SOUTHEASTERN PENNSYLVANIA SCHOOLS TRUST
SEPaST

Request for Proposals for Employee Benefits Consultation Services

A Pre-Proposal Meeting will be held in-person on Monday, January 30, 2023 at 2:00 P.M. at the Montgomery County Intermediate Unit, 2 West Lafayette Street, Norristown, PA 19401.

Proposals are due on or before 12:00 P.M. on Friday, February 24, 2023

Mailed or hand delivered proposals should be sealed and marked on the outside envelop: **"Proposal for Employee Benefit Consulting Services"**

Proposals delivered by email should include in the subject line: **"Proposal for Employee Benefit Consulting Services"**

Proposals may be submitted via email, mail or hand delivery to the address provided below before the deadline above. Email submissions are preferred. Late proposals will not be considered. Proposals submitted via hand delivery or mail must be submitted in a sealed envelope. Additional instructions for preparing a proposal are provided herein.

Proposals should be delivered to:

Southeastern Pennsylvania Schools Trust (SEPaST)
Sandra Edling, SEPaST Trust Manager
2 West Lafayette Street
Norristown, PA 19401
Email: sedling@mciu.org

SEPaST
SOUTHEASTERN PENNSYLVANIA SCHOOLS TRUST
2 West Lafayette Street, Norristown, PA 19401
610.755.9410
www.sepast.org

The Southeastern Pennsylvania Schools Trust (SEPaST) hereby invites qualified Employee Benefits Consulting Services to submit proposals for the benefits consulting services described herein.

I. Background

SEPaST is soliciting proposals for Benefits Consulting Services. SEPaST is a non-profit multi-employer benefit trust that provides health and welfare benefits to employees of public school districts, vocational-technical schools/technical career centers and an education service agency in the southeast region of Pennsylvania. SEPaST currently provides self-insured medical and prescription drug programs on a segregated basis, with each member entity maintaining its own benefit plan design. As of December 2022, there were 70 unique medical and prescription drug plan designs across SEPaST. Additionally, one SEPaST member opened an onsite medical clinic in January 2023.

SEPaST is governed by a Board of Trustees, comprised of one delegate from each entity who meet periodically throughout the year, and managed by a nine-member Executive Committee, comprised of management and labor representatives who also meet periodically throughout the year. The Montgomery County Intermediate Unit oversees the day to day operations.

SEPaST membership includes17 entities covering approximately 9,055 employees and 24,045 total members in the prescription drug and medical programs. The medical program is administered by Independence Blue Cross and the prescription drug program is administered by Express Scripts. The agreement for the medical program expires on June 30, 2026 and the agreement for the prescription program expires on June 30, 2023. SEPaST has selected CapitalRX as the new prescription drug PBM as of July 1, 2023.

SEPaST is seeking proposals from benefits consulting firms to provide ongoing assistance in benefit plan selection, cost effectiveness, employee education, wellness initiatives, and compliance with benefit laws and regulations. SEPaST reserves the right to reject any and all proposals submitted and to award the contract to the respondent determined by SEPaST, in its sole discretion, to be most responsive to the needs of SEPaST and most advantageous to SEPaST.

The successful respondent should have the ability to provide a variety of association health plan services including but not limited to the following.

- Proven experience and expertise in working with public sector association health plans and self-insurance trusts.

- Understand and advise SEPaST on relevant state and federal legislative and regulatory issues, as well as provide expertise on the impacts of new regulations and assist in implementing these regulations in the most effective and efficient manner.

- Conduct periodic insurance meetings, as needed Trust and subcommittee meetings, present utilization/claims reports during those meetings, analyze trends, and provide suggestions for cost containment and plan selection.

- Primary responsibility of monitoring the performance of the benefit plans and providers selected by SEPaST, making recommendations regarding benefit plans and providers, requesting proposals from benefit plans and providers, and providing support to individual school districts in administering benefit plans.

- Work closely with the SEPaST Executive Committee, Board of Trustees and members of the individual entities' administrative staff.

- Be available during regular business hours to provide prompt support.

- Provide oversight and coordination of the SEPaST annual renewal process by working with stakeholders and partners, including carriers and the third-party administrator. Anticipated consultant duties may include review and evaluation of carrier projections, providing renewal alternatives, and rate negotiation with carriers.

- Review and approve benefit plan documents, contracts, and benefit summaries.

- Provide review and interpretation of monthly expense reports.

- Advise and assist SEPaST in strategic planning leadership and the development of both short- and long-term marketing strategies.

- Participate and advise SEPaST and its members and partners in the full implementation of a health wellness program.

- Assistant in the communication of market trends and other information necessary for the board to make sound decisions.

- The selected consultant will be required to enter into a Professional Consultation Service Agreement and a Business Associate Agreement with SEPaST.

II. Scope of Benefits Consulting Services

The main business activity of the firm selected by the SEPaST shall be employee

benefits consulting with considerable experience and emphasis in the area of requesting and evaluating proposals for benefits. 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.

1. Develop requests for proposals and solicit proposals from carriers/third party administrators licensed in the Commonwealth of Pennsylvania to meet the benefits needs of the SEPaST and its enrollees.

2. Provide independent recommendations to the Board regarding carrier and plan selection.

3. Provide advice and recommendations concerning benefits provided to employees of the SEPaST members.

4. Solicit and negotiate the most advantageous rates for benefits plans of the SEPaST.

5. Prepare complete and detailed accounting of all claim costs, provider access fees, administrative expenses, risk charges, investment performance, etc. to ensure the SEPaST Board can make well-informed decisions.

6. Initiate carrier contract documents with the selected carrier(s).

7. Monitor claims utilization while submitting monthly utilization reports to the Board.

8. Perform statistical analysis and claim reserve studies on the claims and utilization of benefit plans and make recommendations for appropriate rate structures based on this analysis. SEPaST policy requires the first look rates for the upcoming fiscal year to be made available by the November Board of Trustees meeting and the second look rates made available by the February Executive Committee meeting. The benefits consulting firm is then expected to hold individual meetings with the SEPaST members in the month of March to review the rates and discuss opportunities for cost savings. The final rate structure for the upcoming school year for all SEPaST members should be completed by April 30th annually.

9. Monitor the results of the Special Risk Pool and make recommendations where necessary. The Special Risk Pool is comprised of four (4) members and works to stabilize large swings in costs for the smallest SEPaST members.

10. Perform annual stop loss carrier marketing. For the 22-23 fiscal year, HMIG serves as the stop loss carrier for SEPaST. This agreement ends on June 30, 2023. Coordinate claim submissions with the SEPaST stop loss insurance carrier and ensure timely payment of claims to SEPaST members. Additionally, make recommendations to SEPaST regarding alternative programs to the traditional

stop loss model currently in place.

11. Serve as a liaison with carriers when service problems occur.

12. Provide assistance with difficult claims situations needing resolution.

13. Monitor, report, and recommend cost saving proposals to SEPaST.

14. Prepare annual Patient-Centered Outcomes Research Institute (PCORI) fee filing data for each member by June 30th annually. The data should be provided using both the actual count method and the snapshot method.

15. Disclosure of any financial arrangement that includes commissions, overrides or other forms of compensation or financial incentives received either directly or indirectly from any third-party administrator or insurance provider for any client.

16. Support SEPaST with the development and implementation of wellness initiatives. SEPaST members do receive an annual wellness credits budget as part of the agreement with Independence Blue Cross.

17. Provide educational and informative seminars as requested by SEPaST. SEPaST currently holds a quarterly 'Speaker Series', which is coordinated by the benefits consultant. Future scheduled dates include:
    a. September 21, 2023: Creating Health Equity
    b. December 7, 2023: State of the Market in Healthcare – A Year in Review of the Latest Trends in Employee Benefits

18. Assist SEPaST in the procurement of voluntary benefit proposals and coordinate the implementation of such benefits for the Trust. Currently, SEPaST offers legal insurance through ARAG, identity theft protection through InfoArmour, and hospital indemnity, critical illness, and accident insurance through AFLAC. For the 22-23 school year, four (4) SEPaST members offer these programs to their employees. For the 23-24 school year, one additional SEPaST member is expected to begin offering these programs to their employees.

19. Provide up to twenty (20) hours of rate development and plan design consulting to each SEPaST member annually in support of Collective Bargaining negotiations. Service hours provided in excess of the twenty hours may be billed at a normal, customary rate.

20. Conduct an annual review of benefit plans to determine success, areas of focus, as well as, reduction of liability. Additionally, the benefits consultant should be prepared to coordinate utilization reviews with each carrier at both the Trust level and the individual member level. These reviews are generally held in the month of October annually.

21. Provide options for on-line benefit enrollment systems and assist with

implementation of systems, as appropriate.

22. Support members with operational matters related to the on-site clinic, as well as, those who are exploring this option for future implementation.

23. Support members with advocacy services, such as Health Advocate. Provide alternatives and contract negotiation as needed.

24. Provide information regarding any additional programming, such as member discount programs, that the firm has available. Currently, SEPaST offers the *Perks at Work* program as a free offering through the incumbent benefits consulting firm.

25. Provide projections of benefit trends for the next five (5) years and identify areas of reduction of liability.

26. Assist in the development of participant communication tools, including open enrollment newsletters.

27. Consult with SEPaST on all benefit regulatory compliance issues and assist in the preparation of materials and data to meet reporting requirements.

28. Attend meetings with the Executive Committee, Board of Trustees, and Committee meetings as needed. Attendance is expected to be physically in-person for all meetings that offer the in-person option.

29. Assist SEPaST in the development of written policies and procedures to support the efficient and effective operations of the Trust.

30. Inform SEPaST of new benefit designs and/or programs that may assist in keeping plan participants healthy.

31. Support the Trust or its members in the marketing of additional benefits services, such as dental insurance, long-term disability, etc., as needed.

III. Description of Proposal Submission

Submissions may be submitted via email, hand deliver or mail. Email submissions are preferred. If proposal is submitted via mail or hand delivery, 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. Proposals submitted via email should be emailed to sedling@mciu.org. Only firms submitting proposals by the deadline date and time will be considered. The proposals are due on or before 12:00 P.M., Friday, February 24, 2023.

Each proposal must include the following.

1. *Title Page*. A title page indicating the date, name of firm, address, telephone number, email address, and 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 firm and the services it provides.
   c. Describe ownership of the firm.
   d. Indicate the number and location of offices of the firm.
   e. Indicate which office would service our account.
   f. What is your firm's affiliation with other companies or organizations, including affiliations to manage consortiums, such as prescription drug consortiums?
   g. Have there been any recent changes in ownership?
   h. Are there any pending or anticipated ownership or leadership changes?
   i. Outline the turnover rate of the employee benefit services area within your organization.
   j. Provide detailed background information regarding the proposed Account Management team, including resumes. Include an organizational chart indicating the reporting structure for the Account Management team.

3. *Client Information*. Please provide:
   a. Current number of clients serviced by your firm as a whole.
   b. 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, including the number of employees covered by the public employer's benefit plans, and indicate the number of years you have provided those services.
   d. List the public sector self-insured trusts for whom you have provided benefits consulting.
   e. Provide a listing of former clients who stopped using your services within the last two (2) years.

4. *Performance*
   a. Provide a summary that broadly describes the firm's ability and approach to meeting the requirements of SEPaST as outlined in the RFP. The summary should indicate any major requirements that cannot be met.
   b. Describe your capabilities in the area of benefits consulting.
   c. Describe your experience with self-funded insurance consortiums.
   d. In what area do you find your firm to be particularly proficient?

5. Provide a sample of claims or utilization reports your firm prepares for clients.

6. Describe the employee communication services you provide for your clients. Briefly describe your capabilities in this area and provide a sample of communication materials and reports you have distributed to and used with other

clients.

7. Describe your cost containment strategies and methods for both short-and long-term savings. Include information regarding audit capabilities, fraud and abuse, dependent eligibility, large claim management, etc.

8. Describe your firm's resources and approach to disease management and wellness with regards to both an individual's health and costs to the individual school districts and SEPaST.

9. Describe your RFP process for when marketing TPA services, stop-loss coverage and other types of benefit programs.

10. Describe your firms approach to creating a culturally sensitive and inclusive environment for both employees and clients.

11. Fees
    a. Outline how your firm is compensated for services.
    b. Provide a proposed fee structure and indicate what services are included in that fee. Clearly identify the total amount of compensation and types of compensation the firm receives for services.
    c. Itemize any services for which there would be an additional fee.
    d. How are additional fees calculated?
    e. What could cause an increase in fees
    f. How long is the fee structure guaranteed?
    g. Include a service agreement detailing fees and services with your proposal.

IV. <u>Evaluation of Proposals</u>

SEPaST intends to award the contract for employee benefits consultation services to the consultant that submits the highest quality proposal. In determining the highest quality proposal, SEPaST will evaluate the following criteria.

1. Applicable experience and qualifications
2. Project approach
3. References
4. Cost of services

V. <u>Bidding Instructions</u>

1. SEPaST reserves the right to award the contract in whole or in part to the respondent determined by SEPaST, in its sole discretion, to be most responsive to the needs of SEPaST and most advantageous to SEPaST.

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

3. Respondents are advised that proposals shall be binding on the respondent for 120 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.

4. SEPaST reserves the right to negotiate any financial offer by a respondent.

5. Proposals will be held in confidence and, with the exception of the selected proposal, SEPaST will not reveal or discuss proposals with competitors or other applicants. The proposal and all material submitted with the proposal will become the property of SEPaST and will not be returned to the applicant.

6. To facilitate consideration of the proposals, SEPaST may, at its option conduct interviews after receipt of proposals. SEPaST has tentatively held Friday, April 14, 2023 for possible interviews. If this is necessary, your firm will be contacted for schedule an interview.

7. The successful applicant must be prepared to commence services on or before July 1, 2023, or earlier at the discretion of SEPaST.

8. Any questions, specific to the RFP itself should be directed to: Sandra Edling, SEPaST Trust Manager at (610) 755-9410.

9. This Request for Proposal is not subject to the competitive bidding process and any contract for services entered into as a result of any proposal will not be based on the concept of the "lowest responsible bidder." Furthermore, SEPaST reserves and retains the right to reject any and all proposals.

10. Solicitations of proposals and granting of exclusive negotiation rights does NOT commit SEPaST to accept any terms of any proposal. The final terms of any agreement will be determined by direct negotiation and all agreements are subject to the approval of the SEPaST Board of Trustees. SEPaST may suspend or terminate negotiations at any time that it determines additional negotiations would be unproductive.

11. Submission of a proposal constitutes express acceptance by the applicant of all of the terms, conditions and provisions of this Request for Proposal.

12. Instructions to Bidders for Submitting Proposal

    a. <u>Email submissions are preferred</u>.

    b. Proposals should be delivered via email, hand delivery or mail to:

        Southeast Pennsylvania Schools Trust (SEPaST)
        Sandra Edling, SEPaST Trust Manager

2 West Lafayette Street
Norristown, PA 19401
Email: sedling@mciu.org

c. Proposals must be received no later than 12:00 P.M. on Friday, February 24, 2023.

d. SEPaST anticipates making a formal award of the Employee Benefits Consulting Services no later than May 1, 2023.