

SUBJECT: Award of Proposal 18-001P, Health Benefits Consultant, to Parker, Smith and Feek in the amount of \$387,667 subject to annual appropriation of funding.

AGENDA OF: November 21, 2017

ASSEMBLY ACTION:

Approved Under the Consent Agenda 11-7-17 

MANAGER RECOMMENDATION: Present to the assembly for consideration.

APPROVED BY JOHN MOOSEY BOROUGH MANAGER: 

Route To:	Department/Individual	Initials	Remarks
	Purchasing		
	Finance Director		
	Borough Attorney		
	Borough Clerk		10/30/17 

ATTACHMENT (S) : Fiscal Note: Yes X No _____
Consultant Services (3ppg)
Scoring abstract

SUMMARY STATEMENT: On June 16, 2017, the Matanuska-Susitna Borough issued a solicitation requesting proposals from qualified health benefits consultants to provide professional assistance/advice resolving issues in the areas of health, life insurance, flexible benefits plans and other health and welfare issues.

Responsibilities of the consultant include, but are not limited to:

Consultative Services

Plan Reviews and Premium Ratings

Insurance Product Marketing and Procurement

Third Party Vendor Liaison Services

In response to the advertisement, three (3) proposals were received. A proposal scoring team made up of Borough Administration and staff evaluated the proposals and selected Parker, Smith and Feek as the highest rated firm.

Negotiations have resulted in a decrease from the previous contract.

The term of this agreement includes a transition period to align the annual costs with the fiscal year and a 5 year agreement, subject to annual appropriation of funds by the Borough Assembly.

The Period of services through June 30, 2018 is prorated based on the year one annual cost of \$62,500 resulting in a project cost of \$41,667.

Following the transition period, the annual rates are as follows:

Year 1	\$62500	July 1, 2018 - June 30, 2019
Year 2	\$66000	July 1, 2019 - June 30, 2020
Year 3	\$69000	July 1, 2020 - June 30, 2021
Year 4	\$72500	July 1, 2021 - June 30, 2022
Year 5	\$76000	July 1, 2022 - June 30, 2023

Total contract amount over the 5 years, including the fiscal year alignment period, is \$387,667.

RECOMMENDATION OF ADMINISTRATION: Award of PROPOSAL NO. 18-001P, HEALTH BENEFITS CONSULTANT to PARKER, SMITH AND FEEK for the total contract amount of THREE HUNDRED AND EIGHTY-SEVEN THOUSAND SIX HUNDRED AND SIXTY SEVEN DOLLARS AND 00/100 CENTS (\$387,667.00) SUBJECT TO ANNUAL APPROPRIATION.

MATANUSKA-SUSITNA BOROUGH
FISCAL NOTE

Agenda Date: November 21, 2017

SUBJECT: Award of Proposal 18-001P Health Benefits Consultant

ORIGINATOR:

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="radio"/> YES <input type="radio"/> NO
AMOUNT REQUESTED \$387,667 ^{FY18-} 441,667	FUNDING SOURCE <i>Operating Budget *</i>
FROM ACCOUNT # <i>100-120.113 427.600</i>	PROJECT #
TO ACCOUNT :	PROJECT #
VERIFIED BY: <i>Julien Pickett</i>	CERTIFIED BY:
DATE: <i>10/25/17</i>	DATE:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Personnel Services	<i>41.6</i>	<i>*</i>	→			
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING	<i>41.6</i>	<i>*</i>	→			

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

General Fund						
State/Federal Funds						
Other	<i>41.6</i>	<i>*</i>	→			
TOTAL	<i>41.6</i>	<i>*</i>	→			

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) ** Subject to annual appropriation*

PREPARED BY: _____ PHONE: _____
 DEPARTMENT: *Chugach* DATE: _____
 APPROVED BY: *Chugach* DATE: *10/26/17*

MATANUSKA-SUSITNA BOROUGH
SCOPE OF SERVICES
RFP #18-001P
HEALTH BENEFITS CONSULTANT

Scope of Work. The Health Benefits Consultant is to provide professional assistance/advice resolving issues in the areas of health, life insurance, flexible benefits plans, disability and other health and welfare issues. Responsibilities of the Health Benefits Consultant shall include but not be limited to the following services:

Consultative Services.

Provide up-to-date information on proposed changes in legislation and regulations pertaining to employee benefit plans. Inform the Borough of any changes in state or federal law or regulations which may impact benefits coverage, including the preparation of reports and cost analysis.

Provide guidance regarding web-based Employee benefit portals including but not limited to: employer specific benefit plan information, Human Resource forms and other relevant information.

Provide guidance regarding Health and Wellness tools.

Provide assistance in developing communication materials. Provide peer review for the Borough's communications to employees regarding benefit programs. Provide review of Summary of Health Care Plan Book. Help coordinate the design, editing, printing and production of those materials, including but not limited to Annual Benefit Statements, Open Enrollment Administration, etc.

Advise the Borough on the conversion to COBRA benefits available to terminating employees. Annually provide COBRA rates.

Schedule and participate in meetings on a monthly or as needed basis with Borough Administration to discuss loss controls, exposure changes and general administrative matters pertaining to the benefits program.

Participate in meetings onsite on a quarterly basis with the Health Benefits Evaluation Committee. The committee consists of members of the Administration and members appointed by the Matanuska Susitna Borough Employees Association. The consultant shall provide utilization reports, current information on cost containment ideas, etc.

Recommend alternative benefit designs or delivery systems as dictated by industry trends, emerging plan costs or other benefit practices.

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Provide specific benchmarking services, applicable to the Borough (e.g., how do we look and compare to market with regards to plan design and costs).

Develop and assist in implementation of new insurance plans.

Provide cost and analysis of health, life insurance, and other benefit plan coverage as requested in the Borough labor negotiation process.

Provide access to in-house counsel.

Prepare and deliver reports, as requested by Borough Administration.

Plan Review and Premium Rating

Provide professional advice and recommendations regarding the structure of the group benefit programs provided to Borough employees, including, but not limited to health, life, flexible benefit plans and COBRA benefits.

Advise and assist in reviewing contracts, plan documents, insurance policies and other documents for applicability, accuracy and consistency.

Provide projected cost analysis of health and life insurance coverages as requested for use in the Borough's employee open enrollment period and annual budgeting process.

Prepare alternative funding analysis and conduct actuarial analysis of claims reserves and funds requirements as requested.

Provide opinions and recommendations concerning detailed cost analysis for major redesign of current health insurance plans.

As requested, provide legal and technical review of plan documents and summary plan descriptions to ensure compliance with current laws.

Assist with the evaluation, design and implementation of possible Disease Management and Wellness programs.

Review claims experience, claim service, and claim administration to ensure maximum benefit to the Borough.

Coordinate with Borough staff in the review of monthly bills and year-end reports from the insurance carrier to ensure accuracy of funding and billed amounts.

Insurance Product Marketing & Procurement

Assist the Borough in analyzing proposal and bid specifications for health and life insurance carriers, prescription plans, flexible benefits providers or third-party claims administrator. Evaluate bids and bidders, including administration, claim payment procedures, customer service, network, reserve establishment policies, financial soundness, and identifying the most cost-beneficial package from among the bidders.

Provide or review Incurred but Not Recorded (IBNR) reserve amounts.

Prepare bid specifications and solicit proposals from insurance markets that specialize in group insurance plans as needed.

Third Party Vendor Liaison Services

Obtain answers from Third Party Adjusters (TPA) to policy coverage questions as requested.

Recommend reports or techniques to facilitate monitoring of vendor contract performance and/or identify problem areas.

Participate with the Borough when requested in communications and actions with the insurance carriers or other independent bodies.

Serve as liaison between the Borough and firms which provide professional and employee benefit services to ensure communication and resolution of problem areas.

Coordinate with the service providers to verify that the Borough is receiving all standard financial and performance reports in a timely manner from the carrier.

Monitor fees charged by insurance carrier and other contractors and recommend changes to ensure appropriateness and efficient use of Borough benefit dollars.

Provide annual calendar of service duties and responsibilities, including any performance guarantees.

Participate in appropriate audits of vendors, if requested by the Borough.

Other Services

Provide any other services that are usual and necessary for prudent administration of MSB's health benefit program.

18-001P Health Benefits Consultant-Final Scores

Marsh & McLennan	INS Brokers of AK	Parker Smith & Feek
69.64	68.30	74.49