

November 5, 2015

**REQUEST FOR PROPOSAL (RFP)  
COBRA, HIPAA, RETIREE BILLING ADMINISTRATION  
AND SUMMARY PLAN DESCRIPTION (SPD) AND WRAP SPD DOCUMENTS  
BID #15157R**

To Whom It May Concern:

The City of Little Rock is seeking proposals from organizations interested in providing COBRA, HIPAA, retiree administrative billing services, and Summary Plan Description (SPD) and Wrap SPD documents. To obtain materials regarding this request, please contact me, as noted below. These materials include a description of the specification questions for proposals, current premium structure, and participation.

In order to be considered for the award of this contract, all requested information must be submitted no later than 2:00 p.m., Friday November 20, 2015. Three copies of the proposal must be delivered in a sealed envelope clearly marked “**Response to RFP to Provide COBRA, HIPAA and Retiree Billing Administration for the City Of Little Rock Bid # 15157R**” Proposals are to be submitted to:

Abdoul Kabaou, Purchasing Manager  
City of Little Rock  
500 West Markham Suite 300  
Little Rock, AR 72201

Deadline for questions or written requests for clarification is Thursday, November 12, 2015. To obtain the complete RFP, or to request information/clarification, you may contact:

Jim Bradshaw, Risk Manager  
City of Little Rock, Human Resources Department  
500 West Markham Suite 130W  
Little Rock, AR 72201

If you need additional information, please contact me at (501) 371-4502 or [jbradshaw@littlerock.org](mailto:jbradshaw@littlerock.org).

Sincerely,

Jim Bradshaw  
Risk Manager, CRM, ICMA-CP, CIC, ARM, ARM-P

**REQUEST FOR PROPOSAL  
COBRA, HIPAA, RETIREE BILLING ADMINISTRATION  
OUTSOURCING & SUMMARY PLAN DESCRIPTIONS (SPD) AND  
WRAP SPD DOCUMENTS  
FOR  
CITY OF LITTLE ROCK**

The City of Little Rock is soliciting proposals for the outsourcing of COBRA, HIPAA, Retiree Billing Administrative Services, & Summary Plan Documents (SPD) and Wrap SPD Documents. We expect that transition to the selected vendor will commence on or about January 1, 2016. This is a reissued RFP, the previous review did not provide adequate detail to fairly select a vendor.

Emphasis will be placed on the following characteristics in selecting the winning vendor:

- Clients of similar size
- Existing online transactional and reporting capabilities (reports available, online access, etc.)
- Ability to administer eligible retiree premiums
- Flexibility of System, ability to handle various premiums structures with rate changes at points in time determined by the City and not necessarily tied to existing COBRA time lines.

**Background and History**

The City of Little Rock and their affiliates provides fully insured medical benefits for approximately 2,150 City and affiliate employees plus their eligible elected dependents.

The objectives of this RFP are as follows:

1. To ensure compliance with COBRA regulations;
2. To ensure accurate and timely COBRA administration, including premium collection/remittance, issuance of notices to newly-eligible employees and participants subject to qualifying events, and termination of COBRA coverage for failure to pay premiums; and
3. To facilitate accurate reporting of COBRA and retiree status to the City and its insurance partner via a complete set of online management reports/queries.
4. To facilitate accurate payment and reporting of COBRA and retiree coverage premiums.
5. To ensure accurate retiree billing, premium collection from various sources, and accurate premium payment and reporting plus reconciliation of premium collected with billing for various benefit providers.

6. To ensure compliance with Summary Plan Description (SPD) and Wrap SPD document rules.

### **Instructions on RFP**

In order to make our evaluation process more efficient, we are asking that your RFP response include the question first, followed by your answer. Also include your financial components of required services in Exhibit A. If you have other items that are not listed on Exhibit A, please include in the “other” line that is provided and if necessary insert additional page to complete your list. Any attachments to your responses should be clearly and individually labeled. Failure to respond to questions/requests in the format noted may result in a proposal being rejected as non-compliant.

### **Due Date for Proposals**

Proposals must be received no later than 2:00 p.m., **Friday, November 20, 2015**, local time. Please provide 3 copies of your proposal in a sealed envelope clearly marked “**Response to RFP to Provide COBRA, HIPAA and Retiree Billing Administration for the City of Little Rock Bid # 15157R**” to:

Abdoul Kabaou, Purchasing Manager  
City of Little Rock  
500 West Markham Suite 300  
Little Rock, AR 72201-1428

**Faxed or E-mailed submissions will not be entertained.** All materials must be received by the noted time and date; materials received after 2:00 p.m. on the due date will not be opened or acknowledged.

### **Questions on RFP Content**

It is our hope that this RFP will be self-explanatory, however, if you have questions please call or e-mail Jim Bradshaw at (501) 371-4502 or [JBradshaw@littlerock.org](mailto:JBradshaw@littlerock.org); or Tom Kane at 501-377-8411 or [tkane@stephens.com](mailto:tkane@stephens.com).

### **Effective Date of Contract**

It is anticipated that the contract will be effective no later than January 1, 2016.

### **Award of Contract**

The selected provider will be notified as soon as practicable after analysis of all proposals required in compliance with this request. The City reserves the right to review details of services with potential vendors to ensure system compatibility prior to contract award.

**The City may also request a demonstration of your system and its capabilities.**

## **Confidentiality of RFP and Responses**

Information provided in your response to this RFP is a matter of public record. Should you wish to provide any information which you consider to be proprietary, please so note in the proposal response and send under separate cover designated as “**Confidential – Proprietary information NOT FOR PUBLIC DISCLOSURE**”. Any such requests must be accompanied by a redacted copy of those materials which will be subject to the FOIA. Requests for exclusion must include specific explanation for the exclusion request other than company preference for not releasing the information.

## **PROGRAM DESCRIPTION**

The City of Little Rock complies with the requirements of COBRA for continuation of Health Care Coverage including all required notifications. In addition, the City offers certain retirees (those meeting the ‘Rule of 70’—age plus years of service) to continue coverages for which they were eligible during employment.

Retirees electing such coverage must pay the full premium for the initial six (6) months of retirement after which the City contributes a portion of the premium for the retiree (dependent coverage costs are the responsibility of the retiree for the entire period).

The City has operated or participated in multiple retirement systems which may allow retiree premium amounts to be deducted from retirement payments. Currently, these amounts are forwarded to HR staff for reporting and allocation to the various providers.

HR staff wishes to simplify processes to the extent possible while adding additional safeguards against improperly expending City funds.

# QUESTIONNAIRE

## Company Information

1. What is the full business name of your organization?
2. What is your business address? Are all services provided from this location?
3. How long have you been providing COBRA and related Administration services?
4. How many COBRA administration clients do you have?
5. Approximately how many COBRA participants are you currently serving through your programs?
6. Approximately how many COBRA Eligibility Notifications do you mail monthly?
7. Please describe your type of organization and ownership.
8. Please provide an overview of your management and staffing.
9. Who will be the City's primary and secondary contacts within your organization? Please provide professional background/qualifications for the primary contact/account manager and key back-up representatives.
10. Please provide biographical information on Senior Management in your organization.

## System Information

11. Please provide a description of your COBRA administrative system, including the platform, development (i.e., purchased or developed internally), recent enhancements, planned enhancements, etc.
12. Please provide a description of your management reporting capabilities and provide copies of standard management reports and available ad hoc reports.
13. Do you have online or Internet capabilities for COBRA continuants, plan sponsor and insurance carriers to access eligibility information, participant payment history, administrative activities and related reports? Does your system allow COBRA/retiree participants to schedule payments by electronic draft, direct deposit or other automatic mechanism? If yes, please describe.

14. Please provide detailed descriptions of your service delivery model(s). You may use flowcharts. Responses should include the following:
  - Continuant Services, to include telephone and online support as well as mailing of COBRA Eligibility Notifications; invoicing; collection and handling of premiums; and notification of Eligibility Updates to TPA and other health plan vendors.
  - Turnaround time for posting of premiums and reporting to employer of changes and additions.

### **Samples**

15. Please provide samples of your COBRA Eligibility Notification package and any other forms you use to communicate with COBRA qualified beneficiaries.
16. Please provide a sample Service Agreement.
17. Please provide a sample of a Retiree Invoice Statement
18. Please provide a sample of a Summary Plan Description (SPD) and Wrap SPD.

### **Other Information**

19. Do you provide HIPAA Administrative Services? If so, please provide a description of those services and a sample of your Certificate of Creditable Coverage and other notification forms.

### **Administration Fees**

20. Do you have an implementation fee related to your services? What does this fee cover? Note: Fee quotations are to be provided in a sealed envelope (Exhibit A) not in this portion of the response.
21. For implementation can your system accept data from current carrier to populate your database? If so, what format will be required? If manually loaded, what is the fee if any? Please send your implementation check list and timeline.
22. How do you bill for your COBRA services? Can you separately bill any City affiliated agencies? Please provide a sample of your billing statement.
23. Are there any additional charges applicable to COBRA administration? Please provide a menu of services and charges that the City may wish to consider.
24. Please provide a menu of your fees for HIPAA administration, if applicable. (In Exhibit A).

25. Please provide a menu of service fees for taking over administration and billing for retiree coverage. (In Exhibit A).
26. Please advise if your system has the capability to accommodate various COBRA and retiree premium payment structures that the City currently has in place. There are currently five different classes with three benefits (medical, dental and vision) each with separate rates.(All City paid, all retiree paid, partial City/balance retiree, lump sum check from retirement system, premium variances depending on affiliate for dental and other medical, dental and vision variances.)

### **General**

27. How do you differentiate your services against the competition?
28. Are you amenable to performance guarantees for the services contemplated under this RFP?
29. What metrics would form the basis of measurement against the guaranteed levels of performance?
30. Do you indemnify your clients? Please include your standard indemnification language with your response.
31. City HR staff has had greater success in resolving concern and problems when a provider allows a single, dedicated 'point of contact'. Will you designate a specific person within your organization as the contact or do you require some other mechanism?
32. Do you offer any 'performance guarantees' or cost reductions for specific failures to required services in a timely and accurate manner? If so, please describe. If not, please describe mechanisms in place to ensure such functioning.

### **RESPONSE FORMAT**

For each item in the questionnaire, restate the question followed by a complete response along with any required sample reports, forms or documents.

Pricing data is to be provided on the attached EXHIBIT A. Please note any additional categories as noted. All pricing information must be provided in a SEPARATE SEALED ENVELOPE. Any item in the questionnaire noting fees must be included in Exhibit A in a separate sealed envelope.

## **SELECTION PROCESS**

City staff, in concert with the contracted Benefit Plan Consultant (Stephens Insurance) will review responses to the questionnaire to determine which, if any, responses meet requirements for the services needed. All firms providing an adequate response to at least 90% of the questionnaire items will be reviewed for pricing. For those firms meeting that requirement, pricing will become the key element in the final selection.

In lieu of pricing for each specific activity, you may offer a 'global fixed price' for comparison. A summary chart of numbers to be used for that comparison is attached after the pricing sheet. You may use that chart to submit such an overall pricing tool. Whichever mechanism is chosen, the projected total annual cost will be a determining factor in decision.

Total price will be determined by using an average number of activities for the noted categories multiplied by the pricing noted and those totals summed.

# EXHIBIT A

## Schedule of Services & Fees

| SERVICE ITEM LIST  | FEE      |
|--|----------|
| <b><u>ONE TIME COSTS:</u></b>  |          |
| Initial Set Up Fee   | \$ _____ |
| Data Load  | \$ _____ |
| <b><u>AS NEEDED:</u></b>   |          |
| COBRA Notice and Plan Alternative<br>(Qualifying Event Notice)<br>Includes Proof of Mail, instructions, etc. | \$ _____ |
| COBRA General Notice<br>(Sent to new Employees)  | \$ _____ |
| HIPAA Certificate Initial Rights<br>(Sent to new Employees)  | \$ _____ |
| HIPAA Certificates of Coverage   | \$ _____ |
| HIPAA Special Enrollment Notice  | \$ _____ |
| <b><u>MONTHLY:</u></b>   |          |
| Monthly Maintenance Fee  | \$ _____ |
| Past Due Notices   | \$ _____ |
| Termination Notices  | \$ _____ |
| COBRA Invoice Cost   | \$ _____ |
| Retiree Invoice Cost   | \$ _____ |
| <u>SPD's and Wrap SPD's (use second page if needed)</u>  | \$ _____ |
| <b>TOTAL DUE</b>   | \$ _____ |

**Project annual cost (all inclusive) based on the following activity:**

**Set-up fees (if any)**

**1,925 benefit eligible**

**162 Retirees**

**20 COBRA General Notices**

**15 COBRA Qualifying event fees**

**25 HIPAA Special Enrollment Notices**

**SPD's and Wrap SPD's**

**Total projected annual costs \$\_\_\_\_\_**