



**City of Milwaukee
Request for Proposal (RFP) for Employee Benefit Consultant**

November 1, 2010

Invitation

The City of Milwaukee is soliciting proposal from qualified consultants to perform and provide consulting services for the City of Milwaukee Employee Benefits Program. Interested and qualified parties who can demonstrate ability and comparable experience are invited to submit proposals.

Proposals will be accepted until Tuesday, November 30, 2010 at 4:45 pm. Submittals and requests for information relative to this proposal should be address to:

Michael Brady, Employee Benefits Director
City of Milwaukee, 200 East Wells, Room 706
Milwaukee, WI 53202
414-286-2317
mbrady@milwaukee.gov

I. Background on City of Milwaukee

The City of Milwaukee employees 7000 active employees and has 5000 retired employees. Employees are provided health benefits, dental benefits, flexible spending plans, long term disability benefits and a comprehensive wellness program. The city offers a self funded basic health plan and an insured HMO plan. The City carves out prescription benefits for active and retired employees. The City offers three dental plans. The City contracts with vendors (one each) for flexible spending, LTD and wellness.

II. Scope of Services

The City of Milwaukee is seeking a benefits consultant to perform a full range of services related to the design, implementation, maintenance, communication and ongoing improvement of the City's group insurance programs. The benefits programs include two health insurance plans, a self-funded Basic Plan and an insured HMO; three dental plans; a flexible spending plan; a Long

Term Disability program; and, a comprehensive wellness initiative. The services should include, but are not limited to the items listed below.

- A. Assist in the preparation and execution of Request for Proposals (RFP)** for health, dental, flexible spending, long term disability services and wellness services.
- Assist the Benefits Director in creating the RFP
 - Assist the City team in determining how to evaluate the responses
 - Assist the City team in identifying potential responders
 - Evaluate the financial proposals of each bid
 - Assist the City team in making recommendations to City policy makers
- B. Maintain and Support a data warehouse,** data gathering and information sharing. Maintain a data warehouse that currently includes health and prescription insurance claims from 2004-2009 from both HMO, Basic Plan and Prescription benefit Manager vendors.
- Add 2010 vendor data to this data warehouse
 - Prepare usable data summaries for DER, Budget Office, Aldermen and other City officials.
 - Identify trends and patterns of utilization and recommend cost control opportunities
 - Transfer data stored by current consultant to party selected without additional costs.
- C. Prepare projected costs** for all self-insured or proposed self-insured City plans with a Fellow of the Society of Actuaries, and provide projected costs for all union and management health insurance proposals during negotiations. These plans currently include the City Basic Health Plan and the City Prescription Benefit Manager. The City's insured HMO program may become self-funded in the future.
- Based on the data gathered, the experience and the utilization, project the 2012 City claims costs for all self funded plans, both active and retired.
 - Based on the data gathered , the experience and the utilization, project the 2012 City costs for all prescription benefit programs, including the DeanCareRx Medicare D program.
 - Based on the data gathered, the experience and the utilization, project 2012 City costs for the insured HMO program if the City decides to self-insure the HMO and offer an EPO type program.
 - Provide documentation and analysis to support the project costs for each.
 - Projecting the cost of these self-insured services with supporting documents requires the services of a member of the American Academy of Actuaries and a Fellow of the Society of Actuaries.

D. Make recommendations regarding the insurance and benefit products offered by the City of Milwaukee

- Identify the benefits and challenges of using an insured HMO type product or a self-insured EPO type product.
- Recommend changes regarding plan design, premium, co-pays, co-insurance and deductibles.

E. Make recommendations regarding prevention, disease management and wellness activity.

- Based on the review of the utilization and experience of City data, identify options and specific recommendations regarding the best disease management and wellness efforts in which the City and its employees should be engaged.
- Assist as necessary in identifying vendors to provide health risk analysis and healthy lifestyle service to City employees.
- Project cost control expectations from the implementation of different wellness programs, incentives and disincentives.
- Assist the City in evaluating the work of Froedtert Health Workforce Health, the City's current partner in providing a comprehensive wellness program to City employees.
- Assist the City in identifying ROI metrics to be used in assessing the effectiveness of Wellness Program.

F. Make recommendations regarding prescription utilization

- Based on review of the utilization and experience of City members for prescription data, make recommendations to help the City and City members better control costs while providing appropriate medications.
- Continue to make recommendations regarding utilization of Medicare Part D with the over 65 Medicare retirees, efforts that will allow retirees to better control their health care costs and get the most appropriate medications.
- As part of the RFP process for a prescription benefit manager, help the City to evaluate the ongoing utilization of a Medicare Wrap program with both the HMO and the Basic Plan for retirees over 65.

G. Assist the City in development of an ongoing strategic direction to better control health care costs.

- Assess the impact of past City healthcare cost control strategies and future direction if specific changes in health care benefits and plan design are not made.
- Share the strategic direction, including measurable goals, and obtain consensus from management, aldermen and the Mayor regarding the direction.

- Share the information with any existing Labor/Management and Retiree Committees at the direction of Labor Relations and Employee Benefits.
- Assist in obtaining labor buy-in of the City health plan policies.
- Assist in developing and establishing measurable outcomes to monitor the success of implemented changes.
- Assist a labor-management committee in the ongoing design, development, and implementation of improvements to the City current comprehensive prevention and wellness program, “Wellness, Your Choice Milwaukee.” Include specific measurable changes that have resulted from this effort.

H. Assist the Employee Benefits Director in administering all group insurance plans.

- Assist the City in complying with laws and regulations related to employee benefits, including changes in state and federal laws.
- Assist the City with the implementation and communication of new programs or changes to existing programs, which will include attending and presenting information at Open Enrollment meetings and/or health fairs.
- Research any new developments in the law and employee benefits, including health care reform efforts, on an ongoing basis.
- Interface with insurance carriers as needed to assist the City in the resolution of problems associated with benefit programs.

III. Proposal Format Requirements

Please provide an overview of your firm including the following:

- Name, address, and description of the agency, including the name and contact information for the person who will serve as a contact.
- A description of the business organization, its ownership, its organizational structure, and mission.
- Confirmation of the appropriate federal and state licenses required to perform the services, if applicable.
- A description of any changes in management/ownership anticipated during the next year.
- A copy of the most recent annual report or audit financial and proxy statement.

For each Scope of Service item listed under Section II of this RFP, please provide the following information:

- A statement describing how your firm intends to comply with the City’s needs as described under A - H of Section II. If you are unable to meet a specific need please provide a detailed explanation supporting your position.
- A description of your experience performing comparable work for other employers. Please include a description of your experience working with the public sector employers.

- A detailed cost proposal for all services performed under RFP including and administrative costs.

IV. Evaluation Process and Criteria

RFP responses will be evaluated by a team of City of Milwaukee representatives based on the following:

- Quality of Responses (ability of the proposer to meet needs of the City as defined under Scope of Services).
- Experience of the firm performing comparable work.
- Overall cost and value to the City.

The City reserves the right to interview finalists. The City reserves the right to accept or reject all or part of any proposal submitted and accept such proposal deemed to be in the best interest of the City; reject any and all proposals received in response to this request; accept a proposal that is not the lowest cost; request clarification regarding any proposal; make a partial award, or not make any award.

V. References

Please provide tree client references for which you have provided related services during the past three years. Preference should be given to including those references most similar to the City in terms of size, industry, location and complexity. Please include name, address, telephone and e-mail contact of your primary client contact at this organization as well as a short description of the scope of services performed for each reference. The City reserves the right to contact or visit any party listed as a reference that has previously used, or is presently using your products or services in a manner similar to those proposed by the vendor. The City may also use other sources to obtain information about the proposed products and services.

VI. Statement of Compliance Form

Fair Employment Practices

All proposals shall be subject to the provisions of Section 109-9 of the Milwaukee Code of Ordinances relating to prohibition of discrimination in employment. This provision shall be applicable and incorporated as part of any contract or proposal award.

Non-discrimination

In performing in accordance with the terms of the RFP, the proposer agrees not to discriminate against any qualified employee or qualified applicant for employment because of sex, race, religion, color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, gender identity or expression, past or present membership in the military service, familial status, or based upon affiliation with,

or perceived affiliation with any of these protected categories as defined in Section 109-9 of the Milwaukee Code of Ordinances. Contractor is required to include a similar provision in all subcontracts. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The proposer further agrees to take affirmative action to ensure equal employment opportunities for persons with disabilities. The proposer agrees to post in conspicuous place available for employees and applicants for employment notices to be provided by the contracting officer setting forth the provisions of the nondiscrimination clause. Wisconsin Statutes 16.765 (1) and (2) and provisions of section 109-9 of the Milwaukee Code of Ordinances.

VII. Schedule for the RFP

- | | |
|------------------------------|---------------------|
| ○ RFP distributed via e-mail | November 1, 2010 |
| ○ Responses to RFP Due | November 30, 2010 |
| ○ Committee Review | December 1-7, 2010 |
| ○ Conduct Interviews | December 8-10, 2010 |
| ○ Recommendation | December 15, 2010 |

Additional information regarding City of Milwaukee Benefits and benefit programs can be found at <http://city.milwaukee.gov/der>