



ORANGE COUNTY PUBLIC SCHOOLS

Procurement Services 445 W. Amelia St. Orlando, Florida 32801
(407) 317-3200 FAX (407) 317-3971

March 1, 2005

ADDENDUM NO. 1

Benefit Consultant Consulting Services, RFP 05-02-08

(To be attached and become a part of Call for Bids)

To be opened March 16, 2005 @ 2:00 pm, Orange County Public Schools, Procurement Services, 445 W. Amelia St., Orlando, FL 32801.

1. Q. Who is the incumbent consultant and how long have they been engaged by OCPS?

A. Wittner National Group. More than 25 years.

2. Q. Under the current structure, are commissions being paid by insurance carriers and received by broker/consultant on voluntary products (e.g. Long Term Care, Group Universal Life, Auto/Home)? If yes, what are the annual commissions paid on those employee paid benefits?

A. Yes. Annual commissions paid on medical conversion policy, long-term care, GUL, disability, dental, vision, Board-paid life, dependent life, not auto/home nor medical. Annual commissions equal approximately \$800,000.

3. Q. What do we need to do for obtaining a Hard Copy of the OCPS Insurance Handbook?

A. A hard copy of the handbook can be obtained through Procurement Services. It can be picked up or mailed to your office.

4. Q. On aggregate, what is the annual cost of premium and claims cost for OCPS, including retirees?

A. The aggregate cost for medical (i.e. administration and claims expense) was \$94.6 million for the 2003-04 plan year. The medical plan premium currently paid per employee (by the Board) is \$4570 annually.

The dental, vision, group universal life and disability policies are employee self-paid and the rates can be found on the rate sheet in the Insurance Handbook; OCPS does not maintain any cost information on these voluntary plans.

5. Q. Other than the scope of services provided, are the five most compelling needs that have not been met by the incumbent consultant?

A. The Scope of Services clearly defines our needs.

6. Q. Specifically what type of documentation would satisfy your criteria to show evidence that we have been providing services for at least five years?

A. One source of documentation will be the length of time you have serviced your accounts listed in Appendix D.

7. **Q. Tab 5, Letter O - expand upon the letter of agreement for medical consulting services available through a Florida licensed physician. What specific services are provided today, by whom, and what is the hourly rate. Explain why OCPS is not contracting independently for these services.**

A. Medical consultation services are necessary when considering clinical issues that affect benefit design. OCPS expects to have these available from the consultant who is awarded this contract. Also, the consultant will manage our grievance procedure which often involves clinical issues where a neutral opinion is needed. In addition, the consultant should be able to apply measurement standards in order to evaluate the care that our employees are receiving.

Currently, this role is filled by the plan Medical Directors as part of the Administrative cost to the plan. OCPS sees this as the responsibility of the consultant.

8. **Q. Tab 5, Letter P - expand upon the letter of agreement for legal consulting services available through an attorney or law firm knowledgeable about employee benefit issues, including tax law; to be sure that the District's collectively bargained benefits are in compliance with all laws, rules and regulations. Expand upon what services are being provided, by which firm, and at what cost.**

A. This service currently is provided through our consultant at no additional cost. When problems arise relative to benefit and coverage issues and HIPAA compliance and training, legal opinions are sought.

9. **Q. How is open enrollment conducted? What is the current open enrollment process at OCPS? Does OCPS provide employee self-service (on-line on the web, IVR, or call center assisted enrollments) for employees? If yes, what are the associated administrative fees, and services provided to OCPS and by which entity? Are there any data interface with insurance providers, payroll and HRIS presently?**

A. Open enrollment is conducted every May/June through an IVR system for a coverage effective date of Oct. 1. Carriers pay for the printing of the Insurance Handbooks and a portion of the IVR maintenance. There is regular data interface regarding eligibility files.

10. **Q. This is a three (3) year contract. What is the procedure if the consultant/broker undergoes a legal name change mid-contract? Would OCPS require a new bid to go out, or could the original agreement be amended to reflect any name change?**

A. If it is simply a legal name change, the contract could be amended to reflect the name change. Article 12 of the Sample Agreement included in your proposal addresses Successor and Assignments.

11. **Q. Are you aware of any contingent commissions or bonus paid out by Cigna or any other carriers to the incumbent broker/consultant? Is there transparency, have those been disclosed, and if yes, what is the total that have been paid under the current agreement? As a practice, Marsh/Mercer will not accept any contingent commissions from insurance carriers.**

A. We are not aware of any contingent commissions. The consultant has provided OCPS with commission revenue reports whenever requested. The expectation is that all revenue derived is reported. In the current contract, the compensation is defined.

12. **Q. Why is OCPS bidding these services at this time?**

A. OCPS has been directed by the School Board to do so.

13. **Q. What concerns does the System identify with the present consultant/broker that you desire to improve through this RFP?**

- A. The Scope of Services clearly defines our needs.
- 14. Q. Please identify the names of the current attorney & physician engaged by OCPS? What functions do they serve under the current contract?**
- A. Currently, legal opinions are sought when necessary. The health plan Medical Directors provide clinical assistance. Also, please see answers to questions 7 and 8. .
- 15. Q. What services are currently provided by a Minority/Women Business in regards to this contract (RFP)?**
- A. None
- 16. Q. Section 2.0 1.9 "Manage the patient grievance process for the Benefit Trust ensuring that it complies with all local, state, and federal regulations". Please explain what tasks and activities this entails in the present contract? What activities does OCPS anticipate under this task in The future? Is the current consultant performing this task?**
- A. The current consultant is performing this task. Consultant needs to confirm that the OCPS grievance process (in all aspects including time frames) is compliant with all rules and regulations according to Federal guidelines for the OCPS self-insured HMO/PPO plans. The consultant responds to the member, completes/maintains records, schedules meetings, provides/maintains documentation, notifies member of the outcome, follows-up on recommended actions, researches issues, etc.
- 17. Q. Please provide the total fees paid to the current consultant under this contract for each of the last three years, breaking down the costs by amount paid for the consultant/broker's services and those paid for subcontractors under the contract.**
- A. OCPS does not have the last three years of cost paid (commissions are paid directly to the consultant). The current consultant has provided a commission report when requested by OCPS. See Marsh Question/Answer 3.
- 18. Q. Does the current consultant/broker receive commissions for services under the contract? If so, on which insurance plans? Are these commissions in addition to or in lieu of fees charged to OCPS?**
- A. It is illegal in Florida to pay both commissions and fee for service. Also, please see answer to question 2. .
- 19. Q. How many meetings did the current consultant/broker attend at OCPS during the last 12 months?**
- A. See 2.0 Scope of Services, 1 General, and Item 1.14 (six to eight hours monthly). OCPS estimates two hours per week on average.
- 20. Q. Re: Proposal Price Form - Appendix B - are you requesting that we provide the amount of time for each task by year for the three years on the same form? The form only seems to anticipate one year.**
- A. No. One year only.
- 21. Q. How important is firm location within Florida as a determining evaluation factor?**
- A. It is important and may be used as part of the evaluation as listed under the Qualifications Tab.

SCHOOL BOARD OF ORANGE COUNTY, FLORIDA

Donald D. Blanton

BY _____
Superintendent

Acknowledgement of Addendum by Vendor:

This addendum shall be completed by Vendor and returned with the Bid Package. If a bid package has already been submitted, this addendum must be submitted to the above address in a sealed envelope which is marked on the outside: Addendum to Bid, bid title and number.

This is to acknowledge receipt of this addendum which will become part of the bid document.

NAME (TYPED)

TITLE

SIGNATURE

VENDOR NAME

DATE