



Shelby County Tennessee

Mark H. Luttrell, Jr., Mayor

Request for Proposal **Shelby County Government** **Purchasing Department**

160 N. Main, Suite 550
Memphis, TN 38103

Issued: April 4, 2013

Due: April 25, 2013 no later than 3:00 P.M. (Central Standard Time)

RFP #13-003-67

Administrative and Brokerage Services to **Shelby County Government** **Group Post 65 Retiree Medical Program** **(Human Resources - Employee Benefits)**

Shelby County Government is soliciting written proposals, on a competitive basis, from interested and qualified companies or professionals to provide Administrative and Brokerage Services for Group Post 65 Retiree Medical Program. Information regarding this RFP is located on the County's website at www.shelbycountyttn.gov. At the top of the home page, click on the links "Department", "P" for the Purchasing Department and "Bids" to locate the name of the above-described RFP. *You must have access to the Internet in order to participate in this solicitation.*

This document constitutes as your invitation to bid. This RFP process will be conducted via the Internet, using the Proposal Technologies Network, Inc. application. The specifications for this RFP will be contained in an electronic RFP (eRFP), which can be found at Proposal Tech's website (www.proposaltech.com). You will need to login to the system using the user name and password that are supplied to you in this invitation email. Specific instructions on how to gain access to this system will be listed in the instructions contained in this document.

Shelby County Government has retained the services of The Segal Company to assist in the preparation and evaluation of the proposals for completeness and responsiveness to the RFP. Proposers must answer all questions outlined in The Segal Company's Request For Proposal (eRFP) located at www.proposaltech.com.

REQUESTING ELECTRONIC PROPOSAL (eRFP)

All interested parties must **review the detailed specifications** to this RFP as well as **respond** via the Internet through access to the Proposal Technologies Network, Inc. website.

To access the eRFP, your organization must first take the following actions:

1. Identify a primary contact for the RFP. If you will not be the primary contact, please ensure this communication is routed appropriately. This information has not been sent to any other parties within your organization. If you are unfamiliar with ProposalTech's system, you may contact ProposalTech at (877) 211-8316, and ask for Kevin Webb ext. 82 to set up a training session. Training is optional.
2. The primary contact should access the website to initiate review and acceptance of the RFP.
3. Primary contacts will be responsible for establishing permission to access the RFP for other individuals in their organizations. Multiple users from your organization may access the RFP simultaneously.

Please note that no additional costs or fees apply to using this eRFP service. You are simply required to submit the information listed above in order to receive a password that will be used to access the information to respond to the RFP.

Once your information has been verified, you will receive an email invitation containing your username, password, and instructions on how to access the eRFP.

The proposal, as submitted, should include all estimated costs and information related to the services requested by the RFP specifications. If selected, your proposal will be the basis for negotiating a contract with Shelby County Government. ***In addition to completing your electronic submission through the Proposal Technologies Network, you will be required to provide hard copies (with signatures) of your proposal to the contacts listed below.***

Note: The hard copy distributions should include the following:

One (1) hard copy

Daniel Bearden

The Segal Company

2018 Powers Ferry Road

Suite 850

Atlanta, GA 30339

dbearden@segalco.com

PH: 678-306-3152

FX: 678-306-3190

Five (5) hard copies **WITH** signatures

Debra D. Louis, Buyer

Shelby County Government

Purchasing Department

160 N. Main Street, Suite 550

Memphis, TN 38103

debra.louis@shelbycountyttn.gov

PH: 901-222-2259

FX: 901-222-2064

Your proposal response must be entered in the secure ProposalTech's website and hard copies received in the Shelby County Purchasing Department **no later than 3:00 p.m. (CST) on Thursday, April 25, 2013.**

The package containing five (5) original hard copies of your proposal must be sealed and marked with the Proposer's name and **"CONFIDENTIAL, ADMINISTRATIVE AND BROKERAGE SERVICES FOR GROUP POST 65 RETIREE MEDICAL PROGRAM, RFP #13-003-67"** noted on the outside.

Sincerely,

Signed Original On File

Debra D. Louis, Buyer
Shelby County Government
Purchasing Department

TABLE OF CONTENTS

- 
- The seal of Shelby County, Tennessee, is a circular emblem. It features a central figure of a plow, with a sheaf of wheat and a bundle of cotton on either side. Above the plow is the Roman numeral 'XVI'. Below the plow is the word 'AGRICULTURE'. The outer ring of the seal contains the text 'SHELBY COUNTY TENNESSEE' at the top and 'DECEMBER 24, 1819' at the bottom, separated by a star. The word 'COMMERCE' is also visible at the bottom of the seal.
- I. INTRODUCTION**
 - II. MINIMUM PROPOSER REQUIREMENTS**
 - III. CORRESPONDENCE**
 - IV. PROPOSAL SUBMISSION DEADLINE**
 - V. PROPOSAL TIMELINE**
 - VI. PROPOSAL CONDITIONS**
 - VII. GENERAL REQUIREMENTS AND INFORMATION**
 - VIII. AWARD OF CONTRACT**
 - IX. PURPOSE / SCOPE OF WORK**
 - X. CONTRACT REQUIREMENTS**
 - XI. PROPOSAL SUBMISSION**
 - XII. PROPOSAL EVALUATION AND SELECTION**

Note: Please make sure you pay close attention to Sections: I-V, IX & XI. These sections will clearly outline what information is required to properly respond and prepare your RFP response.

Please download all of the additional information and attachments that accompany this RFP.

I. INTRODUCTION

Shelby County Government (the “County”), is seeking proposals from interested and qualified companies or professionals to provide Administrative and Brokerage Services for Group Post 65 Retiree Medical Program (the “Services”). This Request for Proposal (“RFP”) is being released to invite interested and qualified companies or professionals to prepare and submit proposals in accordance with instructions provided where the successful candidate(s) will be selected and invited to enter into a contractual relationship with Shelby County for the Services outlined in this RFP. In this RFP, the terms proposer and provider are used interchangeably unless the context indicates otherwise.

II. MINIMUM PROPOSER REQUIREMENT

All Proposers must:

1. Have a minimum of ten (10) years experience performing the work described in the RFP.
2. Be able to provide all services as outlined in the RFP including the eRFP which can be found at Proposal Tech’s website (www.proposaltech.com).
3. Have sufficient, competent and skilled staff, with experience in performing the Services.
4. Have all appropriate licenses and certifications required in the State of Tennessee to perform the Services and procure all permits, pay all charges, taxes and fees.
5. **Apply** and **qualify** for a vendor number and an Equal Opportunity Compliance (EOC) certification number (*see details below*). **Both numbers must be obtained prior to submitting your response.**
6. Attest that you adhere to the requirements of the “Living Wage Ordinance #328”, Section VI, Item I. (***A written statement of compliance must be provided with your response.***)
7. Attest that you adhere to all Title VI requirements and provide proof/documentation if necessary.
8. Provide proof of the minimum insurance requirements (**MANDATORY**, please review closely).
9. Independent contractors (sole proprietors) must adhere to State of Tennessee Public Chapter No. 436, known as the “Tennessee Lawful Employment Act” (effective date of 01/01/12). ***If applicable, proof and documentation of employment eligibility must be included with the proposal.***

Please Note: *As a part of doing business with Shelby County, each individual, company or organization is required to obtain a vendor number and an “Equal Opportunity Compliance” certification number.*

You can access the online application to receive the numbers indicated above at www.shelbycountyttn.gov. At the top of the home page, click on the links “Department”, “P” for the Purchasing Department and “Conducting Business with Shelby County”. The

“Vendor Registration” link is at the bottom of the drop down box. Please download the application instructions and read thoroughly prior to accessing the application.

If you have any questions regarding the application, you may contact Purchasing at (901) 222-2250 or the EOC Administration at (901) 222-1100.

III. CORRESPONDENCE

All correspondence, proposals and questions concerning the RFP are to be submitted to:

Daniel Bearden
The Segal Company
2018 Powers Ferry Road
Suite 850
Atlanta, GA 30339
dbearden@segalco.com

Debra D. Louis, Buyer
Shelby County Government
Purchasing Department
160 N. Main Street, Suite 550
Memphis, TN 38103
debra.louis@shelbycountyttn.gov

Respondents requesting additional information or clarification of the eRFP located at the Proposal Tech website are to be submitted ***in writing*** to Dan Bearden through the Proposal Tech website at www.proposaltech.com. Questions should reference the section of the eRFP to which the question pertains and all contact information for the person submitting the questions. ***IN ORDER TO PREVENT AN UNFAIR ADVANTAGE TO ANY RESPONDENT, VERBAL QUESTIONS WILL NOT BE ANSWERED. The deadline for submitting questions will be April 16, 2013, by 12:00 p.m. (CST).*** These guidelines for communication have been established to ensure a fair and equitable process for all respondents.

Note: All written questions submitted by the deadline indicated above will be answered and posted to the County’s website at www.shelbycountyttn.gov and Proposal Tech’s website at www.proposaltech.com by April 18, 2013.

Please be aware that contact with any other personnel (other than the people clearly identified in this document) within Shelby County or The Segal Co. regarding this RFP may disqualify your company from further consideration.

IV. PROPOSAL SUBMISSION & DEADLINE

The electronic response through ProposalTech’s website and all hard copy proposals must be received no later than ***April 25, 2013 @ 3:00 p.m. (CST)***. Facsimile proposals will not be accepted. Postmarks will not be accepted in lieu of actual receipt. Late or incomplete proposals may not be opened and considered. Under no circumstances, regardless of weather conditions, transportation delays, or any other circumstance, will this deadline be extended.

V. PROPOSAL TIMELINE

Shelby County reserves the right to modify this timeline at any time. If the due date for proposals is changed, all prospective proposers shall be notified.

Request for Proposals Released	Thursday, April 4, 2013
Bidders Questions Due Date	Tuesday, April 16, 2013 by 12:00 p.m., (CST)
Responses Posted to Website	Thursday, April 18, 2013
Proposal Due Date	Thursday, April 25, 2013
Notification of Award	June – July 2013
Services to Commence	January 1, 2014 or immediately upon execution of the contract.

The County may reproduce any of the Proposer's proposal and supporting documents for internal use or for any other purpose required by law.

VI. PROPOSAL CONDITIONS

A. Contingencies

This RFP does not commit the County to award a contract. The County reserves the right to accept or reject any or all proposals if the County determines it is in the best interest of the County to do so. The County will notify all proposers, in writing, if the County rejects all proposals.

B. Modifications

The County reserves the right to issue addenda or amendments to this RFP.

C. Proposal Submission

To be considered, all proposals must be submitted in the manner set forth in this RFP. It is the Proposer's responsibility to ensure that its proposal arrive on or before the specified time.

Please note that part of the RFP process will also be conducted via the Internet, using the Proposal Technologies Network, Inc. application. Bid specifications are contained in the electronic eRFP which can be found at Proposal Tech's website (www.proposaltech.com). Proposers should respond to both the County's RFP and Proposal Tech's eRFP.

D. Incurred Costs

This RFP does not commit the County to pay any costs incurred in the preparation of a proposal in response to this RFP and Proposers agree that all costs incurred in developing this RFP are the Proposer's responsibility.

E. Final Authority

The final authority to award a contract rests solely with the Shelby County Purchasing Department.

F. Proposal Validity

Proposals submitted hereunder will be firm for at least one hundred-eighty (180) calendar days from the due date unless otherwise qualified.

G. Disclosure of Proposal Contents

Provider understands and acknowledges that the County is a governmental entity subject to the laws of the State of Tennessee and that any reports, data or other information supplied to the County is subject to being disclosed as a public record in accordance with the laws of the State of Tennessee. All proposals and other materials submitted become the property of Shelby County Government.

H. LOSB

The County encourages the utilization of locally-owned small businesses as sources of subcontract work. The County notifies all respondents that all firms and/or individuals shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Title VI of the Civil Rights Act of 1964, as amended.

LOCALLY OWNED SMALL BUSINESS PURCHASING PROGRAM RULES AND REGULATIONS:

- (i) The Administrator of Purchasing in conjunction with the Administrator of EOC shall identify certain goods and services required by the County to be set aside for special purchasing procedures for locally owned small businesses.

- (ii) Only certified locally owned small businesses will be allowed to submit competitive bids on the goods or services identified under paragraph (i) above.

- (iii) The Administrator of Purchasing shall, in conjunction with the Administrator of EOC, annually review the Shelby County Capital Improvement Program to determine those projects with a construction cost of \$250,000 or more.

Contracts amounting to at least ten (10%) of the construction costs of such project shall be awarded to locally owned small businesses as defined herein, except as set forth in sub-paragraph (vi) of this section, either as part of the conditions of the solicitation for general contractors bidding on these projects, or as separate bids issued by the County for subcontracts that may be assigned to general contractors.

(iv) After adhering to all other bidding and purchasing requirements of the County, not inconsistent with this part, if no bids are received from locally owned small businesses, then the County may solicit bids for the goods or services from all other sources.

(v) On all purchases and/or contracts entered into by the County, the Purchasing Administrator or his or her designee shall have the right to negotiate with any supplier of goods or services to the County for the inclusion of locally owned small business subcontractors and/or suppliers in the contract award.

(vi) Failure by a supplier or contractor to include locally owned small business sub-contractors or suppliers in its bid or contract may be grounds for rejection of said bid or contract unless the supplier or contractor can show documented evidence of good cause why none were included.

(vii) Any locally owned small business awarded a contract or purchase order under this section shall not sublet, subcontract or assign any work or services awarded to it without the prior written consent of the Mayor or the Purchasing Administrator.

(viii) As to those purchases below the requirement for a formal bid solicitation (currently, under \$15,000) and not included in the locally owned small business set aside, the Administrator of Purchasing shall determine if any locally owned small business offers that product or service. If so, at least one such eligible locally owned small business should be included in the vendors contacted for an opportunity to bid, and the Administrator of Purchasing may, at his discretion, designate in a purchase order the purchase of such goods and services from the identified locally owned small business.

(ix) In those situations where a locally owned small business as defined herein, engages in open competitive bidding for County contracts, the Administrator of Purchasing shall provide for a preference for the locally owned small business where responsibility and quality are equal. Said preferences shall not exceed five percent (5%) of the lowest possible bidder meeting specifications. The preference shall be applied on a sliding scale in the following manner:

- a. A preference of up to five percent (5%) shall be allowed for contracts up to \$500,000.00;
- b. A preference of up to three and five-tenths percent (3.5%) shall be allowed for contracts up to \$750,000.00;
- c. A preference of two and one-half percent (2.5%) shall be allowed for contracts up to \$1,000,000.00;
- d. A preference of two percent (2%) shall be allowed for contracts that exceed \$1,000,000.00.

(x) For construction contracts over \$2,000,000.00, the Administrator of Purchasing shall provide for a preference of two percent (2%) to general contractors meeting the requirements of Section 1, Subparagraph B, if fifty percent (50%) or more of the total work comprising the bid has been or will be awarded to certified locally owned small businesses. The fifty percent (50%) subcontracting threshold must be met prior to contract execution.

(xi) The Administrator of Purchasing may divide a single bid package for any purchase of goods and services into two or more smaller bid packages in any case that the Administrator of Purchasing reasonably believes that the smaller bid packages will result in a greater number of bids by locally owned small businesses.

(xii) The Administrator of Purchasing, upon approval of the County Mayor, may establish special insurance and bonding requirements for certified locally owned small businesses so long as they are not in conflict with the laws of the State of Tennessee.

(xiii) The Administrator of Purchasing, with the approval of the County Mayor, shall adopt and promulgate, and may from time to time, amend rules and regulations not inconsistent with the provisions of this ordinance, governing the purchase of goods and services from locally owned small business concerns to effectuate and implement the Locally Owned Small Business Purchasing Program within the intent of this ordinance.

(xiv) The Administrator of EOC shall, in conjunction with the Administrator of Purchasing, provide a written quarterly report to the Mayor and Board of Commissioners which shall include a summary of the purchases selected for this program, a listing of the contracts awarded to locally owned small businesses for the period, and the dollar amounts of each such contract, and the percentage which such contracts bear to the total amount of purchases for the period.

I. Living Wage

Shelby County Government Ordinance #328 “Living Wages” is hereby incorporated into this Request for Proposal and any resulting contract. Please make sure that you review and apply the requirements of the ordinance to your proposal response. Failure to do so will result in disqualification from the review and award process. You may view and print the ordinance as a separate attachment for this RFP (*please do not forget to download ALL the additional attachments*).

VII. GENERAL REQUIREMENTS

A. Background

Shelby County Government is a large and complex organization, which exists to serve 826,000 citizens of Shelby County, Tennessee. Shelby County Government currently has approximately 6,000 active employees and 3,000 pre and post retirees that are eligible for coverage under the various insurance programs. This quote is for the 1,250 Post-65 eligibles of Shelby County Government. In addition, The City of Millington has 33 retirees that are also included in the Shelby County Post-65 benefit plans but are billed separately for the retiree premiums.

Currently, Shelby County has a Retiree Outsourcing Program with National Employee Benefit Companies, Inc. (NEBCO)/AmWINS Group Benefits. Coverages available through this Program include one Medicare Supplement (Monumental Life Insurance Company) and two Prescription Drug Plans (Stonebridge Life Insurance Company).

Shelby County Government seeks to provide high quality, cost effective benefits to its employees, retirees and their families.

Shelby County intends on offering a fully insured Medicare Supplement and Prescription Drug program that can be administered as indicated in the RFP, two (2) Medicare Supplement Plans and two (2) Prescription Drug Plans. Shelby County is seeking low premium rates, a comprehensive formulary, and effective member and claim management services.

B. Scope of Contract

The County wishes to engage in a contractual relationship with the best-qualified proposer selected through a competitive process that will work well with the County’s personnel in the performance of the Services in a manner that is cost-effective and practical of which price is but one of the selection criteria.

C. Project Time Frame

The initial contract term will begin January 1, 2014 or immediately upon execution of the contract through December 31, 2016, with the option to renew for, if applicable, (2) additional one year periods beginning January through December, with the same terms and conditions and satisfactory performance of all criteria and subject to the availability of funds for each renewal period. The optional renewal periods will be upon mutual written consent of both parties. The successful Provider must be prepared to begin immediately upon receipt of a fully executed contract and written "Notice to Proceed" from the County.

D. Reservation of Rights

The County reserves the right, for any reason to accept or reject any one or more proposals, to negotiate the term and specifications for the services provided, to modify any part of the RFP, or to issue a new RFP.

The County may at any reasonable time, at its expense, make an audit of the Provider's books relative to the Accounts.

E. Selection Criteria

Each proposal shall be evaluated in accordance with the company's selection criteria and other relevant factors listed below:

- Value of the benefit plans and services, taking into consideration the requirements of the RFP, proposed services and any "value added" terms, conditions and service levels.
- Cost of the proposed benefits and/or services.
- Previous experience and competence.
- Qualifications of the firm including financial capacity and staffing.

All proposers must meet the general conditions set forth in this RFP and are asked to respond only to the specific questions asked.

As part of the qualification process each vendor will be required to apply for an EOC # and provide workforce utilization information. Please contact the EOC Administration @ 901-222-1100 to obtain the necessary documents and to ask any questions that you may have regarding this information.

During the evaluation process, Shelby County Government reserves the right to consider the vendor's EOC rating in the evaluation.

F. Additional Information and References

Any additional information that would be helpful to the County in evaluating a proposal, including a list of current and former clients with a similar profile to Shelby County, should be submitted. At

least three (3) former clients who have terminated in the last five (5) years should be included on this list.

VIII. AWARD OF CONTRACT

Proposers are advised that the lowest cost proposal will not necessarily be awarded the contract, as the selection will be based upon qualification criteria as deemed by the County and as determined by the selection committee and the County Mayor.

IX. PURPOSE / SCOPE OF WORK

To select the best-qualified proposer (hereinafter referred to as “Provider”) and award a County-approved contract for professional services to perform the Services and to satisfactorily complete all activities associated with the Services.

Shelby County seeks a partner with proven experience to provide administrative and brokerage services with respect to such group insurance coverages, plans and programs as listed in **Appendix B**.

Administration duties include but are not limited to:

1. Processing insurance applications and such other data as may be necessary or helpful in the evaluation of membership applicants,
2. Preparing certificates of insurance and identification cards and provide said materials to insureds in a timely manner,
3. Calculating bills and collecting premium payments from the County and retirees as necessary, applying any applicable low income subsidy and late enrollment penalty,
4. Researching and answering insureds and prospective insured’s’ written and telephone inquires, complaints, and other communications and prepare such correspondence as is necessary in the day-to-day administration of the Insurance Programs;
5. As necessary all administrative services as outlined in **Exhibit A**, “Service Summary for Shelby County Government Retiree Outsourcing Program.”

Services Required (List detailed information on the services requested.)

Proposers must answer all sections outlined in The Segal Company's Request For Proposal (eRFP) located at www.proposaltech.com.

All carriers must meet the General Conditions set forth in The Segal Company's eRFP and are asked to respond only to the specific questions asked. Please include a copy of your response to the General Conditions section in this RFP.

The following services are requested to be performed by the insurance carrier(s):

- Claims adjudication
- Member Enrollment and Eligibility Maintenance
- Effective Member Communications
- Patient and Provider Education
- Part D Administrative Assistance
- Medication Therapy Management Services
- Retail, Mail Order, and 90-Day Retail Claim Filling Availability
- Systematic Prospective, Concurrent and Retroactive Drug Utilization Review
- Network Pharmacy Management
- Formulary Management
- Data Reporting
- Distribution of ID Cards
- Distribution of Current Pharmacy Directories
- Online Refill Capability

Plan Information:

- A summary of retirees lives is attached in **Appendix A**.
- A summary of requested post 65 retiree benefits is attached in **Appendix B**.
- A summary of the retiree contribution formula is shown in **Appendix C**.

In addition, proposers must respond to the Questionnaire (Section 4) in The Segal Company's eRFP through ProposalTech's website (www.proposaltech.com). *A copy of your responses to the Questionnaire is required in this RFP.*

4. Questionnaire

- 4.1 Information for Retiree Administration and Brokering Services
- 4.2 Administrative Fees
- 4.3 Medicare Supplemental Insurance Plan
- 4.4 Premium Rates

5. Prescription Drug Plans

- 5.1 General
- 5.2 Rates

6. Performance Standards

Note: All services outlined in Proposal Tech’s eRFP at www.proposaltech.com are required for completion of this RFP. Failure to respond to all aspects of this RFP and the eRFP will disqualify your proposal.

X. CONTRACT REQUIREMENTS

The successful Proposer will be expected to enter into a contract incorporating the following terms and conditions, and such additional terms and conditions standard to services of this type.

A. General Requirements

1. Control. All services by the Provider will be performed in a manner satisfactory to the County, and in accordance with the generally accepted business practices and procedures of the County.

2. Provider’s Personnel. The Provider certifies that it presently has adequate qualified personnel to perform all services required under this Contract. All work under this Contract will be supervised by the Provider. The Provider further certifies that all of its employees assigned to serve the County have such knowledge and experience as required to perform the duties assigned to them. Any employee of the Provider who, in the opinion of the County, is incompetent, or whose conduct becomes detrimental to the work, shall immediately be removed from association with services under this Contract.

3. Independent Status. (a) Nothing in this Contract shall be deemed to represent that the Provider, or any of the Provider's employees or agents, are the agents, representatives, or employees of the County. The Provider will be an independent contractor over the details and means for performing its obligations under this Contract. Anything in this Contract which may appear to give County the right to direct the Provider as to the details of the performance of its obligations under this Contract or to exercise a measure of control over the Provider is solely for purposes of compliance with local, state and federal regulations and means that the Provider will follow the desires of the County only as to the intended results of the scope of this Contract.

(b) It is further expressly agreed and understood by Provider that neither it nor its employees or agents are entitled to any benefits which normally accrue to employees of the County; that the Provider has been retained by the County to perform the services specified herein (not hired) and that the remuneration specified herein is considered fees for services performed (not wages) and that

invoices submitted to the County by the Provider for services performed shall be on the Provider's letterhead.

4. Termination Or Abandonment. (a) It shall be cause for the immediate termination of this Contract if, after its execution, the County determines that either:

- (i) The Provider or any of its principals, partners or corporate officers, if a corporation, including the corporation itself, has plead nolo contendere, or has plead or been found guilty of a criminal violation, whether state or federal, involving, but not limited to, governmental sales or purchases, including but not limited to the rigging of bids, price fixing, or any other collusive and illegal activity pertaining to bidding and governmental contracting.
- (ii) The Provider has subcontracted, assigned, delegated, or transferred its rights, obligations or interests under this Contract without the County's consent or approval.
- (iii) The Provider has filed bankruptcy, become insolvent or made an assignment for the benefit of creditors, or a receiver, or similar officer is appointed to take charge of all or part of Provider's assets.

(b) The County may terminate the Contract upon five (5) days written notice by the County or its authorized agent to the Provider for Provider's failure to provide the services specified under this Contract.

(c) This Contract may be terminated by the County by giving thirty (30) days written notice to the Provider, however, the Provider will be required to provide ninety (90) days written notice to the County, before the effective date of termination. In the event of such termination, the Provider shall be entitled to receive just and equitable compensation for any satisfactory work performed as of the termination date; however, the Provider shall not be reimbursed for any anticipatory profits that have not been earned as of the date of termination.

(d) All work accomplished by Provider prior to the date of such termination shall be recorded and tangible work documents shall be transferred to and become the sole property of the County prior to payment for services rendered.

(e) Notwithstanding the above, the Provider shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of the Contract by the Provider and the County may withhold any payments to Provider for the purpose of setoff until such time as the exact amount of damages due the County from the Provider is determined.

5. Subcontracting, Assignment Or Transfer. Any subcontracting, assignment, delegation or transfer of all or part of the rights, responsibilities, or interest of either party to this Contract is prohibited unless by written consent of the other party. No subcontracting, assignment, delegation or transfer shall relieve the Provider from performance of its duties under this contract. The County shall

not be responsible for the fulfillment of the Provider's obligations to its transferors or sub-contractors. Upon the request of the other party, the subcontracting, assigning, delegating or transferring party shall provide all documents evidencing the assignment.

6. Conflict Of Interest. The Provider covenants that it has no public or private interest, and will not acquire directly or indirectly any interest which would conflict in any manner with the performance of its services. The Provider warrants that no part of the total contract amount provided herein shall be paid directly or indirectly to any officer or employee of the County as wages, compensation, or gifts in exchange for acting as officer, agent, employee, sub-contractor to the Provider in connection with any work contemplated or performed relative to this Contract.

7. Covenant Against Contingent Fees. The Provider warrants that it has not employed or retained any company or person other than a bona fide employee working solely for the Provider, to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the Provider any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, the County will have the right to recover the full amount of such fee, commission, percentage, brokerage fee, gift, or other consideration.

8. Employment Of County Workers. The Provider will not engage on a full or part-time or other basis during the period of the Contract, any professional or technical personnel who are in the current employment of the County.

(b) Notwithstanding the foregoing, no prior County official or employee may be employed by or receive compensation, wages or benefits from the Provider for a period of one year from employment separation from the County if during the period of employment with the County the employee or official had any direct or indirect involvement with the Provider's services or operations provided to the County.

9. Arbitration. Any dispute concerning a question of fact in connection with the work not disposed of by agreement between the Provider and the County will be referred to the Shelby County Contract Administrator or his/her duly authorized representative, whose decision regarding same will be final.

10. General Compliance With Laws. (a) If required, the Provider shall certify that it is qualified and duly licensed to do business in the State of Tennessee and that it will take such action as, from time to time, may be necessary to remain so qualified and it shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Contract.

(b) The Provider is assumed to be familiar with and agrees that at all times it will observe and comply with all federal, state, and local laws, ordinances, and regulations in any manner affecting the conduct of the work. The preceding shall include, but is not limited to, compliance with all Equal

Employment Opportunity laws, the Fair Labor Standards Act, Occupational Safety and Health Administration (OSHA) requirements, the Americans with Disabilities Act (ADA).

(c) This Contract will be interpreted in accordance with the laws of the State of Tennessee. By execution of this contract the Provider agrees that all actions, whether sounding in contract or in tort, relating to the validity, construction, interpretation and enforcement of this contract will be instituted and litigated in the courts of the State of Tennessee, located in Shelby County, Tennessee, and in no other. In accordance herewith, the parties to this contract submit to the jurisdiction of the courts of the State of Tennessee located in Shelby County, Tennessee.

11. Nondiscrimination. The Provider hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Provider on the grounds of handicap and/or disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law. The Provider shall upon request show proof of such nondiscrimination, and shall post in conspicuous places available to all employees and applicants notices of nondiscrimination.

12. Entire Agreement. This Contract contains the entire Contract of the parties and there are no other promises or conditions in any other Contract whether oral or written. This Contract supersedes any prior written or oral Contracts between the parties.

13. Amendment. This Contract may be modified or amended, only if the amendment is made in writing and is signed by both parties.

14. Severability. If any provision of this Contract is held to be unlawful, invalid or unenforceable under any present or future laws, such provision shall be fully severable; and this Contract shall then be construed and enforced as if such unlawful, invalid or unenforceable provision had not been a part hereof. The remaining provisions of this Contract shall remain in full force and effect and shall not be affected by such unlawful, invalid or unenforceable provision or by its severance here from. Furthermore, in lieu of such unlawful, invalid, or unenforceable provision, there shall be added automatically as a part of this Contract a provision as similar in terms to such unlawful, invalid or unenforceable provision as may be possible, and be legal, valid and enforceable.

15. No Waiver Of Contractual Right. No waiver of any term, condition, default, or breach of this Contract, or of any document executed pursuant hereto, shall be effective unless in writing and executed by the party making such waiver; and no such waiver shall operate as a waiver of either (a) such term, condition, default, or breach on any other occasion or (b) any other term, condition, default, or breach of this Contract or of such document. No delay or failure to enforce any provision in this Contract or in any document executed pursuant hereto shall operate as a waiver of such provision or any other provision herein or in any document related hereto. The enforcement by any party of any right or remedy it may have under this Contract or applicable law shall not be deemed an election of remedies or otherwise prevent such party from enforcement of one or more other remedies at any time.

16. Matters To Be Disregarded. The titles of the several sections, subsections, and paragraphs set forth in this contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this contract.

17. Subject To Funding. This Contract is subject to annual appropriations of funds by the Shelby County Government. In the event sufficient funds for this Contract are not appropriated by Shelby County Government for any of its fiscal period during the term hereof, then this Contract will be terminated. In the event of such termination, the Provider shall be entitled to receive just and equitable compensation for any satisfactory work performed as of the termination date.

18. Travel Expenses. All travel expenses payable under this Contract shall be in accordance with the County Travel Policy and Procedures. This includes advance written travel authorization, submission of travel claims, documentation requirements, and reimbursement rates. No travel advances will be made by the County.

19. Incorporation Of Other Documents. (a) Provider shall provide services pursuant to this Contract in accordance with the terms and conditions set forth within the Shelby County Request for Proposals/Bids as well as the response of the Provider, thereto, all of which are maintained on file within the Shelby County Purchasing Department and incorporated herein by reference.

(b) It is understood and agreed between the parties that in the event of a variance between the terms and conditions of this Contract and any amendment thereto and the terms and conditions contained either within the Request for Proposals/Bids or the Response thereto, the terms and conditions of this Contract as well as any amendment shall take precedence and control the relationship and understanding of the parties.

20. Contracting With Locally Owned Small Businesses. The Provider shall take affirmative action to utilize Locally Owned Small Businesses when possible as sources of supplies, equipment, construction and services.

21. Incorporation Of Whereas Clauses. The foregoing whereas clauses are hereby incorporated into this Contract and made a part hereof.

22. Waiver Of Proprietary Interest. Notwithstanding anything to the contrary contained herein or within any other document supplied to County by the Provider, Provider understands and acknowledges that County is a governmental entity subject to the laws of the State of Tennessee and that any reports, data or other information supplied to County by Provider due to services performed pursuant to this Contract is subject to being disclosed as a public record in accordance with the laws of the State of Tennessee.

23. Organization Status And Authority. (a) Provider represents and warrants that it is a corporation, limited liability company, partnership, or other entity duly organized, validly existing and in good standing under the laws of the state of Tennessee; it has the power and authority to own its

properties and assets and is duly qualified to carry on its business in every jurisdiction wherein such qualification is necessary.

(b) The execution, delivery and performance of this Contract by the Provider has been duly authorized by all requisite action and will not violate any provision of law, any order of any court or other agency of government, the organizational documents of the Provider, any provision of any indenture, agreement or other instrument to which the Provider is a party, or by which the Provider's respective properties or assets are bound, or be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under any such indenture, agreement or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets.

24. Warranty. The Provider warrants to the County that all Services shall be performed in accordance with acceptable standards in the industry applicable to the Services. The Provider shall correct, at its sole cost and expense, any work reasonably deemed to be unsatisfactory by the County. The Provider warrants to the County that all Services shall be in strict compliance with the terms of this Contract, and all applicable governmental laws, rules and regulations.

25. Rights in Data. The County shall become the owner, and the Provider shall be required to grant to the County, or its successors, a perpetual, non-exclusive, non-transferable, royalty-free right, in the County's name, to use any deliverables provided by the Provider under this Contract, regardless of whether they are proprietary to the Provider or to any third parties.

A. INDEMNIFICATION AND INSURANCE REQUIREMENTS

1. Responsibilities For Claims And Liabilities. (a) Provider shall indemnify, defend, save and hold harmless the County, and its elected officials, officers, employees, agents, assigns, and instrumentalities from and against any and all claims, liability, losses or damages—including but not limited to Title VII and 42 USC 1983 prohibited acts—arising out of or resulting from any conduct; whether actions or omissions; whether intentional, unintentional, or negligent; whether legal or illegal; or otherwise that occur in connection with or in breach of this Contract or in the performance of the duties hereunder, whether performed by the Provider its sub-contractors, agents, employees or assigns. This indemnification shall survive the termination or conclusion of this Contract.

(b) The Provider expressly understands and agrees that any insurance protection required by this Contract or otherwise provided by the Provider shall in no way limit the responsibility to indemnify, defend, save and hold harmless the County or its elected officials, officers, employees, agents, assigns, and instrumentalities as herein provided.

(c) The County has no obligation to provide legal counsel or defense to the Provider or its sub-contractors in the event that a suit, claim or action of any character is brought by any person not party to this Contract against the Provider as a result of or relating to obligations under this Contract.

(d) Except as expressly provided herein, the County has no obligation for the payment of any judgment or the settlement of any claims against the Provider as a result of or relating to obligations under this Contract.

(e) The Provider shall immediately notify the County, c/o Shelby County Government, Contracts Administration, 160 N. Main Street, Suite 550, Memphis, TN 38103, of any claim or suit made or filed against the Provider or its sub-contractors regarding any matter resulting from or relating to Provider's obligations under this Contract and will cooperate, assist and consult with the County in the defense or investigation thereof.

(f) The Provider shall immediately notify Shelby County Government, Contracts Administration, 160 N. Main Street, Suite 550, Memphis, TN 38103, of cancellation or changes in any of the insurance coverage required.

2. Insurance Requirements. The Provider will provide evidence of the following insurance coverage:

Minimum Limits of Insurance

Consultant/Provider shall maintain coverage with limits of no less than:

- 1) *Commercial General Liability Insurance* \$1,000,000 limit per occurrence bodily injury and property damage/\$1,000,000 personal and advertising injury/\$2,000,000 General Aggregate/\$2,000,000 Products-Completed Operations Aggregate. Shelby County Government, its elected officials, appointees, employees and members of boards, agencies, and commissions shall be named as additional insureds. The insurance shall include coverage for the following:
 - a) Premises/Operations
 - b) Explosion, Collapse, & Underground Property Coverage, if applicable
 - c) Products/Completed Operations
 - d) Contractual
 - e) Independent Contractors
 - f) Broad Form Property Damage, if applicable
 - g) Personal Injury and Advertising Liability
- 2) *Business Automobile Liability Insurance* - \$1,000,000 each accident for property damage and personal injury. Coverage is to be provided on all:
 - a) Owned/Leased Autos
 - b) Non-owned Autos
 - c) Hired Autos
- 3) *Workers Compensation and Employers' Liability Insurance* – Including coverage for sole proprietors, partners, and officers, regardless of requirement by Tennessee State Statute. Policy is to be specifically endorsed to include these individuals for coverage. Employers Liability Coverage is \$1,000,000 per accident. Consultant/Provider waives

its right of subrogation against Shelby County for any and all worker's compensation claims.

- 4) *Professional Liability Errors & Omissions Insurance* - \$1,000,000 per claim or occurrence/\$3,000,000 annual aggregate.

All policies will provide for thirty (30) days written notice to Shelby County of cancellation of coverage provided. Ten (10) days notice applicable to non-payment of premium. If insurer is not required by the policy terms and conditions to provide written notice of cancellation to Shelby County, the Provider will provide immediate notice to Shelby County.

All insurance policies maintained by the Provider shall provide that insurance as applying to Shelby County shall be primary and non-contributing irrespective of such insurance or self-insurance as Shelby County may maintain in its own name and on its own behalf.

B. Right to Monitor and Audit

Access To Records. During all phases of the work and services to be provided hereunder the Provider agrees to permit duly authorized agents and employees of the County, to enter the Provider's offices for the purpose of inspections, reviews and audits during normal working hours. Reviews may also be accomplished at meetings that are arranged at mutually agreeable times and places. The Provider will maintain all books, documents, papers, accounting records, and other evidence pertaining to the fee paid under this Contract and make such materials available at their offices at all reasonable times during the period of this Contract and for three (3) years from the date of payment under this Contract for inspection by the County or by any other governmental entity or agency participating in the funding of this Contract, or any authorized agents thereof; copies of said records to be furnished if requested.

XI. PROPOSAL SUBMISSION (HARD COPY VERSION)

A. GENERAL

1. All interested and qualified proposers are invited to submit a proposal for consideration. Submission of a proposal indicates that the proposer has read and understands this entire RFP, including all attachments, exhibits, schedules, and addenda (as applicable) and all concerns regarding this RFP have been satisfied.
2. Hard copy proposals must be submitted in the format described below. Proposals are to be prepared in such a way as to provide a straightforward, concise description of capabilities to satisfy the requirements of this RFP. Expensive bindings, colored displays, promotional materials, etc. are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.

3. Proposals must be complete in all respects as required in this section. A proposal may not be considered if it is conditional or incomplete.
4. **Hard copy proposals must be received by no later than 3:00 pm (CST) on April 25, 2013, at Shelby County Government Purchasing Department, 160 N. Main St., Suite 550, Memphis, TN 38103.**
5. Proposer agrees to provide the County with any additional information it deems necessary to accurately determine ability to perform the services proposed. Furthermore, submission of this proposal constitutes permission by this organization for the County to verify all information contained in the proposal. Failure to comply with any request for additional information may disqualify this organization from further consideration. Such additional information may include evidence of financial ability to perform.

B. PROPOSAL PRESENTATION

1. Five (5) original hard copies (with signatures) of the proposal are required.
2. The package containing the original hard copies must be sealed and marked with the proposer's name and **"CONFIDENTIAL, ADMINISTRATIVE AND BROKERAGE SERVICES TO SHELBY COUNTY GOVERNMENT - GROUP POST 65 RETIREE MEDICAL PROGRAM, RFP #13-003-67"** with due date and time indicated.
3. Proposals must be typed. Erasures and "white-out" are not permitted. Mistakes may be crossed out, corrections typed adjacent and initialed in ink by the person signing the proposal. Please identify all attachments, literature and samples, etc., with your firm name and our RFP number.
4. Proposals must be verified before submission as they cannot be withdrawn or corrected after the due date and time. The County will not be responsible for errors or omissions on the part of the proposers in preparing their proposals. A responsible officer or employee must sign proposals.

C. PROPOSAL FORMAT

Response to this RFP must be in the form of a proposal package that must be submitted in the following format: **Please download the attachment to this document.** The Proposal Response Sheet (***required document***) should be the first page of your written response.

1. Cover Page/Proposal Response Sheet – Submit on letterhead stationary, signed by a duly authorized officer, employee, or agent of the organization/firm.
 - a. Name and address of the proposer;
 - b. Name, title and telephone number of the contact person for the proposer;
 - c. A statement that the proposal is in response to this RFP; and
 - d. The signature, typed name and title of the individual who is authorized to commit the proposer to the proposal.
2. Comprehensive Response (Minimum Requirements and Services Required)
 - a. A copy of the information provided and submitted electronically through www.proposaltech.com including the Questionnaire (Section 4).
3. Cost and Fees (*Cost will be set for the length of the Contract.*)
 - a. Provide the applicable itemized fees and any commissions included in the proposal for the Services for each element in the scope of work (this includes a break-down of the cost proposed for any sub-contractor working in conjunction with your organization on the project).
 - b. Explain any assumptions or constraints in a price proposal to perform the services.
 - c. Explain any additional charges or fees in the proposal.
4. Experience of the Respondent

A sufficient description of the experience and knowledge base of the proposer to show the proposer's capabilities should be included in the proposal. At a minimum, the description of the experience and knowledge base of the proposer included in the proposal should include, but not necessarily be limited to, the following:

 - a. A brief description of the history and mission of the proposer, including the respondent's background and mission statement, the length of time the proposer has been in business, a description of the proposer's organizational structure and a description of the proposer's customer make-up;
 - b. A statement of how long the proposer has provided services similar to the Services requested herein;

- c. A general description of the proposer's experience and background in providing services similar to the Services requested herein;
- d. Any other relevant information about the experience and knowledge base of the proposer which is deemed to be material.
- e. Resume of each employee engaged in the services, including the role of each and an overview of their previous experience with similar projects.

5. References

- a. References of the Proposer, including at least three (3) other clients for whom the Proposer has provided services similar to the Services (with preference given to clients comparable to Shelby County Government) and, for each such reference, the business name, the identification of a contact person, the title of the contact person and a telephone number.
- b. Information detailing similar projects completed by the bidder within the past three (3) years.
- c. List all relevant experience with Administrative and Brokerage Services for Group Post 65 Retiree Medical Programs.

6. Additional Information

- a. A description of any other resources available to the proposer that will be useful in providing the Services;
- b. A description of the methods used by the proposer to measure the satisfaction of its client.
- c. Any other relevant information about the capabilities of the proposer deemed to be material.

XII. PROPOSAL EVALUATION AND SELECTION

A. EVALUATION PROCESS

- 1. Initial Review – All proposals will be initially evaluated to determine if they meet the following minimum requirements:

- a. The proposal must be complete, in the required format, and be in compliance with all the requirements of the RFP.
 - b. Proposers must meet the Minimum Proposer Requirements outlined in Section II of this RFP.
2. Technical Review- Proposals meeting the above requirements will be evaluated on the basis of the following criteria:
- a. Shelby County has retained The Segal Company to assist in the evaluation of the proposals for completeness and responsiveness to the RFP and to review such proposals with them. Each proposal shall be evaluated in accordance with the County's selection criteria and other pertinent factors.
 - b. All proposals submitted in response to this RFP will be evaluated based on the following criteria:
 - i. Qualifications and experience of specific personnel assigned to this project;
 - ii. Quality and responsiveness of the proposal and the ability to present a clear understanding of the nature and scope of the project;
 - iii. Project methodology;
 - iv. Previous experience in performing similar Services;
 - v. References;
 - vi. Proposed cost to Shelby County Government;
 - vii. Time frame for completion.
3. Oral Presentation.

The Shelby County Government reserves the right to interview, or require an oral presentation from, any respondent for clarification of information set forth in the proposer's response. In this regard, at the discretion of the evaluation committee, some or all proposers who submit a proposal in response to this RFP may be asked submit to an interview or give an oral presentation of their respective proposals to the evaluation committee. If so, this is not to be a presentation restating the proposal, but rather an in-depth analysis of certain qualifications of the proposer. The interview or oral presentation, if utilized, is intended to provide an opportunity for the proposer to clarify or elaborate on its qualifications without restating the proposal. The interview or oral presentation is to be a fact finding and explanation session only and is not to be used to negotiate any terms of contract. If required, the time and location of such interview or oral presentation will be scheduled by the Administrator of Purchasing or his designee. Interviews and oral presentations are strictly an option of the Shelby County Government or its evaluation committee and, consequently, may or may not be conducted. All travel expenses to and from the interview or oral presentation shall be the responsibility of

the proposer. Selection will be based on determination of which proposal best meets the needs of the County and the requirements of this RFP.

Shelby County Government reserves the right to consider the vendor's EOC rating in all evaluations.

B. CONTRACT AWARD

Contract(s) will be awarded based on a competitive selection of proposals received. Providers are advised that the lowest cost proposal will not necessarily be awarded the contract, as the selection will be based upon qualification criteria as deemed by the County and as determined by the selection committee and the County Mayor. The proposals submitted will be evaluated by the County. All decisions are made at the discretion of the County.

The contents of the proposal of the successful Provider will become contractual obligations and failure to accept these obligations in a contractual agreement may result in cancellation of the award.

The County reserves the right to negotiate any portions of the successful Provider's fees and scope of work or utilize their own resources for such work.

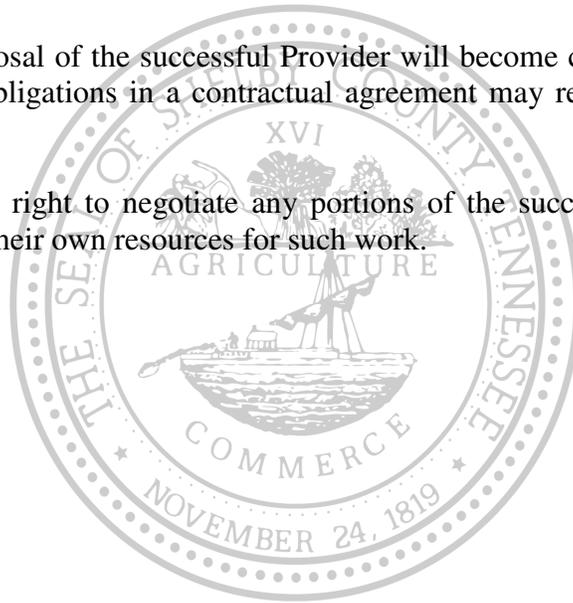


Exhibit A

Administrative and Brokerage Services Summary for Shelby County Government Retiree Program

1. Plan Design and Development

- a. Develop Medicare Supplement and Prescription Drug Plan offerings and alternatives
- b. Disseminate data and other information to insurance carriers for comprehensive plans and competitive rate quotes
- c. Receive and analyze plan offerings, rate quotes, and business rules
- d. Present proposed benefit options, rates, and carrier business rules

2. Documentation Review and Preparation

- a. Draft and assemble program documentation
- b. Legal/contract review, if needed
- c. CMS documentation, if needed

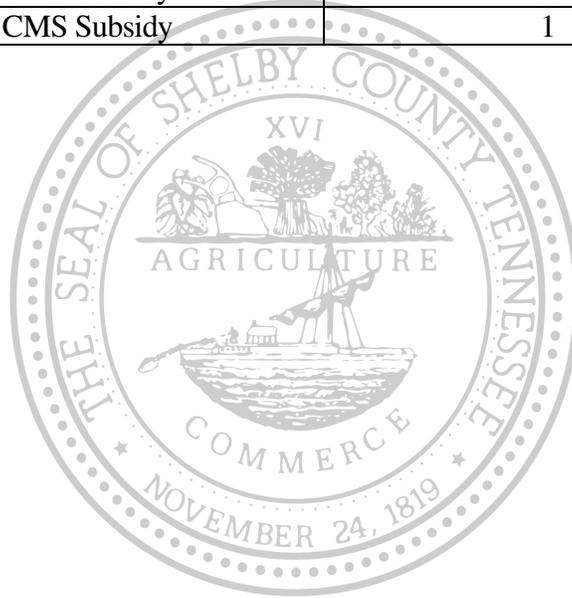
3. Program Implementation

- a. Identify implementation team and assign responsibilities
- b. Develop implementation task and timelines
- c. Prepare client implementation agreement
- d. Develop marketing materials
 - i. Branding of program
 - ii. Client communication(s)
 - iii. Design enrollment kits
 - iv. Fulfill enrollment kit materials, design and get client approval, including welcome letter and kit contacts
 - v. Develop and release enrollment materials for newly retired and "soon to be" 65 eligible members.
 - vi. All Plan correspondence to retirees should reflect Shelby County Logo, including outside of envelop for mailings.
 - vii. Shelby County Government should be notified and approve of correspondence prior to being sent to retirees.
- e. Develop and Host benefit website
 - i. Upload forms and documents
 - ii. Website HTML and branding
 - iii. Website JAVA scripting
 - iv. Site testing
 - v. Install updates

- f. Data integration
 - i. Scrub eligibility file for enrollment and mailing process
 - ii. Scrub eligibility file for Call Center use
 - iii. Scrub eligibility file for Billing use
 - iv. Scrub eligibility file to upload to carriers
 - v. Develop and follow CMS eligibility file transfer protocols
- 4. Customer Care Center**
 - a. Establish "800" number
 - b. Establish Customer Care Center with appropriate staffing levels
 - c. Train Customer Care Center representatives
 - d. Track and monitor call quality, wait times, and service levels.
- 5. Enrollment Services**
 - a. Disseminate complete enrollment kit to all eligible participants
 - b. Handle inbound claims
 - c. Process applications for completeness and accuracy
 - d. Assist retiree as necessary for enrollment process
 - e. Mail ID cards and Certificates
 - f. Upload enrollment files to carriers and other vendors
- 6. Benefit, Plan Administration and Claims Support**
 - a. Assign dedicated relationship manager
 - b. Provide initial and ongoing support to retirees and their families
 - c. Assist retirees and their families to resolve claims issues
- 7. Billing and Collection**
 - a. Set up, credit, and collection of ACH funds.
 - b. Monthly billing for retirees who choose not to participate in ACH
 - c. Handle delinquencies including sending out past due notices, phone calls, termination and reinstatement notices
 - d. Prepare CMS transmittals and verify reconciliation
- 8. Renewal Process (for each January 1)**
 - a. Assemble and provide claims detail
 - b. Assemble and provide enrollment detail
 - c. Negotiate with carriers
 - d. Communicate new plan changes and rates to retirees
 - e. Implement new benefits and rates and their families. Shelby County periodically reviews its current benefit programs and is looking for a carrier that can underwrite the plan of benefits on the most advantageous basis. From time to time, it issues bid invitations to underwrite and/or administer specific benefit programs

APPENDIX A

Retiree Count for 65 and over as of January 1, 2013		
Retirees & spouses that are covered		
Retiree		1,148
Spouse		429
Total		1,577
Medical Only Retirees or Spouses		6
Retirees with CMS Subsidy		60
Spouses with CMS Subsidy		1



APPENDIX B
Retiree Medical Insurance Plan Summary
Option 1

Calendar Year Deductible: \$400

Part B Coinsurance – 10% to and Out-of-Pocket Maximum of \$1,200

Services	Medicare Pays	Plan Pays	Retiree Pays (2)
Hospitalization (1)			
Semi-private room and board, general nursing, and miscellaneous services and supplies:			
First 60 days	All but \$1,156	\$1,156	\$0
61 st through 90 th day	All but \$289 per day	\$289 per day	\$0
91 st through 150 th day (60 day Lifetime Reserve Period)	All but \$578 per day	\$578 per day	\$0
Once Lifetime Reserve days are used (or would have ended if used) additional 365 days of confinement per person per lifetime.	\$0	100%	\$0
Skilled Nursing Facility Care (1)			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 20 days after leaving the hospital:			
First 20 days	All approved amounts	\$0	\$0
21 st through 100 th day	All but \$144.50 per day	Up to \$144.50 per day	\$0
Hospice Care			
Pain relief, symptom management and support services for terminally ill.			
As long as Physician certified you are terminally ill and you elect to receive these services.	All cost, but limited coinsurance for out-patient drug and in-patient respite care	\$0	Balance
Blood- Hospital Confinement and Out-Patient Medical Expenses			
When furnished by a hospital or skilled nursing facility during a covered stay.			
First 3 pint	\$0	100%	\$0
Additional amounts	100%	\$0	\$0
Medical Expenses (2) – In or Out of the Hospital and Out-Patient Hospital Treatment, such as Physician's services, In-Patient and Out-Patient medical and surgical services and supplies, physical and speech therapy, diagnostic test, durable medical equipment:			
First \$940 of Medicare-approved amounts (including Part B Deductible)	80% (After Part B Deductible)	\$0	\$400
Remainder of Medicare-approved amounts	80%	10% until OOP Maximum is Reached, then 20%	10% until OOP Maximum is reached, then \$0
Clinical Laboratory services, blood tests, urinalysis and more	100%	\$0	\$0
Part B Excess Charges covers the difference between the actual Medicare Part B charge as billed and the Medicare approved Part B charge.	\$0	100%	\$0
Home Health Care			
Medicare-approved services: medically necessary skilled care services and medical supplies	100%	\$0	\$0
Durable Medical Equipment			
First \$940 of Medicare-approved amounts	80% (after part B Deductible)	\$0	\$400
Remainder of Medicare-approved amounts	80%	10% until OOP Maximum is reached, then 20%	10% until OOP Maximum is reached then \$0
Foreign Travel			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80%(to a lifetime maximum of \$50,000)	20% (to a lifetime maximum of \$50,000, then 100%)
(1) A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.			
(2) Medicare pays (generally) 80% of Part B Medicare approved amounts. There retiree will pay the balance based on the amounts reflected above. After you pay the Medicare Part B Deductible and the Policy Deductible, you will have met the Calendar Year Deductible (\$400). Then the plan pays 10% of Medicare Part B eligible expenses and the retiree will pay 10%, until the retiree has paid a total of \$1,200 out-of-pocket (including Calendar year Deductible).			

APPENDIX B
Retiree Medical Insurance Plan Summary
Option 2 (High Deductible Plan)

Annual Plan Deductible: \$2,110

Services	Medicare Pays	After \$2,110 Deductible, Plan Pays	In Addition to \$2,110 Retiree Pays (2)
Hospitalization (1)			
Semi-private room and board, general nursing, and miscellaneous services and supplies:			
First 60 days	All but \$1,184	\$1,184	\$0
61 st through 90 th day	All but \$296 per day	\$296 per day	\$0
91 st through 150 th day (60 day Lifetime Reserve Period)	All but \$592 per day	\$592 per day	\$0
Once Lifetime Reserve days are used (or would have ended if used) additional 365 days of confinement per person per lifetime.	\$0	100% of Medicare eligible expenses	\$0
Skilled Nursing Facility Care (1)			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare-approved facility within 20 days after leaving the hospital:			
First 20 days	All approved amounts	\$0	\$0
21 st through 100 th day	All but \$148 per day	Up to \$148 per day	\$0
Hospice Care			
Pain relief, symptom management and support services for terminally ill.			
As long as Physician certified you are terminally ill and you elect to receive these services.	All cost, but limited coinsurance for out-patient drug and in-patient respite care	\$0	Balance
Blood- Hospital Confinement and Out-Patient Medical Expenses			
When furnished by a hospital or skilled nursing facility during a covered stay.			
First 3 pint	\$0	100%	\$0
Additional amounts	100%	\$0	\$0
Medical Expenses (2) – In or Out of the Hospital and Out-Patient Hospital Treatment, such as Physician's services, In-Patient and Out-Patient medical and surgical services and supplies, physical and speech therapy, diagnostic test, durable medical equipment:			
First \$147 of Medicare-approved amounts	\$0	\$147 (Part B Deductible)	\$0
Remainder of Medicare-approved amounts	80%	20%	0
Clinical Laboratory services, blood tests, urinalysis and more	100%	\$0	\$0
Part B Excess Charges covers the difference between the actual Medicare Part B charge as billed and the Medicare approved Part B charge.	\$0	100%	\$0
Home Health Care			
Medicare-approved services: medically necessary skilled care services and medical supplies	100%	\$0	\$0
Durable Medical Equipment			
First \$147 of Medicare-approved amounts	\$0	\$147 (Part B Deductible)	\$0
Remainder of Medicare-approved amounts	80%	20%	\$0
Foreign Travel			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of charges	\$0	80%(to a lifetime maximum of \$50,000)	20% (to a lifetime maximum of \$50,000, then 100%)
<p>(1) A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.</p> <p>(2) This high deductible plan pays the same benefits as Plan F after one has paid a calendar year deductible of \$2,110. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.</p> <p>(3) Foreign travel coverage deductible is a separate deductible, and does not apply to the calendar year deductible or the Part A or B Deductible</p>			

APPENDIX B
Prescription Drug Summary

Basic Medicare Part D RX Plan:

Retiree is responsible for a \$325 deductible and co-insurance as shown below. If out-of pocket costs reach \$4,750 (“Catastrophic Limit”) the co-payment will be reduced to the greater of \$2.65 co-payment for generic drugs (including brand drugs treated as generic) and a \$6.60 co-payment for all other drugs, or a 5% co-insurance.

Medicare GenerationRx Basic Medicare Part D Plan			
Benefit Stage	Total Rx Spend	Medicare GenerationRx / Medicare Pays	Member Pays
Deductible	First \$325	\$0	\$325
Initial Coverage	\$325 - \$2,970	75%	25%
Coverage Gap	\$2,970 to \$6,733.75	14% Generic / 0% Brand	86% Generic / 100% Brand
Catastrophic	\$6,733.75	95%	5%

After total yearly drug costs reach \$2,970, retiree receives a discount on brand name drugs and pays 86% of the plan’s costs for all generic drugs until yearly out-of-pocket drug costs reach \$4,700.

The Medicare Coverage Gap Discount Program provides manufacturer discounts on brand name drugs to Part D enrollees who have reached the Coverage Gap and are not already receiving “Extra Help”. A 50% discount on the negotiated price (excluding the dispensing fee) will be available for those brand name drugs from manufacturer’s that have agreed to pay the discount. Discount automatically applied when pharmacy bills retiree for their prescription and the Explanation of Benefits will show any discount provided. The amount discounted by the manufacturer counts toward out-of-pocket costs as if retiree had paid this amount and moves them through the Coverage Gap.

4-Tier RX Plan:

This plan offers a four-tier plan for prescription drugs. This is a plan with no annual deductible. Retiree is responsible for a co-payment for prescription drugs. If out-of-pocket costs reach \$4,750 (“Catastrophic Limit”), co-payments will be reduced to the greater of a \$21.65 co-payment for generic drugs (including brand drugs treated as generic) and a \$6.60 co-payment for all other drugs, or a 5% co-insurance.

Medicare GenerationRx Medicare Part D Plan			
Deductible:	\$0		
Copay:	Retail (31 Days)	Retail (90 Days)	Mail Order (90 Days)
Generic Tier	\$10	\$20	\$20
Preferred Brand Tier	\$35	\$70	\$70
Non Preferred Brand Tier	\$55	\$110	\$120
Specialty Tier	\$50	\$100	Only Available in Retail
Coverage in Gap*:	Same copay schedule as above		

*After total yearly drug costs reach \$2,970, Retiree will continue to pay the same co-payment schedule as noted above. Coverage for brand name drugs will be provided through a fully insured wrap around product.

The Medicare Coverage Gap Discount Program will provide manufacturer discounts on brand name drugs to Part D enrollees who have reached the Coverage Gap and are not already receiving “Extra Help”. The amount discounted by the manufacturer counts toward out-of-pocket costs as if retiree had paid this amount and moves them retiree through the Coverage Gap.

Prescription Drug Coverage

The plan has an approved Medicare Part D formulary list and the co-pays apply accordingly:

- \$10 for a one-month (31 day) supply of Formulary Preferred Generic Drugs and Non Preferred Generic Drugs retiree gets at an in-network preferred pharmacy.
- \$35 for a one-month (31 day) supply of Formulary Preferred Brand Drugs retiree gets at an in-network preferred pharmacy.
- \$55 for a one-month (31 day) supply of Specialty Drugs retiree gets an in-network preferred pharmacy.
- \$50 for a three-month (90 day) supply of Specialty Drugs retiree gets an in-network preferred pharmacy.

-
- \$20 for a three-month (90 day) supply of Formulary Preferred Generic Drugs and Non Preferred Generic Drugs retiree gets through Mail-order.
 - \$70 for a three-month (90 day) supply of Formulary Preferred Brand Drugs retiree gets through Mail-order.
 - \$110 for a three-month (90 day) supply of Formulary Non-Preferred Brand Drugs retiree gets through Mail-order.
 - \$100 for a three-month (90 day) supply of Specialty Drugs retiree gets through Mail-order.

APPENDIX C

Retirees' Health Insurance Premium - Retirees' Share

Option 1 Contribution Break out										
Post 65 Retiree	Shelby County Government All Retired Pre and Post 1/1/08		Option1 Medical & 4 Tier Rx				Option 1 Medical & Basic Rx			
Years of Service	Retiree and Spouse Cost Share	Shelby County Contribution	Retiree Only	Retiree Pays	Retiree & Spouse	Retiree & Spouse Pays	Retiree Only	Retiree Pays	Retiree & Spouse	Retiree & Spouse Pays
20 or more	30%	70%								
16 – 19	40%	60%								
11 – 15	45%	55%								
7.5 – 10	50%	50%								
Under 7.5	100%	0%								

		City of Millington		Option 1 Medical & 4 Tier Rx		Option 1 Medical & Basic Rx	
		Retiree and Spouse Cost Share	City of Millington Contribution	Cont. per person	Retiree & Spouse Pay (per person)	Cont. per person	Retiree & Spouse pay (per Person)
All Members		35%	65%				

Option 2 Contribution Break out										
Post 65 Retiree	Shelby County Government All Retired Pre and Post 1/1/08		Option 2 Medical & 4 Tier Rx				Option 2 Medical & Basic Rx			
Years of Service	Retiree and Spouse Cost Share	Shelby County Contribution	Retiree Only	Retiree Pays	Retiree & Spouse	Retiree & Spouse Pays	Retiree Only	Retiree Pays	Retiree & Spouse	Retiree & Spouse Pays
20 or more	30%	70%								
16 – 19	40%	60%								
11 – 15	45%	55%								
7.5 – 10	50%	50%								
Under 7.5	100%	0%								

		City of Millington		Option 2 Medical & 4 Tier Rx		Option 2 Medical & Basic Rx	
		Retiree and Spouse Cost Share	City of Millington Contribution	Cont. per person	Retiree & Spouse Pay (per person)	Cont. per person	Retiree & Spouse pay (per Person)
All Members		35%	65%				