

City of San Antonio

ADDENDUM I

SUBJECT: Request for Proposals for Third Party Administrator for Medical Plans, Pharmacy & Spending Accounts, (RFP 16-031), Scheduled to Close: Wednesday, March 30, 2016; Date of Issue: Wednesday, February 17, 2016

FROM: Denise D. Gallegos, C.P.M., CPPB
Procurement Administrator

DATE: March 3, 2016

THIS NOTICE SHALL SERVE AS ADDENDUM NO. I - TO THE ABOVE REFERENCED REQUEST FOR PROPOSALS

THE ABOVE MENTIONED REQUEST FOR PROPOSALS IS HEREBY AMENDED AS FOLLOWS:

1. **Add:** **SBEDA Pre-Submittal Conference Presentation**, this document will be posted as a separate attachment.
2. **Add:** **Pre-Submittal Conference Sign-In Sheets, dated Thursday, 2/25/2016**, this document will be posted as a separate attachment.
3. **Add:** **Exhibit 9 – Zip Codes in an Excel version**, this spreadsheet will be posted as a separate attachment.
4. **Add:** **Exhibit 10 - Monthly Medical & RX claims – Past 24 Months for Active and Pre-65 Retirees**; this document will be posted as a separate attachment.
5. **Add:** **Exhibit 11 - Large Claims for the past 12 Months for Active and Pre-65**; this document will be posted as a separate attachment.
6. **Add:** **Exhibit 12 - 12 Month Pharmacy Utilization**; this document will be posted as a separate attachment.
7. **Add:** **Exhibit 13 - Top Utilized Facilities for the last 12 Months - IP and OP Claims**; this document will be posted as a separate attachment.
8. **Add:** **Exhibit 14 - Census of Employees and Retirees in Excel**; this document will be posted as a separate attachment.

QUESTIONS SUBMITTED IN ACCORDANCE WITH SECTION 007, PRE-SUBMITTAL CONFERENCE:

On Thursday, February 25, 2016, the City of San Antonio and Human Resources Department hosted a Pre-Submittal Conference to provide information and clarification for the Third Party Administrator Request for Proposals. Below is a list of questions that were asked at the pre-submittal conference. The City's official response to questions asked is as follows:

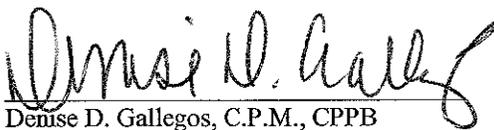
- Question 1: For a PBM only response do we only answer the questions related to PBM?
Response: Respondent would answer all questions for Attachment A, Part Two – Experience, Background, and Qualifications and Attachment A, Part Three – Proposed Plan located on page 82 of the RFP section titled – Pharmacy Benefit Manager.
- Question 2: Who is current PBM provider?
Response: The current PBM provider is Optum.
- Question 3: Regarding PBM Claims, how detailed is the billing data NDC Level?
Response: We do not receive billing data at the NDC level.

- Question 4: How much are we being billed and how much is being reimbursed?
 Response: The City self-bills for the monthly administration fee. Medical and pharmacy claim expenses are wired daily.
- Question 5: Who is the current Benefit Consultant?
 Response: The current consultant is Gallagher Benefit Services.
- Question 6: PSA TPA, would you expect exceptions, are you asking for any "redlines"?
 Response: Typically any exceptions that a Respondent may have would be noted in their response; however indemnification is non-negotiable.
- Question 7: Regarding the process for payment/reimbursement of claims.
 Response: The City's Finance department will provide the City's preference for payment/reimbursement of medical claims during the interview process for this RFP.
- Question 8: Is the PBM payment weekly or biweekly?
 Response: The City pays daily via wire transfer.
- Question 9: When will the first addendum be provided?
 Response: We anticipated for this addendum to be released the early part of the week of March 1st.
- Question 10: How long have we had the current contract, is it expiring?
 Response: The current contract is expiring and was last awarded in 2007.

QUESTIONS SUBMITTED IN ACCORDANCE WITH SECTION 011, RESTRICTIONS OF COMMUNICATION:

- Question 11: The RFP asks for a provider disruption based off Exhibit 9 (employee zip codes). Can you please provide this exhibit in Excel format?
 Response: Yes, this will be updated to the website and released through an addendum.
- Question 12: Is the City looking for an access study in a geo-access type format or a report on which zips are not covered by our proposed network?
 Response: The City is looking for both.
- Question 13: So that we can prepare the most comprehensive plan and respond to the RFP with pricing & savings Exhibits...please provide the following data files.
 • Monthly Medical & RX claims (separate) with corresponding enrollment for the last 24 months reporting separately active and Pre-65 Retirees;
 • Large claims for the last 12 months separating active and Pre-65 if possible;
 • 12 month Pharmacy Utilization file;
 • Top utilized facilities for the last 12 months separated by IP and OP claims, detailing paid \$ by facility for each;
 • Census of employees and retirees in Excel.
 Response: The above requests are attached this Addendum I and have been added to the RFP. They are posted as separate exhibits.
- Question 14: Does the City plan on putting an RFP for the Pharmacy Benefits Manager (PBM) as well?
 Response: This RFP includes the PBM specifications in the Scope of Service section, Proposed Plan Attachment and as Option 3 in the Price Schedule of the RFP document.
- Question 15: Who is the current incumbent?
 Response: The current provider is United HealthCare.
- Question 16: FSA: Who is the current FSA Administrator today?
 Response: The current provider is United HealthCare
- Question 17: FSA: How many FSA participants are there today?
 Response: There are 1,571 FSA participants.
- Question 18: FSA: Is an LPFSA quote needed as well?
 Response: No.

- Question 19: FSA: Do they use the Debit Card today?
Response: Yes.
- Question 20: COBRA/DB: Who is the current COBRA Administrator today?
Response: The current provider is United HealthCare.
- Question 21: COBRA/DB: How many enrolled and pending COBRA participants are there today?
Response: As of February 1, 2016, there are 27 enrolled and 180 pending enrollments.
- Question 22: COBRA/DB: What is the average # of Initial Notices sent on an annual basis?
Response: The average is 1,440.
- Question 23: COBRA/DB: What is the average # of Qualifying Events on an annual basis?
Response: As of December 31, 2015, the monthly average for qualifying events is 189.
- Question 24: COBRA/DB: What is the average turn-over percentage on an annual basis?
Response: Average turnover for voluntary and involuntary is 10% for 2015.
- Question 25: HSA: Current HSA administrator?
Response: The current provider is Optum Bank.
- Question 26: HSA: How many HSA participants are there today?
Response: 3,315 as of February 1, 2016.
- Question 27: HSA: How many accounts are in place today?
Response: 2,991 as of February 1, 2016.
- Question 28: HSA: How many employees use the Investment Account function within the HSA, if they have this?
Response: This information is unknown and not available.
- Question 29: HSA: Do you expect growth/more employees to choose the HSA/HDHP for 2017? If so, what is your projection?
Response: We have experienced growth year over year since we've introduced HSA/HDHP in 2013. 53% of the civilian population is participating in the HSA/HDHP. Currently, the uniform personnel do not have a HSA/HDHP option.



Denise D. Gallegos, C.P.M., CPPB
Procurement Administrator
Finance Department – Purchasing Division

Date _____

Company Name _____

Address _____

City/State/Zip Code _____

Signature