

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE DIRECTOR OF HUMAN RESOURCES TO ENTER INTO AN AGREEMENT WITH BLUECROSS BLUESHIELD OF TENNESSEE (BLUERE) TO PROVIDE THE CITY OF CHATTANOOGA WITH A STOP LOSS POLICY ON LARGE HEALTH INSURANCE CLAIMS FOR A PERIOD OF ONE (1) YEAR WITH THE OPTION TO RENEW FOR TWO (2) ADDITIONAL YEARS, FOR AN AMOUNT OF SEVEN AND 60/100 DOLLARS (\$7.60) PER INDIVIDUAL POLICY PER MONTH AND NINETEEN AND 65/100 DOLLARS (\$19.65) PER FAMILY POLICY PER MONTH, FOR AN ESTIMATED ANNUAL PREMIUM OF FIVE HUNDRED THIRTY-EIGHT THOUSAND ONE HUNDRED TWELVE DOLLARS (\$538,112.00).

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BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That it is hereby authorizing the Director of Human Resources to enter into an agreement with BlueCross BlueShield of Tennessee (BlueRe) to provide the City of Chattanooga with a stop loss policy on large health insurance claims for a period of one (1) year with the option to renew for two (2) additional years, for an amount of \$7.60 per individual policy per month and \$19.65 per family policy per month, for an estimated annual premium of \$538,112.00.

ADOPTED: \_\_\_\_\_, 2013.

/mms

# City of Chattanooga



## Resolution/Ordinance Request Form

Date Prepared: 6/21/13

Preparer: Susan DuBose

Department: Personnel (Human Resources)

Brief Description of Purpose for Resolution/Ordinance: Res./Ord. # \_\_\_\_\_ Council District # \_\_\_\_\_

A resolution authorizing the Administrator of the Department of Personnel to enter into an agreement with BlueCross BlueShield of Tennessee (BlueRe) to provide the City of Chattanooga with a stop loss policy on large health insurance claims for a period of one year (1 ) with the option to renew for two (2) additional years for an amount of \$7.60 per individual policy per month and \$19.65 per family policy per month for an estimated annual premium of \$538,112.00.

Name of Vendor/Contractor/Grant, etc. _____	New Contract/Project? (Yes or No) _____ Yes
Total project cost \$ _____ 538,112	Funds Budgeted? (YES or NO) _____ Yes
Total City of Chattanooga Portion \$ _____ 538,112	Provide Fund _____ 6521/6522
City Amount Funded \$ _____ 538,112	Provide Cost Center _____ E10103, E10104, E10201
New City Funding Required \$ _____	Proposed Funding Source if not budgeted _____
City's Match Percentage % _____	Grant Period (if applicable) _____

### List all other funding sources and amount for each contributor.

<u>Amount(s)</u>	<u>Grantor(s)</u>
\$ _____	_____
\$ _____	_____
\$ _____	_____

Agency Grant Number \_\_\_\_\_

CFDA Number if known \_\_\_\_\_

Other comments: (Include contingency amount, contractor, and other information useful in preparing resolution)

Approved by: \_\_\_\_\_

Reviewed by: FINANCE OFFICE

DESIGNATED OFFICIAL/ADMINISTRATOR

Please submit completed form to @budget, City Attorney and City Finance Officer

Revised: 1/26/09

# Content for City of Chattanooga Stop Loss 2013 RFP

**1.0 IBX Bidder Agreement - In consideration of the opportunity to participate in this Request for Proposal (RFP) conducted by IBX and a member of the IBX Advisor Network, on the "The IBX Insurance Quoting**

## **1.1 Bids are Not an Implied Offer to do Business**

If you are invited to participate in an RFP project, Submission of a bid does not create a contract or any expectation by Participant of a future business relationship. Rather, by submitting a bid, you are making a firm

## **1.2 Price Quotes**

All Bids which Participant submits through the IBX IQ System are legally valid quotations without qualification, except for logged and timely reported data entry errors. Data entry errors on price quotes must be

## **1.3 Incurred Costs**

The IBX Member Advisor and/or their Client is not liable for any costs incurred by Participant or Participant's company, in the preparation, presentation, submission of or any other aspect of this RFP.

## **1.4 Procedures, Rules & Processes**

Participant further agrees to be bound by the procedures, rules and reasonable processes established for

## **1.5 Site Confidentiality**

Participant shall keep all user names and passwords, the RFP project content, other confidential materials provided by the IBX IQ System, and all bids provided by You or another participating organization in confidence and shall not disclose the foregoing to any third party. Further, the Participant understands that it will be auto-

## **1.6 Bid Submission**

Participant will submit the completed response, as directed by the member of the IBX Advisor Network.

## **1.7 Ethical Conduct**

Participant shall engage in ethical business practices at all times and must promptly notify IBX, by contacting the appropriate project team, if it witnesses practices that are counter-productive to the fair operation of the sourcing project. If Participant experiences any difficulties during the RFP process, Participant must notify

## **1.8 Indemnification**

Participant agrees that any information or content submitted through the IBX IQ System shall be true and

## **1.9 Survival**

The terms and conditions of this Bidder Agreement shall survive completion of the RFP.

## **1.10 I, on behalf of my company, agree to the terms of above Bidder Agreement.**

## **2.0 IBX Helpful Hints**

### **2.1 Technical Questions**

Please direct all technical questions (Log in issues, password resets etc) to Jeff Harvey in the IBX Resource Center at 770.305.6662

### **2.2 System Training**

To assist you in navigating IBX's IQ System we offer WebEx demos. To register for a demo and receive the WebEx link, please contact Jeff Harvey at jharvey@ibxonline.biz

### **2.3 Mode(s) of Communication**

Please utilize the message feature within the system for any questions related to the RFP. For the purpose of tracking activity on an RFP, the message feature is the recommended mode of communication. Not using this feature could result in a delayed response to your inquiry. Contact with the Advisor firm regarding this RFP is not

### **2.4 Submitting Responses**

All completed responses must be submitted through the system by the RFP close date/time.

### **2.5 Data Integrity**

We recommend that you periodically save your responses as they are entered to avoid losing any data. You can save your responses by clicking the "Update" button located at the bottom of the screen. By clicking the "Update" button, you will be given the option to either "Save" or "Submit". Clicking the "Save" button will allow your responses to be saved and edited/completed at a later date. However, in order for your responses to be submitted by the deadline, you must click "Update" followed by "Submit". Failure to do so will result in your data not being captured and presented to the Advisor for review. Please note that you can change your submitted

### **2.6 Timing of Submission**

Your RFP response may be submitted at any time prior to the deadline but must be received by the close of the RFP. We also recommend that you review and check for errors prior to submitting your final responses. Keep in mind that attempting to submit your responses in the final minutes of an RFP without reviewing, may cause time delays which could result in non-acceptance through this system.

### **3.0 Employer (Client) Introduction**

#### **3.1 Description**

Chattanooga, the 4th largest city in the state, is located in Southeast Tennessee near the border of Georgia at the junction of four interstate highways. The city has received national recognition for the renaissance of its beautiful downtown and redevelopment of its riverfront. The city boasts the most productive affordable housing program in the nation, and is notable for leveraging development funds through effective public/private

#### **3.2 Employer (Client) Website**

--City of Chattanooga Website(<http://www.chattanooga.gov>)

#### **3.3 Business Main Office Location:**

1000 Lindsay Street  
Chattanooga, TN 37402

### **4.0 IBX Advisor Profile**

#### **4.1 IBX Advisor Firm Name:**

Russ Blakely & Associates

#### **4.2 IBX Advisor Firm Producer:**

Producer - Russ Blakely  
Account Manager - Brent Wick

#### **4.3 IBX Advisor Firm Address:**

620 Lindsay Street  
Suite 201  
Chattanooga, TN 37403

### **5.0 Scope of Project and Key Objectives**

#### **5.1 The following products are in scope:**

Specific Stop Loss

### **6.0 IBX Project Timeline**

#### **6.1 There are three(3) phases of the IBX RFP process. Please review the timeline below, read the**

#### **6.2 Initial Pricing Phase**

05/31/13 through 06/13/13 - All carriers will be invited to review the documents provided, and submit their initial rates and plan design confirmation. This is referred to on our system as the Initial Pricing Phase.

#### **6.3 Advisor/Client Review Period**

06/13/13, 12:00 p.m. EST - Access to the system will close. Any carrier who did not enter their initial rates during the Initial Pricing Phase will not be allowed to participate in the Secondary Pricing Phase, and will no longer

#### **6.4 Secondary Pricing Phase**

06/17/13, 12:00 p.m. EST through 06/19/13, 12:00 p.m. EST - Carriers who submitted initial rates and plan design confirmation during the Initial Pricing Phase will be able to adjust their pricing for each line of business, after which these revised rates will be presented to the client. We will provide more information regarding the

#### **6.5 Please Confirm**

I understand that in order to be eligible for the Secondary Pricing Phase, I must submit a bid during the Initial Pricing Phase. I also acknowledge that I have read and understand the timeline and deadlines for this RFP.

#### **7.0 RFP Data Details**

##### **7.1 Effective Date of Coverage**

07/01/13

##### **7.2 Current Carrier(s)**

TPA - BCBS of Tennessee  
Medical Network - BCBS of Tennessee  
Rx Provider - Medco-Express Scripts  
Stop Loss Carrier - Blue Re

The City of Chattanooga intends to maintain BCBS of Tennessee as their Administrator and Network as well as maintain Medco-Express Scripts as their Rx Provider.

##### **7.3 Employer Census**

Provided in the Attachments Section below is the most recent census available.

##### **7.4 Contracts and Plan Documents**

Provided in the Attachments Section below are the Plan Contracts and Stop Loss Contract.

##### **7.5 Plan Experience**

Provided in the Attachments Section below is all available experience reports through 04/30/13.

#### **8.0 Intent to Bid**

**8.1 Please indicate your firm's intention to bid for each product line. Please note that you can change your answer anytime while the Initial Pricing Phase of the RFP is open. If you indicate that you are bidding, you will be required to complete all mandatory data fields including plan design and rate confirmation. If you are declining to quote on the entire RFP, please indicate that here and send an email to that effect via the IQ message feature. You are not required to note anything further in the system at**

##### **8.2 Intend to Bid - Specific Stop Loss**

#### **9.0 Carrier Confirmation of Plan Design**

##### **9.1 Specific Stop Loss**

Please review the plan specifications outlined below and enter "Confirm" if you can match the specification or "Non-Confirm" if you cannot. Should you "Non-Confirm" a given specification, please provide your alternative response in the box provided.

Number of Lives

Contract Type - **24/12**

If Non-Confirm, please enter your response here.

Coverages Included - **Medical/RX**

If Non-Confirm, please enter your response here.

Specific Deductible - **Option 1 - \$400,000**

If Non-Confirm, please enter your response here.

Specific Deductible - **Option 2 - \$425,000**

If Non-Confirm, please enter your response here.

Specific Deductible - **Option 3 - \$450,000**

If Non-Confirm, please enter your response here.

Annual Maximum - **Unlimited**

If Non-Confirm, please enter your response here.

Lifetime Maximum - **Unlimited**

If Non-Confirm, please enter your response here.

Retirees - **Both Pre- and Post-65 Are Covered**

If Non-Confirm, please enter your response here.

Confirm you are offering a firm proposal.

If Non-Confirm, please enter your response here.

Confirm you are offering a No Laser at Renewal contract.

If Non-Confirm, please enter your response here.

Confirm you have not included any run-in caps or limits.

If Non-Confirm, please enter your response here.

## **10.0 Compensation Confirmation**

**This section outlines the compensation arrangement between IBX and the Advisor.**

### **10.1 Stop Loss**

#### **SPECIFIC STOP LOSS**

Total Compensation - 12%

#### **COMPENSATION ALLOCATION**

Russ Blakely & Associates - 10%

IBX - 2%

## **11.0 Marketing Questions/Requirements**

### **11.1 Proposer Qualifications and Experience**

Describe your form of business (i.e. individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company, etc.) and business location (physical location and state of domicile).

Audited financial statements from the 2 most recent fiscal years (note that privately held corporations may substitute other business/credit substantiation for financial stability)

Your A. M. Best ratings for each of the last 3 years specifically for your stop loss products.

Provide a detailed description of your organization including the bios for all members of your organization that will be working with the City.

Has your organization recently been acquired (past 2 years) or currently in any discussions regarding mergers or acquisitions?

What has your client retention rate been for the past three (3) years?

From what location will the services be provided to the City?

How long has your organization been providing these services?

Please provide references of five (5) companies or governmental entities for whom you currently provide this coverage. Include contact names and titles, company name, address, phone number and email address for each. Also include information regarding the length of time you have provided this service for the organization. Provide a description of your business philosophy and the key reasons you feel your company is a good fit for the City program.

Provide a statement of whether, in the last ten years, the Proposer has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation proving relevant details.

Provide a statement of whether there is any material, pending litigation against the Proposer that the Proposer should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material impact on the Proposer's financial condition. If such exists, list each separately, explain the relevant details and attach the opinion of counsel addressing whether and to what extent it

### **11.2 Account Management/Implementation**

Who will be the main contact from your organization responsible for the contract with the City?

Please provide credentials and experience for this individual.

Will there be other support staff from your organization supporting the City? If so please list these

What type of reporting will be provided to measure results of the services provided?

Will you commit to working with our consultant to provide all needed information for reporting purposes?

The City expects the account management team to coordinate with both the City plan administrator, PBM, care management vendors, consultant, etc. Confirm your willingness to coordinate with all parties to successfully

Will there be a dedicated Implementation Manager for the City? If so provide a description of how they will manage the process.

### **11.3 General Stop Loss Services**

Describe the process and format for collecting claims data from the Administrator and PBM for all large

Provide frequency, data elements needed and willingness to except the administrator and PBM standard format

What is the length of time for reimbursement after notification of claim?

Can you provide an automated reimbursement process?

Does your contract mirror the City Plan Document?

How do you handle any claims for services outside the Plan Document but approved by medical management?

What audit process do you perform prior to paying a claim? What is the timeframe to complete this process?

Do you maintain current eligibility data in your system?

Do you offer a participating stop loss contract?

Will you guarantee pricing for more than 12 months? Please explain.

What is your average rate increase for the past 3 years for similar individual pooling levels?

Are there any other services you will provide to the City at no additional cost?

Confirm your ability to provide a firm renewal 60 days prior to the renewal date.

### **12.0 Quote Assumptions**

**12.1 Please provide any other relevant information pursuant to your offer.**

Plan Design Commentary - If you have recommendations for plan design alternatives please note them here.

Value Added Enhancements - Please indicate any value added enhancements you can offer and indicate any financial impact to your quoted rates.

Proposal Valid for: Please indicate number of days

**12.2 Carrier Attachments - Initial Pricing Phase**

Please use this section to upload applicable documents, including proposals, contingencies and disclosure information. Keep in mind that if you need to upload more than one document, you must zip the documents together and upload the zip file

**12.3 Carrier Attachments - Secondary Pricing Phase**

Please use this section to upload a proposal reflecting your pricing from the Secondary Pricing Phase.

**13.0 You can save your data in the RFP by clicking the "Update" button followed by the "Save" button. By clicking the "Update" button, you will be given the option to either "Save" or "Submit". Clicking the "Save" button will allow your responses to be saved and edited/completed at a later date. However, in order for your responses to be submitted by the deadline, you must click "Update" followed by "Submit". Failure to do so will result in your data not being captured and presented to the Advisor for review.**