

P2017-01
City of Salem
Request for Proposals for Health Insurance Coverage
(Partially Self Insured)
January 4, 2017

BACKGROUND

With a population of approximately 7,400, Salem is located in Marion County at the intersection of Interstate 57 and US Highway 50. Some notes and facts on the City of Salem:

- The City is operated under a Manager form of government, with a five member City Council. The total City budget for all funds and departments is approximately \$18.8 million for our FY17 (May 1 through April 30).
- The City employs approximately 65 full time employees. Employees, certain City officials, and dependents are/may be covered by the City's health insurance plan.
- The City's health insurance plan has been administered by Mutual Medical, with a network administered by Health Link.

REQUEST

The City of Salem seeks proposals for its health insurance plan and related services from third party administrator for its coverage year beginning May 1, 2017.

SUBMISSION PROCESS/TERMS

1. **Intention to Submit Proposal** → Those who anticipate submitting a proposal are encouraged to report their intention to the City Manager as early as they are able. Name of the organization wishing to submit a proposal and contact information for the person responsible for the submission should be included with this communication. Contact information for City Manager is as follows (email is preferred):

Bill Gruen
101 South Broadway
Salem, IL 62881
ctymgr@salemil.us
(618) 548-2222 ext 13

2. **Deadline for Final Proposal Submission** → Proposal may be mailed or hand delivered to the City of Salem no later than Wednesday, February 22, 2016 at 10:00 am. Submission received after this deadline will not be considered unless the deadline for submissions is extended by the City Manager.
3. **Description of City's Current Coverage** → The City will upload documents to a One Drive file related to its current plan, coverage limits, insured pool, and other information requested by proposal submitters. The location of this information will be made available to those who report intent to submit a proposal.
4. **Proposal Details** → City requests proposals be tailored as follows:

- ✓ Proposals shall be for administration of a health insurance program including prescriptions, dental, and \$10,000 to \$50,000 life insurance policies for City employees. Coverage offered shall be substantially similar or better than coverage currently offered.
- ✓ Program to be partially self-insured and to include stop loss limits with maximum, annual cost exposure. Proposals shall clearly document and itemize all fees and costs that would be charged to the City and shall specify maximum annual plan cost for the fiscal year May 1, 2017 through April 30, 2018.
- ✓ Proposals shall identify who shall administer the health insurance program, and how the plan administrator will assist the City comply with an increasingly onerous regulatory environment, including notification of new requirements and assistance with compliance.
- ✓ Plan administrator shall process coverage claims from members of the City's insurance pool, provide EOBs, provide payments to health care providers, provide records requested by City auditors, among other things.
- ✓ Proposals should detail experience and/or methods the plan administrator has offering methods by which the City may limit its health insurance expense exposures.
- ✓ Proposals shall provide references for other clients served by the plan administrator(s) associated with the proposal.

5. **Selection Process** → Those making submission should anticipate having a face-to-face meeting with City personnel/officials after submission deadline for the purposes of discussing the proposal submission. Meetings may not be scheduled for submissions determined to be uncompetitive. Thereafter, the City Council shall make final selection among proposals submitted.

Proposals will be available for public review after deadline, but they may not be edited or amended after submission to the City. The City reserves the right to request additional information or clarification from those submitting proposals. The City further reserves the right to accept the proposal which, in its judgment is the lowest cost and/or the best proposal, to reject any or all proposals, and to waive irregularities or informalities in any proposal submitted. **In other words, the City reserves the right to accept the proposal which, in its judgment, and regardless of cost, best accomplishes the project described in this request.** All firms making proposal agree that rejection of any proposal shall be without liability on the part of the City, and firms making proposal shall not seek recourse of any kind against the City because of such rejection. The filing of any proposal shall constitute an agreement of the firm making proposal to the terms and conditions of these Instructions to firms making proposal.

6. **Rights Reserved** → All rights and remedies afforded to the City of Salem by law, ordinance, or policy of the City shall be retained, whether or not specified in this proposal request.

Bill Gruen
Salem City Manager