

# CITY OF PITTSBURGH



## 2014 BENEFITS CONSULTING RFP QUESTIONS AND ANSWERS

Monday, August 11, 2014	Initial Posting
Monday, August 18, 2014	No Update Necessary
Tuesday, August 26, 2014	Final Update Posted

### RESPONSE DEADLINE EXTENDED TO WEDNESDAY 9/3/14

- Q1) Section II, page 2 – Reference is made to programs that are excluded from the scope of services and includes Voluntary Employee Life / AD&D; Spouse Life; Child Life. Is this coverage being removed from the current coverage provided by The Standard (carrier)? That is, will two TPA/Consulting vendors be responsible for managing services provide by one carrier?
- A1) The Voluntary Employee Life/AD&D is not administered by the City and considered a voluntary benefit. Basic and Enhance Life and AD&D are administered by the City and are part of the scope of services as defined in the RFP.
- Q2) Reference is made to MBE/WBE and Veteran-Owned Solicitation and Commitment. A specific percentage (5%) is designated as the goal for Veteran-Owned; however, no percentage is provided as the goal for MBE/WBE. Please advise the percentage of contract goal for each of these groups.
- A2) The City goals are 18% MBE and 7% WBE.
- Q3) Please confirm the intent of the City relative to this participation goal, that is if the entire amount of the proposed contract is \$100,000 and the participation goal for Veteran-Owned is 5%, does that mean that the City expects the total amount of the proposed contract awarded will become \$105,000?
- A3) The proposed amount must be total and include any MBE/WBE or Veteran-Owned sub-contracting. The MBE/WBE and Veteran-Owned details will be outlined in the MBE/WBE or Veteran-Owned forms.
- Q4) How is open enrollment conducted? Online, call center, paper, other?
- A4) Open enrollment is paper based.

- Q5) Is the health plan for the City, fully insured or self-funded?
- A5) The City is currently fully insured.
- Q6) If self-funded, does the City purchase stop loss?
- A6) N/A
- Q7) Is the prescription drug program integrated with your health insurer(s) or is it direct with a Pharmacy Benefit Manager?
- A7) The prescription drug program is integrated with our health insurers.
- Q8) Is the City in a Pharmacy purchasing Coalition?
- A8) The City does not currently participate in a purchasing coalition.
- Q9) What are the premium differential for health insurance for compliance or non-compliance for wellness?
- A9) Participants in the CityFit Wellness at Work assessments and screenings receive a \$240 discount annually.
- Q10) Are there any Cadillac tax implications for the health plans for active employees, police union, or retirees?
- A10) There may be Cadillac tax implications for retirees.
- Q11) How is your wellness program currently managed? Actively? With incentives? Average annual participation rate?
- A11) The CityFit Wellness at Work program is managed by our team which includes a dedicated wellness coordinator. We partner with our carriers to provide programs as well as manage internal programs. There is an incentive for participation in assessments and biometric screenings. Approximately 1/3 of the City's population is actively participating.
- Q12) Does the city use a vendor, other than the medical carrier for online wellness tools?
- A12) Not at this time.
- Q13) What is the city's average annual trend increase?
- A13) The trend varies by group/plan design, but overall, the PPO is trending at 11.1% and the Rx at 12%.

Q14) When was the last time the city conducted a dependent audit?

A14) The City conducted a dependent audit in 2013.

Q15) Please provide a copy of the health and group benefit language in the current union contracts and advise when each union contract expires.

A15) Contract language varies by union. Police and Fire arbitration awards ensure their plans remain substantially unchanged and provide access to the UPMC network as an in-network provider through 12/31/16. All Police and Fire hired prior to 2005 receive the same health care benefits they received at the time of retirement. Post 2005 Police and Fire hires do not receive retiree health care benefits.

Q16) Please advise when the current vendor contracts renew.

A16) The health care contracts renew annually until 12/31/16.

Q17) Please provide current fees, commissions, and overrides for 2012, 2013 and 2014 year to date. Please provide the current scope of services for those fees.

A17) The City's current consultant is paid on a flat fee of \$245,000 annually. Our consultants are not permitted to accept any commissions on top of the flat fee. Please see the RFP for the scope of services which remain the same as with our current consultant.

Q18) Due to Act 47, are plans only able to be fully insured? Can the City of Pittsburgh consider funding alternatives – moving from fully insured to self-insured.

A18) Act 47 does not address the funding choice which is reviewed each year independently.

Q19) Please provide additional detail regarding communications needs as requested?

A19) The City will often call upon our consultants to assist in the preparation of communications, particularly in the current environment. These communications may be for City employees or for Administration depending on the need.

Q20) Please advise what type of health plan reporting you expect to receive and with what frequency?

A20) We currently meet quarterly with our vendors and consultants and review the plans specific to each vendor. We anticipate that throughout the contract period the consultant would work with the City to develop useful reports. It is common for the City to look to our consultants to produce a unique reports within a very short time period.