

Addendum No. 2 to RFP 20-38



CITY OF SOMERVILLE, MASSACHUSETTS
Department of Purchasing
JOSEPH A. CURTATONE
MAYOR

To: All Parties on Record with the City of Somerville as Holding
RFP 20-38 Health Reimbursement Arrangement (HRA) Program Administration

From: Thupten Chukhatsang

Date: 12/6/2019

Re: **Questions & Answers**
Attached - Revised Specification Sheet

Addendum No. 2 to RFP 20-38

Please acknowledge receipt of this Addendum by signing below and including this form in your proposal package. Failure to do so may subject the proposer to disqualification.

NAME OF COMPANY / INDIVIDUAL: CITY OF SOMERVILLE _____

ADDRESS: _____

CITY/STATE/ZIP: _____

TELEPHONE/FAX/EMAIL: _____

SIGNATURE OF AUTHORIZED INDIVIDUAL: _____

ACKNOWLEDGEMENT OF ADDENDA:

Addendum #1 _____ **#2** _____ **#3** _____ **#4** _____

Addendum No. 2 to RFP 20-38

Questions & Answers:

1. What is the HRA plan design going to be:
 - a. Eligible Expenses (example: Deductible; All Out-of-pocket expenses on the medical plan; All Section 213(d) expenses, etc.)
Deductibles, Copays and Out of Pocket Expenses for medical, pharmacy, dental and vision expenses including all section 213(d) expenses
 - b. Reimbursement amount: A flat dollar or a percentage of the deductible, something else? (example: Single Coverage reimbursement is \$500/Family is \$1,000; 50% of the deductible, etc.) Amount will be based on health plan enrollment allowing for \$150/individual or \$300/family.
 - c. Who pays first: Will the HRA or the participant pay the first portion (Example: Employer pays the first X amount through the HRA and then the participant begins paying; Participant pays the first X amount and then the HRA begins paying)
There is no minimum participant out of pocket contribution required prior to the HRA making payment as long as the expense qualifies for the HRA.
 - d. Who is the Medical Carrier for the medical plan attached to the HRA?
Group Insurance Commission is our administrator through which we offer Harvard, Tufts, AllWays Health, Unicare, Fallon, Health New England.
 - e. Does the HRA need to track on a per family member basis, or just the family as a whole? (Example: the HRA reimburses up to \$500 per family member and up to \$1,000 for the family as a whole; no per family member maximum, only track on the family as a whole)
Track family as a whole.
2. Do we need to confirm each Specification/Requirement separately (#1 – 30) or can we make one statement that we can confirm all 30?
The specification sheet has been revised and is to be replaced with the Revised Specification Sheet (attached).

One statement confirming all 30 specifications is acceptable but individual confirmations would be preferred. The City requires responses to all specifications, however if a specification is not met by the vendor, it does not constitute disqualification.
3. Since the City does not want 3-ring binders, but would like to easily remove and replace pages, what is the City's preference for the hard copy submission?
The City does not have a preference as long as the 3-ring binders are not the hard plastic type. They normally get tossed aside as they take up too much filing space. We will accept proposals held together with binder clips a well.
4. Will Active Employees, Non-Medicare Retirees and Medicare Retirees all have the same HRA plan design?
Yes

Addendum No. 2 to RFP 20-38

5. What is the claim funding arrangement and frequency of funding between the City and the vendor?
The City is willing to pre-fund an initial portion equivalent to one month's estimated claims. The remainder will be funded on a reimbursable basis. The City will reimburse and pay on a monthly basis.
6. Will the vendor have ACH access to a City bank account for claims? If not, will prefunding be provided?
No. This is prohibited by law.
Prefunding is explained in Question #5.
7. Will the City supply the vendor with a payroll file of actual HRA contributions data? If so, will the City conform to the vendor file specs?
No, the HRA will be 100% employer funded; hence there will be no payroll contributions.
8. Will the City provide an electronic open enrollment and ongoing file for new hires, terminations and changes? If so, will the City conform to the vendor file specs?
Yes, the City will provide a file in an Excel format using the template provided by the vendor.
9. Can you disclose the current HRA administrative Fee?
The City does not currently have an HRA in place.
10. Does this fee include the debit card or is there an additional fee?
The fee is to be inclusive of any administration fees for the debit card.
11. Can you disclose the current Retiree HRA administrative fee, if different from Active HRA?
The City does not currently have an HRA in place.
12. Page 4 of the RFP mentions consecutive page numbers across tabs. Will the City require tabbed section dividers for the original and hard copies?
The City does not require it and leaves it up to the proposers to determine what is best for their proposal.
13. Page 4 of the RFP mentions "Elaborate format and binding are neither necessary nor desirable". Does the City prefer unbound hard copies?
The City does not have a preference as long as the 3-ring binders are not the hard plastic type. We will accept proposals held together with binder clips as well.
14. In the Scope of Services, item #15 says to "Provide reimbursement checks and the distribution ledger to the City's Fiscal Services Department. The Fiscal Services Department will review the ledger and the total amount on the check run in order to transfer funds to the designated bank account on a biweekly basis". Can the City provide further details on what is required by the City to be provided as reimbursement checks?
This specification has been revised as item#14 on the "Revised Specification Sheet" (attached) and states the following:

Addendum No. 2 to RFP 20-38

“Provide electronic copies of any reimbursement checks as well as complete listing of all transactions, both via debit card or check reimbursement, in an electronic distribution ledger to the City’s Personnel Department inclusive of electronic monthly billing and usage by member as back up to monthly billing. Check verification should be inclusive of whether check has been cashed.”

15. Can you please verify the number of eligible employees and eligible retirees?
817 active individual plans, 749 active family plans, 1293 Medicare retiree plans.
16. Can you disclose the current HRA vendor?
The City does not currently have an HRA in place.
17. Approximately how many onsite HRA enrollment meetings are expected and at how many locations?
At least one education meeting at each of the 33 City Departments and at least three at City Hall.
18. When is the City's open enrollment?
Open enrollment if held in April of every year for an effective date of July 1st.
19. Can you confirm that the HRA is an unrestricted HRA, allowing for all eligible medical, dental, and vision expenses? If not, please provide details on what expenses are eligible through the HRA.
The HRA is unrestricted.
20. How many total benefit-eligible employees or full-time equivalents are employed by the City?
Approximately 1800.
21. Which medical provider(s)/carriers are currently offered by the City?
Harvard, Tufts, AllWays Health, Unicare, Fallon, Health New England.
22. Are any major partner changes anticipated for the upcoming plan year- medical, Rx, benefits administration, etc.?
We cannot be sure as we are insured through the GIC; however we expect that the plan vendors will stay the same.
23. How will enrollment and eligibility be received by the vendor? If through an external benefits administration company, please name your partner. If an in-house solution, please provide the HRIS platform.
The City will provide a file in an Excel format using the template provided by the vendor.
24. Is this a full-replacement plan? Will other group health plans be shut-off and all members transitioned to a CDHP with HRA?
No, there will not be a transition of members and the HRA will not be replacing any City plans. It will be a supplement to what is currently offered.

Addendum No. 2 to RFP 20-38

25. What are the HRA contribution amount(s) to be funded by the City? What is the funding frequency (according to pay cycle, monthly, annually, bi-annually)?
Amount will be based on health plan enrollment allowing for \$150/individual or \$300/family.
Funding frequency will be monthly.
26. Will all eligible 213(d) expenses be covered by the HRA?
Yes.
27. Will the City permit unused account funds to roll over to the next plan year? If yes; will there be a cap on the total funds permitted to rollover?
No.
28. Approximately how many onsite benefit fairs or open enrollment meetings will the vendor be expected to attend? -
At least one education meeting at each of the 33 City Departments and at least three at City Hall.

Revised Specifications / Requirements

Ideally, the selected provider will be able to provide all of the requested services detailed below, however all proposals will be considered.

Specifically, with respect to the HRA program services, the selected firm is requested to:

1. Provide a designated representative who is knowledgeable about all aspects of the HRA programs and is always accessible by phone or email during regular working hours to address emergency or non-emergency issues posed by the City's Personnel Department.
2. Provide the City's Personnel Department with access to expertise within the selected plan provider that can effectively address all legislative and legal questions regarding HRA program accounts and pertinent tax laws.
3. Administer the health reimbursement arrangement.
4. Provide annual non-discrimination testing services.
5. Provide and make any required changes to the Plan Document.
6. The selected vendor must work with the City to provide a mutually workable file transfer set up and process.
7. Provide debit card to plan participants for eligible transactions.
8. Provide educational materials for distribution by the City for use with new hires and during open enrollment.
9. Perform all claims processing functions, including verification of proper documentation of the expense, screening for duplicate payment, calculation of reimbursement due and payment directly to the participating HRA employees.
10. If a claim is denied, immediately communicate to the participating HRA participant explaining why the claim was denied.
11. If claim substantiation is not provided, provide the option to keep debit card active on a plan level. The City wishes to allow the continued usage of the debit card if the participant signs off on their responsibility to substantiate expenses if audited.
12. Provide a notice by May 1st of each year reminding participants that the Plan Year is coming to a close and that qualifying expenses must be incurred during the Plan Year to be paid from their account.
13. Pay claims at a minimum of a bi-weekly basis. Have the ability to cut checks in off weeks to address issues where employee's claim was incorrectly rejected.
14. Provide electronic copies of any reimbursement checks as well as complete listing of all transactions, both via debit card or check reimbursement, in an electronic distribution ledger to the City's Personnel Department inclusive of electronic monthly billing and usage by member as back up to monthly billing. Check verification should be inclusive of whether check has been cashed.
15. Provide legislative updates in a timely fashion for areas that affect the HRA plans.
16. Provide the option to allow participating HRA participants to have their reimbursements directly deposited into a checking or savings account. If a participating HRA employee does not choose the direct deposit option, the reimbursement checks will be mailed by the provider to the participating HRA participant's home.
17. Use September 30th of each year as the run-out period at the end of each Plan Year to submit for reimbursement.
18. Process claims simultaneously for different Plan Years. All reporting will be broken out by each Plan Year.

19. Provide online access to City's Personnel Department to review HRA payments for each participating HRA employee/retiree/surviving spouse.
20. Provide the City with an administrator's manual detailing the selected plan provider's administrative procedures in operating the HRA programs.
21. Provide a telephone or online access for participating HRA employees that is available 24 hours per day to the participating HRA employee/retiree/surviving spouse's medical reimbursement account.
22. Provide a toll-free number, or alternative (online) method, to participating HRA employees who want to speak with a customer service representative (not a recording) that is available at least 10 hours per day.
23. Provide a toll-free number, or alternative (online) method, to participating HRA participants that is available 24 hours per day to receive claims.
24. Provide online access to participating HRA employees/retirees/surviving spouses so they can view their specific account information as well as general plan rules, supporting documents, and claim forms.
25. Provide account access regarding participating HRA employees/retirees/surviving spouses to the selected plan provider's customer service representatives so they can answer questions from participating HRA employees regarding paid, pending and denied claims.
26. Provide copies, or provide the city with the ability to create, the following reports:
 - a. Check Register Report (Monthly Payment Report)
 - b. Plan Balances Report (Monthly)
 - c. Forfeiture Report (Annually)
 - d. Participation reports for each program (Monthly)
27. Perform annual discrimination testing for the HRA program if required.
28. Provide seamless transition from one program year to the next with minimal wait time for payment of the next year's claims.
29. Provide on-site assistance during open enrollment through the attendance of meetings at various times and locations to introduce the company, explain the HRA offerings, and answer questions.
30. Work cooperatively with the City's benefits consultant and other providers. The city's current benefits consultant is Gallagher Benefit Services.