

**HARRISBURG AREA COMMUNITY COLLEGE
REQUEST FOR PROPOSAL
#07-44
HEALTH INSURANCE CONSULTING SERVICES
ADDENDUM #1
ANSWERS TO QUESTIONS**

APRIL 27, 2007

Question 1: PROGRAM REQUIREMENTS

B. PROPOSAL PRICING METHOD: This section indicates that award will be granted to the “lowest responsible bidder for everything in the RFP.” Will the pricing consideration include the potential effectiveness of the health care cost reduction strategies provided by the Vendor? For example, one Vendor’s consulting fees may be higher, but the overall health care insurance cost delivered to HACC may be much lower resulting in a lower net health care insurance cost to HACC. Therefore, the higher Vendor cost could deliver a higher ROI to HACC.

Answer 1: In evaluating proposals, cost effectiveness, appropriateness for the college, references and other items will be taken into consideration. The college is not bound to take the lowest bidder if there are compelling reasons to select a higher cost proposal.

Question 2: GENERAL CONTRACT PROVISION

D. TERM OF CONTRACT AND INSTALLATION: This section indicates a start and end date to the contract. Will HACC consider an ongoing strategic partnership in lieu of a defined consulting period? The complexity of health care is growing and continually changing. Each year there are additional options and considerations that require thorough analysis and strategic decision making. We would ask that HACC consider a more strategic ongoing relationship rather than a one-time project term.

Answer 2: As part of its due diligence responsibilities, the Human Resources department will periodically review our vendor relationships to ensure that they continue to meet our cost and service expectations. If a selected vendor meets established expectations, then the relationship would be continued.

Question 3: EXHIBITS/SPECIFICATIONS

REQUEST FOR PROPOSAL: HEALTH CARE CONSULTING SERVICES: Please confirm that the deliverables outlined in this exhibit would be provided by the Vendor after selection. Therefore, the requirement in the RFP is to demonstrate the Vendor’s ability to provide solutions associated with each deliverable.

If however, HACC is willing to provide some basic information about the current health care plan design and cost, we would be willing to include preliminary observations on potential cost reduction and benefit enhancement opportunities. We would need the following information:

- Current carriers, plan design specifics, and current premium rates

- Last two year's carrier renewals
- Current enrollment by plan and coverage tier (Single, H/W, P/Child & Children, Family)
- Current payroll contributions by plan and coverage tier (Single, H/W, P/Child & Children, Family)

Answer 3: The deliverables outlined in the exhibit would be provided after selection therefore no preliminary review and report will be expected.

Question 4: Does the definition of Group Health Care include dental and vision?

Answer 4: Yes.

Question 5: Our Response will include proprietary analytical models and other data. Will HACC agree to return such materials (and any copies thereof) at the conclusion of the RFP evaluation process?

Answer 5: Yes.

Question 6: There is no mention of group ancillary product (life and disability insurance) consulting or brokerage. Assuming the delivery of better products at a reduced overall cost to HACC, the brokerage revenue associated with these products can serve to reduce the cost of health care consulting services. Will HACC consider including the analysis of such products in the scope of this RFP?

Answer 6: The college will consider including analysis of the group ancillary products noted.

Question 7: Please provide number of benefit eligible employees and number participating in Health Care (Medical/Rx, Dental, Vision)

Answer 7: As of April 2, 2007 the college has approximately 861 benefits-eligible full time employees with approximately 131 taking the health insurance waiver and the \$3,000 reimbursement.

Question 8: Please provide number of retirees and what products are offered to this group.

Answer 8: Hacc currently has 53 regular retirees and 5 early retirees. They are able to purchase the health insurance at the full premium rate. If under age 65, they can purchase dental insurance.

Question 9: Please confirm the counties in which HACC has branch locations.

Answer 9: Harrisburg Campus – Dauphin County
Lancaster Campus – Lancaster County
Lebanon Campus – Lebanon County
York Center – York County
Gettysburg Campus – Adams County

Question 10: Design, conduct and analyze an employee survey regarding benefits options, plan design features and other topics that would provide guidance to the decision-making process.

**In what format would HACC prefer the survey be conducted?
(Paper/form based, web/internet, or telephonic)**

Is the intent of the survey to primarily gather employee opinions concerning current benefits plan design, options and cost or should focus be on what more on what could be offered in the form of new options such as consumer-driven options?

Should we assume that survey results would be delivered in both the form of a report as well as a live presentation?

What is the anticipated time frame or due-date for the completion of such a survey?

Answer 10: The college is open to what format is used to conduct the survey. The only stipulation is that an accommodation would need to be made for any of our employees whose computer/technology and/or language skills are limited.

The college would like the survey to address opinions on current benefits plan designs and also determine interest/openness to a CDHP.

The survey results would definitely be delivered in the form of a report. It is also likely that this would be a topic at a BAC meeting.

Regarding due date, the survey will need to be completed fairly quickly in order to provide enough time for the BAC to review the results and incorporate them into their recommendation.

Question 11: Attend periodic meetings (based on need) of the college's Budget Advisory Committee (BAC) to present information and recommendations to the committee.

- Meetings are held at the Harrisburg campus on a monthly basis; more frequently as needed.

What is the typical length of the BAC meetings?

Who typically makes up the BAC and do all members typically attend the monthly meetings?

Could you please estimate the number of meetings needed beyond the monthly meeting?

Does the BAC serve as an advisory body or does the team directly make plan design and program cost decisions?

Answer 11: The BAC meetings typically run one to one and a half hours. Scheduling can be flexible so that the vendor does not have to attend the entire meeting.

The committee is made up of 7 administrators (one of whom is the Vice President, Finance and College Resources who chairs the committee), 6 faculty members, and 6 classified staff. In addition, the Executive Director of Human Resources and the Director of Compensation and Benefits attend to provide information. Typically, a good portion of the committee attends regularly – this can fluctuate based on the academic calendar.

It is difficult to predict the number of meetings that will be needed beyond the monthly. Depending on the complexity of issues being considered, more frequent meetings will likely be scheduled. It is very possible that the vendor will not need to attend all these meetings.

The BAC serves as an advisory committee that makes a formal recommendation to the President of the College. Historically, a significant majority of the recommendations made by the BAC are forwarded to the Board of Trustees by the President.

Question 12: Conduct analysis of historic utilization statistics and costs to develop a written recommendation regarding whether the college should continue under a fully insured arrangement or migrate to self-funding.

Will HACC or Capital Blue Cross provide current and past (3 years) claims and utilization data in order for Murray to develop such a recommendation.

Additionally, will HACC provide comprehensive employee census data, current medical plan participation and rates, and copies of current medical plan design and contracts in support of our recommendations?

Can HACC/Capital Blue Cross provide such data immediately upon request?

Answer 12: Within appropriate legal constraints, either HACC or Capital Blue Cross will provide information to conduct an analysis of the funding issue. The college will also be willing to provide other appropriate information as needed. This data will not be provided until the vendor has been selected.



• **Question 13:** A written report providing recommendations regarding plan design addressing the following issues:

- Continued offering of the traditional and point of service (POS) plans.
- Adoption of a two-tiered PPO plan structure.
- Adoption of a high deductible plan with or without an accompanying HRA/HSA arrangement.

Will HACC provide current plan design for current traditional and POS plans?

Can HACC/Capital Blue Cross provide such data immediately upon request?

Must the PPO suggestions account for employees who may live outside of the PPO's service area.

To what dollar or percentage level would HACC consider funding an HRA or a portion of an HSA option?

- Review, analysis and recommendation regarding current offering to retirees (in light of Medicare Part D considerations).

Will HACC provide current benefit plan design for eligible retirees including plans costs and cost-sharing formula?

Can HACC/Capital Blue Cross provide such data immediately upon request?

Is HACC's current prescription drug program deemed to meet the criteria for being creditable coverage for purposes of Medicare Part D compliance?

- Cost projections regarding recommended changes

In the case of a High Deductible Health Plan (HDHP) model – is it HACCC’s intent to fund the HRA/HSA from the beginning of the Plan Year on a per-pay basis or (in the case of the HRA) simply fund it as claims are incurred.

- Other issues not noted above that the vendor identifies for review and discussion.

Does HACCC provide benefits to any groups through a special exception such as benefits provided under a grandfathered arrangement or part-time employees who may be eligible for full-time benefits? Can HACCC provide such data immediately upon request?

Does this RFP and its deliverables potentially apply to any other lines of insurance coverage such as dental, vision, life, or disability insurance?

Would HACCC be amenable to our typical service proposal that is based on a mutually acceptable 3-year contract (carries a 180 day notice of termination) or should we assume that the contract renews on an annual basis?

Is HACCC’s benefits / medical plan design dictated by any collectively-bargained arrangements on any kind?

Answer 13: HACCC will provide plan designs currently in place (Traditional, POS and PPO).

Data will be provided after vendor selection has occurred.

PPO recommendations will need to consider employees living outside the PPO’s service area. Historically, this has not been an issue.

The funding level of a HSA or HRA is something that the college is seeking guidance on as part of this RFP.

HACCC will provide current benefits plan design for eligible retirees including plan costs and cost sharing formula.

In the case of a HDHP model, the college will be looking to the vendor for advice regarding funding and claims payment.

The only special exception benefits provided are to regular part time faculty who are able to purchase health insurance at the full premium rate.

This RFP and its deliverables MAY apply to other lines of insurance such as dental, vision, life and disability.

Regarding entering into a three year contract, Human Resources is responsible for conducting periodic due diligence reviews to ensure that the services received from vendors is competitively priced and in the best interests of our employees. The vendor selected through this RFP would certainly be eligible to continue providing services if confirmed through the due diligence process.

None of HACCC’s benefits programs are subject to collective bargaining.