

RFQ #27992

Private Exchange for Retiree Healthcare

Questions & Answers – Revised

Except to remove vendor names and addresses, questions are provided exactly as submitted.

#		Section	Question / Answer
1	Q	General	Do vendors have the option of submitting a redacted copy of their proposal or marking certain items as “proprietary and confidential”?
1	A		Redactions are permissible only if the redacted version provides everything requested in the solicitation.
2	Q	General	How does the City of Memphis communicate with retirees – mailings, meetings, etc.? Are there any retiree clubs that we should consider in terms of our communications plan?
2	A		Communication to retirees is through mailings, meetings and emails. The Labor Associations and ACRE (Association of City Retired Employees) also are available to facilitate communications.
3	Q	Exhibit 4	There are no ages provided. Please provide the ages you would like us to use for pre-65 and post-65 premiums.
3	A		For Post-65 premiums, please provide based on that of a 70-year old, non-smoking male and for Pre-65 premiums based on that of a 62-year old, non-smoking female.
4	Q	4.5.1	Is it acceptable to provide flash drives as an alternative to CDs?
4	A		Yes
5	Q	3.11	Our annual report is 270 pages long. Would you prefer that this be printed or provided in electronic copy only?
5	A		An electronic version is acceptable.
6	Q	1.2 Overview	How many retirees are not eligible or enrolled in Part A? The Part B number is listed but not Part A.
6	A		There are approximately 400 current retirees not enrolled in Part A. However, these individuals will remain self-insured through the City of Memphis unless there is a viable option for them on the exchanges.
7	Q	1.2 Overview	Is The City planning to terminate the current program or allow a choice between the current program and the individual market? A sentence in the RFP reads as a “fair alternative”?
7	A		The private exchange is intended to be the only option unless a retiree is not eligible for Part A (and is over 65). Other exceptions may be made for limited groups of retirees, i.e. widows of individuals killed in the line of duty.
8	Q	1.2 Overview	How is eligibility managed today?
8	A		Eligibility is determined by employment status, birthdate and information

			provided by CMS. At the time of enrollment individuals are required to provide proof of age.
9	Q	1.2 Overview	Who is your current HW administrator and platform?
9	A		The City administers its own plan and uses the Oracle E-Business.
10	Q	1.2 Overview	What other benefits are in place today for retirees such as life, dental and vision?
10	A		Life, dental and vision are voluntary benefits offered to retirees.
11	Q	1.2 Overview	Who are your current dental, vision and medical carriers today?
11	A		Cigna is the dental and vision carrier. Our Medicare Supplemental and Advantage plans are currently through Cigna Healthsprings.
12	Q	1.2 Overview	When do retirees typically make annual enrollment elections?
12	A		Our annual enrollment is traditionally in October.
13	Q	1.2 Overview	Regarding How many retirees are not eligible or enrolled in Part A? The Part B number is listed but not Part A.
13	A		There are approximately 400 current retirees not enrolled in Part A. However, these individuals will remain self-insured through the City of Memphis unless there is a viable option for them on the exchanges.
14	Q	1.2 Overview	Is The City planning to terminate the current program or allow a choice between the current program and the individual market? A sentence in the RFP reads as a "fair alternative"?
14	A		The private exchange is intended to be the only option unless a retiree is not eligible for Part A (and is over 65). Other exceptions may be made for limited groups of retirees, i.e. widows of individuals killed in the line of duty.
15	Q	2.1.4 Communication & Education	How have you communicated changes to retirees in the past?
15	A		Communication to retirees is through mailings, meetings and emails. The Labor Associations and ACRE (Association of City Retired Employees) also are available to facilitate communications.
16	Q	2.1.4 Communication & Education	When was the last significant change to your retiree program? Please describe?
16	A		In 2015 we moved our Medicare Retirees from our self-insured plan to Medicare Supplemental and Advantage plans. In 2016 we stopped subsidizing our pre-65 retiree healthcare unless certain qualifications were met, e.g. line of duty disability or ordinary disability upon proof of the unavailability of group insurance through another employer or their spouse.
17	Q	4.5.4 Proposer Data	While we understand that the City will keep proposals confidential until the Intent to Award is announced, how would The City prefer us to indicate materials we consider confidential?
17	A		All documents submitted in response to an RFP are subject to Tennessee's Public Records Act. Redactions are permissible only if the redacted version provides everything requested in the solicitation.

18	Q	No Section	Who will be performing the calculation for the HRA amounts?
18	A		PwC is assisting the City is determining the HRA amounts under the new program.
19	Q	No Section	What is your current average subsidy, for those receiving a subsidy?
19	A		For pre-65 grandfathered retirees, the City subsidizes 70% of the cost. For pre-65 non grandfathered, the City does not provide a subsidy. For all Medicare eligible participants, the City subsidizes 25% of the cost.
20	Q	No Section	How do retirees pay for coverage today?
20	A		Most retirees pay for coverage through payroll deduction from the retirees pension.
21	Q	No Section	Does The City negotiate retiree benefits with any populations today? Do you have any union populations?
22	A		The City does have Memoranda of Understanding with some Labor Organizations. However, no retiree benefits are the subject of these Memoranda.
23	Q		In reviewing Exhibit 9, "CITY OF MEMPHIS SERVICE AGREEMENT GENERAL TERMS AND CONDITIONS", we did not see a limitation on direct damages clause in the language included in the RFP. Our position is that such a clause is necessary before we sign any services contract. Will you allow the bidder to insert such a clause for discussion during contracting, or will you take the position that the bidder may not do so?
23	A		If the bidder desires to include such a contract provision, the bidder should include the clause in its proposal. It will be one of the factors considered in selecting the successful bidder.