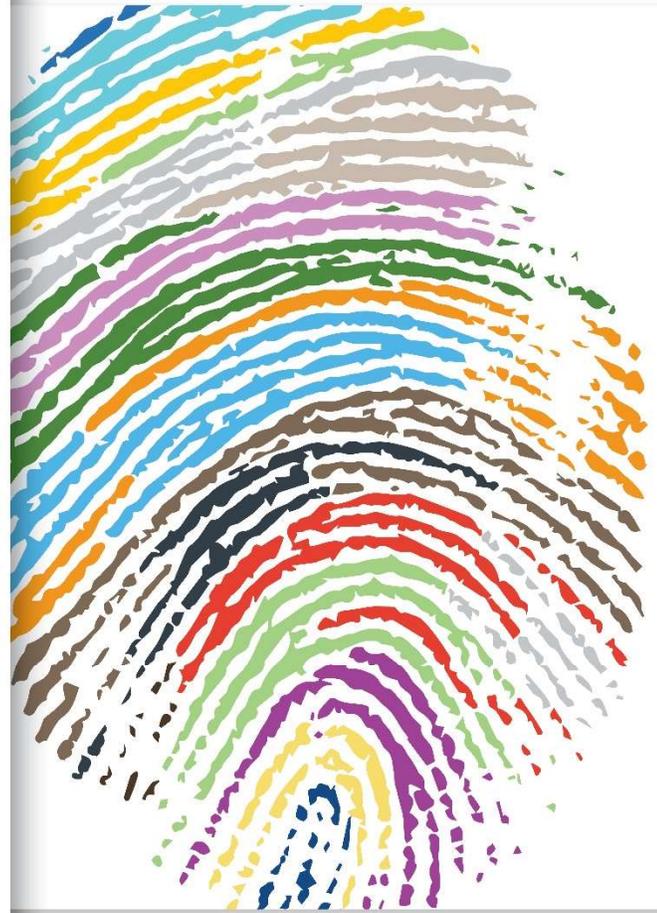


Request for Proposal

Lake County Board of Commissioners (LCBOC)

Effective Date: January 1, 2024



David Kirsopp

Benefit Analyst, Team Lead

6450 Rockside Woods Blvd S. | Suite 250 Cleveland, Ohio

T: 216.264.5530

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INTRODUCTION

You are invited to submit your Proposal for the administration of the indicated benefit plans based on the information contained in this Request for Proposal. Unless a specific note is made to the contrary, we will assume that your Proposal conforms to the requested Specifications.

Copies of your Proposal (and redacted proposal¹) should be forwarded electronically to the below contact. If you decline to offer a proposal, please provide a written declination via email to the below contact. You are invited to ask questions during the proposal process and to seek additional information, if needed. We want this to be an interactive process and will make every effort to provide sufficient data for your response.

Plan effective date: January 1, 2024

RFP Issue Date: March 15, 2023

Questions Deadline Date: April 4, 2023

Marketing Lines: Medical ASO and Rx/PBM

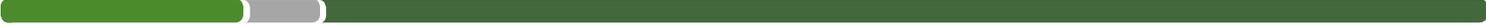
Commissions: **Net of Commission**

Issuing Broker: NFP Corporate Services (Ohio), Inc.
Jim Dustin: **Managing Producer**
6450 Rockside Woods Blvd S. | Suite 250
Cleveland, OH 44131

Inquiries and Admissions/Declines to: david.kirsopp@nfp.com
216-264-5530

Deadline for submission of proposals: **Tuesday, April 4, 2023 by 5:00PM (EST)**

¹ Redacted proposal can be received for all government entity proposals (see: *Government Requirements*)



INTRODUCTION

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Copies of your Proposal should be forwarded electronically to the following:
david.kirsopp@nfp.com

You are invited to ask questions during the proposal process and to seek additional information, if needed. We want this to be an interactive process and will make every effort to provide sufficient data for your response. **Please submit all questions via email to:**
david.kirsopp@nfp.com

If you decline to offer a proposal, please provide a written declination via email to:
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Proposals will be evaluated and the successful carrier(s) will be determined. NFP reserves the right to reject any or all Proposals, waive formalities and to select the carrier and benefit options that best meet the needs of LCBOC and its employees. On behalf of LCBOC, NFP reserves the right to select and terminate any servicing agent, agency, company or administrator.

EVALUATION CRITERIA

NFP will evaluate proposals based on the needs of NFP clients and its employees. The following criteria will be used in evaluating each of the carrier responses:

1. Compliance with specifications
2. Ability to provide good administrative support and member services to the client and its covered employees and dependents
3. Compliance with applicable State and Federal laws and regulations
4. Financial position of insurance company, managed care organization or cooperative purchasing group
5. Premium rates, retention costs, administration fees and renewal underwriting procedures
6. Renewal rate guarantees
7. Completion of all necessary forms (as applicable)
8. Size and location of the Medical Plan Provider Network (or Networks)
9. Nature of medical provider contracts, including provider discounts and other cost containment methods
10. Ability to conform to the reporting and repricing requirements in RFP Requirements sections 3 and 4. It is assumed that you will be able to provide this information; if you are unable to provide this information, please contact the NFP associate listed on the cover page prior to submitting your bid.
11. Ability to provide and interact with an outside stop loss carrier as applicable. All ASO carriers and Rx administrators must be able to provide stop loss reporting based on the stop loss carrier's required information and not what the ASO carrier or Rx administrator considers standard. For stop loss purposes, **Paid Claims** are defined as any valid payment to a provider that is issued within the contract period. **The payment itself does not have to be "cashed" by the provider. This would be considered a deceptive practice.**
12. Self-Funded: It is our preference to view all rates in composite format only. However, if you provide us with composite rates, please let us know if you are able to administer the fees in composite format or if they are for illustrative purposes only.
13. Ability to administer claims processing in a seamless and efficient manner
14. The amount or type of drugs covered under the formulary
15. The ability to customize a benefit program that will meet the needs of client's employees.
16. Other criteria identified by NFP as important in evaluation of submitted proposals
17. NFP will choose the proposal that best fits client's needs and the needs of its employees and dependents. NFP is not obligated to award the contract based on cost alone.
18. Ability to offer wellness, technology, and/or benefit administration credits.

STATISTICAL INFORMATION

1. General Information

Company Name:	<u>Lake County Board of Commissioners (LCBOC)</u>
Industry:	<u>Government</u>
Medical Vendor:	<u>Medical Mutual</u>
Rx Vendor:	<u>CVS/Caremark through the Health Action Council (HAC)</u>
Commissions:	<u>None</u>

Lake County BOC is a governmental entity located in the City of Painesville. The County government is comprised of three Commissioners and handles several aspects of public works for the residents of Lake County. The County covers approximately 1,200 employees which includes political subdivisions through its regionalization program.

PROCESS TIMETABLE

The following schedule has been established for selecting a supplier for this RFP:

Release of RFP	March 15, 2023
Deadline for question submission	March 31, 2023
Proposal submission deadline	April 4, 2023
Final decisions	(Estimated) August 1, 2023
Begin implementation	(Estimated) August 15, 2023

REGIONALIZATION

Lake County BOC, in conjunction with the regionalization efforts of government entities statewide, regionalized its healthcare plan for other governmental entities within Lake County in 2007. The goal was to allow smaller entities to take advantage of the County's purchasing power and claim credibility to help sustain their healthcare programs for the long term. Regionalization is a key objective for the County and the chosen vendor is expected to fully support the objective through the following:

- a. Minimizing administrative issues caused by adding additional groups through separate lines of structure
- b. Simplifying risk issues, particularly in stop loss, that arise with the addition of new groups. Vendors that have had success with regionalized healthcare programs and can demonstrate simplified methods with success will be viewed favorably.

The following represents some of the basic underwriting guidelines for the regionalization program:

- The County retains sole control over the benefits structure. Outside of the Regionalization Plan Menu, exceptions can be made to allow entities to keep their own benefit structure. The Commissioners will make all decisions regarding benefits and funding.
- Each regionalized entity (except for Painesville* and potentially Lake Metroparks**) operates their own plan(s), selected from the County's benefit menu, and is charged a fully insured equivalent premium by the County.

*The City of Painesville is a co-purchaser with the County for administration services effective 1/1/2018. They pay their own claims and have their own plan designs.

**The Lake Metroparks may elect to join Lake County as a co-purchaser with the County for administration services effective 1/1/2023. They would also pay their own claims and have their own plan designs.

- Plan summaries have been included in Attachments for all of Lake County BOC, Painesville, and Lake Metroparks.
- SPD's for each plan will be provided to finalists to confirm benefit match
- All entities must agree to a minimum three-year commitment. Penalties for early withdrawal may include forfeiture of reserves, administrative penalties, etc. Entities that complete the three-year term may leave without penalty. However, once an entity leaves, they will not be allowed to re-enter the plan for two years.
- Initial underwriting is required to enroll in the plan (5-99: full applications, 100+: two years of experience). The County will be able to add a risk surcharge based on medical conditions of up to 20% of the rate charged.
 - Groups with 5-99 employees will receive fully insured equivalent rates which may or may not be consistent with the County's fully insured equivalents
 - Employers with 100+ employees may receive either a fully insured equivalent rate or a self-funded rate. Employers with 100+ employees who choose to remain self-funded must fund their own claims in addition to other stipulations.
- NFP develops the fully insured equivalent premiums which are ultimately approved by the Commissioners

Entity to Consider	Enrolled
Lake County & Regionalization	1,205
Lake Metroparks	136
Painesville, City of	212
Potential Total	1,553

CURRENT & PROPOSED CRITERIA

MEDICAL: CURRENT

LCBOC is a self-funded entity that has nine entities in its Healthcare Regionalization Program (includes Painesville), but 10 if including Lake Metroparks. They have utilized Medical Mutual as their medical vendor since 2018. Prior to that, the County was with Anthem for six years.

They county currently offers six plans through the Regionalization Plan Menu. However, the MedFlex/EPO and Lake Blue plan are the only plans with current enrollment.

Provider Organization (EPO) Plan Medflex

The majority of County members, as well as the political sub-division members, are on this \$0 deductible 100% coinsurance plan. On 1/1/2023, this plan became a narrow network plan using the Medical Mutual Medflex network, which prioritizes University Hospitals systems and does not include the Cleveland Clinic system. Prior to 1/1/2023 the plan used the SuperMed Plus network. See attachments for full SBC.

Lake Blue Plan

The County implemented a point of service plan on 9/1/2015. This plan is a 3-tiered network strategy:

Tier 1 is based mainly on University Hospitals providers and facilities physically in Lake County; employees have no deductible, 100% coinsurance, and lower copays if they utilize a Tier 1 provider or facility. Tier 1 also includes UH Geneva and UH Beachwood facilities and providers.

Tier 2 is the Medical Mutual SuperMed Plus network, with a \$1,000/\$2,000 deductible and 90% coinsurance to an out of pocket maximum of \$2,000/\$4,000.

Tier 3 has a higher deductible and lower coinsurance for any services rendered out of network. See attachments for full SBC.

Regionalization Plan Menu

The County offers four additional plan offerings for current and prospective regional entities. However, no members are currently enrolled in these plans. See attachments for full SBCs.

City of Painesville Plan Options

The City offers three plan offerings to their employees. These are exclusive to the City, and the City as a self-funded entity may set their own plan designs. One is a modified version of the County's Lake Blue plan, with a three-tier structure utilizing the same Tier 1 providers/facilities. See attachments for full SBCs.

Wellness Funds/Technology Credits

Carriers who provide wellness funds and/or technology credits to the County will be given favorable consideration. If funds/credits are offered, please outline the process of how the County would be reimbursed for utilizing funds/credits, and if there are any restrictions on how funds/credits are used. As the group continues to add sub-divisions, there is an expectation that funds would also increase once certain enrollment benchmarks are obtained. The County is requesting \$125k in wellness funds

through this RFP. They are not requesting a specific amount of technology credits but will compare offers as part of the RFP process.

****Important Note: All vendors who are submitting bids on the requested Medical lines of coverage are also required to clearly outline what the credit offer is. Any vendor that can provide credits will receive additional considerations & recommendations. If unable to provide credits, offers may be excluded from consideration solely on the inability to do so.***

Growth Potential

LCBOC continues to look to grow while controlling costs. On occasion carriers will be asked to work with LCBOC on implementing new entities and/or new cost protection protocols. It is expected the group will not be charged additional fees for administrative work associated with these one-time events. If that is an issue, we ask you provide any ad hoc fees for such services through this RFP process.

ASO Fees & Considerations

For Medical Administration Fees: The County would prefer to receive quotes that provide reduced fees as certain enrollment benchmarks are reached. NFP suggests quoting ASO on an enrollment-scaled rate schedule to accommodate the different potential enrollment levels as regional entities are evaluated for the program. For example, fee reductions as they surpass 2,000 employees enrolled, then 2,500, etc.

Additional ASO & Rx Notes:

Self-funded entities in the County Regionalization program must purchase medical ASO services through the same carrier as the County but are allowed to engage their own PBM and Stop Loss contracts. They may choose the same contract/carriers the County uses for their PBM and Stop Loss services, but are not required to do so.

City of Painesville shares ASO currently with Lake BOC but has their own stand-alone PBM and self-funding arrangement.

Lake Metroparks is currently a stand-alone self-insured entity with a 3/1 renewal. Metroparks is contemplating a contract with Lake BOC on the Regionalization program effective 1/1/2024.

MEDICAL: PROPOSED

At a minimum, the proposal must duplicate the current health benefits and plan designs as described in the attachments for all entities; The County, its regional entities, the City of Painesville, and Lake Metroparks. Any deviations from the current benefit/plan design must be clearly outlined and placed into an “Exceptions” document in the “ASO Required Worksheets”. Otherwise, we will assume your proposal is based on an exact duplication of all existing benefits. **All submissions must include a completed “ASO Required Worksheet” on or before the due date of the RFP.**

ASO Carriers

Painesville and/or Lake Metroparks may be self-funded purchasing medical ASO through the County contract. Medical ASO carriers only need to confirm whether their pricing will change with the addition of Painesville and/or Lake Metroparks. If ASO pricing changes, please provide the different pricing levels. NFP suggests quoting ASO on an enrollment-scaled rate schedule to accommodate the different potential enrollment levels. This rate schedule fee reduction calculation should be carrier-agnostic for any groups that join the program. We recognize that entities joining the Regionalization program may already be enrolled with the incumbent carrier on either a self-funded or fully-insured basis, but rate schedules that only count groups as eligible for fee reductions if they join from an outside carrier will not be entertained.

Please quote the following:

1. Lake County & Reg
2. Lake County & Reg with City of Painesville (current arrangement)
3. Lake County & Reg with Lake Metroparks
4. Lake County & Reg with City of Painesville and Lake Metroparks

FINALISTS

Upon review of submitted proposals, finalists will be selected. NFP may require a medical repricing as part of the final analysis.

RX: CURRENT

The LCBOC prescription drug is currently with CVS Caremark through the Health Action Council. The City of Painesville also has CVS Caremark in place. Lake Metroparks currently uses Express Scripts through Medical Mutual of Ohio.

The County/Lake Regionalization and City of Painesville currently operate on a spread-priced rebate-reinvested contract. These entities receive no rebates, but instead get a higher brand discount. Lake Metroparks currently operates on a spread-priced traditional rebate contract. The rebates are delivered on a 60-day lag.

PLAN DESIGN

Please refer to the Attachments for a summary of the copays and provisions per plan.

CLINICAL PROGRAMS

- **Dispense as Written (DAW) Penalties:** whether the member or the physician requests the brand over the generic, the member will pay the difference.
- **Prior Authorization:** Select prescriptions must meet defined criteria before they are covered by the plan. Program requires prescribers to confirm medical necessity and allows members to appeal a denied claim.
- **Specialty Guideline Management:** Specialty Guideline Management (SGM) ensures appropriate utilization for specialty medications, based on the application of evidence-based medicine guidelines and consensus statements for the appropriate use of the medication in a specific disease state. SGM goes beyond traditional prior authorization by including reviews for medication appropriateness and continual follow-up with the patient. Overall, the goal of SGM is to ensure that the patient gets the right medication, at the right time, for the right duration.
- **Mandatory Mail Order:** for maintenance medications, members must utilize mail orders after the third retail fill. Members may get 90-day fills at a CVS location.
- **\$0 Generics:** The County has \$0 copays for generic Asthma, Blood Pressure, Cholesterol, and Diabetic medications.
- **Advanced Controlled Formulary:** more highly controlled formulary developed to drive greater savings while promoting cost effective care. It excludes additional products that contribute to client spend in classes where alternatives exist.
- **Advanced Controlled Specialty Formulary:** A moderately aggressive approach and presents specialty trend management. The formulary utilizes formulary exclusions, new to market drug management, guidelines help ensure clinically appropriate utilization and cost effectiveness of specialty therapies
- **Utilization Management:** Quantity limits, step therapy and physician authorization process to determine appropriateness of therapy using evidence-based criteria.

RX: PROPOSED

LCBOC is looking to maintain its current plan designs and find similar or equivalent clinical programs. LCBOC seeks to partner with service providers who can:

- Provide exceptional pricing efficiencies; due to the existing rebate reinvested contract, PBM contracts that are not traditional quarterly rebate arrangements are preferred (rebate reinvested, rebate point of sale, etc.) to minimize disruption to the cost structures in the event of a move.
- Provide an outstanding pharmacy service resulting in measurable member and provider satisfaction
- Execute strategies to improve the utilization of cost effective generic drugs
- Be proactive in cost management protocols around emerging high cost and/or specialty drugs
- Improve LCBOC members' quality of health care, including monitoring and intervening, as appropriate, in the following situations:
 - Whenever drug related problems are detected
 - Whenever nationally accepted clinical practice guidelines are not met, by suggesting additional or modified drug therapy

These criteria are not intended to be comprehensive, but representative of the factors LCBOC will consider. Any services not specifically mentioned in this Request for Proposal which are necessary to provide the functional capabilities described by a provider must be included in the proposal.

Painesville and/or Lake Metroparks are self-funded entities evaluating whether it is better to purchase PBM services through the County contract. **PBMs only need to confirm whether their pricing will change with the addition of Painesville and/or Lake Metroparks. If PBM pricing will change, please provide the different pricing levels.**

Please quote the following:

1. Lake County & Reg (current arrangement)
2. Lake County & Reg with City of Painesville
3. Lake County & Reg with Lake Metroparks
4. Lake County & Reg with City of Painesville and Lake Metroparks

All submissions must include a completed "Rx Required Worksheet" on or before the due date of the RFP. All submissions must also include the completed "General" & "Rx/PBM" Sections of the "Interrogatories" document included with the RFP attachments.

FINALISTS

Upon review of submitted proposals, finalists will be selected. NFP may require an Rx repricing as part of the final analysis.

RFP REQUIREMENTS

1. Technical Requirements

Proposals should be as thorough and detailed as possible so that client may properly evaluate the offerors' qualifications and ability to provide the required services. Please note below that to obtain an NFP client, minimum reporting requirements may apply.

2. Government Requirements

All responses to government proposals and the contents thereof will be deemed to be a public record which states information is open to public inspection after a vendor has been selected and contract has been executed, if any. A vendor may include one additional electronic copy of its response with any proprietary trade secret information redacted and marked as such with a brief written basis as to why it believes the information is protected from disclosure. Neither a proposal in its entirety, nor proposal price information will be considered confidential or proprietary. In the event that the entity receives a public records request to which, in the entity's sole discretion, any of a vendor's materials are responsive, the entity may release the vendor's redacted materials, or in the event no redacted materials are submitted, the vendor's un-redacted materials without notice to the vendor. In the event any of the vendor's redactions are challenged, the vendor shall have sole responsibility to defend such redactions at its cost and expense. Neither the entity nor NFP will institute any legal action to defend any of vendor's redactions, but will notify the vendor of such challenges.

3. Claims Repricing Requirements (Self-Funded Clients/Prospect)

Regularly, NFP performs claim repricing exercises for our self-funded clients to determine market position of ASO carriers and/or PBMs. These exercises entail analysis of line-item claim data to adequately identify the most efficient networks and/or contracts for our clients. By submitting a bid for this RFP, you agree to 1) participate in these repricing exercises, 2) provide adequate data to allow NFP to perform these repricing analyses, as defined by NFP, and 3) return your results in a format matching the requested specifications as determined by NFP. Generally, this entails the return of line-item claims data, and not summary data, but may change based on the requirements of the individual repricing exercise. NFP understands that this involves data considered proprietary and confidential to the carrier and/or PBM; NFP agrees to sign NDAs as required for release of the data, and to only present results in aggregate format without proprietary and confidential information. Inability to comply with our requested repricing format may materially affect your standing in this bid process, potentially including disqualification from consideration.

4. Reporting Minimum Requirement

NFP has contractual client obligations that will require the following outlined reports. It is important that the carrier can fulfill these minimum requirements. If you cannot meet these minimum requirements, please clearly state this in your email response and be prepared to address this issue, otherwise it will be assumed that you will provide the required reporting.

Self-Funded Medical and/or Rx:

For our self-funded clients, NFP requires detailed claim data to be provided on a monthly basis. Primarily this will take the form of line-item, fully identifiable data extracts for claims, enrollment, and stop loss, delivered via SFTP or downloaded from a secure online portal. Additional utilization reporting will also be required bi-annually, and occasionally on an ad-hoc basis for special projects. These reports and extracts would also need to be at minimum provided through the run-out administration period in the event of a termination. It is preferential for NFP to be given access to an online reporting portal to run these utilization reports as desired. If you are unable to provide line-item data extracts, you will need to contact NFP prior to the submission of your bid to allow our analysts time to vet your available reporting capabilities and determine if they are sufficient for the client or prospect's needs. If there is any question about what we require, you must contact NFP prior to the submission of your bid to ensure that your bid accurately reflects any associated fees or service items necessary for reporting.

DISCLOSURES

Confidentiality of Information

This RFP, and all information provided to the Carrier in connection herewith, is NFP and its Clients' confidential and proprietary information. The Carrier may not disclose this RFP or any information that NFPCS may provide the Carrier to assist the Carrier in developing a quotation, to any other person or entity without the prior written approval of NFP. The Carrier may use such information solely for the purpose of responding to this RFP. Absent NFP's written permission, the Carrier may not disclose to any third party or person that it has received this RFP, the substance of this RFP, or any decision with respect to the Carrier's quotation. The Carrier may not make copies of this RFP or other documents provided to the Carrier in connection herewith, without NFP's prior written consent.

Confidentiality of Proposals

The Carrier's quotation shall become the sole and exclusive property of NFP. NFP will not disclose Carrier's confidential information in the quotation clearly marked as such, (i.e. that which is not otherwise publicly available), to any party other than its attorneys, representatives, regulators, or consultants in connection with the preparation of this RFP and the evaluation of such quotation.

New Releases

Carriers who are submitting a proposal are not at liberty to discuss this RFP outside of NFP. If a Carrier is awarded a contract, they are not to release the details of this RFP without written permission from NFPCS.

No Contractual Relationship

Nothing contained in this RFP creates, nor shall be construed to create, any contractual relationship between the client and any Carrier. NFPCS and its Clients make no commitment in or by virtue of this RFP to purchase any services from any Carrier. Such commitments and any binding contractual relationship may be made only in and through a written Agreement signed by both parties. The Carrier agrees, however, to incorporate its representations concerning, e.g. performance, into the Agreement. Each quotation shall constitute an offer, which remains valid for a minimum period of 90 days after the quotation submission date.

Basis for Award of Agreement

NFP reserves the right at its sole discretion and for any reason, to accept, reject or terminate consideration at any time of any or all quotation without explanation. NFP's Clients specifically reserve the right to contract with a Carrier that does not offer the lowest cost or with one or more companies that did not submit a quotation and to modify the terms of the proposal prior to execution of the Agreement.

Amendments to RFP

NFP and its Clients reserve the right to amend, modify, withdraw, cancel or terminate this RFP at any time. If the RFP is amended or modified, it will be in writing from NFP. Carriers are required to acknowledge all amendments in writing.

Exceptions to the RFP

Any exception to the RFP by the Carrier must be explained in detail in writing. An exception is defined as the Carrier's inability to satisfy a mandatory requirement in the manner specified in the RFP. If the Carrier provides an alternative solution, the costs and the benefits of the alternative solution must be completely explained as well as any assumption made in proposing such solution.

It is assumed that the proposals must represent the Carrier's best and final offer. However, proposals submitted by Carrier are subject to review and further negotiation by NFP, if deemed necessary by NFP.



ATTACHMENTS

1. RFP Instructions
2. Census (in Microsoft Excel format)
 - a. Lake County BOC/Regionalization
 - b. City of Painesville
 - c. Lake Metroparks
3. ASO & Rx- Required Worksheets & Interrogatories
 - a. Interrogatories
 - b. ASO Worksheet
 - c. Rx Worksheet
4. Current Plan Designs
 - a. Lake County BOC/Regionalization
 - b. City of Painesville
 - c. Lake Metroparks
5. Current Rates & Contracts
 - a. Lake County BOC/Regionalization
 - b. City of Painesville
 - c. Lake Metroparks
6. 2+ years of experience- HCC & Monthly Variance