



Request for Proposal for Insurance Broker Services

The City of Mt. Pleasant (the “City”) is conducting a review of its current broker relationship to determine if a change in partnership is warranted. The City desires to engage an insurance firm or broker (the “Firm”) to assist City staff (primarily Human Resources and Finance) with strategic planning, plan management, vendor renewals and procurement, financial projections and budgeting, compliance, customer service, network management, and benefit delivery services (the “Services”) which are provided to active and retired employees.

The Firm selected as a result of this RFP shall assist the City in the overall administration and maintenance of the group medical, prescription, dental, vision, flexible spending and life insurance programs and work in partnership with our Third Party Administrator, CoreSource, on plan items.

The Firm must have the relevant professional qualifications and resources available to assist the City in:

- Self-funded insurance plan management;
- Evaluating current practices and plans;
- Identifying innovative approaches to health plan administration and the creation of health plan options;
- Maintaining high quality and competitive health benefits for employees;
- Monitor regulations and legislative changes and provide compliance guidance;
- Ability to provide high quality customer service and provide onsite services as necessary;
- Developing recommendations which enhance the benefit programs and improve access to benefits; and containing costs.

The City’s selection process will rely on evaluations of the written responses to this RFP and any subsequent supplemental evaluation processes, such as interviews, presentations, and requests for additional information, as instituted by the City at its sole discretion.

All proposals shall be clearly identified as the **City of Mt. Pleasant – Insurance Broker Proposal**. Proposals shall be submitted on eight and one-half by eleven (8½ x 11) inch paper and signed by an authorized representative of the Agency. Four (4) copies (one original and three copies) of your proposal should be forwarded to the City by 1:30 p.m., Eastern Standard Time, on Tuesday, May 9, 2017, at the following address:

City of Mt. Pleasant
Attn: Jeremy Howard, Clerk
320 W. Broadway
Mt. Pleasant, MI 48858

Susanne Gandy, Director of Human Resources is the sole point of contact for this RFP. Please contact her directly for information or interpretation of the intent of this RFP between prospective bidders and the City. Her direct line is 989-779-5313, or you may email her at sgandy@mt-pleasant.org.

Proposals may be mailed or delivered as identified above. Any proposal received after the required date and time specified above shall be considered late. All late proposals (in whole or in part) will not be accepted and will be automatically disqualified from further consideration.

Cost of preparing the proposals, presentations, or any other information regarding response to this RFP shall be the responsibility of the Firm submitting the proposal.

Proposals must provide 60 days for acceptance by City from the due date for receipt of proposals.

Proposal Process Timeline:

Task	Timing
Issuance of RFP	Monday, April 24, 2017
Proposal due date	1:30 p.m., Tuesday, May 9, 2017
Evaluation of Proposals by City Staff	May 10 – 15, 2017
Identify finalists	May 17, 2017
Finalists Interview/Presentations to HR Staff	May 24 & 25, 2017
City Staff submit formal recommendation to City Commission	Week of June 5, 2017
City Commission Meeting	June 12, 2017
Contract Implementation Date	July 1, 2017

City of Mt. Pleasant Background Information

The City of Mt. Pleasant has a population of approximately 26,016 and is located in Central Michigan and we are the home to Central Michigan University. The City has a Council/City Manager form of government in which the City Manager functions as the CEO of the City and reports to the City Commission of seven (7) elected official, which include a Mayor and Vice Mayor, for direction on policy and vision. The City employs 121 full-time employees and 17 part-time employees. Approximately 75% of the City's full-time employees belong to one of five collective bargaining units. Only full-time employees working 30+ hours per week are eligible for benefits with the exception of those eligible under ACA regulations (zero employees at this time). We have one employee group with grandfathered benefits.

The City offers its employees a self-funded cafeteria style benefits package consisting of medical, prescription, dental, vision, flexible spending and life insurance. We provide cafeteria dollars to offset the employee premium co-share and this dollar amount varies by union group. All but one Medical/Rx plan option of the benefits aforementioned are subject to collective bargaining with the City's bargaining units. Full-time employees may choose between two self-funded health insurance options: a traditional 90/10 plan with a premium co-share and a low to zero deductible; or a high deductible plan (\$1,000 single/\$2,000 family) tied to an HRA, which is partially funded by the City on an annual basis and this plan does not currently require an employee premium co-share.

Approximately 37% of eligible employees choose the traditional plan and 43% enroll in the high deductible plan. The remaining 20% of employees who do not need health insurance and opt out of the plan receive an annual opt out payment.

We offer a prescription plan in conjunction with medical insurance enrollment. Our current PBM is Scriptcare and our current Broker files our RX HICA fees on a quarterly basis for all pharmacy and mail order prescriptions. The City currently has two self-funded dental plans and one fully-insured vision plan with EyeMed, which is available to employees. The dental and vision plans may require an employee premium depending on employee group.

We currently partner with Cofinity and Central Care networks on a local basis and utilize PHCS on a national basis.

We also provide a voluntary wellness program and employees may earn extra flex dollars, a reduction in their premium co-share, or additional HRA dollars based on their participation in the program.

We have a total of 38 retirees who purchase coverage on our plan at various rates due to the language within a variety of collective bargaining contracts. The number of current pre-Medicare retirees is 12 and the number of current Medicare eligible retirees is 26. Some public safety retirees will never be eligible for Medicare.

All insurance plans function on a January 1 to December 31 plan year with the exception of the flexible spending plan who observes the claims grace period to March 31.

Scope of Services

The City seeks the provision of consistent, accurate, and timely client services which include, but are not limited to:

A. Strategic Planning

1. Provide periodic comparisons of plans and benefits, and employer/employee contributions of area cities and comparable businesses.
2. Provide general guidance on trends in benefits (offered both locally and nationally) and eligibility requirements. Recommend plan changes based on trends. Advise and consult on methods for improving cost containment and claims administration.
3. Conduct strategic planning sessions to review current performance and establish future objectives for the City employee benefits program.
4. Provide national, regional, and local medical inflation data and compare that to City plan inflation trends.
5. Work with the City to evaluate and develop a long term vision for the benefits provided to its employees.
6. Work with the City to evaluate current practices related to budget figures for benefit costs and employee premium-sharing payments.
7. Assist in the analysis and feasibility of the City providing a self-funded health plan to its employees in the future.

B. Reporting, Trends, and Benchmarking (in conjunction with CoreSource)

1. Semi-annually, provide the following reports:
 - a. Utilization reviews
 - b. Comparisons to prior claim periods
 - c. Plan Trends vs Benchmarking
 - d. Other reports as agreed-upon
2. Annually, provide the following reports and recommendations:
 - a. Comparison of current costs to renewal costs
 - b. Comparison of current employee premium contributions to renewal contributions
 - c. Renewal alternatives
 - d. Assist with future plan cost projections
 - e. Dollars saved by implementing best practices
 - f. Claims by size and type
 - g. Benefits paid by type of service
3. Quarterly, provide reports related to employees issues:
 - a. Calls broken down by claims issues, information, network issues, etc.
 - b. File HICA fees for Rx claims

C. General Administration/Vendor Management

1. Act as a liaison between the City and insurers and vendors. Firm will be authorized to represent the City in all negotiations, discussions, and transactions with insurers and vendors on all issues including those related to fees, benefit levels, plan design, and special terms and conditions. However, the City will retain final approval/authorization of plans and commitments. The City will be responsible for the accuracy and completeness of information or documents the City furnishes to the Firm and/or vendors. The Firm will be responsible for accuracy of data collected by the Firm.
2. Review contracts with vendors to ensure compliance, accuracy, and comprehensiveness of coverage.
3. Provide ongoing analysis, review, and evaluation of the City's existing group insurance plans and make recommendations as how to improve them or make them more cost effective for the City, its employees, retirees, and dependents. Annual review, at a minimum, of the City's employee benefit program is expected.
4. Assist the City with issues relating to interpretation of policies and vendor contracts placed by Firm.
5. Advise and provide guidance on the Affordable Care Act or other legislation as needed.
6. Provide general guidance on items such as trends in benefit plans, "best practices" methods for improving cost containment, financial arrangements, and administration.
7. Create and maintain accurate and complete files for each vendor and product with all policy information including: master contracts, policy booklets, certificate booklets, summary plan descriptions, and benefit summaries.
8. Assist with the development and distribute of up-to-date employee benefits education materials to employees, such as; SBC's, Rx mail-order process, claims processes, enrollment materials, etc.
9. Evaluate provider network(s), create improved access to physicians and resolve network related issues. Evaluate and recommend network selection and participations for City plans.
10. Identify areas of concern and propose alternatives.
11. Assist with the development and management of any relevant bid process that the City would collectively decide to move forward with.

D. Communications Support

1. Assist the City in administering all group plans; including conducting/participating in employee education meetings about all benefit offerings, responding to questions from and providing information to employees and HR staff.
2. Regularly meet with HR and Finance staff.
3. Provide printed or Internet-based documents for City employees regarding all insurance and benefits offerings.
4. Upon request, conduct employee workshops with a focus on specific benefit utilization (e.g. how to read and understand an explanation of benefits statement, HRA information, Flex Spending process, etc.)

5. Ensure proper communication of new or changing benefits via group and/or one-on-one meetings.
6. Upon request, Firm shall be available to assist with the planning, implementation, and on-going results analysis of a wellness plan.
7. Work with the City to assess risks and target areas of high utilization via on-going claims analysis and trending.
8. Develop and/or assist in developing and evaluating employee and retiree needs, satisfaction surveys, communication materials, flyers, and handouts, etc.
9. Provide other consulting services as needed during the course of the plan year.

E. Medical, Prescription, Dental, Vision, Flex and Network Claims Assistance

Review claims experience, claims service, and claims administration to ensure maximum benefit to the City.

F. Renewal Negotiation

1. Identify and negotiate on the City's behalf with carriers and vendors.
2. Review rating adjustments, underwriting worksheets, loss data, and any other carrier-provided renewal data.
3. Consult with the City regarding claims trends and possible opportunities (wellness programs, etc.)
4. Follow up with insurance carriers and vendors for timely issuance of policies and endorsements.
5. Review policies, contracts, and endorsements for accuracy and conformity to specifications and negotiated coverages.
6. Keep the City informed of significant changes and/or trends in the insurance marketplace.
7. Keep the City informed of new or changed carrier requirements, as well as federal or state regulatory issues.

G. Compliance

1. Assist in the preparation of governmental filings. Provide notification and updates on changing laws, regulations, and administrative or judicial ruling which relate to benefits programs.
2. Review plan documents to ensure compliance with appropriate laws and regulations and notify of any necessary plan document amendments.
3. Public Employees Health Benefit Act 106 – bidding, review and guidance.

Qualifications and Requirements

Bidders must be able to demonstrate capacity to meet the City's requirements as detailed in this RFP.

Specifically, Firms must:

1. Have at least five years of experience with public entities including extensive experience with self-funded plan administration and design, as well as in depth compliance knowledge of Michigan Public Acts 312, 152 and 106, and PPACA.
2. Working relationship with the Cofinity network, EyeMed, and have access to various PBMs.
3. Experience soliciting and analyzing Stop Loss quotes and coverage parameters.
4. Demonstrate prior experience with collective bargaining, provider acquisition and employee education.
5. Experience providing Firm services similar to those outlined in this RFP.
6. Ability and commitment to provide daily professional customer service to City Representatives, employees and retirees.
7. Working knowledge of unique conditions and characteristics in the health care market in the Mt. Pleasant region.

Expected working relationship

1. The Firm shall designate a primary contact who will be responsible for coordination of the Firm's actions. The City expects the contact to be readily available to City staff. The primary contact shall not change without the prior approval of the City.
2. The City intends that the Firm chosen will encounter minimal conflicts of interest. Where a potential conflict arises, the Firm is to notify the City's point of contact ("Project Manager"), who will coordinate the appointment of an independent Firm to handle the matter. Repeated conflicts will constitute grounds to terminate the relationship at the sole discretion of the City.
3. The Firm and its staff are expected to comply with all laws, requirements, and professional standards.
4. The Firm will advise the City should Firm enter into bonus overrides, market placement agreements, or other compensation methods tied to the City's account, or should they enter into any such arrangement on any product they are offering. Neither Firm nor any of its stockholders shall have any ownership or equity interest exceeding that of a passive minor investment in any company providing products.
5. The City will be entitled to copies of reports and/or documents relating to the City's account.
6. It is our intent to build a trusted and long lasting relationship with a Broker. However, sometimes things don't go as planned; please provide your standard termination clause language.

Required Contents of Proposal

The City desires to acquire and maintain benefits through a Firm and to establish a close working relationship with that Firm. The Firm selected will need to work with the City on a Consultant basis and be able to advise, instruct and educate the City on all insurance matters. The City is interested in a Firm that is willing to take an innovative approach to the rising costs of health care and employee benefits while maintaining fiscal responsibility.

The purpose of the proposal is to demonstrate the qualifications, service level, cost for services, and competence and capacity of each Firm seeking to represent the City. Firms are encouraged to submit proposals which are consistent with ongoing efforts to conserve City resources; however, the City is also interested in the Firm that can best meet the requirements of this RFP and of the City employees. The proposal must provide a written response to each of the following:

A. Experience and Qualifications

1. Please provide a brief history of your agency including when your organization was established and how long you have provided group benefit services.
2. Please detail the type of group benefit services your agency offers. Include names of carriers your agency current works with.
3. Please detail the geographic area of operations for your firm.
 - What is the largest single contract your Agency has held?
 - What is the longest single contract your Agency has held?
 - What is the smallest single contract your Agency has held?
4. Please detail your municipality experience, specifically in the state of Michigan.
5. Please describe your labor relations experience and indicate if you have ever testified in an Arbitration setting.
6. Please provide an introduction of your account team. Include names, specific roles and responsibilities as well as their qualifications and experience. Please also include any characteristics of your account team that distinguishes it from others. Additionally, please indicate the primary point of contact from your Agency that will be assigned to the City's account and where they are located.
7. Please provide a list of cities you currently represent and the benefit services you provide to that City. Provide the contact names, telephone numbers, and the amount of time you have represented this City.

8. Please categorize the organizations you currently service according to the following:

Number of Employees	Total Number of Clients	Number of Clients that are Municipalities
0 – 49 Employees		
50 – 99 Employees		
100 – 249 Employees		
250 – 399 Employees		
400 + Employees		

9. Please indicate your client retention rate.
10. Please describe your experience with retiree health insurance plans.
11. Please indicate the form and level of professional liability or errors and omissions insurance carried by your company and the amount of coverage.
12. Please describe your experience with Michigan Public Acts 312, 106 and 152.
13. Please detail your experience with Health Care Reform as it relates to large business. How does your Agency stay up to date with all of the changes in the marketplace? How do you inform your clients?

Proposed Fee for Services

1. Please include your three and a half (3.5) year fee structure (July 1, 2017 – December 31, 2020) in a fixed dollar amount, per year to provide services to the City as outline in this document. Additionally, please provide an explanation of your fee structure including all of the services that are included in your fee. If your fee structure increases over the next three (3) years, please explain why.
 - a. Describe any additional actual or potential compensation that your firm would or could receive, such as contingent commissions, overrides, commissions or fees to or from affiliated firms, etc. How do you disclose fees or commissions received?
2. Please describe any expenses not included in the above.
3. If performance guarantees are routinely included in your service contracts, please provide a detailed description of the same.
4. Please explain how you will endeavor to save the City of Mt. Pleasant money and how you will demonstrate those savings.

Conflict of Interest

1. Please disclose any conflicts or perceived conflicts of interest with City employees, Board of Commissioners, or current City vendors. Provide who the conflict would be with and specifically what the conflict may be.
2. If your Agency operates as a TPA please disclose the services that are provided and how you balance your business as a TPA and as a Firm.

Miscellaneous

1. What unique qualities do you or your company possess that would assist the City in continuing to provide an employee benefit package that is affordable?
2. Please describe how you propose to work with City staff and our various employee groups.
3. Please detail your employee communication services for your clients.

References

1. Please list four (4) references of current clients that can be contacted. Please include their phone number, e-mail address, and total book of business with this reference. At least two (2) references should be a municipality or a public entity.
2. Please list two (2) references of clients that have terminated or did not renew your service within the last five (5) years. Provide contact names, telephone number, reason for cancellation, and date of cancellation.