

**City of Chelsea**  
**IFB 2016-78**  
**GROUP HEALTH PLAN & EMPLOYEE BENEFIT CONSULTING SERVICES**  
**Addendum #1**

**Notice to all prospective bidders**

**Addendum #1 released Tuesday, November 17, 2015**

**Note: The bid deadline has been extended until Monday, November 23, 2015 at 10:00am.**

**The following are answers to questions received:**

**Q1: What is the next renewal date for the Harvard medical plans? Are the medical plans insured or self-insured? If the medical plans are self-insured, is stop loss insurance purchased as part of / through Harvard or directly with a stop loss carrier? If the latter, what is the next renewal date?**

A1: The next renewal date 7/1/2016, medical plans are insured.

**Q2: Is the dental plan insured? Who is the current carrier? What is the next renewal date?**

A2: No, 100% employee paid. Delta Dental. 1/1/2017.

**Q3: Is the life insurance benefit insured or self-insured? Who is the current carrier? What is the next renewal date?**

A3: Insured. Boston Mutual. 1/1/2017.

**Q4: Who is the current carrier for the short and long-term disability insurance? Are the plans insured? What is the next renewal date?**

A4: Boston Mutual. Insured. 1/1/2017.

**Q5: Do all of the services described in item #1 of the Summary of Work (Section 4.2) apply to the health, life, dental and short and long-term disability insurance provided to the City's employees and retirees?**

A5: Yes all apply except STD & LTD are not offered to retirees.

**Q6: What does "prepare and present an annual market cost analysis" mean? Does it mean that the City anticipates that the consultant will annually solicit proposals from competing carriers to determine the competitiveness of current carrier's fees and services?**

A6: The City anticipates a new PEC Agreement beginning July 1, 2016. The term is not known. The prior agreement was a 3 year term, and a 1 year term. For the July 1, 2016 prospective agreement, the consultant will need to provide carrier proposals, and for each NEW agreement

term. Interim years on a multiyear agreement, the consultant must provide a GIC cost comparison, and assist the City/PEC with plan change options or premium sharing adjustment through the contracted carrier.

**Q7: Is Rx currently carved-in with the Harvard Pilgrim programs? Is the City's expectation that proposals will be solicited and analyzed by the end of 2016 from two (2) carve-out PBMs, and that these proposals will be compared to the current carve-in Rx program? What implementation date is the City considering carving-out the Rx.**

A7: Yes, the Rx is Harvard Pilgrim. The carve out is a condition of the PEC agreement ending June 30, 2016. It is anticipated that this provision will be modified in any new agreement, and only applicable should this involve a non-premium based approach.

**Q8: What options is the City seeking regarding its dental insurance program, and for what implementation date? Is the City seeking information regarding possible alternative dental insurance arrangements and/or programs? Or does the City anticipate that the consultant will solicit and analyze proposals for alternative dental insurance arrangements and/or programs?**

A8: Solicit and analyze proposals for alternative dental insurance arrangements and/or programs for January 1, 2017.

**Q9: What consulting services does the City anticipate in regard to its annual open enrollment process, if any?**

A9: To aid Human Resources with obtaining and contracting for the rate and preparation of notices, if necessary.

**Q10: Please describe the administrative procedures that are requested to be reviewed annually.**

A10: Recommend and review internal processing for documenting enrollments – accuracy and crosschecking between carrier and deduction system.

**Q11: What consulting services does the City anticipate are needed in regard to collective bargaining, if any, and when?**

A11: The City negotiates with the unions and retirees under a PEC umbrella – and the PEC agreement expires June 30, 2016.

**Q12: Are services related to the Affordable Care Act (ACA) anticipated under the scope of work? If so, please describe the consultant's role and requested services.**

A12: No services. Advise as to upcoming requirements and how best to address them.

**Q13: Does the City utilize a broker? If so, please identify the broker, and describe if and how the consultant is expected to coordinate with the broker once the contract is awarded.**

A13: No Broker.

**Q14: How many meetings are anticipated by the City in a fiscal year, in addition to the 4-6 Public Employee Committee Meetings described in the RFP?**

A14: Approximately 3.

**Q15: Is this solely a fee-based arrangement? Will the City accept commissions from the selected consultant for the requested services?**

A15: Fee based only.

**Q16: Would you please confirm what the meeting dates should be at the bottom of page 29 “Section 5: Bidder History and Business References”?**

A16: The dates should be from Selection through June 30, 2016.

Addendum 1 was prepared in consultation with:

Dylan Cook, Chief Procurement Officer

Ned Keefe, Deputy City Manager

**Bidders are reminded that the Bid Form must acknowledge receipt of any and all addenda.**

**The City reserves the right to reject any and all bids as determined to be in the best interest of the City and to waive minor informalities.**