



Request for Proposal

Stop Loss Marketing

City of Overland Park, Kansas

September 28, 2021

welcome to brighter

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Introduction

Purpose

On behalf of the City of Overland Park, Mercer is soliciting proposals from qualified carriers for specific stop loss insurance.

The City of Overland Park, Kansas, hereinafter referred to as “City,” is located in the Kansas City metropolitan area. It has a population of approximately 189,000, is the second largest City in the State of Kansas and the largest city in Johnson County, Kansas. The City has twelve elected council members and an elected Mayor, which comprise the Governing Body. The Governing Body hires a professional City Manager as the chief administrative official.

The purpose of this Request for Proposal (RFP) is to ensure that the City’s stop loss program is administered at a high service level and in the most cost-effective manner possible. The carrier must have the flexibility necessary to respond to the City’s current and changing needs.

This RFP provides interested carriers with sufficient information to enable them to prepare and submit proposals for each plan type for consideration by the City.

1. Objectives

The City's objectives are to contract with a carrier that will:

- Demonstrate the ability to deliver high quality benefit and administrative services at a competitive price
- Offer superior service to the benefit staff at the City
- Have a commitment to provide exemplary set-up and implementation support for a smooth transition
- Match the desired plan design and contract provisions
- Provide flexible and creative risk transfer solutions that enable the City to meet risk bearing objectives
- Work with the current claims administrator in a seamless manner

2. Medical Coverage

2021 Plans

In 2021, the City offers a narrow network, the Blue Select Plus network, as an option alongside the Preferred Care Blue network. Plans are as follows:

- Preferred Care Blue - Low Deductible Plan (PPO)
- Preferred Care Blue - HRA Plus Plan – (High Deductible PPO with Health Reimbursement Account (HRA))
- Preferred Care Blue - HRA Base Plan (High Deductible PPO with HRA)
- Blue Select Plus - Low Deductible Plan (PPO)
- Blue Select Plus - HRA Plus Plan – (High Deductible PPO with Health Reimbursement Account (HRA))
- Blue Select Plus - HRA Base Plan (High Deductible PPO with HRA)

BCBSKC continues to administer the network and medical claims administration services and Elixir is the City's pharmacy benefit manager.

The City is not making any substantive plan or carrier changes for 2022.

Please refer to Appendix I for more detailed information about the 2021/2022 benefit offerings.

3. Eligibility/Current Personnel Data

Per the Summary Plan Description:

“You are eligible to enroll in the Plan if you are (i) a full-time participant who is scheduled to work at least 37.5 hours per week; (ii) a regular part-time Class D or H Participant who is determined to work at least 30 hours per week; (iii) a person who retires while covered under the Plan; (iv) a part-time Class A employee of the Plan Sponsor; (v) a contract employee with health coverage as a term of their contract; (vi) a current or former eligible Governing Body member; or (vii) any other person that may be designated as eligible by the Plan Sponsor.”

A census file reflecting medical enrollment elections (including waivers) is provided with this proposal in Appendix II.

4. Selection of Carriers

- The City is seeking a single carrier to provide specific stop loss coverage for all self-insured medical and Rx benefits for actives and retirees.
- Coverage for the City will be effective January 1, 2022.
- The City is requesting rates for Specific Stop Loss coverage.

5. Rejection of Proposals

The City reserves the right to (1) accept or reject any and all proposals and to waive any technicalities or irregularities involving any proposal and to cancel the RFP process at any time prior to entering into a formal contract for services; (2) not award a contract for any or all of the services that are the subject of this RFP process; (3) negotiate contract terms acceptable to the City with the Consultant; (4) disregard all nonconforming, non-responsive or conditional proposals; (5) reject the response of any respondent which does not submit a proposal to the City's satisfaction, and (6) in its sole discretion, enter into preliminary negotiations with more than one respondent.

6. Questions

Questions concerning this RFP must be submitted by email to tricia.iseman@mercerc.com and morgan.fischer@mercerc.com by October 5th. All responses to questions regarding this RFP will be posted on the City's internet site, www.opkansas.org/Bids-And-Proposals on October 7th.

7. Amendment to the RFP

If it becomes necessary to revise any part of this RFP, an amendment will be issued to all carriers who received the initial RFP.

8. Contractual Obligations

All of your responses and the terms you include in response to this RFP shall be binding upon you until December 31, 2022.

Although this RFP and your responses will be the basis of a contract, it is not intended that this RFP or your responses will constitute all of the terms, conditions and elements of a contract or contracts between the parties. The City and responding carriers agree to negotiate in good faith to address all the terms, conditions and elements of a contract. Contractual requirements will include, but will not be limited to, provisions for privacy and confidentiality (including privacy contracts as required under HIPAA); security and dishonesty bond requirements; errors and omissions coverage; general insurance requirements and other matters.

9. Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the carrier's ability to meet the requirements of the RFP.

10. Prime Carrier Responsibilities

The selected carrier will be required to assume responsibility for all services offered in its proposal whether or not the carrier produces them. Further, the City will consider the selected carrier to be the sole point of contact with regard to contractual matters.

11. Disclosure of Kansas Open Records Act ("KORA")

The City is bound by the Kansas Open Records Act ("KORA") and considers all responses to be open records once a Vendor is chosen. If a Respondent believes any page or pages fit within an exception to the KORA, Respondent must identify such page or pages and reference the particular section(s) of K.S.A. 45-221(a).

12. Hold Harmless

The carrier shall be responsible for and agree to indemnify and hold harmless the City from damages to property or injuries (including death) to any person(s) and any other losses, damages, expenses, claims, demands, suits, and actions by any party against the City in connection with the work performed by the carrier.

13. Confidentiality Agreement

By accepting this RFP for consideration you agree to keep the information provided herein confidential. This requirement applies whether or not the recipient of the RFP package agrees to bid. Other than reports submitted to either the City or Mercer, the recipient/bidder agrees not to publish or reproduce or in any other way divulge such information in whole or in part, in any manner or form, or authorize or permit others to do so. Information may not be released to parties external to this process without the written consent of City.

By completing this RFP, you agree not to divulge the contents of your proposal to any other personnel if their names do not appear on this RFP. This stipulation is neither to impede nor inhibit your marketing or sales activity, but rather to ensure the confidentiality of your quotation.

14. Project Timing

Tentative project timing will be as follows:

Stop Loss Marketing Timeline	
RFP Released	Tuesday, September 28th
Written Questions due to Mercer	Tuesday, October 5 th
Response to questions posted to City's website	Thursday, October 7 th
Proposals Due to the City Clerk	Tuesday, October 12th by 3:00 PM CST*
Evaluation/Presentation of Results	October 13 th – October 29 th
Vendor Selection – Recommendation to FAED committee	November 17 th
Effective Date	January 1, 2022

**One hard copy of the proposal must be received by the City of Overland Park's City Clerk either in-person or by mail by the deadline. The City Clerk acts as the gatekeeper for proposals, not Mercer. Failure to adhere to this requirement may result in your proposal not being considered. Please follow up with a separate, electronic copy of your proposal to Mercer.*

15. Selection Criteria

All proposals will be reviewed and evaluated based on carrier qualifications as demonstrated by ability to meet proposal requirements as stated and the financial proposal.

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Proposal Requirements

If you deviate from the specifications or bidding requirements, you must indicate the deviations clearly before signing below. Submission of your proposal without noting deviations implies concurrence with these specifications.

Please confirm that your proposal is subject to and is consistent with the national stop loss agreement currently in place with Mercer, if applicable.

1. Specific stop loss coverage applies to all medical and drug expenses, including all mental health and substance abuse claims, covered under the self-insured plan(s). All benefits paid under the benefit plan must accumulate to specific stop loss limits without any limitations or exclusions. The specific stop loss lifetime maximum must be consistent with the underlying medical plan(s).
2. Specific stop loss coverage applies to all eligible members as defined in the Introduction.
3. You will accept the claim administrator's interpretation as to what is an eligible expense under the medical plan.
4. The actively-at-work requirement and dependent non-confinement rules must be waived for all eligible members as of the effective date of coverage.
5. Pre-existing condition limitations are waived.
6. No new lasers at renewal, unless requested by or on behalf of the employer.
7. Quotes are to be on a firm basis for a January 1, 2022 effective date and guaranteed for 12 months. **Quotes are not to expire prior to December 1, 2021.**
8. Notice of the change in excess risk premium must be provided by 90 days before renewal date of each year. The new premium will not be effective until the following policy anniversary. Coverage must be binding no later than 60 days before the renewal date.
9. Written notice must be provided at least 60 days before you terminate the contract.

10. If necessary, you may revise premiums at a time other than the anniversary date only if specific events occur. These events are as follows:
 - The number of covered employees changes by more than 15%
 - There are significant changes in the underlying plans that would materially alter your risk.
11. You or your insurer, if a separate organization, must be rated A, A+ or A++ by A.M. Best or an equivalent rating bureau.
12. The City retains the right to terminate the contract at any time with 30 days written notice.
13. A copy of your sample stop loss contract must be included in your proposal.
14. A dedicated account management team will support the City's benefit staff.
15. Claims administrator(s) must be approved by your firm.

Acceptance of Requirements

Stop Loss Carrier agrees to the proposal requirements of the specifications:

- ☐ Without exception
- ☐ With exceptions described below

Deviations / Exceptions from the specifications above

Proposal Requirement Number(s):

Explanation:

Signature:

Officer's Name:

Title:

Date:

Your Contact information

Please provide the name and contact information for the responsible party for this RFP who can be reached **October 2021 - December 2021**

Name

Telephone Number:

Fax Number:

E-Mail Address:

Proposal Due Date

All proposals must be submitted no later than **October 12th, 2021 by 3:00 PM CST**. One (1) signed original of your proposal in printed form must be submitted in a sealed envelope or box with the following words clearly marked on the outside of the envelope: **Request for Proposal: Specific Stop Loss Insurance**. The vendor's name and address must be clearly indicated on the envelope or box. There will be no public opening of the proposals. It is the sole responsibility of the vendor to see that their proposal and the appropriate documents are delivered on time. **Any proposal received after the scheduled closing time for the receiving of proposals will be returned to the vendor unopened and will not be considered.** Proposals should be sent to the City of Overland Park at the address below:

City of Overland Park
Attn: City Clerk
8500 Santa Fe Drive
Overland Park, KS 66212

One hard copy of the proposal must be received by the City of Overland Park's City Clerk either in-person or by mail by the deadline. The City Clerk acts as the gatekeeper for proposals, not Mercer. Failure to adhere to this requirement may result in your proposal not being considered. Please follow up with a separate, electronic copy of your proposal to Mercer.

After submitting your proposal to the City Clerk, please send your proposal electronically via email to Tricia Iseman and Morgan Fischer at Mercer:

tricia.iseaman@mercercorp.com
morgan.fischer@mercercorp.com

Contact Regarding this RFP

Please direct any questions regarding this RFP to:

Morgan Fischer
Associate
2405 Grand Blvd., Suite 900
Kansas City, MO
Email: morgan.fischer@mercercorp.com

Tricia Iseman
Senior Associate
2405 Grand Blvd., Suite 900
Kansas City, MO
Email: tricia.iseaman@mercercorp.com

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Cost Proposal

Quotation Specifications

- Specific stop loss coverage should be quoted on the following basis:
 - Paid (BCBSKC/Incumbent) and 24/12 (all other vendors)
 - Unlimited lifetime maximum
 - Coverage for medical and Rx claims
- The City is requesting specific stop loss quotes for the following deductibles:
 - \$200,000 (current)
 - \$225,000
 - \$250,000
- All premiums should be quoted on a per employee per month (PEPM) basis.
- If you are lasering any individuals, please provide alternative “no laser” quotes.
- Please quote rates net of commission.
- The numbers of covered active and retired employees included in this proposal is 812. This reflects current enrollment in the current self-insured plans.
- **The current premium for specific stop loss is \$87.95 PEPM (\$200,000 deductible).**

City – Paid (BCBSKC/Incumbent) and 24/12 Basis (all other vendors)					
	Number of Contracts	X	Premium Rate	=	Total Monthly Premium
Specific Deductible \$200,000	812			=	
Specific Deductible \$225,000	812			=	
Specific Deductible \$250,000	812			=	

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Request for Information Questionnaire

General

1. Please provide your definition of an incurred claim.
2. Please provide your definition of a paid claim.
3. Define clearly the terms and conditions of your contract as they apply to contract termination.
4. Describe how you will treat ongoing claims as of the inception date of a contract.
5. Are you willing to waive the following?

A. Pre-existing condition limitations?

- ☐ Yes
- ☐ Yes, with qualifications
- ☐ No

Provide specific qualifications.

B. Actively-at-work?

- ☐ Yes
- ☐ Yes, with qualifications
- ☐ No

Provide specific qualifications.

C. Dependent non-confinement provisions?

- ☐ Yes
- ☐ Yes, with qualifications
- ☐ No

Provide specific qualifications.

6. Will you agree not to laser new individuals upon renewal?

- ☐ Yes
- ☐ Yes, with qualifications
- ☐ No

7. Will you limit coverage for large, ongoing claim cases at renewal?

- ☐ Yes
- ☐ No

If yes, please explain.

8. Provide circumstances where you will not laser (i.e., no laser policy options, specific deductible thresholds).

9. Does your disclosure form contain wording which requires knowledge of any individual who may have a condition that might result in a claim level at 50% or more of the requested stop loss coverage threshold (or similar language)?

- ☐ Yes
- ☐ No

If yes, provide actual language.

10. If you require a disclosure statement, the employer will fill the information out to the best of their knowledge. In the event a claim occurs which should have been on the disclosure statement based upon information the plan administrator had but of which our client had no knowledge, will you treat this as a legitimate claim and reimburse the client without applying any benefit reduction and/or contractual modifications?

- ☐ Yes
- ☐ No

If no, please explain.

11. Will you allow a claim audit by the policyholder and/or third party?

- ☐ Yes
- ☐ Yes, with qualifications
- ☐ No

12. Describe your case management capabilities to monitor/manage potentially high dollar cases.

13. As the stop loss carrier, do you provide underwriting/claim service in-house?

- ☐ Yes
- ☐ No

If no, are these services vended to third parties (MGUs)?

- ☐ Yes
- ☐ No

If no, explain.

Rating Procedures

14. Describe your renewal rating process.

15. Describe your credibility formula.

16. Under what conditions do you reserve the right to revise or amend the specific and/or aggregate premium rate or aggregate attachment points-off anniversary?

17. Will you provide firm rates if all required underwriting information is provided based on the schedule below:

- Specific coverage only cases: Firm rates provided 90 days prior to the effective date based on data 120 days prior to the effective date.
- Specific and aggregate coverage cases: Firm rates provided 60 days prior to the effective date based on data 90 days prior to the effective date.

- ☐ Yes
- ☐ No

If no, explain.

Claim Administrator

18. You must be willing to work with BCBSKC and Elixir to provide stop loss coverage. Please indicate your willingness below.

- ☐ Agree
- ☐ Do not agree

Contractual Issues

19. List your standard contract's set of general exclusions and limitations.
20. Describe your definition of experimental and investigational procedures.
21. What is the maximum time allowed for submission of valid claims?

Rating Bureau Information

What is your financial rating (AM Best, Moody, S&P or other)? Please provide the full name of your entity as listed under the rating agency.

Specific Stop Loss Contract

The City will select a stop loss contract with "run-in" coverage (e.g., Paid, 24/12) are there any limitations associated with the "run-in" claims?

22. Provide a brief description or list of data needed to process a specific claim reimbursement.
23. For claims exceeding the specific stop loss level, please address the following:
 - A. describe overall procedure from start to finish
 - B. timing parameters for all parties involved, including the client
 - C. interacting with the claims administrator
 - D. interacting with utilization review firm
 - E. interacting with large case management service
 - F. auditing stop loss claims
24. Does the specific stop loss coverage "blanket" the coverage of the base contract(s)?
 - ☐ Yes
 - ☐ No

If no, please explain:

Blanket is defined as covering all provisions outlined in the Plan Document without exception.

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Stop Loss Questionnaire

Please complete all questions. You will not be considered unless this questionnaire is answered in its entirety.

Please make your responses as brief as possible. Exhibits or attachments to your responses are permitted but should be kept to a minimum. Do not use marketing/sales literature.

General

Assuming that coverage will meet all proposal requirements:

Please advise if you would be unable to work with BCBSKC and/or Elixir.

1. Are all benefit offerings described in the benefit summaries/SPDs eligible for reimbursement (e.g., Rx, MH/SA)?

Rating Procedure

How credible is the client's experience?

- For this proposal?
 - For renewal purposes?
2. Are you willing to provide multi-year rate or rate increase guarantees? Please give details here.
 3. Does your proposed offering allow you to load premium rates for "known" risks?

Claim Administrators

4. Are you willing to accept a large claims data feed on a quarterly basis?
5. Is the attached census format for eligibility data acceptable for covered participants?
6. How often does eligibility data need to be provided?
7. What claims and eligibility data is needed and what timing requirements do you place on the disclosure of this information (e.g., 50% notification)? Please be specific in your response.

Contractual Issues

8. Is your quotation a “conforming quotation” with respect to the national stop loss agreement currently in place with Mercer (if applicable)? If not, please specify the additional information needed for a conforming quote.

Appendix I: 2022 Benefit Summaries

Benefit summaries for all 2021/2022 plans are included in electronic form for active and retired employees.

Plan Deductibles are shown below.

Preferred Care Blue - Low Deductible Plan

	Network	Non-Network
Individual	\$600	\$1,200
Employee + 1	\$1,200	\$2,400
Family	\$1,800	\$3,600

Preferred Care Blue - HRA Plus Plan

	Network	Non-Network
Individual	\$1,700	\$3,400
Individual + 1	\$3,400	\$6,800
Family	\$5,100	\$10,200

Preferred Care Blue - HRA Base Plan

	Network	Non-Network
Individual	\$2,500	\$5,000
Individual + 1	\$5,000	\$10,000
Family	\$7,500	\$15,000

Blue Select Plus - Low Deductible Plan

	Network	Non-Network
Individual	\$600	\$1,200
Employee + 1	\$1,200	\$2,400
Family	\$1,800	\$3,600

Blue Select Plus - HRA Plus Plan

	Network	Non-Network
Individual	\$1,700	\$3,400
Individual + 1	\$3,400	\$6,800
Family	\$5,100	\$10,200

Blue Select Plus - HRA Base Plan

	Network	Non-Network
Individual	\$2,500	\$5,000
Individual + 1	\$5,000	\$10,000
Family	\$7,500	\$15,000

Note for Public Bidders: Please contact either Morgan Fischer (morgan.fischer@mercer.com) or Tricia Iseman (tricia.iseaman@mercer.com) for copies of the appendices.

Appendix II: Active and Retiree Census Data

A complete census file is included in electronic form for active employees, COBRA participants and retirees.

Note for Public Bidders: Please contact either Morgan Fischer (morgan.fischer@mercer.com) or Tricia Iseman (tricia.iseaman@mercer.com) for copies of the appendices.

Appendix III: Large Claimant Reports

Large claims reports are included in electronic form for active and retired employees for 2019, 2020 and YTD 2021.

Note for Public Bidders: Please contact either Morgan Fischer (morgan.fischer@mercerc.com) or Tricia Iseman (tricia.iseaman@mercerc.com) for copies of the appendices.

Appendix IV: Historical Claim Experience

Historical claim reports are included in electronic form for active and retired employees for the following time periods:

1/1/19- 12/31/19

1/1/20- 12/31/20

1/1/21- 8/31/21

Note for Public Bidders: Please contact either Morgan Fischer (morgan.fischer@mercerc.com) or Tricia Iseman (tricia.iseaman@mercerc.com) for copies of the appendices.

Mercer Health & Benefits LLC
2405 Grand Boulevard, Suite 900
Kansas City, MO 64108
www.mercer.com

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