



DEPARTMENT OF PURCHASING AND CONTRACT
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Jerome Noble, Director

ADDENDUM NO. 2
Request for Proposal – 08RFP60782-YC
Employee Healthcare Benefits Plan
Fulton County, Georgia

April 8, 2008

Dear Vendors:

This addendum is in reference to the RFP – 08RFP60782-YC
Employee Healthcare Benefits Plan

1. In reference to the HRA or Account Based Plan – are claims integrated through a third party or are claims to be integrated through the medical carrier for tracking of the account balances in real time? ***Through Medical Carrier***
2. Confirm proposal should be net of commission. ***No Commissions***
3. Will the PBM be considered by the county as a consultant, therefore payments will be made by the county 30 days after receipt of proper invoice by US Mail? ***PBM will operate as a pharmacy benefit administrator***
4. Clarify – what is expected from a Pre-Implementation audit? ***Vendors should be prepared to have their systems ready prior to start date to allow Fulton's consultant (Deloitte) to test its functionality, integration, and claim engine. This dry run will test the claims systems, eligibility, billing, disease management programs, case management programs, call center operations, and incentives.***
5. Are there any legislated time requirements to complete a contract or SPD/employee booklet once the award is provided? ***There are benchmarks in the performance guarantees and implementation guarantees the Vendor must meet.***
6. How often are members going to in network providers? ***The HMO does not have an out of network benefit therefore it is a 100%. The Utilization reports give a good view of how much participants go out of network.***
7. Please itemize the disease management programs currently included in the medical plan rates. ***Asthma, COPD, Coronary Heart Disease, Congestive Heart Failure, Diabetes***
8. Pharmacy - Does the current plan use any cost containment programs - Step Therapy, Mandatory Mail Order Drug, Automatic Generic



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- Substitution, etc? **No and it is the desire of Fulton to not use these cost containment programs.**
9. Can you please provide the current administrative fees per employee per month? **Provided in the Claims,Lives, and Utilization.xls file.**
 10. The proposal indicated we would be given a census file in a secure email upon acceptance of the proposal. Has one been released? If possible, please include the following data elements in the census for both actives and retirees: DOB, Gender, Zip, Plan Indicator, Medical Tier. **If you have not received please contact Malcolm Tyson at Fulton County (Malcolm.Tyson@fultoncountyga.gov or (404) 730-5811**
 11. Can we receive Rx utilization, specifically; 12 months of Rx utilization (# of scripts, brand/generic and mail/retail splits) **Provided in the Claims,Lives, and Utilization.xls file.**
 12. Should we assume full replacement? **Ideally Fulton will keep all Medical coverage with one vendor, all pharmacy with one vendor, etc. However, all services could be bundled with one vendor as well. Fulton does not Desire to have two or more vendors for each respective line of coverage.**
 13. What is the current Rx rebate share arrangement? **Retail/MOD = 1.75/5.00**
 14. Will proposed dental and vision plans be provided or should we review what is currently in place on the SPD? **Please see SPD.**
 15. Proposal Questions Section 1.11. 2 - The last bullet is not complete. Please provide additional direction on where and to whom we should send the 5 printed and bound binders. **Malcolm Tyson at Fulton County. Furthermore, it is asked that vendors answer questions in the same order as the RFP format and provide electronic copies via MS Word format on a CD.**
 16. Page 1-1 Please provide confirmation that 'rewards' refers to incentives. **Rewards refers to benefits**
 17. Does Fulton County currently offer an incentive program? **No**
 18. What disease management programs are in place today and what are the prevalence rates for each condition? **Asthma, COPD, Coronary Heart Disease, Congestive Heart Failure, Diabetes.**
 19. Please provide full medical claims file or medical utilization information. If unable, please provide top 10 medical conditions by number of services and dollars paid. **Provided in the Claims,Lives, and Utilization.xls file.**
 20. Are the disease management programs available to retirees? **Yes**
 21. 1.16.1 and 2.6.1 - Please provide file to include provider name, tax id number, and full address in order to perform disruption analysis. **Provided**



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- with addendum. Please contact Malcolm Tyson and ask for Fulton County Provider Report.zip if you cannot locate it.*
22. Will claim file be provided for re-pricing during this process or during the finalist round? **Currently working with current carrier to provide. This will be sent out as soon as it is received.**
 23. Are there specific enrollment assumptions that should be used in the development of fees? **Fees should be provided based on three different enrollment assumptions into the ABP. Enrollment assumptions should be 10/20/30% into the ABP with fees corresponding. However, if actual enrollment differs more than 10% from the assumed 10/20/30% levels, Fulton requires vendors to adjust fees accordingly.**
 24. By 3 year fee guarantee – is the preference a 3 year flat fee or escalators year over year? **Fees should be based on a flat 3 year**
 25. Is there a preference for a fully transparent quote opposed to a shared rebate agreement? **Transparent**
 26. For questions 1.18 and 1.19: Should responses be based on the PBM's proposed financial arrangement for Fulton County or on book of business? **Specific to Fulton**
 27. For questions 1.18 and 1.19, since this is Fulton County specific, please provide average quantity per 30 days supply. **Provided in the Claims,Lives, and Utilization.xls file.**
 28. What is the current contribution strategy? **HMO 80/20 PPO 75/25**
 29. Please confirm if the current dental plan is and Indemnity plan or a passive Dental PPO. **Passive Dental PPO**
 30. Please provide complete current SPDs – for all plans (there is mention of PPO and Indemnity). **Provided (Medical Indemnity is only for Retirees)**
 31. Please provide at least 24 months of monthly paid claims and lives. **Provided in the Claims,Lives, and Utilization.xls file.**
 32. Please provide a census of all eligibles with zips, plan elections and tier. **Provided contact Malcolm Tyson for latest Census file.**
 33. Please provide Carrier history. **Blue Cross has been the Medical carrier for over 5 years, CIGNA Pharmacy since 2006. Delta Dental since 2006.**
 34. Please provide current/proposed contributions. **If this refers to rates please see the rate exhibit. At this time rates for 2009 will be relative to the vendor's proposal.**
 35. Please provide R&C level. **This information is unavailable.**
 36. Please confirm funding arrangement – self insured or fully insured. If currently self-insured, what is the current fee? **Self, please see fees.**



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37. The RFP is requesting a retiree savings account. Would the County be willing to entertain a fully-insured Medicare Advantage – PFFS quote in addition to the 0020 requested self-insured Medicare Indemnity (traditional) plan? **No it is the desire of Fulton to not have an exclusive Medicare Advantage provider. Rather retirees with an RMSA may purchase one on their own and have the freedom to choose their own vendor.**
38. The proposal is requesting an account based plan for the active population. Would the County be interested in a high deductible plan with an HSA (Health Savings Account) in addition to and HRA or in lieu of an HRA. **No an HSA does not fit into the strategy. Specifically around providing incentives programs as well as aiding employees with an HRA fund to pay for expenses.**
39. When will a census file and provider disruption file be made available? **Census is provided contact Malcolm Tyson at Fulton for a copy. Disruption will be available shortly and will be sent to vendors.**
40. Should the finalist questionnaire be completed now and included with our proposal response? **Yes**
41. Network Questionnaire 1) Section 11 - 1.2.6.1 Network Analysis: Please complete the Network Analysis chart below for each network that would apply to Fulton County. Regarding sub category "b, Hospitals". Which networks should we respond for? **You should respond for whichever Networks you are using for your proposal.**
42. They state that they want the "average provider reimbursements". Please clarify what you are looking for? In addition, we are missing the CPT code list. Please clarify where this is located. **Provided in the Claims, Lives, and Utilization.xls file.**
43. Please confirm if the County is seeking a dedicated or designated customer service unit/account team. **Confirmed**
44. Please confirm if MAC at mail is a requirement of the proposal. **Confirmed**
45. In section 1.5.1- will the RMSA be used by non-Medicare eligibles? Section 1.5.4 says that the member will receive an opening balance. Does this mean Fulton County will fund that balance? **Non-Medicare eligibles will also be able to use the RMSA once they are considered to be retired from the County. The account balance is a notional account where the County will cover demand payments against these balances on an ongoing basis.**
46. Is CMS supposed to fund a balance? Is Fulton County looking for an HSA administration with Fulton County funding an initial balance and the member being on their own thereafter? **The RMSA account is a HRA account where the balances are tied to age/service metrics. It is a**



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notional account that the County provides to the participant without any additional financial contributions by the plan participant. The plan participant upon retirement has control over how these resources are used within the predetermined structure and definition of eligible expenses specified by the plan document.

47. Please confirm the claims for COBRA individuals are included in the Active employee claims. **Confirmed**
48. Can we receive Rx utilization, specifically; 12 months of Rx utilization (# of scripts, brand/generic and mail/retail splits). **2006 scripts = 54,656; 2007 = 54,125**
49. Please confirm the Fulton County contribution to the cost of the vision benefits for employees and dependents. **See rate exhibit**
50. VISION: Please confirm geo-access requirements; are they 1:10 or 1:20. Contradictory requests in the RFP. **1:10**
51. The Required Submittal Checklist in Exhibit 1 does not include the Finalist Round in the RFP Section 11, page 11-1. Are bidders required to include responses to the Finalist Round in their proposals? **Yes**
52. Section 3.5, page 3-8, indicates that Section 2 of the bidder's submission should include Completed Cost Proposal Forms. There are no such forms included in the RFP, except in the Finalist Round – Section 11. Are those the forms that bidder's should for their cost proposals? **Yes**
53. Section 10 B – Pharmacy, #1.18: Fulton's Top 15 Generic Drugs by Cost and by Count. Both lists have a few duplicate drugs included. What are the differences? **The duplicates are duplicates by name only. Reprice the claims based on the NDC numbers provided.**
54. Please provide the utilization of the EAP. **This information is not available.**
55. Are the GeoAccess reports to be separated by Active and Retiree respectively? **No**
56. Does Mental Health Providers include facilities? **Yes**
57. A disruption analysis request is not included in the medical. Are you requiring a medical disruption analysis to be submitted with the RFP on April 18? **It is requested. It is part of the finalist round.**
58. Cost information was not requested in the medical, including performance guarantees. Is this information being requested in a separate document? **It is in the finalist round section**
59. Financial questions were included in the Pharmacy questionnaire. Due to the separation of cost and technical information for submittal. Do you want this to be extracted from this section and provided with the cost proposal? **Since cost is the major component to the pharmacy**



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program it is expected that they be together. In other words no finalist round for pharmacy.

60. A disruption analysis was requested in the Pharmacy. However, we have not received the data to run the disruption analysis. When will this data be provided? ***Please provide provider information and that should be sufficient***
61. Financial questions were included in the Vision questionnaire. Due to the separation of cost and technical information for submittal. Do you want this to be extracted from this section and provided with the cost proposal? ***Same as pharmacy***
62. Financial questions were included in the Dental questionnaire. Due to the separation of cost and technical information for submittal. Do you want this to be extracted from this section and provided with the cost proposal? ***Same as pharmacy***
63. A disruption analysis was requested in the Dental. However, we have not received the data to run the disruption analysis. When will this data be provided? ***This has been requested from the dental provider and will posted as soon as it is received.***
64. Is the RMSA a notional account? Does the account type change between when the person is pre-65 and then becomes post-65? For example, does the RMSA account transfer to a notional account when the person turns 65? ***Notional, no. Similar to an HRA fund see detailed RMSA document.***
65. Please clarify what is meant by investment earnings? Will the employer credit investment earnings or does each retiree have control of the account? ***It is at this time proposed that the funds of employees that take the RMSA option would increase by either 5% a year or the present interest of a typical savings account. Notional funds would increase by this percent each year to account for inflation. Again see RMSA document for further details.***
66. Is the member communication requested via mail, email or posted online? Can mailing be annual and other updates via email and online posting? ***Paper communication is a must for Fulton as many employees do not have access to computers. A vendor must be able to meet communication requirements via mail, email, and posted online as well as telephonic if necessary.***
67. If the post-65 retiree no longer has option to a group-based Part D plan, the employer would not be eligible for a subsidy, correct? However, if this question pertains to the existing groups, are there services that Cigna offers related to the determination? ***Fulton will continue to receive their Part D subsidy, please see the RMSA document.***



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68. How are the RMSA balances calculated – do contributions continue after retirement? ***Please see the RMSA document.***
69. Is monthly enrollment available to correspond with the claims information provided for 2006 and 2008? ***Yes, with the exception of Dental and Vision lives for February 2008.***
70. Is the RFP available in Word? ***Please request the Word copy via e-mail to malcolm.tyson@co.fulton.ga.us.***
71. May VSP and Cigna both propose VSP vision benefits within our proposal or will that disqualify the VSP and Cigna proposals for your consideration? ***A firm may submit a proposal as a prime contractor and as a subcontractor on a different team. However, a firm can not be the prime contractor on more than one proposal.***
72. There are no such forms (Cost Proposal Forms) included in the RFP, except the Finalist Round. Are those the forms that bidder's should use for their cost proposal. ***Proposers should create any necessary forms to submit the cost proposals.***
73. A Director with authority to bind the company is signing the documents for this proposal. Will that signature authority be sufficient to also sign the non-collusion form? ***Yes, that will suffice.***
74. Would it be acceptable to provide you with a list of our standard subcontractors, and then provide you with estimates on which we will utilize and by what percents, upon contract award? ***Fulton County expects all subcontractors and their percentage amounts provided on the RFP due date to be fully utilized unless otherwise approved by the Office of Contract Compliance.***
75. Is the MWBE form included in the point of reference? ***The MWBE (Minority Women Business Entrepreneur) status is not a part of the evaluation of any Fulton County Proposals.***
76. Please confirm the number of copies needed. ***One (1) Original and Five (5) copies for Technical Proposal, Cost proposal and Contract Compliance Forms.***
77. ***Information for all other questions is unavailable.***
78. **Fulton County RMSA Account Buy Out Option is attached below:**



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Fulton County RMSA Account- Buy Out Option

Background: As a result of the recently conducted GASB study, Fulton County decided to explore options that would either reduce their overall financial obligation or stem the current trajectory of this expense. After reviewing a number of options, the County has decided on implementing the RMSA Account on a voluntary basis.

The County under the Drolet ruling must maintain the following for employees once they retire:

- Plan that the employee participated in when they retire.
- Employee contribution percentage for plan premiums
- Overall employee cost structure (OOP expense) associated with plan

The structure for retiree medical benefits will fall into two categories or groups, which include the historical structure outlined above and the RMSA Option. Current retirees due to the Drolet ruling will not be offered the RMSA option, while current employees will have a choice of both options. The vendor of choice will be asked to administer both programs.

Logistics: In the first group, the structure for offering retiree benefits will not change. The county will continue to adhere to the Drolet ruling and offer multiple plans, predicated by plan choice and timing of retirement by employees.

The second group is the RMSA option or Buyout which provides employees greater flexibility, control and accountability. Employees who choose this option gain an account that can only be accessed once they meet certain vesting requirements and retire (Medicare eligible and Non-Medicare eligible) from the county. This account retains many of the characteristics of the Health Reimbursement Account (HRA), but without the accompanying plan. Once an employee chooses this option they can not switch back to the first option. In addition, this election will not be an annual offer, but the County retains the right to extend this offer to current employees in the future.

The amount that will be credited initially will be based on age and service, with a uniform annual credits amount given for each year of additional service. This account will also increase in value due to a preset annual crediting rate for the account balance at



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that point in time. The employee does not have the option to augment the contributions.

The utility of the account is geared toward the reimbursement of the following expenses:

- Plan premiums, where the employee has the discretion of paying an amount up to the total premium expense for the following alternatives:
 - Current Fulton County plans on an access only basis
 - Medicare Advantage plans
 - Premiums associated with being a dependant on a spousal plan
- Plan expenses that include co-insurance and deductible expenses (copays are excluded). If an employee takes the active HRA program into retirement and maintains a rollover at any point in time, the balances within this plan must be depleted first before the RMSA will cover any plan expenses. We are also not covering any other 213d expenses.

The employee retains the right to use account funds however they deem appropriate as long as they are considered eligible expenses. For example, an employee can choose to pay 100% of the plan premium cost from funds within the account. They can also at their discretion pay a portion of the total premium expense from the account and augment the balance from other financial resources. They can also without limitation change the composition or amount used from each resource. Once the funds are exhausted, the County will not provide any additional funding beyond what is described above in this overview.

The vendor of choice will assist the county with a number of activities associated with these plans that will include but is not limited to the following:

- Maintain the appropriate balances for each employee RMSA account
- Adjudicate demand payments against these accounts according the design and plan specifications. This process can take the form of an employee initiated manual transaction that is similar to the Flexible Savings Account (FSA) process. The County will look favorably on any offer that will fully or partially automate this process.
- Provide the appropriate reporting back to the County in regard to the activity associated with this program
- Support employees in all facets associated with this plan with employee facing resources (web based tools, customer service, etc.)



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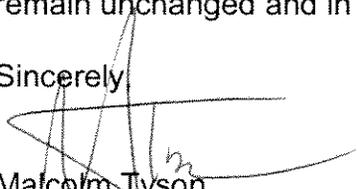
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For additional information regarding this addendum contact Malcolm Tyson,
Assistant Purchasing Agent at (404) 730-5811.

The undersigned propose acknowledges receipt of this addendum by returning
one (1) copy with their bid. Failure to return a signed copy of this addendum with
your bid may render your bid to be non-responsive.

Except as provided herein, all terms and conditions in the bid referenced above
remain unchanged and in full force and effect.

Sincerely,


Malcolm Tyson
Assistant Purchasing Agent

ACKNOWLEDGEMENT OF ADDENDUM

COMPANY NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____