitions associated with this requirement?

The question with the reference is 5.16.2.16. The definition for paid claims as referred to in Question 5.16.2.16 is found in 5.16.2.1 Definitions, item d. “Paid Claims - Defined as all transactions made on eligible members that result in a payment to pharmacies or members from the Shelby County or Shelby County member copays. (Does not include reversals and adjustments.) Each unique prescription that results in payment shall be calculated separately as a paid claim.”

### **Section 7.23**

71. Can you provide clarification as to why the RFP is requesting separate fees for the active and retiree population?

The RFP fee exhibit does not request separate fees for the active and retiree population. The same administration fee should apply to actives and retirees. Question 5.10.1.3 asks to “confirm you will separate administrative fee billings into active and retiree costs”.

### **Section 7.24**

72. With respect to the requirement to grandfather the current formulary in question 5.16.2.12, is the term “formulary” specific to just the drug list by tier or does this also include all current edits (prior auth, step therapy, quantity limits)?

Question 5.16.2.12 has to do with the desired grandfathering of those drugs that are preferred currently and would move to non-preferred status under a new formulary. The current clinical programs do not need to be grandfathered.

### **Section 7.25**

73. Our provider contracts contain a confidentiality clause, which prohibits us from releasing provider specific reimbursement arrangements. The required re-pricing file format appears to request data in direct conflict with our provider discounts. Is the County agreeable to us using a market average for purposes of re-pricing? We would ask the same question as it relates to the request for provider-specific discount arrangements outlined in exhibit 7 of the disruption analysis.

The eRFP directs that the claim by claim re-pricing response and the provider by provider displacement response not be included in the hard copy of your proposal response.

Additionally, we would recommend that you mark any portion of your proposal that you deem to be confidential as such, however, we cannot guarantee that the County will not have to disclose such information as included in the hard copy of your proposal in accordance with its interpretation of the applicable public records laws.

Neither Segal nor the County will sign a separate non-disclosure agreement provided by the vendor at this time. If the vendor cannot provide the “provider by provider” discount information as requested in the RFP in the absence of a separate non-disclosure agreement, we suggest that the vendor provide the overall summary discount information only, leaving out the “provider by provider” discount information in their response to the RFP. If the vendor is selected as a finalist, and if the “provider by provider” discount information is needed as back up to confirm the summary discount results provided by the vendor, a separate non-disclosure agreement will be considered at that time.

The overall summary discount information should be provided on the basis of the actual discounts that you expect will be applicable to this group’s experience, given the actual provider utilization presented in the claims re-pricing data. You should not provide a market average for the purposes of re-pricing or displacement as this would not be reflective of this group’s actual provider utilization presented in the claims re-pricing data.