



Purchasing Services

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Date: **02/27/2023**
RFQ No: **2023-009**
Commodity: **Self-Funded Medical and Pharmacy TPA Administration**
Purchasing Agent: **Daryle Bullard**

Closing Time: 2:00 P.M. CST, Wednesday, March 8, 2023

Opening Time: 2:01 P.M. CST, Wednesday, March 8, 2023

RFQ Opening Location: Operations Center, Purchasing Services Office, 1415 N. 4th St., Waco, TX 76707

Addendum No: 7

The above-mentioned RFQ invitation has been changed in the following manner. **Sign and return addendum to the Purchasing Office by the closing time and date with your RFQ response.** Returning this page signed by your authorized agent will serve to acknowledge this change. All other requirements of the invitation remain unchanged. If you have any questions, please call or stop by the Purchasing Office at the above address.

1. Answers to Questions Asked

Firm: _____

Address _____

Signature of Person
Authorized to Sign Bid: _____

Signor's Name and Title
(print or type): _____

E-mail Address: _____

Date: _____ Telephone: _____ Fax: _____

Question and Answers for Bid RFP No. 2023-009 - RFP for Self-Funded Medical and Pharmacy
TPA Administration
Overall Bid Questions and Answers

1	Question 1 Is Waco accepting proposals from insurance carriers and TPA's who are working directly with a broker/consultant who would be assigned as the broker of record if selected?	No.
2	Question 2 Is Waco also in need of quotes/proposals for the stop-loss insurance – being self-funded?	While Stoploss quotes are not being requested at this time; we would request that you provide an illustrative stop loss quote. The current ISL is \$250K.
3	Question 3 Is the City of Waco accepting proposals from brokers, consultants, or agents or only direct quotes from carriers for this proposal?	No.
4	Question 4 Is Waco issuing an RFP because they are unhappy with BCBS of Texas and Prime Therapeutics or doing so only because it's required?	The City is issuing this RFP because their renewal options with BCBS and Prime have expired.
5	Question 5 Is Waco having any service issues with BCBS of Texas and Prime Therapeutics?	The City is issuing this RFP because their renewal options with BCBS and Prime have expired.
6	Question 6 Does Waco trust BCBS of Texas and Prime Therapeutics is putting your interests ahead of theirs?	The City is issuing this RFP because their renewal options with BCBS and Prime have expired.
7	Question 7 How long has Waco been with BCBS of Texas and Prime Therapeutics?	Since 2005
8	Question 8 Can you please confirm if standalone PBM bids will be accepted by the city?	Yes, standalone PBM bids will be accepted by the City of Waco.
9	Question 9 Will the City accept a non-tiered network dual-plan option consisting of a high-performing efficient network (narrow network), and a secondary plan option as a traditional PPO?	Yes, all available plan options and networks will be considered and analyzed.
10	Question 10 Will the City be supplying the quantity and day supply fields on the historical Rx claims file in order to provide rebate totals/estimate?	Yes, those documents will be uploaded on the website.
11	Question 11 Will the City be supplying the quantity and day supply fields on the historical Rx claims file in order to provide rebate totals/estimate?	Yes, those documents will be uploaded on the website.
12	Question 12 Please identify challenges and pain points in the current process (e.g., vendor issues, service issues, quality issues, pricing issues, etc.). Please identify top process improvement initiatives either being contemplated or currently underway.	The City is issuing this RFP because their renewal options with BCBS and Prime have expired.
13	Question 13 Does the City of Waco currently direct contract with any local hospitals or physicians (outside of Blue Cross Blue Shield of Texas' network)? a. If yes, how many contracts and/or fee schedules will the claims administrator be expected to load?	The City currently has a network and clinical mgmt. agreement with Baylor Scott & White Alliance.
14	Question 14 Thank you for providing the current medical benefits. Are any plan changes anticipated?	Plan changes for the upcoming plan year will be considered during the upcoming budget cycle.
15	Question 15 Should bidders price for COBRA administration? a. In the event bidders should price for COBRA administration, please provide a listing of desired services.	COBRA admin quotes are not being requested at this time.
16	Question 16 Will you please confirm what services, if any, are not included in the \$44.05 PEPM total admin fee?	All services listed in the RFP list on the questionnaire are currently included in the fee.
17	Question 17 Will you please advise regarding the type of data file/integration we would be expected to support for the City of Waco's current third-party vendor partners (and any other medical plan partners anticipated for x/x/xxxx)?	834 files, COBRA eligibility files, and files to Lockton's data warehouse for medical and pharmacy.

	a. Please confirm how integration fees for any third-party point solutions are handled under the current contract.	There will also be files that are required for Unify HR and potentially Virgin Pulse.
18	Question 18 What performance guarantees are in place today? How much is at risk for each? a. Can you please provide summary info on areas where metrics have not been achieved? b. What is the City of Waco requesting, if different from current?	Wellbeing Management, Network, Discount, Claims Payment, Answering Calls, Overall Satisfaction. A % of total administrative fees are currently at risk. The City is open to all guarantee options and offers.
19	Question 19 Please provide details regarding any concierge customer service capabilities and tools in place today.	The City utilizes Member Rewards through BCBSTX.
20	Question 20 How do you perceive the overall member satisfaction to be regarding the plan and current network setup? Are members having any issues that you are looking to have a new administrator improve?	Overall membership satisfaction is good. Anytime there is network disruption that creates issues, so it is critical that we have a stable network and are made aware of any potential disruption points as soon as possible.
21	Question 21 We are in receipt of the census within RFP 2023-009 Proposal Package.pdf. Will you please provide a revised census that includes the following additional columns? a. Gender b. Class (e.g., active employee, retiree, COBRA)	An updated census is loaded.
22	Question 22 How is your current out-of-network pricing model structured (e.g., PEPM, % of savings, etc.)? a. What was OON utilization in 2021 and 2022? b. What was the number of claims and the underlying average discount percentage realized per medical payments for non-network providers in 2021 and 2022? c. What methodology is being used to reprice non-network claims? d. What fees (either embedded as a claim expense or administrative experience) were tied to these savings? e. Please provide the contractual wording structure of the administration fees to support out-of-network claims. f. What portion of administration fees are related to this program for 2021 and 2022?	The plan is currently an EPO so this is not applicable.
23	Question 23 Does the City of Waco have an onsite clinic? a. If so, what services are provided? Are services at the clinic paid through BCBS of Texas today as an in- network provider? Or are they processed as process \$0 pay claims?	No.
24	Question 24 We see the City of Waco - 2023 Medical Questionnaire for Vendors 2.7.2023.xlsx includes rows for Annual Communications Allowance, Annual Wellness Allowance, and Annual Administrative Allowance. What allowances are currently in place (i.e., type of allowance, frequency, and what the allowance is used for)?	The City currently has a wellness allowance of \$15,000 to cover wellness programs and implementation costs. The City would like to see a larger wellness allowance during this RFP process.
25	Question 25 Please provide details on any possible shared savings arrangements for both network (including capitation) and non-network claims.	Not applicable – this is an EPO plan.
26	Question 26 Will you please provide an Excel version of the City of Waco- Paid Claims by Mo for Med & RX w Member Counts on pages 386 - 388 RFP 2023-009 Proposal Package.pdf?	An excel version is being loaded.
27	Question 27 The Background - Overview worksheet within City of Waco - 2023 Medical Questionnaire for Vendors 2.7.2023.xlsx states:	An updated census is being loaded.

	<p>The City provides a self-funded major medical EPO plan. The self-funded plan is currently offered through BCBSTX. Actives and COBRA are covered and the pre 65 Retirees have access to two plan options - an EPO and a high deductible indemnity plan.</p> <p>a. Are the pre 65 retirees referenced in this question included on either the Utilization BCBS Actives worksheet or the Census file? We are not seeing anything to identify anyone as a pre 65 Retiree.</p>	
28	<p>Question 28 Please outline your approach to pricing transparency. Based on information reviewed, it appears there are significant Rx overrides in place currently. How will you ensure that entities who propose only Medical Administration options are not disadvantaged? Is there a desire to "unbundle" Medical and Rx programs and have each evaluated independently?</p>	<p>There are currently no Rx overrides in place today. If by overrides, you are referring to Rx Rebates – the City receives a set PEPM Rx Rebate amount to offset their current ASO fees.</p> <p>The proposals will be evaluated on both a carve in (bundle) and carve out (unbundled) basis. The City is open to all options and will determine what makes the most financial sense and is in the best interest of our members.</p>