

**MERCER AUGLAIZE BENEFIT TRUST
MABT**

Request for Proposals for Employee Benefits Consultation Services

December 15, 2011

Project Manager:

Andrew Smith, Consortium Chairman
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Proposals are due on or before 2:00 p.m., January 13, 2012

Proposals may be mailed or hand delivered to the address provided above. If the proposal is sent by mail, the respondent shall be responsible for actual delivery of the proposal to the proper office before the deadline. Late proposals shall not be considered. Proposals must be submitted in a sealed envelope. Additional instructions for preparing a proposal are provided herein.

1. Introduction

The MABT is seeking proposals from benefits consulting firms to provide on-going assistance in benefit plan selection, cost effectiveness, employee education, and compliance with benefit laws and regulations. The MABT offers the following combination of self funded and fully insured benefits:

Medical Mutual of Ohio (Medical/Dental insurance) (Self Funded)
Express Scripts (Prescription Drug) (Self Funded)
Metropolitan Educational Council (Life insurance) (Fully Insured)

The consultant will have the primary responsibility of monitoring the performance of the benefit plans and providers selected by MABT, making recommendations regarding benefit plans and providers, requesting proposals from benefit plans and providers and providing support to the MABT's individual districts in administering benefit plans, including all eligibility functions.

The consultant will conduct quarterly insurance meetings, as needed MABT Trust and subcommittee meetings, present utilization/claims reports during those meetings, analyze trends, and provide suggestions for cost containment and plan selection.

The consultant will work closely with the MABT's Board and members of the MABT's individual districts administrative staff and will be expected to be available during regular business hours to provide prompt support.

The selected consultant will be required to enter into a Professional/Consultation Services Agreement and a Business Associates Agreement with the MABT.

The MABT reserves the right to reject any or all proposals and to award the contract in whole or in part to the respondent determined by the MABT, in its sole discretion, to be most responsive to the needs of the MABT and most advantageous to the MABT.

The MABT is not liable for any costs incurred by respondent associated with the preparation of a proposal or the negotiation of a contract for services prior to the issuing of the contract.

Respondents are advised that proposals shall be binding on the respondent for 90 calendar days from the proposal due date. A respondent may withdraw or modify its proposal at any time prior to the proposal due date by a written request signed by the same person who signed the proposal.

2. Background Information

The MABT is a consortium of eleven (11) full-service school districts and two (2) educational service centers with approximately 1,300 covered employees who are eligible for group health and other benefits. The fiscal year for the MABT begins January 1, and for the period ending December 31, 2010, spent \$14.6 million on medical claims, \$3.6 million on prescription drug claims, and \$1.1 million on dental claims.

The thirteen (13) entities making up the MABT are:

1. Celina City Schools
2. St. Marys City Schools
3. Coldwater Exempted Village Schools
4. Fort Recovery Local Schools
5. Marion Local Schools
6. Minster Local Schools
7. New Bremen Local Schools
8. New Knoxville Local Schools
9. Parkway Local Schools
10. St. Henry Local Schools
11. Waynesfield Local Schools
12. Auglaize County ESC
13. Mercer County ESC

MABT currently has 5 self-funded medical plans; 1 prescription drug plan, and 2 different dental plans that each school may offer.

The independent benefit consultant is required to work closely with the Board to provide suggestions, resources, and knowledge to assist the Board, as well as assist the individual districts. The consultant will be paid a fee by MABT and will be prohibited from receiving any commissions, kickbacks, overrides or other forms of compensation or incentives (other than fee for service) either directly or indirectly from any third party administrator or insurance provider in any way related to the provision of services to MABT.

MABT's current benefit plans and the renewal dates of such plans are as follows:

Plan	Company	Renewal Date
Medical	Medical Mutual of Ohio	Annual
Dental	Medical Mutual of Ohio	Annual
Prescription Drug	Express Scripts, Inc.	Annual
Life	Metropolitan Educational Council	Annual

3. Scope of Benefits Consulting Services/Qualifications

The successful consultant, in cooperation with the MABT and the consortium board, will be responsible for reviewing and providing guidance in the evaluation of current and future employee benefits needs of the MABT and the best solutions for meeting those needs.

The main business activity of the individual/firm selected by the MABT shall be employee benefits consulting with considerable experience and emphasis in the area of requesting and evaluating proposals for benefits (e.g. life, health, dental, and prescription drug; benefit communication; plan documents; coverage interpretations; rate setting and forecasting; voluntary payroll deducted benefits; and Section 125 plans), as well as membership duties.

Respondents should have extensive experience with large public sector (especially school consortiums with 1,000 or more employees) insurance programs.

At a minimum, the scope of benefits consulting services shall include the following:

- a) Develop requests for proposals and solicit proposals from carriers / third party administrators licensed in the State of Ohio to meet the benefits needs of the MABT and its enrollees;
- b) Provide independent recommendations to the Board regarding plan selection;
- c) Provide advice and recommendations concerning benefits provided to employees of the MABT;
- d) Solicit and negotiate most advantageous renewal rates for benefits plans of the MABT;
- e) Initiate annual contract renewals;
- f) Review and approve for the MABT to pay weekly claims;
- g) Review and approve monthly administrative invoices from carriers for the MABT to pay;
- h) Monitor claims and utilization while submitting monthly utilization reports to the Board;
- i) Prepare monthly the:
 - I. Balance Sheet
 - II. Statement of Changes in Trust Equity
 - III. Analysis of Claims Experience
 - IV. Status Report
- j) Maintain all eligibility and notify each carrier of all eligibility changes. Be the central point for any eligibility questions;
- k) Serve as a liaison with carriers when service problems occur;
- l) Provide assistance with difficult claim situations needing resolution;
- m) Monitor, calculate and report to the Board all funding rate structures and potential changes;
- n) Monitor, report and recommend cost savings proposals to the Board;
- o) Provide services without receiving or accepting any commissions, kickbacks, overrides or other forms of compensation or incentives either directly or indirectly from any third party administrator or insurance provider for any client;

- p) Provide educational and informative seminars as required by MABT including annual HIPPA training;
- q) Attend meetings with the Board as needed;
- r) Be available to participate in Insurance Committee Meetings between Management and Union personnel to discuss benefit enhancement and cost containment by school district;
- s) Inform MABT of new benefit designs and/or programs that may assist in keeping the employees healthy;
- t) Keep MABT informed on Federal and State requirements concerning current or proposed benefit programs;
- u) Arrange for the annual 990 forms to be completed;
- v) Arrange for the annual ORC 9.833 forms to be completed.

4. Description of Proposal Submission

Three (3) copies of the proposal must be submitted to the address set forth on the first page of this RFP, in a sealed envelope labeled Proposal for Employee Benefits Consultation Services.

Faxed or emailed proposals will not be accepted.

Only firms submitting proposals by the deadline date will be considered. The proposals are due on or **before 2:00 p.m., Friday, January 13, 2012.**

Each proposal must include the following, in this order:

1. *Title Page.* A title page indicating the date, subject, name of the firm, address, telephone number, fax number, email address, name and title of the firm's contact person.
2. *Experience.* An outline of the firm's background, experience in providing benefits consulting services. Include:
 - a. When your firm was established.
 - b. Describe your company and the services your company provides.
 - c. Describe the ownership of your company.
 - d. Indicate the number and location of offices of your company.
 - e. Indicate the location of the office that would service our account.
 - f. What is your company's affiliation with other firms or organizations?
 - g. What recent changes in ownership have occurred?
 - h. Are there any pending or anticipated ownership or leadership changes?
3. *Client Information*
 - a. Provide the current number of clients serviced by your company as a whole.
 - b. Provide the current number of clients serviced by the office that would be servicing our account.
 - c. List the public employers for whom you have provided benefits consulting services, include the number of employees covered by the public employer's benefit plans, and indicate the years for which you provided those services.

4. *Performance*

- a. Describe your capabilities in the area of benefits consulting.
- b. In what area do you find your company to be particularly proficient?
- c. Describe any relationships your firm has with any insurance provider licensed in the State of Ohio.
- d. How are client/vendor questions resolved?
- e. What is your knowledge and understanding of Ohio Revised and Administrative Code sections relevant to public employer groups?
- f. Do you have an actuary on your staff or what actuarial firm do you use?

5. *Service Team*

- a. *Individuals*
 - i. Provide an organizational chart of the individuals who would be responsible for servicing our account.
 - ii. Include brief biographies of each individual responsible for the account, including:
 - a Each individuals' responsibilities and skills
 - b Tenure with the company
 - c Experience and education in employee benefit consulting
 - d Training and education
- b. How are these individuals kept up-to-date on current law, etc.?
- c. *Account Manager*

Who would be the contact for our account?

 - i. How many other accounts do they manage?
 - ii. If this manager left your Company, how would a new manager be selected for our account?
 - iii. How much does this person travel?
- d. *Customer Service*
 - i. What are the hours that a service representative can be reached?
 - ii. What activities are managed by your Company?

6. *Conflict of Interest.* Disclose any current or past (within the last three years) business relationships, which may pose a conflict of interest.

- a. Is anyone in your firm an owner or investor in any company that would be doing business as a provider of a benefit or service to MABT?
- b. Has or would anyone in your firm ever receive any commission, bonus, payment or any form of remuneration from a provider of employee benefits?
- c. Would anyone in your firm ever receive any commission, bonus, payment, or any form of remuneration from a provider of a benefit or service to MABT?
- d. Does your company have any financial or other relationships or agreements with any insurance provider licensed in the State of Ohio?

7. *Fees*

- a. Outline how your company is compensated for its services.
- b. Provide a proposed fee structure and indicate what services are included in that fee.
- c. Itemize any services for which there would be an additional fee.
- d. How are additional fees calculated?

- e. Are you willing to agree not to accept direct commissions earned on our account as well as any override or other compensation earned (i.e. trips, etc.)?
 - f. Do you accept direct commissions, overrides or other compensation earned (i.e. trips, etc.) on any of your business?
 - g. What could cause an increase in the fee structure?
 - h. What are your typical increases?
 - i. How long is the fee structure guaranteed?
8. *Disclosure*
- a. Disclose whether your firm, or any employee, to your knowledge, has been the subject of an investigation by the State of Ohio, Department of Insurance or any other regulatory agency within the past five (5) years. If the answer to this provision is yes, please describe the details of each type of litigation.
 - b. Disclose whether or not your firm, or any of its employees are currently, or in the past five (5) years a party to any pending litigation, the subject of which directs itself to your role as a consultant in the medical benefits area. If the answer to this provision is yes, please describe the details of each type of litigation.
9. *Duly Authorized Signature.* The proposal must contain the signature of a duly authorized officer or agent of the respondent's organization, empowered with the right to bind the respondent.
10. *Miscellaneous*
- a. What steps have you taken to ensure confidentiality of health information?
 - b. Will you need to use subcontractors to provide any service? If so, explain in detail when subcontractors will be used.
 - c. Does your company carry Professional Liability insurance?
 - d. How much Errors and Omissions coverage does your company have?
 - e. Provide references from three current clients, preferably public sector employers. Provide name, phone number, and email address of a key contact and a description of the various projects your company worked on with that client.

5. Evaluation of Proposals

The consultant must have applicable experience and qualifications to perform the scope of services. Experience with public sector agencies, is highly desirable.

All proposals will be evaluated on qualifications, background, and prior experience in conducting similar services; project approach; references; and cost of services. The lowest bid might not be the deciding factor in the MABT's final selection.

It is anticipated that a consultant will be selected in February, 2012. Following notification of the firm selected, it is expected that a contract will be executed between both parties and be in place no later than March, 2012.

Interested board members of the Consortium may be involved in the selection process.

6. Terms and Conditions

All proposals submitted in response to this request become the property of MABT and as such may be subject to public review.

The MABT has the right to reject any or all proposals, to engage in further negotiations with any firm submitting a proposal, and/or to request additional information or clarification.

The MABT is not obligated to accept the lowest cost proposal and may reject all proposals.