



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

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### **RFP #2021-26**

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

### **Addendum II (6 Pages)**

Recently you received a copy of the above-referenced RFP. Section 1 allowed for the submission of written questions by October 15, 2021. The City received a total of thirty-four (34) 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. What was your overall Benefit spend for 2019 and 2020? Can it be broken out per each line of coverage, including pharmacy and Medicare?**

Total spend is approximately \$22,000,000.00. The City does not have a breakdown of active versus retired employees.

#### **2. Does the City receive monthly reporting on performance of the medical and pharmacy plan?**

Yes.

#### **3. Can you share the results of the 2019/2020 Seneca Consulting group audits on medical claims, pharmacy and dependents?**

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.

**4. Can we review the City's current Pharmacy Rate Sheet?**

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.

**5. Why does the City currently not have a wellness program in place?**

The City offers a wellness program through BCBS; however, any condition that members are required to participate in a wellness program is a negotiated item with the City's collective bargaining unit.

**6. Does your current Broker garner commissions on any lines of coverage outside of the medical insurance? IE: Stop Loss Policy – Life – Dental – Medicare Ins. And if so which lines?**

See Item #20 for clarification.

**7. Re: all participants on your medical plans: can you please list the number of active employees and the number of pre and post 65's enrolled?**

Currently there are 413 enrolled active employees, of which 400 are pre 65 and 13 are post 65.

**8. Is the City still using a paper enrollment system at open enrollment?**

Yes.

**9. Why is the City doing an RFP at this time considering it awarded a 2 year agreement to Brown & Brown last year?**

New York State recommends that municipalities regularly perform bids and RFP's to ensure proper levels of service and cost are in place to protect taxpayers. As such, the City regularly conducts RFP's seeking the best service at the lowest cost.

**10. For 2019, it has been noted that your Pharmacy spend was approximately 7.2MM. Was that net of rebates?**

The City's rebate in 2019 was \$790,750.00, therefore our net spend was \$6.4 million.

**11. What is the financial arrangement of the current medical benefit plan for both current employees and retirees?**

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

**12. Who is the administrator and/or insurer of the current medical benefit plan for both current employees and retirees?**

Blue Cross and Blue Shield of WNY

**13. If self-insured, is stop loss insurance being purchased and what are current benefit levels and annual premium of such plan?**

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 appropriate.

**14. Are there minimum benefit level requirements for the existing employees or retirees of the City of Niagara Falls. For example, set benefit requirements by Unions or any other entity for benefit levels of health plan copayments, life insurance monetary benefit amounts, and long-term disability benefit amounts?**

All active employees receive the same level of benefits. Retirees have benefits that may have been adjusted over time, depending on date of retirement. A summary of benefits is listed on the City's website.

**15. Which Unions provide representation within the City of Niagara Falls Benefit Plan?**

The City belongs to seven (7) bargaining units which represent the following groups: Police Brass, Fire Brass, Police Patrolmen, Firefighters, Tradesmen, Civil Service employees and Hourly employees.

**16. Do you offer funding mechanism accounts for employees and retirees such as health saving accounts, flexible spending & dependent care accounts? Is the "opt out" administered via such account?**

No

**17. Are employee benefits enrolled online or via paper? If online using a platform, what platform is utilized?**

Both- Blue Cross/Blue Shield, Unum, Delta Dental

**18. Are Payroll Services performed in house? If not, is this outsourced and to what organization?**

Yes

**19. How often are claims review and analysis meetings scheduled?**

Monthly claims review

**20. What is the current compensation structure for the incumbent benefits broker or consultant?**

- i. Is commission received on Stop Loss Insurance by the benefits broker or consultant?
- ii. Is the consultant fee based?
- iii. Is the arrangement a combination of the two scenarios and is the fee based on a percentage of a premium equivalent?

The City pays either \$20.04 per month for single enrollees and \$69.08 per month for family enrollees. This is paid to the medical provider, who in turn pays the current vendor. The City's funds come from budgeted monies in each fiscal year.

The fee for Brown & Brown's consulting and brokerage services on the Stop Loss, Medical Program & Pharmacy program is \$75,000.00 annually. This fee includes the following services at no expense to the City of Niagara Falls:

- COBRA Outsourcing Services, Annual Employee Handbook Review, Summary Plan

Brown & Brown accepts standard carrier commissions as the Broker of Record for the City's Group Medicare, dental and ancillary lines. These lines of coverage are "Fully Insured." As such, "Fully Insured" broker commissions are included in the premium paid, regardless of engagement with a broker or not. These commissions are paid according to a schedule set by the carrier.

**21. Please provide the current premiums or premium equivalents.**

For all active employees on a family plan \$2276.9; single plan \$820.97. All retirees are dependent upon date of hire.

**22. Will proprietary information provided in our proposal responses be kept confidential or will all information be publicly disclosed?**

All information will be kept confidential to the extent permitted by New York law.

**23. Who are the current benefit carriers (i.e. Blue Cross) for the health plans and stop-loss coverage?**

Blue Cross Blue Shield of WNY, Delta Dental, GHI (Emblem Health)

**24. When was each benefit carrier last bid and how frequently does the City plan on bidding in the future?**

New York State recommends that municipalities regularly perform bids and RFP's to ensure proper levels of service and cost are in place to protect taxpayers. As such, the City regularly conducts RFP's seeking the best service at the lowest cost.

**25. 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?**

The City pays either \$20.04 per month for single enrollees and \$69.08 per month for family enrollees. This is paid to the medical provider, who in turn pays the current vendor. The City's funds come from budgeted monies in each financial year.

**26. Are the enrolled retirees all pre-65 or do post-65 retirees stay in the active employee health plans?**

The great majority of retirees and active employees are required to make Medicare primary after age 65, however there are some retirees enrolled in older healthcare plans that do not have this requirement

**27. If over 65 retirees are not in the active plan are they covered under fully insured Medicare Advantage or other supplement Medicare coverage?**

Employees have the option, after age 65, to enroll in the City's Medicare Advantage plan, Forever Blue. 291 retirees are currently enrolled in Forever Blue.

**28. How many bargaining units/collective bargaining agreements are there? Seven (7).**

**Do the plans vary by bargaining unit?**

Yes, plans vary by bargaining unit.

**Also, are there more than one plan offered to each bargaining unit?**

Six (6) of the seven (7) bargaining units have more than one plan to choose from.

**29. Is it possible to obtain Summary Plan Descriptions and rate sheets for all plans offered before the submission deadline of this RFP?**

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/>

**30. What is the renewal date of all the plans?**

Each plan is renewed annually unless the City decides to exercise its rights to “opt out”.

**31. What are the contribution levels for all the plans?**

The contribution levels vary between 0% and 15% depending on the date of hire.

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

The Department of Human Resources.

**33. 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.

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

The City does not intend to provide this information to all vendors, but will provide it to the successful vendor if/when the 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)