



## ***City of Niagara Falls, New York***

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### **RFP #2020-19**

## **Employee Benefits Broker and Consulting Services for the City of Niagara Falls, New York**

### **Addendum I (11 Pages)**

Recently you received a copy of the above-referenced RFP. Section 1 allowed for the submission of written questions by October 23, 2020. The City received a total of ninety three (93) questions. This addendum is a complete list of those questions, listed in the order they were received, and followed by the City's response to each. In cases where the same/similar question is asked multiple times, vendors are referred to earlier questions/answers to avoid duplication.

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**1. How many Medical plans do you offer?**

The City offers twenty-one (21) classes of plans and also offers Forever Blue for certain retirees.

**2. What copay structures do you have for each (if different) offered Medical plan?**

The City has a variety of copay structures for the current City plans, and additional structures on legacy plans for employees that retired based upon date of retirement.

**3. Out of the 670 Retirees that are offered the Medicare Anywhere plan with BlueCross BlueShield, how many Retirees are enrolled in this plan?**

Approximately 285 retirees and spouses are currently enrolled.

**4. How many post-65 Retirees remain in your Active plans?**

Approximately 385 retirees are currently enrolled.

**5. For the post-65 Retirees that remain in your Active plans, do they receive Medicare Part B?**

A majority of this class of retirees does receive Medicare Part B, but not all do so.

**6. Who is your current vendor for life benefits?**

UNUM Group

**7. What is your life benefit total volume?**

Approximately \$31,600,000.00

**8. What is your life benefit total premium?**

Approximately \$98,000.00

**9. Who is your current vendor for dental?**

Delta Dental (active employees) & Emblem Health GHI (retirees)

**10. Is your dental plan self-insured or fully insured?**

Self-insured

**11. What is your total annual healthcare spend? Can you separate this by Actives vs. Retirees as well as Medical vs. Pharmacy?**

Total spend is approximately \$22,000,000.00. For 2019, medical costs were approximately \$9,000,000.00 and pharmacy costs were approximately \$7,200,000.00. The city does not have a breakdown of actives vs. retirees.

**12. How is your current broker compensated for services?**

The City is invoiced monthly and pays each invoice by ACH after verification of accuracy.

**13. Do you have the self funded feasibility study that confirmed 3-5 year projection of going self funding? Do you have the actuarial analysis of the same?**

No. The City is already self funded.

**14. Please provide monthly financial reporting from current broker confirming actual costs, versus premium equivalents vs City's budget?**

City does not receive monthly financial reporting from its current broker.

**15. Given the proposed contract award date of December 9, 2020, and the plan anniversary date of January 1, 2021, what is expected of the new Broker with regards to the employee benefits plan year 2021?**

It is anticipated that the successful vendor will perform the tasks set forth in the RFP and any subsequent agreement between vendor and City. This will include assisting the City in its efforts to provide services to employees and retirees as set forth in the RFP.

- 16. How many medical, prescription drug, dental and Life Ins. plans does the City currently offer? Can you provide the current benefit summary, rates and tiers (single/2 person/family) for 2020.**

The City offers twenty one (21) medical plans plus Forever Blue, two (2) dental plans and one (1) life insurance plan. The current benefits summary, rates and tiers are available on the City's website at <https://niagarafallsusa.org/government/city-departments/human-resources-department/>

- 17. Can you share the results of the Seneca Consulting Group's 2019 medical and pharmacy claims and dependent eligibility audits?**

The City has not yet received final results from this audit and therefore cannot provide the same.

- 18. Request the City provide us with the ability to review your current Pharmacy Benefit Manager contract?**

City does not have a contract with a Pharmacy Benefit Manager (PBM). This service is provided by the City's current medical insurance provider.

- 19. Will the City provide us with the current Stop Loss Policy contract?**

The City does not intend to provide all vendors with this item. Instead, it will be shared with the successful vendor if/when the City deems it appropriate.

- 20. Will the City provide us with the current Administrative Services Agreement?**

The City does not intend to provide all vendors with this item. Instead, it will be shared with the successful vendor if/when the City deems it appropriate.

- 21. Will the City provide us with all currently endorsed CBA Agreements?**

All information relevant to the City's obligation to provide insurance coverage to employees and retirees is contained in the summary of benefits located on the City's website. Please see question #16 for the page address.

- 22. Please briefly explain how the City currently provides benefits for retirees:**

**Pre-65 retirees**  
**Post-65 retirees**  
**Spousal coverages**

Depending on the date of retirement, retirees are covered by the City's active plan or legacy plans. Spousal coverage terminates at the death of the retiree or ten (10) years after the death of the retiree depending on the retiree's coverage at retirement.

- 23. With what insurance companies/TPAs are the medical, prescription drug, dental and Life Insurance plans and the stop loss insurance with?**

Medical and stop loss insurance is with BlueCross/BlueShield. Prescription insurance is with BCBS/Express Scripts. For dental and life insurance providers, please see questions #9 and #6, respectively.

**24. Does the City currently use a system for benefit administration? If so, which one?**

The City does not utilize an outside system or software for benefit administration.

**25. What is the total compensation earned by the current Consultant and from what sources is it earned?**

The City pays \$20.00 per month per employee to the medical provider, who in turn pays the current vendor. The City's funds come from budgeted monies in each financial year.

**26. We received our submission package documents directly from the Purchasing Division's website and in the document, it references that a submission number must clearly be marked on the packing envelope or packing container. Can you please tell me if we should request a unique submission number from the City of Niagara Falls or if there is another number we should be applying?**

There is no unique submission number for each vendor. The submission number is unique to this RFP. All vendors should use the submission number "RFP #2020-19" on the packing envelope or packing container. At any given time, the City has multiple bids, RFPs, RFQs, etc. that are being offered. Use of the submission number will allow the Purchasing Division to correctly sort all responses for each offering.

**27. Does the City currently have any self-funded arrangements/plans in place? If so, please list plan type (medical, dental, etc.) and the Third-Party Administrator (TPA) for each plan.**

All plans are self funded. The TPA for most plans is Brown & Brown Insurance and the TPA for retirees' dental coverage is Emblem Health.

**28. If self-funded, how long has the City been self-funded?**

Approximately fifteen (15) years.

**29. Does the City currently review claims data on a monthly basis?**

Yes.

**30. Is pharmacy carved out with a separate PBM (pharmacy benefits manager)?**

Yes.

**31. Is stop loss insurance carved out with a different TPA from the medical TPA?**

No.

**32. If the City currently has fully insured products, please list the insurance carriers.**

Not applicable.

**33. Is the City part of a consortium? If so, how long has the City been part of their current consortium? Is the City able to review claims data specific to their own population?**

No.

**34. For *Active Employees*, please list number of eligible and number of enrolled.**

Currently there are 499 eligible active employees and 429 enrolled active employees.

**35. Are there multiple classes of active employees?**

Yes.

**36. Can you provide a copy of the current CBA(s)?**

See Question #21

**37. Does the City currently offer a wellness program?**

No.

**38. Is the wellness program offered through the medical carrier/TPA or a standalone product?**

Not applicable.

**39. Is the wellness program mandatory?**

Not applicable.

**40. Does the wellness program offer premium relief for those who participate?**

Not applicable.

**41. Who is the current consultant for the City?**

See question #27.

**42. What are the current fees charged by the consultant?**

See question #25

**43. Are there fees for other services or programs provided to the City?**

No.

**44. Is the current consultant being comped any other commissions from the carrier?**

No.

**45. Who is the City's current payroll provider?**

The City's payroll operations are handled internally.

**46. How does the City handle PPACA filings?**

City retains a private vendor to complete PPACA filings.

**47. How does the City handle COBRA admin?**

COBRA administration is handled internally.

**48. Does the City currently have a Human Resources Information System (HRIS) in place?**

No.

**49. Does the City use a vendor HR Consulting?**

No.

**50. Does the City offer a HRA, FSA, HSA, etc.?**

No.

**51. What Funding Arrangement is the City currently in?**

This question is vague and as such the City cannot offer an appropriate response.

**52. What insurance companies/TPAs/Vendors are the medical, prescription drug, dental, vision, spending/savings accounts with?**

See question #23.

**53. Thoughts on switching carriers to accommodate/maximize alternative funding arrangements?**

The City is always reviewing operations and seeking ways to improve efficiency and manage costs. It would be open to reasonable suggestions to accomplish these goals, including, but not limited to, switching carriers.

**54. How many medical, prescription drug, dental, and vision plans does the City currently offer?**

See question #16.

**55. How many bargaining units are there and what does each unit represent?**

City employees belong to seven (7) bargaining units representing the following groups: police brass, fire brass, police patrolmen, firefighters, tradesmen, civil service employees and hourly employees.

**56. What kind of reporting is the City currently receiving?**

The City receives weekly, monthly and annual reporting as well as monthly invoices. Additional materials are always made available to City upon request.

**57. Briefly explain how the City currently provides benefits for retirees:**

**a.) Pre-65 retirees:**

**b.) Spousal coverage:**

**c.) Post-65 retirees:**

See question #22.

**58. Thoughts on alternative retiree arrangements?**

The City is always reviewing operations and seeking ways to improve efficiency and manage costs. It would be open to reasonable suggestions to accomplish these goals, including, but not limited to, alternative retiree arrangements.

**59. Does the City currently have a wellness program? Components to it?**

No.

**60. Who is the current Broker for the City? Are fees charged by the broker or are only commissions being paid by the carriers?**

See questions #25 and #41.

**61. Who are the current benefit carriers (i.e. Blue Cross) for the plans?**

See questions #6, #9 and #23

**62. When was each benefit carrier last bid and how frequently the City plans on bidding in the future?**

The city last bid for carriers in 2016 and is currently evaluating when it intends to bid for these services again. The Successful bidder will be expected to assist City in making this determination.

**63. Who is the current broker/consultant? Is the incumbent broker/consultant expected to bid on this RFP?**

See question #25. The City has no information with respect to the incumbent's plans relative to this RFP.

**64. What were the total fees (broken out between standard fees, commissions and any other reported vendor payments) paid to the current health care broker/consultant each of the past 2 years?**

See question #25.

- 65. Since the costs of commissions or other fees will affect the rates the broker is able to obtain for the City, does the City have a position on if fees or commissions will be taken into account when evaluating a bidder's cost?**

Yes, the evaluation criteria for the RFP contains a cost component, and all relevant costs will be considered by the scoring committee when evaluating the various proposals received.

- 66. Are there any service issues or pain points with the current benefit consulting arrangement?**

No.

- 67. What is the most important missing consulting service that is needed by your health plan or plan participants?**

City is unaware of any missing services relative to its health plans or participants, but will work with the successful vendor to identify opportunities to improve services if appropriate.

- 68. Are the enrolled retirees all pre-65 or do post-65 retirees stay on the plans?**

Post-65 retirees can stay on the active plan if they elect to do so.

- 69. Are over age 65 retirees covered under fully insured Medicare Advantage plans?**

Some are, but not all such employees are.

- 70. How many bargaining units/collective bargaining agreements are there? Do the plans vary by bargaining unit?**

See question #55. No, the plans do not vary by bargaining unit.

- 71. What is the renewal date of all the plans?**

Each plan is renewed annually unless the City decides to exercise its right to "opt out".

- 72. What are the contribution levels for all the plans?**

The contribution level varies between 0% and 15% depending on date of hire.

- 73. Where/who do employees go to for day-to-day employee benefits questions?**

The department of human resources.

- 74. Is there a benefit online enrollment system currently in place? If not, is pursuing a benefit online enrollment system of interest?**

There is no current online enrollment system in place, and one may be of interest depending on the situation and cost.



- 75. Who currently provides employee benefits broker services for the City?**  
See question #27.
- 76. How long has the incumbent been the City's broker?**  
Approximately twelve (12) years.
- 77. What is the current method of compensation for the current broker?**  
See question #12.
- 78. Why is the City doing a Request for Proposal at this time?**  
New York State recommends that municipalities regularly perform bids and RFPs to ensure proper levels of service and cost are in place to protect taxpayers. As such, the City regularly conducts RFPs for services seeking the best service at the lowest cost.
- 79. Who is the City's current insurer?**  
See question #23.
- 80. Can you provide the Summary of Benefits and Coverage for the current plans the City offers to active employees and retirees?**  
See question #16.
- 81. Which of the healthcare plans the City offers are fully-insured and which are self-insured?**  
All plans are self-insured.
- 82. Does the City provide Telemedicine services and, if so, who does the City utilize?**  
Yes, this service is offered through the current health insurance provider.
- 83. Does the City provide a HDHP and, if so, does the City contribute to the HDHP?**  
No.
- 84. Please confirm your current health insurance funding arrangement (i.e. fully insured prospectively rated, fully insured minimum premium, self-insured).**  
Self-insured
- 85. If fully insured, would you consider a move to self-insurance to potentially reduce fixed costs, while also affording more flexibility in consulting fee arrangements?**  
Not applicable.

**86. Have you considered self-insured prescription coverage only?**

City is currently self-insured for prescription coverage.

**87. What is your current pooling level or specific stop loss deductible threshold?**

\$350,000.00

**88. Are retirees eligible to enroll in the active plans sponsored? If yes, please include demographics in the employee census that follows.**

Yes. No employee census was included, and City does not intend to provide this information to all vendors, but will provide it to the successful vendor if/when City deems it appropriate to do so.

**89. Do you sponsor and/or mandate Medicare Advantage or Supplemental Coverage once attained Medicare age?**

City sponsors but does not mandate this coverage.

**90. What is the current consultant fee or standard commissions amount?**

See question #25.

**91. Do you provide Health Reimbursement Arrangement Section, 105h Plans? If yes, please provide plan design specifics and eligibility**

No.

**92. Please provide Benefit Details on the following information on the Health and Prescription Plans:**

- All current plan benefit summaries or Summary of Benefits and Coverage (SBC)
- Current plan year premiums by plan
- Employee Contribution by Bargaining Unit/Class

See questions #11, #16 and #72.

**93. Please provide in electronic/Excel format a de-identified census, including all eligible employees and retirees, and the following data points:**

- Date of birth
- Gender
- Zip
- Annual Earnings
- Job Description
- Bargaining Unit / Retiree
- Health Plan Choice
- Health Plan Coverage Tier

City does not intend to provide this information to all vendors, but will provide it to the successful vendor if/when City deems it appropriate to do so.

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All other terms, conditions and specifications remain the same. Please sign where indicated below and attach this addendum to your submission.

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(Authorized Signature)

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(Company)