

Follow up Questions
for
Invitation to Negotiate (ITN) RMDX-230059-GD
Broker and Benefits Consulting Services for Health and Group Life Plans

1. Discuss how allocation of resources and prioritization of resources would be handled – based on the size of the business.

Allocation of resources are considered prior to submitting responses to RFP's such as the City of Gainesville's to ensure that all clients receive the level of service needed according to their size and program complexity. Gehring Group/Risk Strategies takes much into consideration when assigning a client service team. This includes the funding arrangement, plan anniversary date, size of group, wellness initiatives, clinic options, availability of technology tools, and more. Time allotments for each staff member may vary from group to group and year to year based on the ongoing activities of the group such as carrier changes, implementation of new plan options, wellness programs, and other initiatives. For example, an account manager would need to spend more time with a group who is conducting a mandatory open enrollment versus a group conducting a passive open enrollment (i.e., changes only). Likewise, a client conducting a comprehensive RFP process for all lines of coverage would require more time from its Senior Benefits Consultant than a group who received an aggressive renewal offer from an incumbent carrier with whom they are very satisfied. We structure our assignments so that service requirements can be met timely, and deadlines do not accumulate at a one particular time of the year.

2. How would you communicate with employees to best understand what they want in their plan. How would your company explain the cost and benefit impacts of plan design modification to employees, senior management and elected officials if needed.

We understand that employee benefits communication is an important variable and can have a large impact on program satisfaction; therefore, Gehring Group/Risk Strategies provides a number of communication options to ensure that employees understand their benefit options, are able to provide feedback, and comprehend the cost and benefit impacts of proposed plan design modifications. These options include employee surveys, attendance and educational presentations at open enrollment, production of an employee benefits highlights booklet, communication posters/flyers, educational videos specific to the City's plan, attendance and participation in employee benefits committee meetings, attendance at union meetings, elected official one-on-one meetings, City Commission workshops, and more. Our team is readily available to meet with senior management and elected officials as needed.

3. The City requests a 'Best-and-Final offer from your company that demonstrates a reduction in cost when compared with the original proposal.

Gehring Group/Risk Strategies initially proposed an annual compensation amount of \$180,000, whether in the form of commission or an annual fee. In a good faith effort to be as competitive as possible, we propose reducing our required annual compensation to \$168,000.

4. What level of savings would justify a carve-out of the Pharmacy Benefit? How does this complicate specific stop-loss reporting?

The level of savings that would justify a pharmacy benefit carve-out will vary for each group depending on the current PBM, formulary, and additional restrictions such as step-therapy, mandatory generics, specialty tiers. When evaluating, the goal would be to have at least two comparable offers and achieve a projected 5% savings over current pharmacy spend, or greater total savings for a plan of the City's size.

Even though most stop loss carriers and PBMs can now share data electronically, there are many variables to evaluate when considering implementing a separate PBM. During the RFP process Risk Strategies/Gehring Group would outline these options to the City for each proposing PBM. Taking this into consideration, the process of transmitting data and receiving reimbursement may take longer than with an integrated medical and pharmacy plan; however, our team would also work with the City's stop-loss vendor to ensure that features such as advanced reimbursement/funding are available and included with the City's reinsurance program to offset any of these concerns.

We would also outline any additional concerns such as members having two separate I.D. cards, potential disconnects within case management efforts, and network or formulary disruption. Our team will guide the City throughout the consideration of all options, outlining the costs and benefits associated which each to select the program that best meets the needs of the City.

5. What do you see as the City's greatest challenges in this process in our attempt to save money, yet provide the best benefits we can for our employees?

Governmental agencies have a unique set of challenges facing them as they relate to employee benefits and health insurance coverage offerings. These include securing plan renewals and proposals as early as possible while following purchasing guidelines should a bid process be needed, balancing union agreements with budget limitations, monitoring claims for a consistently aging demographic due to the retention of long-term employees, engaging membership in the management of ongoing chronic conditions and wellness offerings, as well as the cost impact of extending coverage to retirees. All of these can be mitigated, however, with the right expertise.

We have been able to help our clients achieve significant cost savings through the implementation of various cost savings strategies including but not limited to aggressive wellness initiatives, smoking cessation incentives, the implementation of onsite clinics, aggressive claims monitoring and data analytics, targeted disease management programs and/or providing more options to retirees such as Medicare Advantage plans with reduced premiums.

Some additional areas of emerging risk for all employers include the lingering impact of the COVID-19 global pandemic and the burden it has placed on the mental health of the nation. Recognizing that the status of mental health of our employees has become an ever-increasing concern for employers and the nation as a whole, Gehring Group/Risk Strategies has made several investments to expand our knowledge of the issue. This includes having two employees obtain their certification as National Council Mental Health First Aid instructors who are able to proactively provide solutions when addressing increasing concerns around mental health and substance use disorders. We also recently hosted a focus group specifically geared to law enforcement and first responders on the topic of *Police and Fire Mental Health* which resulted in the development of a mental health portal specifically for

law enforcement and fire personnel. Mental health is also a key consideration in the development of wellness programs and educational wellness campaigns.

Another variable to consider is the impact of Specialty Pharmacy and Gene Therapy Cost Escalation. Specialty pharmacy costs are exceeding all other plan costs at an exceedingly rapid pace. In addition, Gene therapies are expensive, and a single treatment can cost millions of dollars. Gehring Group/Risk Strategies continually monitors solutions that are available in the marketplace to help reduce the exposure of these exorbitant cost increases. Gehring Group/Risk Strategies will keep you apprised not only of such emerging risks, but also any potential programs or solutions to mitigate the amount of risk to the City.

Other challenges facing all large group employers continue to include the requirements of the ever-changing legislative environment, first through the implementation of the Affordable Care Act and subsequently through the abundance of new legislation resulting from the COVID-19 pandemic and other recent Acts. Through our regular webinars, seminars, workshops, and face-to-face meetings, we will ensure that you are not only informed of all legislation that will impact you, but also provide assistance to ensure compliance.

6. What is your response timeframe to questions and problems?

Our goal is to respond to inquiries within the same day if time allows, or generally within 24 hours, to acknowledge the issue or question. Should follow up be required, such as regarding a complex claim issue, our team members will contact the applicable parties at least weekly until resolution. Depending on the type of question or problem, contact may be more often than weekly.

7. What other services do you offer that you may not have included in your proposal?

Some of the additional services provided by Gehring Group/Risk Strategies that are not factored into our current cost proposal include:

- Actuarial services that include Premium Rate Setting, IBNR calculations and the required annual Florida 112.08 annual actuarial filing of self-funded health plans (currently under separate contract with Wakely)
- Comprehensive wellness program development and incentive tracking
- Bidding for and implementing an onsite clinic to include treatment and pharmacy services

Gehring Group/Risk Strategies is open to further discussion regarding any of the above services.

8. What is your experience negotiating a tailored policy with carriers, if necessary, to meet our needs?

Our team has extensive experience in negotiating tailored policies with carriers and TPA's to meet the needs of our clients. This includes establishing client specific networks, implementing onsite employee health centers, and enhancing mental health programs. Based on our top-tier recognition with all carriers and our experience in consulting for over 130 public entities in Florida, we often negotiate customized policies for medical, dental, vision, life and disability programs. For example, we negotiated to remove a "missing tooth clause" from a carrier's standard dental contract, and were able to negotiate infertility benefits for a client who felt this would bring significant value to the plan.

For our self-insured groups, we can present various options and illustrate the cost/benefit impact to the plan for such changes as increasing/decreasing deductibles and out of pocket maximums, changing coinsurance amounts, and changing copays for services such as x-rays and advanced imaging. We provide you with the data and cost information necessary to make an informed decision.

9. Will you provide the City with a cost comparison of the policies selected?

Yes, your Gehring Group/Risk Strategies team will provide the City with a detailed cost comparison of each proposed coverage option. We compare all proposals side by side to the in-force program and illustrate the program differences to include the advantages and disadvantages of each. This includes a detailed cost comparison that outlines the total cost of the program in addition to breaking down the costs related to employer and employee contributions and detailing all applicable proposal caveats.

10. What is your claims resolution process? How heavily involved are you in this process and what is your expectation of City staff in the overall process?

During the claims resolution issue, our team is part of the process from start to finish. We first confirm the issue at hand. Whether the request comes from an HR Staff member or the covered employee, we evaluate the issue the member is having to determine where the issue lies. From there, we work with the carrier, providers, the City's HR team, and the member to achieve the best possible resolution. Throughout the process, we provide updates on our findings each step of the way to the resolution finish line. The member and HR staff will have an entire team of knowledgeable professionals to help navigate claims and/or benefit inquiries. Risk Strategies/Gehring Group clients have access to our toll-free 800 number and, in addition, we can set up a custom email address to provide to employees which would allow them to contact their client service team directly.

In most cases, our team is able to handle the issue directly with the employee; however, we may request information from the city as needed including employee personnel information, dates of hire/terminations, or other relevant information. We work with members directly throughout the process and will provide claim updates to the member directly or the City as needed.

11. Please tell us of a transition for a client that did not go well and what you did to resolve it to meet the client's needs.

In addition to case study example #3 included on pages 8 and 9 of our original proposal, the following includes an example of a transition of a client's vendor during which our team had to intervene to meet the client's needs.

This client was unhappy with the level of service provided by the TPA that provided its retiree billing services. As a result of a bid and selection process, the client selected a new vendor and our team assisted throughout implementation; however, the transition process was less than smooth for the client and its retirees. The change in processes was confusing to many retirees which added an additional burden to the client's HR team.

To address this burden, our team stepped in to take calls directly from retirees to help answer their questions and provide retirees with any documents needed. We then worked with the new TPA to provide a direct phone number for retirees to call when they needed assistance, so they were not

simply passed to the next available customer representative. We also created an internal process whereby a Gehring Group/Risk Strategies team member makes courtesy calls to retirees with overdue payments, or to let them know if grace period deadline was approaching where they would be terminated for non-payment, so the retiree was aware.

Unfortunately, for the client, the details and payment information received from the prior TPA were not reconciling. The client was disappointed to realize how many retirees were in arrears with no follow-up on behalf of the prior TPA and requested that we assist in ensuring all retiree payments were brought up to date. To alleviate this burden on the client, our accounting team worked diligently to compare all invoices and payments so that retirees with long overdue premiums were notified, payments received, and accounts fully reconciled.

12. We have employees with dependents who live/travel abroad. If one of them should have an issue accessing services or has an issue with claims, how do you handle this?

All member issues are addressed with care and attention by our client service support team, whether local or abroad. If a member or their dependent needs assistance while on vacation or away at college, our first step is to assess the need, whether a denied claim, balance billing issue, etc. and determine the extent of coverage under the plan. From there, we coordinate assistance with the insurance carrier, providers and the member/dependent, utilizing our resources to assist with out-of-state and overseas claim submissions. Throughout the process, we provide the member with all available contact information for our team in the event they are in an area with limited phone or internet access.

13. What does an ideal Open Enrollment process look like?

Planning for the Open Enrollment process begins well before OE meetings are scheduled. In the months leading up to the renewal, we would spend time gathering feedback from employees and leadership to understand the needs of staff and prepare collateral and meetings accordingly. This would include employee surveys and exploratory meetings. To further prepare for OE meetings, we would develop the benefits booklet and target our presentations to include any plan changes, important updates, and questions we anticipate staff members may have based on the feedback we gathered.

At the Open Enrollment meetings, a successful meeting(s) would include high turnout and employee participation. We are pleased when employees ask questions and engage with their benefits. Ideally any employee issues would have been identified and rectified prior to the OE meetings, but if any arise, we work with employees directly to make sure they understand their benefits and feel comfortable with the resolution achieved. We would also discuss our team approach and emphasize our ability to support employees confidentially not just at OE, but throughout the year.

The deadline for open enrollment elections would be early enough to allow administrators plenty of time to audit and review the data prior to the effective date. During the implementation/renewal processes, we will be checking in consistently to support administrative staff and ensure the process goes smoothly and all questions are answered.