

Revised 11/13/09

REQUEST FOR PROPOSALS (RFP)
TO PROVIDE A THRID PARTY ADMINISTRATOR (TPA)
FOR EMPLOYEE MEDICAL PLAN CLAIMS/ADMINISTRATIVE SERVICES
(PUR 09-089)

QUESTIONS/ANSWERS/CLARIFICATIONS

Revised 11/13/09

>>> "Lara, Erlinda" <Elara@rchsd.org> 11/5/2009 2:16 PM >>>
Dear Tami/Diane,

I have additional questions for the same page 15 and Section I:

1) Section I: Will this be the role of the TPA Medical Director? Will the review process limited to the denials, appeals, complaints pertaining to the patient's medical situation & any high dollar amount claims? Will the Medical Director be coordinating any decisions with Anthem's Medical Director?

Please let us know.

Thanks
Erlinda Lara
Claims Director
Physician Management Group, Inc.
Children's Physicians Medical Group
Children's Specialists of San Diego II
3860 Calle Fortunada, Ste.# 210
San Diego, CA 92123
(858) 634-4941 (Office)
(858) 395-2010 (Cell)

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-----Original Message-----

From: Ask Stockton [<mailto:stockton@user.govoutreach.com>]
Sent: Wednesday, November 04, 2009 7:26 AM
To: Lara, Erlinda
Subject: SCRMS: New Request # 311500 [3830353832393564]

---If replying by email, enter your reply above this line---
(Please allow up to 15 minutes to update your request record when replying by email)

Dear Erlinda ,

Thank you for contacting the City of Stockton. We appreciate the opportunity to assist you.

The Question you submitted was:

Request type: Vendor/Bidder List

Description: Hello,

We just want some clarifications on the following section of page 15:

- 1) Section F: Does the instruction mean that MEDCO be coordinating the submission of the EDI pharmacy claims to the potential TPA?
- 2) Section G: Would the TPA Case Manager/Nurse be coordinating with Anthem's Case Manager/UM Department?
- 3) Section H: Will the patient's hospital utilization/stay/monitoring be the sole responsibility of the TPA Case Manager/Nurse or in tandem with Anthem's Case Manager/Nurse?
- 4) Section I: Will the TPA be working with Anthem Medical Review staff on every case requiring medical review process?

Please advise us at your earliest convenience.

Many thanks,
Erlinda Lara
TPA Claims Director
Physician Management Group, San Diego

You will receive a response within 10 days of this request.

You may add additional information to this request by:

- 1) Replying to this email,
- 2) Sign into the system, or
- 3) Going to:

<http://user.GovOutreach.com/stockton/case.php?id=311500&access=383035383>

2393564

If you would like to sign into the system but do not remember your user name or password, go to <http://user.GovOutreach.com/stockton>, click on the link for "Password Assistance", enter your Email address, and then click on "Send me my sign-in information". Your sign in name and password will be emailed to you.

Thank you,
City of Stockton

CITY RESPONSE

1. Medco will continue to process pharmacy claims.
2. Our current TPA does not offer the services of a case manager or nurse.
3. In tandem.
4. No.

Additional questions referenced in e-mail as "same page 15, Section 1": Since there is no section 1 on page 15 of the RFP, these questions cannot be answered.

>>> "Tillotson, Adam" <adam.tillotson@umr.com> 10/30/2009 3:26 PM >>>
Hello Tami,

We are excited to review the TPA opportunity for the City of Stockton. Upon reviewing the information available from your website, I have a few initial questions to begin the proposal review. Would you please provide the following:

- * Please provide a summary plan description for the two (2) benefit plans currently offered
- * What is the effective date for the benefits being quoted?
- * Please provide a census in Microsoft Excel format of those covered under the benefit plans including the following information:

Date of Birth, Gender, Coverage level for each product, Zip Code

Thank you,

Adam Tillotson
Sales Executive
UMR
Phone: 425-686-1277
Cell: 925-548-1559
Adam.tillotson@umr.com

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CITY RESPONSE

1. Please see posted document.
2. Existing benefit plan will be continued with no changes. Proposal being requested is for claims/administrative services for existing benefit plan.
3. Please see posted document.

>>> "O'Flanagan, Noel" <NOFLANA@solixinc.com> 11/2/2009 1:43 PM >>>
To: Tami Matuska, Human Resources Department, City of Stockton

Good day. We are interested in providing a response to your RFP for Claims/Administrative Services for the Employee Medical Plan and are submitting the following requests for information and clarification.

1. Page 10, Paragraph 1.28: If the City awards a contract, please advice when the City would expect to do so and the expected start date of service.
2. Page 14, Paragraph D.2 Please provide the percentage of claims submitted electronically.
3. Page 14, Paragraph D.4 Please provide the average annual out-of-network claim volume.
4. Page 14, Paragraph D.4 Please provide the average annual out-of-state claim volume.
5. Page 15, Paragraph G: Please identify the City's current case management provider.

6. Page 16, Paragraph L: With respect to Subrogation – Third Party Liability, please identify the number of such actions the City has experienced in an average year.
7. Page 17, Paragraph O: With respect to audit of hospital claims, please identify the number of such claims the City has experienced in an average year.
8. Page 20, Paragraph 3.0.7: Please provide the City's current fee structure and current fees and charges

Please contact me to discuss any aspect of my request and thank you for your help and your consideration of this request.

Noel O'Flanagan
Solix Inc.
Manager - Proposal Development
100 South Jefferson Road
Whippany, NJ 07981
Phone: (973) 581-5184
e-mail: noflana@solixinc.com

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CITY RESPONSE

1. The City expects to award the contract in January 2010 and anticipates a 60-90 day transition period.
2. Claims are submitted directly to Anthem/Blue Cross for pricing, and are then transmitted electronically to Zenith Administrators.
3. The City does not track this information, so the volume of average out-of-network claims is not readily available.
4. All active employees reside in California (most within San Joaquin County). By the end of the year, the City expects to have 951 retirees covered under the medical plan with approximately 60 residing outside California.
5. Anthem Blue Cross provides very limited case management services, mostly related utilization review, with some limited catastrophic case management.
6. This information is not available.
7. This information is not available.

8. Claims Administration: \$16.88 PEPM; Performance Pay: Must meet 3 standards - \$1,886 bonus or penalty for meeting/failure to meet each standard: timeliness, financial & procedural accuracy (based on industry standards), for a total of \$5,658.00.

A copy of the original contract with Zenith Administrators has been posted on the City's website.

>>> "Peter McNamara" <PMcNamara@Keenan.com> 11/5/2009 3:51 PM >>>
Tami and Dianne,

Attached are the questions I have regarding your RFP for TPA services;

1. In Attachment 1 item #14 "Client References" you ask for a list of clients. How many clients are you looking for 3, 5 or some other number ?
2. Can you tell us who your current broker/consultant for Employee Benefits is?
3. What is your current TPA Administration Fee?
4. What is the current Blue Cross Network Access Fee?
5. Is the City interested in looking at any "carve-out" programs we may be able to offer in addition to our TPA services?
6. Does the City do its own stop loss marketing or is the TPA required to do so?

Thank you in advance for your responses to my questions.

Peter

E. Peter McNamara
Senior Vice President, Municipalities
Keenan & Associates
1111 Broadway, Ste. 2000
Oakland, CA 94607
Phone: 510-986-6761, Ext. 8130
Fax #: 510-986-0440
Email: pmcnamara@keen.com <<mailto:pmcnamara@keen.com>>
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CITY RESPONSE

1. Please list 2 references fro current clients.
2. We currently do not have a broker or consultant for our employee benefits.
3. Claims Administration: \$16.88 PEPM; Performance Pay: Must meet 3 standards - \$1,886 bonus or penalty for meeting/failure to meet each standard: timeliness, financial & procedural accuracy (based on industry standards), for a total of \$5,658.00.

4. \$12.49 PEPM
5. No, the City is not considering any “carve-out programs” at this time.
6. We have been utilizing Zenith Administrators to obtain our Stop Loss coverage. The City will consider continuing this practice of working with our TPA to secure Stop Loss coverage in the future.

>>> "Buhalis, George" <George.Buhalis@benesysinc.com> 11/2/2009 9:45 AM >>>
Dear Tami and Dianne:

Please see the attached document with two (2) questions for you.

Thank You, George

George P. Buhalis
CEO | BeneSys, Inc. | 2610 Crow Canyon Road, Suite 200 | San Ramon, CA | Office (925-208-9999 x8622 |
Mobile (248-709-3336 | E Fax 6 248-460-4255 | *George.Buhalis@benesysinc.com

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BENESYS, INC. MEMORANDUM

TO: TAMI MATUSKA
FROM: GEORGE BUHALIS
SUBJECT: TPA RFP PUR 09-089
DATE: 11/13/2009
cc: Dear Tami:

Thank you for the opportunity to present our TPA proposal for the City of Stockton. The following are our initial questions:

1. Section 2.3 states the scope of services as “*automated processing and payment of medical and prescription drug claims (in accordance with plan documents and contracted PPO network reimbursement fee schedule), utilization review, case management, stop loss reporting, third-party recovery, and coordinating medical review*”. Section 2.1 states that the Pharmacy Benefit Manager is **Medco**.

Clarification: **Should our proposal include the adjudication of medical claims ONLY since the City is using Medco for prescription drug claims?**

2. Section 2.1 Background, states that the City is using “*Anthem Blue Cross (preferred provider network and utilization review.*”

In our experience, Blue Cross bundles their Utilization Review and Case Management with their PPO fees.

Clarification: **Will the TPA be responsible for the costs relating to Utilization Review and Case Management with Anthem Blue Cross?**

Thank You, George

CITY RESPONSE

1. Yes.
2. No.

>>> "Kathleen Cechini" <Kathleen.Cechini@delapro.com> 10/28/2009 3:54 PM >>>
Good afternoon, Dianne,

Can you also verify for us what the effective date for this group will be?

Thank you.

Kathleen Cechini
Marketing Coordinator
(209) 939-3472
(209) 474-5405 (fax)
www.deltahealthsystems.com

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From: Kathleen Cechini
Sent: Wednesday, October 28, 2009 1:22 PM
To: 'dianne.samples@ci.stockton.ca.us'
Cc: John Zank
Subject: RE: TPA Proposal for City of Stockton - PUR 09-089
Importance: High

Good afternoon, Dianne,

I work for Delta Health Systems (DHS) here in Stockton and I am processing the Request-for-proposal for the City of Stockton to provide Employee Medical Plan Claims/Administrative Services (PUR 09-089). Will you be providing a census document, SPD or plan summaries of existing plans, and claims experience?

If you have any questions concerning this request, please do not hesitate to contact me, or John Zank, Vice President (209) 939-3485.

Kathleen Cechini
Marketing Coordinator
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CITY RESPONSE

1. The City expects to award the contract in January 2010 and anticipates a 60-90 day transition period.
2. This question has been responded to below.

>>> "McGoogan, Judith" <jmcgoogan@mesirowfinancial.com> 11/11/2009 10:26 AM >>>
Dear Diane,

We provide the surety bonding for Zenith Administrators who is preparing a proposal for this RFP. I am writing to you to ask you if you can forward a copy of your bid bond form. Page 9 of the RFP has very specific wording required which is why I thought that you might have your own form. I would appreciate it if you could fax or email a copy of the form to my attention. If you do not have a form, I would appreciate a reply to let me know.

Thank you.

Judi

Judith A. McGoogan, CPCU
Senior Bond Account Manager
Insurance Division/Surety Bond Practice
Mesirow Financial
321 N. Clark Street, Suite 1100
Chicago, IL 60654
v 312-595-6842
f 312-595-4374
e jmcgoogan@mesirowfinancial.com

Please update your records to reflect our new zip code of 60654 effective 7/1/2008

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Please consider the environment before printing this e-mail.

CITY RESPONSE

The City does not have a bond form. Bonding companies generally have their own standard form.

Revised 11/4/09

>>> "Kathleen Cechini" <Kathleen.Cechini@delapro.com> 10/28/2009 1:18 PM >>>
Good afternoon, Tami,

I work for Delta Health Systems (DHS) here in Stockton and I am processing the Request-for-proposal for the City of Stockton to provide Employee Medical Plan Claims/Administrative Services (PUR 09-089). Will you be providing a census document, SPD or plan summaries of existing plans, and claims experience?

If you have any questions concerning this request, please do not hesitate to contact me, or John Zank, Vice President (209) 939-3485.

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CITY RESPONSE

The City has posted online 3 files. One reflects census data for our medical plan and the other two reflect a summary of our medical plan experience for FY 07/08 and 08/09.

>>> "Castro Janus, Isabella L" <Isabella.Castro@uhc.com> 11/3/2009 4:20 PM >>>
Hello Dianne/Tami:

UnitedHealthcare is in receipt of your proposal for the City of Stockton TPA services. Would the City entertain a total replacement quote? TPA and Network as we do not contract with Blue Cross vs. TPA only.

Thank you for your attention to this matter.

Isa Castro Janus
Vice President Sales
Public Sector and Labor Markets

UnitedHealthcare
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CITY RESPONSE

Not at this time.