

ADDENDUM 1

RFP #22-05 Employee Health Plan Brokerage and consulting Services

Questions from bidders:

Q1. Why is the District going out to bid at this time?

A1. The District is going out to bid because it is the policy to go out to bid every 5 years.

Q2. What is the current method of compensation to current broker?

A2. The District currently pays a monthly fee to the broker

Q3. What is the total annual compensation to the current broker?

A3. The District pays their current broker \$130,000 annually.

Q4. Who are the current carriers for dental and vision? Are these direct contracts or are they purchased through pools?

A4. Dental coverage is with Delta through ACSIG. Vision coverage is with VSP through ASCIP.

Q5. How many employees are enrolled in each of the plans for each line of coverage (medical, dental, vision)?

A5. Current enrollment for medical is 2,012, dental and vision is 1950.

Q6. What is the current annual premium on each plan for each line of coverage (medical, dental, vision)?

A6. Annual premium for medical is \$37,310,452, dental is \$2,967,430, and vision is \$778,497.

Q7. Please provide 3 year renewal history (%) for each line of coverage (medical, dental, vision)?

A7.

	2023	2022	2021
Medical	8.1%	-6.9% (carrier change & all fully insured)	3.1% fully-insured HMOs 14.9% self-insured EPO/PPO
Dental	0	0	0
Vision	4%	0	25%

Q8. What is the District's current contribution strategy?

A8. Effective January 1, 2023, the District shall make a one time health contribution of \$23,000 in the following amounts:

- \$10,195 employee only
- \$21,404 employee + spouse/domestic partner
- \$18,349 employee + child(ren)

- \$30,579 employee + family (spouse/domestic partner + child(ren))

Q9. Does the District currently participate in any wellness programs or initiatives? If so, please describe.

A9. The District has managed their own wellness program offering employee flu shots, health fair, and employee health classes.

Q10. How does the District handle enrollment? Online or Paper? Does your current broker assist with Open Enrollment? If so, please describe.

A10. Employees contact a third party vendor by phone to enroll in health insurance. Current broker assists with providing additional communication pieces and attends employee meetings as needed.

Q11. Does the District currently have a benefits web portal or intranet?

A11. Yes, the District has intranet where employees may access benefits information.

Q12. Does the District have an established benefits communication strategy? If so, what does the strategy entail?

A12. No

Q13. Will the broker/consultant be responsible for drafting open enrollment materials and other participant communication aside from the quarterly benefit bulletin? Will the printing and mailing of any of these materials be required under this contract?

A13. Current broker provides annual benefits guide, annual notices, action guides, and Flipbook.

Q14. How many meetings would the selected broker/consultant need to attend during a 12 month period, and are the meetings with staff, with the Board, or with employee groups?

A14. Typically there are monthly committee meetings and separate pre-insurance committee meetings for a total of 10-12 per year. The meetings are generally an hour long.

Q15. What are the planned major activities for the upcoming plan year, if any?

A15. Consideration for moving to a pool to mitigate increasing medical cost; consider plan design changes to mitigate increasing medical cost.

Q16. What are the top 3 health and benefits issues facing the District?

A16. Rising healthcare costs

Q17. How long has SVUSD worked with the current broker/consultant?

A17. The District has worked with its current broker for 8 years.

Q18. Is this RFP being released due to procurement policy?

A18. Yes.

Q19. Are there any brokerage and consulting service issues SVUSD is looking to improve upon with the issuance of this RFP?

A19. We are seeking to mitigate increasing health costs and providing educational opportunities for all members to allow for them to make informed decisions.

Q20. Over the past 2 plan years, what was the income received by the current employee health benefit plan broker/consultant?

A20. The broker received \$130,000 per year.

Q21. Does the total income received by the current employee health benefit plan broker/consultant include any direct or contingent commissions? If yes, what was the total income dollar allocation between fees and commissions?

A21. No

Q22. Over the past 2 plan years, what was the average number of hours recorded to service SVUSD?

A22. The District does not track service hours.

Q23. Are there any items in the requested scope of services that the current broker/consultant does not currently provide? If yes, please identify the scope items that are expansions.

A23. No.

Q24. When is the last time each of SVUSD's benefit plans were competitively bid in a formal RFP process? How often does SVUSD typically conduct RFPs for each of its benefits.

A24. The District completed a formal RFP for medical insurance in 2021.

Q25. What is the average number of total onsite meetings specified by type and quantity (e.g., SVUSD staff, Health Benefits Insurance Committee, Board of Trustees, etc.) the broker/consultant should plan to attend annually. How many hours are each of the types of meetings? Please specify the number of "known" meetings and separately estimate the "unknown" meetings.

A25. The onsite meetings are typically monthly committee meetings and separate pre-insurance committee meetings for a total of 10-12 per year. The meetings are generally an hour long.

Q26. Please confirm whether SVUSD manages COBRA administration within the District.

A26. Yes.

Q27. Under Section 6. Proposal Preparation/Content, (3) Project Management b., please clarify whether SVUSD would like bidders to describe the challenges public sector employees and/or employers face in getting control of rising health care costs.

A27. Yes

Q28. Please inventory all regularly scheduled reports and bulletins prepared by the incumbent broker/consultant (e.g., Annual Medical Plan Cost and Employee Contribution Benchmarking, Monthly Reports presented at the Health Benefits Insurance Committee, Quarterly Benefits Bulletin, etc.) as well as copies of the most recent reports and bulletin?

A28. See attached renewal document #1

Q29. Please share the following sample exhibits: 1) Annual Medical Plan Cost and Employee Contribution Benchmarking; 2) Monthly Report presented at the Health Benefits Insurance Committee; and 3) Quarterly Benefits Bulletin

A29. See attached renewal summary document #2

Q30. In addition to the Quarterly Benefits Bulletin, are there any other communication materials included in the current scope of services or desired by SVUSD?

A30. No

Q31. Does SVUSD currently have an employee wellness program, and if so, what are the primary elements and what is the annual budget?

A31. The District has managed their own wellness program offering employee flu shots, health fair, and employee health classes. Current budget is \$25,000.