ADDENDUM NO. 1

REQUEST FOR PROPOSALS 070-JJ10 FOR
GROUP TERM LIFE INSURANCE AND FLEXIBLE BENEFITS PROGRAM
FOR
THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

PURPOSE OF ADDENDUM

This Addendum has been prepared to advise proposers of updated proposal documents.

ACKNOWLEDGMENT OF ADDENDUM TO RFP

As required in the RFP, Section II General Requirements and Information, proposers are reminded that they should either acknowledge receipt of this Addendum on their proposal, or attach this Addendum to their proposal.

STATUS OF ADDENDUM

To date, this is the first Addendum that has been issued for the Request for Proposals #070-JJ10, Group Term Life Insurance And Flexible Benefits Program.

Please access the district's website at:
http://procurement.dadeschools.net/bidsol/asp/undercone_QA.asp, RFP 070-JJ10 for updated documents.

PLEASE NOTE: The following files are now available on the website specified above.

- Compbnel.doc (eligibility layout for CompBenefits dental plans)
- Metdenel.doc (eligibility layout for MetLife dental plans)
- Oxvisel.doc (eligibility layout for vision plans)
- Aragleg.doc (eligibility layout for group legal plans)
- Sales claims listing 02242009.xls (CIGNA life experience detail)
- OK 821133_Miami Dade-update 02-25.xls (CIGNA life experience detail)
- Police policy premium.pdf (premium statement for police officer life policy)
- Policy police amendment.pdf (amendment for police officer life policy)
- PDP Savings Report.pdf (MetLife PDP Savings Report)
- Miami Dade County School Board 1st Quarter Dental.pdf (CompBenefits dental '09 claims)
- MDCPS MetLife 2009 Paid Claims.xls (MetLife dental '09 claims)
- MetLife Dental Structure.pdf
- MDCPS1 – Vision Report 2008Q4.xls (CY2008 vision claims and 4th quarter utilization)
- Miami Dade Claims Listing 05122009 FLI 50391.xls

1. In the RFP, it states that providers must pay for their pages in the employee benefit book. Is there any way you could provide me with what that fee would be each year (even an estimate would be fine). I saw that the legal section takes up about 6 pages, and I wasn't sure if the charge was per page, or a flat charge per vendor.

   At this time, the District is not producing printed copies of the notebook. There is no charge to the vendors for production of the electronic version of the notebook.

2. Looking at the Flexible Benefits Quarterly Utilization Report for the 2008 Plan Year (Cumulative), can you tell me what is involved in the category "Administrative Charges"? Are these charges billed to the provider, or are they the provider's internal costs reported to you for inclusion in the report? If it is billed to the provider, what is the basis or formula for the charge?

   The category "Administrative Charges" represents claims paid to a provider for a legal service performed which are categorized as administrative. These are not administrative fees for plan administration being charged to or by the provider.

3. Item - Page 22, Section III, Scope of Services, item C: "Proposers must commit to train Enrollment Counselors and/or M-DCPS staff at the times and locations established by Board personnel or Third Party Administrator."

   Question – Please clarify the average number of training meetings per year. We are assuming that these are separate from the 25 other open enrollment meetings mentioned elsewhere within the RFP.

   Enrollment Counselors are trained once a year prior to the Open Enrollment period with each voluntary provider being assigned a portion of a day of the week long training. The Open Enrollment meetings may occur at various locations throughout the District where vendors are asked to be available for questions from attendees. The exact number of meetings is to be determined. The Proposer should assume that they will participate in at least 25 meetings.

4. Item - SECTION V: GENERAL QUESTIONNAIRE: Eligibility, Pg 38, Item 91: "Do you agree to accept eligibility from FBMC in the format shown in the attached eligibility exhibits?"

   Question – We have visited the procurement site and cannot find the eligibility layout referenced within the RFP. Please provide a copy of the current layout in Excel, since vendors are asked to comply with this layout.

   Please refer to the attached files:
   - *Compbnel.doc*
   - *Metdenel.doc*
   - *Oxvisel.doc*
   - *Aragleg.doc*

5. Item - Page 22, Section III, Scope of Services, item G: "Proposer also agrees to pay for their pages in the employee benefit notebook annually."

   Question – Please provide the current average cost per page, per year.

   Please see the response to question 1.

6. Item - Page 26, Section III, Benefit Fairs Section: "The Board will schedule periodic benefit fairs for the purpose of providing additional information to employees on all Board sponsored benefit plans. The timing and scheduling of the benefit fairs will be determined at a later date. Benefit plan providers must agree to send a representative to attend the benefit fairs to answer questions and/or promote their respective benefit flexible plan."

   Question – On average, how many benefit fairs are held per year? We are assuming that these are separate from the 25 open enrollment meetings mentioned within the RFP.

   The exact number of meetings is to be determined. The Proposer should assume that they will participate in at least 25 meetings.

7. Item - Page 27, Section III, Scope of Services, Performance Standards, Item 4:"Conduct a member satisfaction survey on an agreed upon schedule with the Board."

   Question – Please clarify whether this survey is specific to M-DCPS or whether book of business surveys will be acceptable? Is sharing this information on a yearly basis acceptable?

   The selected <u>dental and vision</u> proposers should conduct a customized survey, specific to M-DCPS, on a schedule of every other year, or less frequently if so instructed by M-DCPS. We would also expect each vendor to share book of business survey results.

8. Item - Page 41, item 121: "Do you agree to break out report by pre-defined "groups" as well as in aggregate?"

   Question – How many pre-defined groups exist today?

   We have attached a file for the MetLife dental account structure as an example of the current M-DCPS structure for reporting purposes (refer to MetLife Dental Structure.pdf). Dental and vision structure may be similar, whereas Life insurance and the other coverages contemplated by the RFP may be less complex. Sample hospital indemnity plan structure is included below:

   000 - Early Incentive Retirees
   003 - Active Employees
   004 - Dependents of Actives
   005 - Regular Retirees

006 - Dependents of Regular Retirees
007 - Flex Credit Employees
008 - Flex Credit Buy-Up

9. Additional Requests

A. Please provide a new file for current vision providers which includes addresses. In order to provide an accurate disruption analysis addresses are necessary.

The current vendor was not able to provide the vision provider addresses. Please use the information provided which includes TIN, name, city, state and zip code.

B. Claims count by service type for 12 months. Shown as:

a. Number of exams
b. Number of single vision lenses
c. Number of bifocal lenses
d. Number of trifocal lenses
e. Number of contact lenses
f. Number of frames
g. Number of lens options by type
   i. Scratch coating
   ii. Progressive lenses
   iii. Tints
   iv. UV coating
   v. Anti reflective coating
   vi. Polycarbonate lenses
   vii. High index
   viii. Transitions

We have requested this data from the incumbent carrier and will release it via a new addendum, time permitting.

C. In reference to the exhibit: "claims and enrollment- vision.xls" file. Does the "members" column represent subscribers and dependents?

Yes. Members represent subscribers plus dependents.

10. Confirm that the vision quote should be funded (100% employer paid) or voluntary (100% employee paid)

The vision quote should be voluntary (100% employee paid).

11. Please confirm that the rates should be provided net of commissions.

M-DCPS recognizes the existence of Florida Statutes, Section 624.1275. M-DCPS requires full and total transparency in its vendor relationships. Therefore, any commission, service fee or other form of remuneration paid to any agent, broker, lobbyist or third party must be identified in the proposal and throughout the term of the contract.

12. The RFP is requesting to match the current plan designs as closely as possible. How should the deviation of plans/ plan options be listed in the RFP?

    All deviations from the current plan design should be noted in the Excel plan design exhibits by noting each deviation in red bold font directly in the plan design exhibit and returning it with your proposal.

13. See the statement highlighted below in blue. Is the RFP asking about a possible diverse supplier providing products/services specifically tied to the contract or are they referring to general utilization of diverse suppliers?

    Equal Employment Opportunity

    1. It is the policy of the School Board that no person will be denied access, employment, training, or promotion on the basis of gender, race, color, religion, ethnic or national origin, political beliefs, marital status, age, sexual orientation, social and family background, linguistic preference or disability, and that merit principles will be followed.

    Each firm is requested to indicate its equal employment policy and provide a detailed breakdown by ethnicity, gender and occupational categories of its work force.

    http://forms.dadeschools.net/webpdf/4859.pdf

    2. Minority/Women Business Enterprise (M/WBE) Participation

    The School Board has an active Minority/Women Business Enterprise (M/WBE) Program, to increase contracting opportunities for M/WBE's. In keeping with this policy, if a minority firm, which is Woman or African American-owned and operated, is to perform a scope of work, provide documentation to substantiate the experience of the M/WBE and its staff in providing this type of service. The Division of Business Development and Assistance must certify all M/WBE's, prior to contract award. The M/WBE Application may be accessed through the following link:

    There are no M/WBE "requirements" – proposers who qualify as M/WBE must be certified with MDCPS and must complete the application if not previously certified.

14. Does the M/WBE form refer to the proposer or to the possible subcontractors?

    It refers to both.

15. What supplier certifications will be accepted for compliance?

Refer to the M/WBE section of the RFP for additional information.

16. We don't see any of the MetLife Core or Optional retiree life coverage on the census. Please provide a retiree life census with gender, date of birth, amount of basic life coverage, and amount of optional life coverage.

Best efforts were made to provide a complete census for life and AD&D insurance, however data was derived from multiple sources and it is possible that not all plans may be represented for all employees/retirees. However, for those plans represented on the census file, we did perform control total checks against year end reports with counts and volumes. We believe that the size and enrollment of the M-DCPS population is generally fully credible from a life/years perspective such that the census is of secondary importance to the actual claims experience, which has been provided.

17. We're trying to understand the different retiree life plans. Can you please confirm or correct the following:

Class	Benefit	Policy	Funding
Prior to 1/2007	$2,000	MetLife	Employ**ee**-Paid
On-after 1/2007	$5,000 or $10,000	MetLife	Employ**ee**-Paid
Incentive Plans			
1992 / 1998 / 2012	2x earnings	MetLife	Employ**er**-Paid
On-after 1/1997	$10,000 to $100,000	LINA	Employ**ee**-Paid
Prior to 1/1997	$7,500 to $30,000	LINA	Employ**ee**-Paid
Retiree Incentive Option	$10,000 to $100,000	LINA	Employ**ee**-Paid

On the Incentive Plans above "1992" should be 1999-2 – this is the only active incentive of the three listed above. All Funding responses are correct except "Employee" should technically be Retiree.

On the Claim History spreadsheet, which experience subcodes apply to each of the classes above?

MetLife (Prior to 1/2007) $2k benefit is Branch 230000; Experience #6024400 Subcode 0021, 0230
MetLife (On-after 1/2007) is Experience #6024400 Subcode 0230
MetLife Incentive Plan 1998 – Branch 000083; Experience 6024400 Subcode 0083

The Cigna Life experience is all combined in the "CIGNA Life tab"

We have contacted MetLife concerning which subcodes are applicable to the 1992 and 2012 plans and will post this information via a separate addendum, time permitting.

18. On the MetLife tab of the Claim History spreadsheet, what group/type of coverage is represented by Experience #6024400 Subcode 0230?

Basic Life $5k for subcode 0230 paypoint 1 and $10k retiree for paypoint 2

19. On the MetLife tab of the Claim History spreadsheet, we see several basic retiree life groups with the number of lives decreased to 0 by the end of the experience period:

Branch	Program	Subcode
000078	Retiree Incentive 2000	0029
000079	Retiree Incentive 1995	0079
000082	Retiree Incentive 1997	0081
000083	Retiree Incentive 1998	0083
000084	AFSCME 1988	0084
000085	LAP 2001 Plan 1	0075
000086	LAP 2002 Plan 2	0076
002005	Retiree Incentive 2005	2005
078000	Retiree Incentive 1994	0078
080000	Retiree Incentive 1996	0080
230000	Retiree Life $2k	0021, 0230

All of the retiree groups on the report, except Branch 000077 with 11 remaining insureds, show 0 lives as of the last month illustrated. Have the MetLife retiree life plans been discontinued? If not, please provide annual claims and premium experience through 2008 for the different plans.

All of the above plans are closed. If the spreadsheet indicates (cancelled) next to the subcode, they are closed.

20. Is a detailed list of all life claims incurred from 2004 to current available?

The available MetLife claims history has been provided. MetLife claim by claim details is not available.

The Cigna claim detail is provided as an attachment to this addendum and the files are entitled: Sales claims listing 02242009.xls and OK 821133_Miami Dade-update 02-25.xls.

21. The MetLife optional life insurance plan is not mentioned in the 2009 Benefits Guide. Are employees not eligible to enroll for this coverage outside of initial eligibility?

The MetLife optional life is mentioned on page 2 of the 2009 Benefits Guide under the heading "Core Benefits". The MetLife Optional Life benefit allows for up to 5x earnings for the employee, plus dependent coverage not to exceed 50% of employee coverage -- spouse ($5,000 - $30,000) and child ($5,000 or $10,000) coverage. Up to 2x additional

may be elected at the time of hire. After one year with coverage, the employee may elect to purchase additional life up to 5x at any time of the year.

22. What is the purpose of offering two separate optional life plans to the employees (the MetLife salary-based plan and the LINA increment-based plan)? Can you confirm that employees are eligible to enroll in both plans without restriction?

    This is a past practice of MDCPS. Employees are permitted to enroll in both plans subject to the restrictions each plan imposes.

23. There are only 37 employees on the census with a $5,000 or $10,000 MetLife basic life benefit. Are these the only part-time employees insured under the plan? If not, please provide census data on the part-time employees (gender, date of birth, and amount of coverage).

    Best efforts were made to provide a complete census for life and AD&D insurance, however data was derived from multiple sources and it is possible that not all plans may be represented for all employees/retirees. However, for those plans represented on the census file, we did perform control total checks against year end reports with counts and volumes. We believe that the size and enrollment of the M-DCPS population is generally fully credible from a life/years perspective such that the census is of secondary importance to the actual claims experience, which has been provided.

24. We see that MetLife child life coverage is paid for at a step-rate table. Can you confirm that the rates are based on employee age? Is there a special rational for a step-rate table, versus the more standard flat rate structure? Does the Board wish to maintain a step-rate table going forward?

    Yes, the rates are based on employee age. The board wishes to maintain the step rate for child life coverage. Bidders may also provide a flat rate ***but the step rate must be provided****.*

25. According to the MetLife life SPD, coverage for disabled insureds may be continued for 36 months. Is coverage continued on a premium-paying basis, or is this a three-year insured waiver?

    Waiver of premium has a 12 month elimination period in which premium must continue to be paid. Once approved, benefits continue for a max of 36 months.

26. Regarding the Blanket Accident Policy for police officers, what is the current premium paid for this coverage?

The rate for this plan was $24.73 per year per insured in 2008 and the premium is included in the attachment "police policy premium.pdf."

27. In the RFP, it is stated that Fringe Benefits Management Company is the Board's TPA and provides the administration and billing services. Please advise if our rates should include any TPA fee to FBMC.

    No.

28. Please advise if the Board is expecting the Provider to mail the DPPO SPDs to the employees' homes.

    No. The Certificates of Coverage (COC) are posted on the District's website and are not mailed to employees unless they request it.

29. Please advise if Metlife's DPPO claims from 1/1/09 to current month is available for review.

    Please refer to MDCPS MetLife 2009 Paid Claims.xls.

30. Please advise if vision claims from 1/1/09 to current month is available for review.

    We have requested this information from the incumbent insurer and will provide via another addendum, time permitting.

31. Why is M-DCPS out to bid? Market check? Desires different benefits? Desires better rates? Desires additional choices?

    M-DCPS is seeking the most competitive financial arrangements for employees, retirees and the Board for its existing program designs.

32. Does M-DCPS wish to incorporate an additional retail network option into its vision plan?

    No.

33. What improvements, if any, would M-DCPS like to see to the current Met-Life dental PPO benefits?

    Please provide proposals to replicate the existing programs as closely as possible.

34. What benefit decreases, if any, would M-DCPS like to see to the current Met-Life dental PPO benefits?

    Please provide proposals to replicate the existing programs as closely as possible.

35. Is M-DCPS satisfied with the current Met-Life dental PPO provider network?

Yes.

36. What improvements, if any, would M-DCPS like to see to the Optix vision benefits?

Please provide proposals to replicate the existing programs as closely as possible.

37. May we receive the renewal rates for the Met-Life dental PPO standard and high option plans?

All available premium rate information has been provided. Incumbent "renewals" will be obtained via this RFP process.

38. May we receive the renewal rates for the Optix vision plan?

All available premium rate information has been provided. Incumbent "renewals" will be obtained via this RFP process.

39. The one-time copayment of $10 on the Optix vision program - is that one copay per year or a lifetime copayment?

The $10 copayment is yearly.

40. Does M-DCPS wish to have the covered unmarried dependent age be 30 or 25 on the dental?

M-DCPS covers unmarried dependents to age 25.

41. Does M-DCPS wish to have the covered unmarried dependent age be 30 or 25 on the vision?

M-DCPS covers unmarried dependents to age 25.

42. Does M-DCPS wish to continue the current 2 tier rating system for the dental PPO?

Yes.

43. Does M-DCPS wish to continue the current 2 tier rating system for the vision plan?

Yes.

44. Has M-DCPS been happy overall with the Optix vision plan?

Yes.

45. Has M-DCPS been happy overall with the Met-Life standard dental PPO plan?

Yes.

46. Has M-DCPS been happy overall with the Met-Life high dental PPO plan?

Yes.

47. Can you please clarify the WMBE requirements for this RFP?

There are no M/WBE "requirements" – proposers who qualify as M/WBE must be certified with MDCPS and must complete the application if not previously certified.

48. How will the RFP responses be rated?

Among the criteria that the School Board will consider in its evaluation of which Proposers, if any, to enter into negotiations with are the following, listed in no particular order of importance:

- *Terms and Conditions. For the purpose of evaluating Coverage Terms and Conditions, the degree to which the Proposer meets and/or exceeds the requirements of the requested plan designs will be the primary factor*
- *Premium rates, including length of rate guarantees*
- *Program Administration. The ability of the Proposer to meet the administration needs of the School Board*
- *Experience of the Proposer in delivering the benefits to large employers*
- *The financial rating of the Proposer*
- *Compliance with the requirements of all sections of this RFP, including but not limited to, the use of required forms, responses to all applicable questions, and the inclusion of all required materials*

49. Are surveys required for the life insurance products?

No.

50. Onsite personnel is requested for the life - is this required for the dental and vision coverages as well?

Decisions regarding onsite representatives will be made during implementation. Assume that one representative for each coverage will be required.

51. What is M-DCPS looking for in terms of Beneficiary Administration?

To the extent you offer these services, please describe what you offer in terms of beneficiary administration and the costs of these services.

52. Is direct billing a requirement for all products? How will M-DCPS indicate members in the eligibility files who do not have payroll deduction?

Yes it is required for all products. Direct billing eliminates the possibility of a gap in coverage. FBMC collects premium from these employees and remits to vendors, identifying participant's name.

53. Is dental capitation included in the DHMO claims?

The CompBenefits dental plans "paid claims" include claims, capitation, and supplemental fees. There are no capitation fees in the MetLife PPO Dental Plans.

54. Is a MetLife PDP Savings Report, (or the current in-network utilization & discounts) available for the DPPOs plans?

Refer to file "PDP Savings Report.pdf" for 2008 data.

55. Please advise on the discrepancy for the MetLife decrease enrollment/premium for June, July & August in the dental experience attachment.

Employees have either 10, 11 or 12 month contracts and payroll deductions are calculated based upon this. Teachers are 10-month employees so carriers will not receive premiums during the summer months.

56. Please advise on the discrepancy with the DPPO premium vs the current DPPO rates... The collected premium for 2008 on average is $47.11 PEPM, however based on the current rates & enrollment, the average is $41.90 PEPM.

We cannot explain this discrepancy.

57. Are the rates on the Dental Rate History on a monthly basis?

Yes.

58. Can we receive the actual MetLife dental claims experience reports?

No. The information provided in the claims exhibits is the same information provided in the MetLife dental claims reports.

59. In the vision claims/enrollment attachment can you confirm this reflects total members vs dependents. This # does not match current enrolled within RFP.

The amount listed in the RFP is the number of employees while the amount listed in the exhibit is the number of members (covered lives).

60. Can you please provide total number of vision exams in 2008.

In 4Q 2008 M-DCPS had 2,197 in-network exams and 76 out-of-network exams. We have requested 2008 utilization information and will provide via another addendum if it becomes available in time.

61. Does the vision plan cover polycarbonates lens? If so, at what cost to the member?

No. The polycarbonates are available at the provider's usual and customary charge.

62. Could you provide any additional vision utilization reports?

We have requested 2008 utilization information and will provide via another addendum if it becomes available in time.

63. Do the Met and Cigna life policies include waiver and if yes please provide waiver claims experience?

Met Life: Waiver of premium has a 12 month elimination period in which premium must continue to be paid. Once approved, benefits continue for a max of 36 months.

CIGNA: Life has waiver if disabled prior to age 60 and total disabled for 6 months.

61. In close review of the vision claims data this afternoon, we found a discrepancy between the two reports provided. Can you please confirm the number of claims and claims dollars for the year of 2008?

DADE08-4- indicates 12 months of vision claims data at approximate $1.14 million in paid claims.

DCPS08-4: is labeled to reflect only 9 months of claims data for a total of approximately 1.3 million in paid claims.

The Dade08-4.xls file includes $1.247M in paid claims for CY2008 (when IBNR is considered). This ties to the newly released file entitled "MDCPS1 – Vision Report 2008Q4.xls."

This number ties closely to the monthly paid claim and enrollment report for 2008, showing $1.285M in paid claims.

The raw vision disruption data for CY2008 (which was not released to bidders with utilization/cost information) indicates covered charges of $1.351M, minus $46k in member copays, to yield $1.304M in paid claims.

We are uncertain as to why the DCPS08-4 is labeled to reflect only 9 months of claims data. In closer examination of this file, we note that cell F80 does not appear to sum the above claims correctly (the actual total is $1,173,745), which, when added to the indemnity vision claims of $76,207 yields $1,249,952. This result ties closely to the Dade08-4.xls number. We will seek clarification from the incumbent regarding the data parameters labeled on the DCPS08-4 file, but feel reasonably confident that paid claims for 2008 are in the $1.25M - $1.3M range. We suspect, given the "08-4" in the file name, that this file represents full year 2008.