

**REQUEST FOR PROPOSAL
GROUP HEALTH INSURANCE BENEFITS**

Town of Lincoln, Maine



Proposals due – Monday October 23, 2017 – 5pm

Address Proposals to:

Town of Lincoln
Attention: Melissa Quintela – Treasurer
63 Main St
Lincoln, ME 04457

The intent of this RFP is to enter into a contract with a health insurance provider or Maine Municipal Employees Health Trust (MMEHT) to provide group health insurance and life insurance benefits to Town employees and their families.

REQUEST FOR GROUP HEALTH INSURANCE BENEFITS

The Town of Lincoln, Maine is seeking proposals for Group Health Insurance Benefits (including basic life insurance) for Town employees and their families.

Copies of the full RFP may be obtained from the Town of Lincoln Finance Department located at 63 Main St, Lincoln, ME 04457. Phone number 207.794-3372 or may be downloaded from the Town website at www.lincolnmaine.org.

Agents, agencies, or trust representatives must provide an original and nine (9) copies of their proposal that meets all requirements of the RFP.

All responses to the RFP must be delivered to the Town of Lincoln Finance Department at the address listed below and sent to the attention of Melissa Quintela, Treasurer, no later than **5pm, October 23, 2017** in order to be considered.

All responses to the RFP must be in sealed envelopes reflecting on the outside thereof, the responder's name, address, phone number and "**GROUP HEALTH INSURANCE BENEFITS**" marked on the envelope.

All responses to the RFP must be addressed as follows:

Town of Lincoln
Attn: Melissa Quintela
Treasurer
63 Main St
Lincoln, ME 04457

Town of Lincoln, Maine
Request for Proposals
GROUP HEALTH INSURANCE BENEFITS

The purpose of this RFP is to obtain qualifications to enter into a contract to provide for group medical benefits (health and life insurance) for Town employees.

The Town of Lincoln provides group medical benefits to its employees, their families, and retirees. The Town pays varying percentages for its employees and dependent(s) premiums, including domestic partners. The Town currently employs 36 full time employees eligible for group benefits upon the first day of the month following date of hire. 29 of the 36 employees are currently enrolled in the group medical plan; all employees have basic life insurance coverage. The Town also has 2 retirees enrolled with the Health Trust. Employees who opt out of the plan are eligible to re-enroll at the beginning of each year during open enrollment, or at any time should they lose health insurance coverage elsewhere. The Town is currently a non-rated group (rates for member groups of 1 to 49 covered employees are determined based on the experience of all non-rated groups as a whole).

Proposals are expected from financially sound insurers, authorized to do business in the State of Maine. A.M. Best's ratings, where applicable, should be furnished for each insurer being proposed.

The Town of Lincoln shall retain the right to select a broker/agent that is responsive to the needs of the Town, its employees and their dependents. Health Insurance proposals must be valid from a January 1, 2018 effective date and valid for a minimum of one year through January 1, 2019.

The Town will provide an employee census containing birthdates, zip codes, current enrollment status, current coverage rates, as well as current annual salary information. This may be requested in writing by qualified agents intending to submit bids by e-mailing: melissa.quintela@lincolnmaine.org.

A. SCOPE OF SERVICES

The scope of services may include but is not limited to the following:

Insurance coverage proposed shall be provided for employees, spouses/domestic partners of employees, employees and their children, and family coverage all based on employee selection/designation. Coverage will maximize group savings while maintaining a benefit plan comparable to the three current health insurance plan entitled "Comprehensive Point of Service Plan (POS-C), Comprehensive Point of Service Plan (POS-200) and Preferred Provider Organization Plan (PPO-1000)" purchased through the Maine Municipal Employees Health Trust (MMEHT). A summary of these plans are attached to this RFP.

1. The responder to this RFP will provide a breakdown for both “In-Network” and “Out-of-Network” benefits, and compare their proposal to that of the MMEHT plan, as follows:

Benefit Description

- Deductibles - Single and Family
- Coinsurance - % paid by plan
- Maximum of out-of-pocket expenses per calendar year
- Lifetime maximum

Inpatient Services

- Unlimited days of care in semi-private room
- Physician services
- Intensive care
- Ancillary services, lab tests, x-rays, anesthesia, medications
- Maternity care
- Newborn care

Outpatient Services

- Any physician office visit, diagnosis and treatment
- Lab & X-ray – Diagnostic
- Lab & X-ray – Preventive
- Lab & X-ray – Routine (mammograms, Pap Smear, PSA including screening and lab test, Colonoscopy)
- Colonoscopies – Diagnostic
- Advanced Imaging Procedures (e.g. MRI, CT, and PET scans)
- Physical exams and well-child care
- Immunizations/flu shots
- Covered surgical procedures
- Maternity care
- Gynecological exam (routine)
- Physical, Speech, or Occupational Therapy
- Outpatient facility fees
- Ambulance (medically necessary)

Emergency Room Services

- Emergency/urgent/acute care
- Non-emergency care

Other Services

- Home health/hospice care
- Skilled nursing facility
- Human tissue & organ transplants (limited transportation and lodging benefits available)
- Durable medical equipment
- Oral surgery (limited benefits)
- Routine eye exams

- Chiropractic care

Prescription Drugs

- Up to 30-day supply co-pay (Tier 1-Select Generic/Tier 1-Standard/Tier 2/Tier 3/Tier 4)
- Up to 31-90 day supply co-pay (Tier 1-Select Generic/Tier 1-Standard/Tier 2/Tier 3/Tier 4)

Mental Health Services/Substance Abuse Services

- All eligible inpatient and outpatient services

2. The responder to this RFP will also present a proposal for a possible Health Savings Arrangement (HSA) and/or a possible Health Reimbursement Account (HRA) to be used in conjunction with any health insurance plan proposals offered. In addition, the responder to this RFP will provide a separate proposal for a third party administrator to handle claims that would be paid using the HSA, HRA, or a combination of both. Said proposal to include the name, address, and contact person for the third party administrator, as well as the costs associated to administer the plan on an annual basis.
3. The responder to this RFP will provide an insurance proposal(s) that is substantially equivalent to, or greater than, the current plan benefits and must provide a responsive billing or accounting process. **Responders are also encouraged to propose alternate scenarios with higher deductibles and lower premium costs.**
4. If more than one health insurance plan is offered, the responder to this RFP must indicate whether or not employees can have the choice of plans available (also known as a “Dual Option” program), or whether or not the Town must choose just one plan for all employees and their dependents.
5. The responder to this RFP must indicate whether or not an employee assistance program is offered. If such a program is offered the responder must give the details of the benefits of the program, and, if applicable, the rate associated with such.
6. The responder to this RFP must indicate whether or not a “Wellness Plan” is offered as part of the health insurance benefit, to include:
 - a. A Wellness Incentive Grant
 - b. Employee Assistance Program Grants
 - c. On-site classes by qualified educators
 - d. Assistance with wellness program development
 - e. Ongoing resources (including meetings and conferences) for wellness coordinators
 - f. Classes for employees
 - g. Wellness quarterly newsletter

7. The responder to this RFP must submit a proposal that includes COBRA administration, to include COBRA eligibility notifications and tracking, and acceptance of COBRA payments and monitoring of payments.
8. The responder must submit a proposal that provides coverage for retirees of the Town who are not yet eligible for Medicare, or who are on Medicare, and also indicate what type of group Medicare supplemental coverage the insurer offers. The insurer must also indicate whether or not they are able to administer deductions from Maine Public Employees Retirement System (MPERS) checks. The carrier will offer direct billing for retirees.
9. The responder to this RFP shall provide current rates of insurance proposals to that of any insurance proposal offered for consideration. The rates shall be listed for the following coverage: Family (including domestic partner) – to include two adults with or without children; Adult with child(ren); and Single adult. The responder shall also provide the rate history for any insurance proposal offered for consideration, for the last three years beginning with year 2014.
10. The current health insurance plan provided by MMEHT also includes a basic life insurance policy, which provides each employee with a life insurance policy equal to one times their annual salary. If the proposal submitted by the responder to this RFP does not include a life insurance policy, responder shall be required to indicate that no life insurance policy is included. Further, if the life insurance benefit is not included the responder to this RFP must provide a separate life insurance proposal indicating the cost per employee (monthly and annually) to provide a basic life insurance policy equal to one times each employee's annual salary for all 36 full-time employees.
11. The responder to this RFP shall also provide the following:
 - a. References from Maine businesses or public entities with whom the agent/ insurer currently does business. At least one reference must be from a Maine municipality.
 - b. Provide the average length of time it takes to process a claim.
 - c. Indicate whether or not the insurer offers any performance guarantees.
 - d. Indicate in what state the program is serviced, and whether or not a "live person" handles calls from clients.

If the responder to the RFP offers any other options other than what is listed herein, then the responder shall indicate in their proposal and explain in detail the additional services proposed.

B. INFORMATION

Questions should be directed to Melissa Quintela, Treasurer at (207) 794-3372. Any changes to the specifications shall be in writing in the form of an addendum and furnished to all companies submitting proposals.

C. PAYMENT

It is normal and customary for the Town to pay all invoices within 30 days on receipt. In response to this RFP all responders must clearly state the costs of insurance premiums proposed both on a monthly basis as well as an annual basis. Premiums shall be paid on a monthly basis within 15 days after the last day of each month. Any start-up fees required with a third party administrator must be clearly stated, and upon agreement of a signed contract will be paid within 30 days of contract award. Any funds required for either HSA or HRA will be discussed with the agent/agency to determine the best payment options and to determine requirements of the Town.

D. ADDITIONAL COST

All usual and customary costs incurred as a result of providing services mentioned throughout this RFP, to include providing plan information, assisting employees with insurance questions, any required printing, mailing, data programming or reprogramming, postage and postage changes, and providing all other customer service and information to the Treasurer, will be borne by the agent/agency and not subject to reimbursement by the Town or the insured and their dependents.

E. TERM

Any contracts that result from the award of the items listed in this RFP shall be for a period of one year, renewable annually by agreement of both parties. Should the Town desire not to renew the contract a 30 day written notice to the agent/agency will be all that is required to terminate the agreement. A January 1, 2018 start date is likely, however, due to union ratification requirements, the start date may be delayed.

F. RFP PROPOSAL REQUIREMENTS

Insurance agents at a minimum shall submit the following as a part of their proposal and in the order presented below:

1. **Letter of interest** stating the location and headquarters of the insurance agent's office to include a specific statement of the services the insurance company is proposed to provide.
2. **Business credentials** that provides a synopsis of the agent company's qualifications including capabilities of the agent; credentials of the insurance company's management team.
3. **List of previous or ongoing insurance contracts** that outline experience to perform services for a public sector employer required under the scope of services.

4. **Specific accomplishments** that will demonstrate the ability of the insurance company/insurance agent to provide services required under the scope of services.

5. **Response to the scope of services** that demonstrates and outlines how the insurance company/insurance agent would carry out the specific services required under the scope of services to include any enhancements that are not reflected in the scope of services. Services should include but not be limited to:
 - a. **Insurer qualifications**
 - 1) Proposals are expected from financially sound insurers, authorized to do business in the State of Maine. A.M. Best's ratings, where applicable, should be furnished for each insurer being proposed.

 - b. **Network**
 - 1) Provide descriptive materials of the plan(s) offered, listings of preferred providers (including hospitals, general practitioners and specialists).

 - 2) State when the last provider directory was published and how often it is revised.

 - 3) State how many primary care physicians are in the network and the percentage of primary physicians and the percentage of the other physicians who are not accepting new patients.

 - 4) Indicate what kinds of communications are provided by the network to the participating providers and how often they are informed of plan changes.

 - 5) State to what extent benefits are provided out of the local service area.

 - 6) State other plans/options network has for consideration.

 - c. **Cost containment**
 - 1) Describe the nature and special features of the plan offered.

 - 2) Indicate how benefits, deductible and co-payments are applied or recommended by the plan and any required or recommended penalties of non-use of preferred providers. Specifically address how laboratory work will be covered or not covered.

 - 3) Describe discounts and other pricing arrangements that the plan has negotiated with hospitals and physicians which will provide cost reduction to the Town of Lincoln. Although statewide averages are useful, it is preferred that discounts in the Town of Lincoln's local area be disclosed.

- d. **Stop-Loss/waiver of coinsurance**
 - 1) Managed care plans must indicate the maximum total out-of-pocket costs per plan year per person and per family.
 - e. **Maximum annual and life time benefits**
 - 1) Provide information about maximum annual and lifetime benefits per person, and how the proposed health insurance plan is impacted by the *Affordable Health Care Act*.
 - f. **COBRA and conversion benefits**
 - 1) In addition to providing mandated COBRA benefits, proposers shall make conversion benefits available to participants entitled to continue similar coverage, without evidence of insurability, as prescribed by law.
 - 2) Proposers must administer COBRA enrollments and assure compliance with COBRA law. State separately the cost, if any, for these services.
 - 3) Retirees shall have an option to remain in the Town of Lincoln's regular group program at their expense.
6. **Reference listing** of no fewer than four references of past experience that include at a minimum, a contact person, a company name, the services provided to that company and a phone number. One such reference must be from a Maine municipality.
 7. **Additional information and comments** by the insurance agent, at their discretion, that provides additional information deemed relevant to the evaluation of the proposal.
 8. **Sample insurance benefits booklet and last provider directory** demonstrating the same level of quality and content being proposed for this RFP.
 9. **Pricing** that includes all pricing for all services unless otherwise stated.
 10. **Insurance agent / company statement of confidentiality of data** that states a commitment to keeping data and employee information confidential and specifically addresses what procedures will be used to ensure that data / information is kept confidential and secure.
 11. **Expectations of finance resources** necessary to carry out the terms of the vendor's proposal.

G. NON-CONTACT

No communication seeking to in any way influence the outcome of the proposal evaluation is allowed between submitting vendors and Town officials, representatives, and/or personnel during the evaluation process. Failure to comply with this requirement will result in disqualification. All communication regarding the RFP shall be directed to Melissa Quintela, Treasurer either via telephone at (207) 794-3372 or via e-mail: melissa.quintela@lincolmaine.org.

H. SUBMISSION OF PROPOSALS

Interested vendors shall submit an original and nine (9) copies of their proposals to:

**Town of Lincoln
Attn: Melissa Quintela, Treasurer
63 Main St
Lincoln, ME 04457**

Proposals must be received no later than **5pm, October 23, 2017** in order to be considered. Proposals received after this deadline will not be accepted. The Town of Lincoln will not take responsibility for mail service delivery failure.

I. EVALUATION AND SELECTION OF PROPOSALS

It is the intent of the Town of Lincoln to select the bidder most qualified to provide the best value to the Town. Best value is based not only on cost, but also includes the ability to provide quality desired services and support.

The RFP review committee will evaluate all proposals received and:

1. Prepare an alphabetical listing of those vendors determined to be able to provide the services requested. Evaluate the proposals meeting minimum submission criteria based on:
 - a. Responsiveness of the proposal in clearly stating an understanding of the services to be provided for the Town including demonstrating the requirements of the **A. Scope of Services** and **F. Proposal Requirements**.
 - b. Ability to design an insurance package to meet or exceed the requirements required by the Town.
 - c. Fixed pricing and costs, deductibles, out of pockets, coverage, limitation of coverage, and costs for all parties (insured, dependents and the Town.) Although cost will be a major consideration in evaluating proposals, it will not be the only consideration.
 - d. Insurance agent / insurance company demonstrated ability to complete all requirements outlined in **A. Scope of Services** and **F. Proposal Requirements**.
 - e. Ability to meet a January 1, 2018 effective date good for a minimum of one year.
 - f. Coverage: the amount and breadth of coverage and the extent of benefits, such as living death benefits, waiver of premium, deductibles, co-payments, co-insurance, restrictions, or exclusions.
 - g. Services: the capabilities and experience of proposers, the hospitals and the number of physicians under contract and the number that will accept new patients, and the proposer's claims processing standards.

- h. Stability: financial stability of the insurer, self-insurance fund, or other provider coverage.
 - i. References.
- 2. Review of all proposals timely received will proceed as follows:
 - a. The RFP review committee will make a recommendation to the Town Manager for review and approval. No direct on site presentations are expected to be made by any of the proposers, but finalist interviews may be conducted on November 8 or November 9 and thus, bidders must make themselves available for one of those dates. All RFP's submitted will be available to the other proposers for review after the recommendation is made.
- 3. Discussions with the apparent successful bidder will begin upon award of the bid by the Town.
 - a. Discussions will be held with the bidder deemed to offer the best all around proposal for health insurance and life insurance benefits for Town employees.
 - b. If no tentative agreement can be reached with the apparent successful bidder, then negotiations will commence with the bidder whose proposal was the second most favorite, and continue in similar fashion until such time as a successful bidder can be established.
- 4. Upon approval of the components of any contract that may result from the successful bid, execution shall be made of a formal written contract prior to enrolling employees into any new program.

J. CONFIDENTIALITY AND INDEMNIFICATION

- 1. The **SUCCESSFUL BIDDER** agrees to exercise caution and discretion in safeguarding customer information and data which is confidential in nature.
- 2. The **SUCCESSFUL BIDDER** will be liable for any willful and material disclosure of such information or data in addition to being subject to criminal prosecution for violation of any applicable state or federal laws.
- 3. To the fullest extent permitted by law, the **SUCCESSFUL BIDDER AND/OR ITS AGENTS** shall indemnify and hold harmless the **Town of Lincoln**, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the negligence, recklessness, or intentional wrongful conduct of the **SUCCESSFUL BIDDER AND/OR ITS AGENTS** and other persons employed or utilized by the **SUCCESSFUL BIDDER AND/OR ITS AGENTS** in the performance of this agreement.

K. CONFLICT OF INTEREST

All respondents must disclose with their proposal the name of any Town official or employee who is also a relative, or who might have a pecuniary interest in the proposals offered for consideration.

L. RIGHT TO REJECT

Any exceptions to the specifications of this request for proposal must be clearly stated in writing in the proposal. The Town of Lincoln reserves the right to reject any or all bids, or to accept the bid that in the opinion of the Town Manager is in the best interest of the Town.

1. There is no obligation on the part of the Town to award the proposal to the lowest vendor, and the Town reserves the right to award the proposal to the vendor submitting a responsive proposal with a resulting negotiated agreement which is most advantageous and in the best interest of the Town, and to reject any and all proposals, or to waive any irregularity or technicality in proposals received. The Town shall be the sole judge of the proposal and the resulting negotiated agreement that is in its best interest and its decision shall be final.
2. The Town reserves the right to waive any informality or reject any and all proposals, in whole or part, to this proposal and to accept the proposal that in its judgment will best serve the interest of the Town and its employees.
3. The Town specifically reserves the right to reject any conditional proposal and will normally reject those that made it impossible to determine the true amount of the proposal. Each item must be proposed separately and no attempt is to be made to tie any item or items to any other item or items.

M. DISQUALIFICATION OF VENDORS

Any of the following reasons may be considered as sufficient for the disqualification of a vendor and the rejection of his/her proposal or proposals:

1. Evidence that the vendor has a financial interest in the firm of another vendor for the same proposal.
2. Evidence of collusion among vendors. Participants in such collusion will receive no recognition as vendors for any future work of the Town until such participant shall have been reinstated as a qualified vendor.
3. Default under previous contract.

CONFLICT OF INTEREST DISCLOSURE FORM

For purposes of determining any possible conflict of interest, all bidders/vendors/agents/agencies, must disclose if the Town of Lincoln, or its employee(s), are owners, corporate officers, employees, etc. of their business.

Indicate either "Yes" (if a Town employee is also associated with your business), or "No". If "Yes", give person(s) name(s) and position(s) with your business.

YES NO

NAME(S)	POSITION(S)

Bidder's Company Name

Authorized Signature

Physical Address of Company

Printed Name of Authorized Signature

Mailing Address of Company

Title of Authorized Signature

E-mail Address

Date

Phone Number

Fax Number

IDEMNIFICATION AND HOLD HARMLESS

To the fullest extent permitted by law, the Agent/Agency shall indemnify and hold harmless the Town of Lincoln, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the negligence, recklessness, or intentional wrongful conduct of the Agent/Agency and other persons employed or utilized by the Agent/Agency in the performance of this Agreement.

Bidder's Company Name

Authorized Signature

Physical Address of Company

Printed Name of Authorized Signature

Mailing Address of Company

Title of Authorized Signature

E-mail Address

Date

Phone Number

Fax Number