

Employee Benefits Consulting Services

Request for Proposal: Questions & Responses

June 18, 2010

- 1. Who is the State Bar's Current broker/consultant and why is the State Bar issuing an RFP at this time?**

The current broker is AON Consulting Services and the contract is expiring after the maximum contract period of 3 years.

- 2. Does the State Bar have an established budget for broker/consulting services? If so, what amount is budgeted for the next contract year? What did the State Bar pay its consultant last year?**

Decline to answer.

- 3. Are the services outlined in the RFP the same as those currently being provided or have they been expanded?**

They are the same.

- 4. What method of broker/consultant compensation does the State Bar prefer: Commission-based, fee-based, hourly rates, or a combination?**

Fee-based hourly rates so that commissions can be used to reduce benefit costs.

- 5. Does the State Bar have a Health benefits Committee?**

No.

- 6. Are any of your benefit programs self-insured? If so, which plans?**

None of the programs covered by this RFP are self-insured.

- 7. How many full-time employees?** *Approximately 550.*

How many part-time employees? *Approximately 2.*

How many retirees? *Approximately 40 with medical and vision coverage only.*

- 8. How many insured employees are covered under the medical plan, dental plan, life and AD&D insurance plan?**

Medical - Approximately 500 are enrolled in our Aetna Managed Choice, Aetna HMO and Kaiser plans. An additional 40 retirees are enrolled in separate plans.

Dental – Approximately 520 are enrolled in Delta Dental DPO and DeltaCare.

Vision – Approximately 520 employees plus 40 retirees are enrolled in Vision Service Plan.

All employees are enrolled in Basic Life/AD&D plans.

9. Are there any bargaining units covered under the State Bar’s benefit programs? If so, which labor groups participate?

We have two union groups at the State Bar – the Attorney Unit and the General Unit. These two units include approximately 450 of our 550 employees. The remaining 100 employees are defined as Executives with a small number of Confidential employees.

10. Does the State Bar contribute to the employee’s cost of insurance? If so, what?

-For Medical and Dental coverage, the State Bar pays 80% of the cost of coverage for Union members and 100% for the Executive and Confidential groups. These percentages apply to both employee and dependent coverage.

-Vision coverage is at no cost to the employee, dependents are charged \$9.10

-Life Insurance and AD&D are at no cost to the employee. Additional levels of life insurance are available at the employee’s cost.

-Executive Long-Term Disability is at no cost to executives and confidential.

-Union Long-Term Disability is paid by employees.

-For retirees, all costs are paid by the State Bar (medical and vision coverage).

11. What is the policy regarding retiree coverage?

Executives who retire with a minimum of fifteen years of service are eligible for free medical and vision coverage for their lifetime. There are currently approximately 40 retirees, but that will obviously increase as time passes. There is no retiree coverage for non-executives.

12. What are the plan effective dates?

All the mentioned plans are based on a calendar year.

13. Are there any significant issues that exist with any of the current service vendors that have raised concerns at the State Bar?

No.

14. Are there any particular labor or retiree needs/problems that the State Bar wants to address?

The main need is to confine costs and conform to the new federal healthcare reform act.

15. Are there any services the State Bar wants and/or needs that it is not receiving from your current broker/consultant?

No.

16. Has any activity occurred around the renewal process for 2011?

Preliminary discussions. But we are waiting to determine who will be responsible for this activity after the RFP process.

17. What is the current compensation for existing broker?

Decline to respond.

18. In the RFP contracting requirements section, there is a clause entitled Indemnity Obligations of Vendor. Is the State Bar willing to consider a limitation of liability clause in the final contract for the winning bidder?

Bidders are requested to indicate their willingness to accept the proposed contract terms. The State Bar will evaluate RFP response based on that willingness.

19. Please provide current rates and enrollment for all plans.

See Table 1 below.

20. Please provide a rate history for the current plans

We have analyzed the historical costs for our Aetna Managed Choice plan on Table 2 below. Analysis has not been done on Aetna HMO or Kaiser.

21. Please provide a description of the benefits available for all plans.

See Table 3 below.

22. Please provide a census of the currently enrolled members of the plan(s) and also those employees who are not enrolled but are or will be eligible to enroll during the next open enrollment period.

Decline to Respond.

Table 1

Aetna Managed Choice			Aetna HMO		Kaiser SF		Kaiser LA	
Level	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Single	47	\$1,411	52	\$605	68	\$508	54	\$373
2-Party	24	\$2,037	21	\$1,220	41	\$1,025	29	\$754
Family	<u>39</u>	\$2,948	<u>43</u>	\$1,934	<u>33</u>	\$1,625	<u>42</u>	\$1,195
	110		116		142		125	
Dental DPO			Dental HMO		Vision Service Plan			
Level	Number	Cost	Number	Cost	Number	Cost		
Single	195	\$57	28	\$21	264	\$14		
2-Party	111	\$97	19	\$35	108	\$21		
Family	<u>153</u>	\$158	<u>14</u>	\$52	<u>149</u>	\$38		
	459		61		521			

Table 2

Cost changes for Aetna Managed Choice Plan					
	2010	2009	2008	2007	2006
<i>Level of Coverage</i>	Total Cost				
EE Only	\$1,141.15	\$1,104.91	\$1,082.07	\$1,061.89	\$836.58
EE + 1 Dependent	\$2,036.63	\$1,977.31	\$1,931.18	\$1,895.17	\$1,493.07
EE + Family	\$2,947.52	\$2,861.68	\$2,764.91	\$2,742.80	\$2,160.84
	2005	2004	2003	2002	2001
<i>Level of Coverage</i>	Total Cost				
EE Only	\$561.62	\$504.47	\$407.37	\$378.60	\$300.03
EE + 1 Dependent	\$1,002.35	\$900.35	\$727.05	\$675.70	\$535.42
EE + Family	\$1,450.64	\$1,303.03	\$1,052.22	\$977.90	\$774.85

Table 3

Medical Benefits at a Glance

Plan Features	Aetna Managed Choice		Aetna HMO	Kaiser Permanente
	In-Network (PCP – Coordinated Care)	Out-of-Network (Self-Referred Care)		
Annual Deductible				
Individual	None	\$200	None	None
Family	None	\$600	None	None
Covered Expenses				
Hospital Costs	100%	70% after deductible	100% after deductible	100%
Office Visits	\$10 co-payment	70% after deductible	\$5 co-payment \$10 after hours	100%
X-ray & Lab	\$10 co-payment, w/ PCP referral	70% after deductible	\$5 co-payment	100%
Routine Health Screening (physicals, immunizations, routine pap tests)	\$10 co-payment	70% after deductible	\$5 co-payment	100%
Well Baby/Child Care	\$10 co-payment	70% after deductible	\$5 co-payment	100%
Emergency Care (Non-Emergency Use Not Covered)	\$25 co-payment (waived if admitted)	\$25 co-payment (waived if admitted)	\$25 co-payment (waived if admitted)	100%
Prescription Drug (30-day supply)	\$5 – generic drugs \$15 – brand name \$30 – non-formulary	\$5 – generic drugs \$15 – brand name \$30 – non-formulary	\$5 – generic drugs \$15 – brand name \$30 – non-formulary	\$5 – generic drugs \$15 – brand name
Mail Order	\$10 – generic drugs \$30 – brand name \$60 – non-formulary (90 day supply)	\$10 – generic drugs \$30 – brand name \$60 – non-formulary (90 day supply)	\$10 – generic drugs \$30 – brand name \$60 – non-formulary (90 day supply)	\$5 – generic drugs \$15 – brand name (100 day supply)
Mental Health Services	Inpatient – 100% Outpatient – \$10 co-payment	Inpatient – 70% after deductible Outpatient – 70% after deductible	Inpatient – 100% Outpatient – \$5 co-payment	Inpatient – 100% Outpatient – 100% Up to 45 days per year
Drug and Alcohol Treatment	Inpatient – 100% Outpatient – \$10 co-payment	Inpatient – 70% after deductible Outpatient – 70% after deductible	Inpatient – 100% Outpatient – \$5 co-payment	100% for substance abuse detox treatment
Annual Out-of-Pocket Maximums	N/A	Individual \$3,000 Family \$9,000	N/A	N/A

This is a partial listing of benefits. Please see the plan document for complete details. If there is a conflict between the information above and the plan document, the plan document will prevail.