



City of Gainesville
Follow up Questions for ITN RMDX-230059-GD
Broker and Benefits Consulting Services for Health and Group Life Plans



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1. *Discuss how allocation of resources and prioritization of resources would be handled – based on the size of the business.*
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Aon allocates our internal resources according to industry, compatibility, capacity, and scope of services. With respect to the City, it was important for us to prioritize Jeff Jinks, Emily Alchin, Amanda Brooke Kross and Nicole Netsov to work on the City account from not only a public sector experience perspective, but from a State of Florida and Florida College System point of view as well. The City Account Team contains not only those dedicated consulting and actuarial members, but Phil DeNucci from Aon Pharmacy is on the team as well and all are intimately familiar with the State program and self-funding, carve-outs, and plan design modeling. These team members also know all too well how to respond quickly to client requests!

In addition to those described above, there will be an analyst assigned to assist Emily in the day-to-day tasks. This customized, dedicated team will be the City's "one-stop-shop". They will meet with you regularly, track open items, manage vendor relationships, provide renewal and marketing analysis, discuss ongoing strategy, open enrollment, communications, and support you in compliance matters. The City also has access to a plethora of subject-matter-expert resources including, but not limited to, legal, time away management support, wellness, and innovative solutions.

Our commitment to client service is the cornerstone for our relationships. We aim to be the most responsive, client-focused, consulting firm in the world. To ensure our clients' complete satisfaction, we implemented a worldwide client service model called the Client Methodology, which ensures that the City will receive the best services in the industry regardless of geography, industry, or size, with a personalized plan based on your priorities, as well as full transparency in how we create and deliver value.

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2. *How would you communicate with employees to best understand what they want in their plan?*
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We can tailor the approach to the type and level the support that fits the City's needs and culture. For example, we can support:

- **Face-to-Face Meetings.** Our team has the public speaking experience to lead meetings for employees—as well as other covered family members if you choose to invite them. In our digital world, having an in-person component to your communication strategy can increase trust and credibility. Plus, you can read nonverbal cues and get a pulse on what's going on in your population. To prepare, we review all the details of your plans and talk with you about concerns that may come up, so we are prepared to deliver the material and answer the tough questions. We use various learning techniques (visual, auditory, and hands-on exercises) to appeal to different learning styles. This approach makes the material more engaging so that the audiences walk away with a solid understanding of the topics, and, most importantly, act. Regarding presentation and other meeting materials, Aon can write and design them, or we can provide input to a presentation that you create. During the meetings, we host weekly calls to gather input from everyone involved so we can apply learnings as we go.

- **Online Meetings:** You may consider conducting all or some of your meeting virtually. When you do so, you lose the advantage of the face-to-face interaction. However, it is an efficient way to reach a broad range of people in various locations. As with face-to-face meetings, we can provide meeting facilitators and develop or review the presentation. In addition, we can manage the details of setting up and running the virtual platform (e.g., Teams, Zoom, WebEx, Skype).
- **Train-the-Trainer Sessions:** We can train your internal team members to facilitate face-to-face and/or online meetings. Our training sessions are often a half-day, and we can prepare the materials or use the ones you've developed. In addition to training on how to deliver the presentation, we practice with the facilitators, review FAQs, and review common pitfalls with leading meetings so everyone is confident and well prepared.
- **Benefit Fairs:** Another way employers can provide extra support to their workforce is by holding structured benefit fairs, where we work with your various healthcare vendors to provide a seamless benefits experience. The key to benefits fairs is inviting—and strongly encouraging—your employees' families to participate. During these fairs, your employees and their families could attend a 20-minute annual enrollment learning session led by a knowledgeable leader and ask questions. According to our data, 45% of employees choose coverage together with their spouse or domestic partner. Because we have found that many people rely on their families to help them make health care decisions, involving families and friends is a very important part of the education process.

In addition to the communication and education methods above, we can also provide licensed Benefits Counselors trained specifically on the client's benefits package. During open enrollment, our Benefits Counselors will be available to employees to educate them on their benefits package, answer any questions, update demographic data, and make benefit transactions on behalf of the employee.

The most appropriate method or combination of methods for the enrollment will be determined during the planning phase with the City. When we have learned more about your employee demographics and overall organizational goals, Aon delivers the same personalized enrollment experience face to face or by phone, so employees will enjoy exceptional service no matter which communication method is used. Also available are flexible enrollment scheduling arrangements, including executive enrollments and access to bilingual Benefits Counselors. Depending upon the City's benefits administration needs, the online enrollment system follows the same process flow as the telephonic and face-to-face enrollments ensuring that regardless of the enrollment mechanism, employees are provided with the same personalized experience.

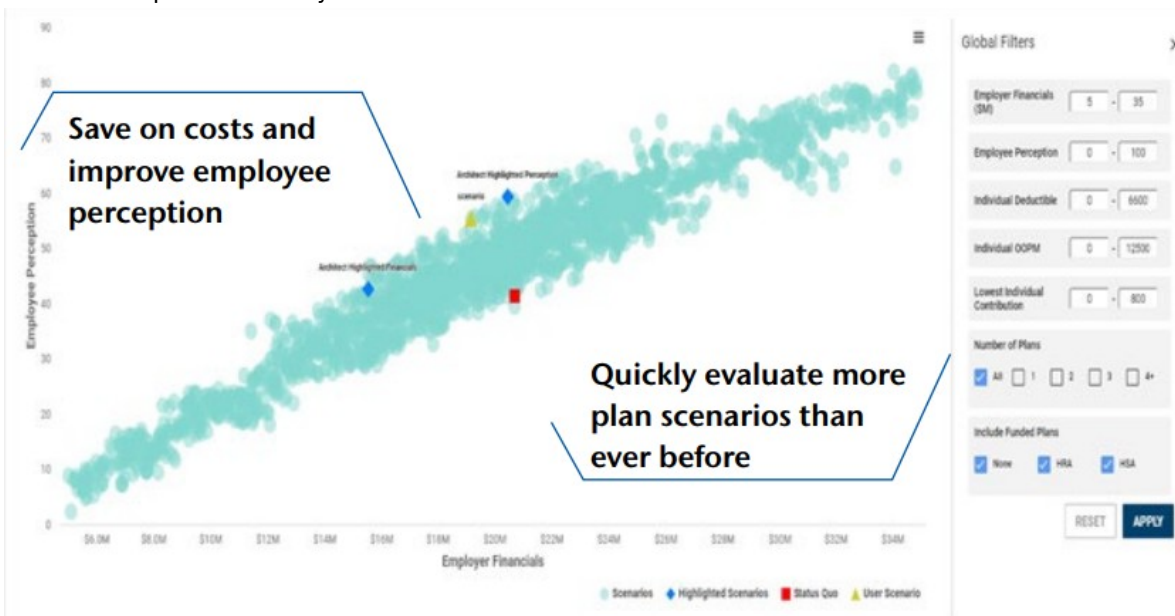
3. How would your company explain the cost and benefit impacts of plan design modification to employees, senior management, and elected officials, if needed?

Our team has extensive experience working with Public Sector administrations, benefit committees, Unions, and Boards. We can support the City by providing cost/benefit analyses of any plan design modifications. We are happy to present at, or simply attend, any meetings, as needed, or on a recurring basis. We will assist with meeting prep, agenda items, preparing materials for committee and/or union meetings, and can present at these meetings with updates and recommendations, as needed. We will also coordinate with vendors their attendance at these meetings, when necessary.

Aon's Actuarial Value (AV) Model tool allows us to develop consistent relative value factors associated with unique plan designs. Using this proprietary tool, we can establish a baseline of current plan value and quantify the plan cost impact of potential design changes over time. Plan relative values are fundamental to projecting future costs and are incorporated into our pricing model when developing gross cost forecasts for plan year budgeting.

Another Aon tool that can be very useful in assisting the City with evaluating plan design offerings is Aon Architect®. The primary feature of Aon Architect is its ability to marry an employee perception score with projected claims spend for modeled plan design alternatives. Employee perception estimates the value employees place on the benefits program offering. Based on a proprietary survey conducted in 2019 of approximately 10,000 participants with employer-sponsored healthcare coverage, participants were presented with several plan options and asked whether each was an acceptable option or not. Then they were presented with a menu of three plan options, where one or neither was selected. The 100,000+ aggregate selections were analyzed to determine the importance among various plan attributes. Plan attributes included: employee contributions, deductibles, out-of-pocket maximums, office visit charges, emergency room charges, hospitalization charges, and pharmacy charges.

Aon Architect generates 500,000 unique plan design and contribution scenarios and evaluates their projected cost and employee perception. Below is an example of the output of the modeling. While it is certainly true that greater spend leads to improved perception, there are still opportunities to improve perception without increasing cost or decrease cost without sacrificing employee perception. The employee perception score and its insights are unique to Aon and another example of our desire to push the envelope in data analytics to better serve our clients.



While Aon Architect can be presented to City administration utilizing an on-screen demonstration, we can present any and all of these plan design approaches via traditional PowerPoint or traditional print modeling media.

4. *The City requests a “Best-and-Final” offer from your company that demonstrates a reduction in cost when compared to the original proposal.*

Aon’s original proposal was a full health & benefits scope of services for an annual fee (or commissions, if desired by the City) of \$219,800. This scope includes the services requested by the City including:

- Actuarial support and modeling (Amanda Brooke Kross on City Team)
- Aon Legal compliance support (Irene Gallagher on City Team)
- Data Analytics and regular reporting
- Procurement support on all lines
- Full staff to provide same day service including specialty subject matter expertise:
 - ✓ Pharmacy
 - ✓ Wellbeing
 - ✓ Delivery System Transformation
 - ✓ SPS – Life Disability and Stop-Loss specialized negotiation and contract management

Aon will give the City the choice of a reduction in the cost in the original proposal of \$23,940 (Annual Fee \$195,860) or the addition of Health Advocacy at the original cost of \$219,800.

Our Health Advocacy solution provides a full range of advocacy and assistance to employees and their entire family (spouses, dependents, parents, and parents-in-law) to help them navigate the healthcare system and understand benefit coverages.

Advocacy includes one-on-one support with a single ongoing contact person to:

- Support medical conditions and complex diagnoses
- Locate the right doctors and specialists
- Arrange second opinion and transfers medical records
- Research and resolve claims and billing issues
- Find ways to reduce out-of-pocket costs

5. *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 carve-out pharmacy benefits truly depends on the City’s risk tolerance with respect to change and potential disruption. Aon would provide a full analysis of the current state and pros/cons of making a change. The pros/cons will include member impact, disruption, financial savings/costs, and any other additional impacts to consider. We typically see a 15% pharmacy savings by carving out.

There is a belief that carve-in plans can streamline and coordinate medical and pharmacy services, integrate medical and pharmacy claims data more easily and thus, deliver a more efficient medical experience. Aon’s experience has been a greater likelihood to improve audit transparency, specialty pricing, reduced program fees and increase the total amount of rebates being passed through.

With respect to stop-loss reporting, there is minimal complication in that regard. With a carve-out pharmacy vendor, we would work with your medical carrier and stop loss vendor on setting up the appropriate file feeds, so the stop loss carrier is receiving both the medical and pharmacy claims when a person is close to, or hits, the specific deductible. The stop loss carrier could possibly impose a fee for creating an additional file for the pharmacy benefit. However, not all stop loss carriers charge this fee and this is something we could work with the pharmacy vendor to cover the cost.

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

Disruption and engagement. Most, if not all, cost savings approaches involve some time of change. Generic vs. Brand, in-patient vs. out-patient, ER vs Urgent Care, narrow networks, wellbeing, carve-outs are all initiatives that can lower cost and require the member to access care differently. Using plan design can be seen as cost-shifting and promoting utilization requires communication and education for members to engage.

As with many things, the greater the risk/disruption, the greater the reward/savings. Aon has an entire national practice devoted to understanding the value of and performing due diligence on these approaches and vendors. Our process is to use the City's specific data and culture to model the full impact of cost saving initiatives prior to implementation.

7. *What is your response timeframe to questions and problems?*

Your Account Executive, Jeff Jinks is the right place to start, but please know you should feel completely comfortable contacting anyone on your team. Everyone, from receptionists to senior leadership, will be committed to getting you what you need when you need it.

In most cases, your Aon team will respond to your inquiry on the same business day. We often are able to provide immediate resolution or provide the requested information. However, in instances when we are relying on others to provide detail (e.g., carrier claims issues), we may require additional time to provide the appropriate answers. In those instances where an answer is not available within 24 hours, we will provide you with an estimated turnaround time.

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

Aon's dedicated Time Away and Life Solutions team can bring the City solutions related to paid and unpaid time off, family medical leave, and life and disability programs from specialized subject matter experts. Aon intentionally combined our former absence management and life and disability teams because absence, leaves (occupational and non-occupational), short-term disability, long-term disability, and life insurance are frequently interconnected — often highly so. Furthermore, given that absence costs employers more than healthcare does, and managing this business risk of absence while creating affordable, desirable benefits is not an easy challenge for employers, Aon's combined team allows us to better handle the complexities involved with managing these programs.

Time Away and Life Solutions Services



Aon Benefit Experience

Aon Benefit Experience (formerly Aon Exchange) can provide the City with a true consumer experience that maximizes personal choice *and* contains costs. Also, given the City's desire for cost savings and a move to a fully insured platform, Aon Benefit Experience can do both by empowering employees to make confident benefit decisions, provides unparalleled choice, and delivers best-in-market savings by providing:

Access to the Best Carriers and a Range of Plan Designs — Employees get access to both national and regional carrier options along with different plan designs at varying price points, and can select the option that best fits their own needs.

Decision Support — Our proprietary *HelpMeChoose* decision support tool makes the buying decision simple and helps employees adeptly navigate offerings and personalize benefits.

Lower Cost, Greater Value — Free markets and fair competition drive value: Every carrier competes for every employee — driving costs down and benefit value up.

Aon Benefit Experience uses a unique managed marketplace approach for a better benefits experience. Three important features of the model include:

- Employers use a defined contribution model to provide a subsidy to employees.
- Employees use Aon's *HelpMeChoose* decision support tool to shop across carriers and plan options that best meet their unique needs.
- Geographic-based rates allow consumers to take advantage of best-in-market efficiencies.

The Value of Choosing Aon Benefit Experience

For City Employees:

- Broader Consumer Choice — Employees love optionality More Affordable Benefits — \$500 average out-of-pocket annual savings
- Member Advocacy — 60+ fully integrated point solutions that support better health outcomes
- Educated Benefit Consumers — Carrier selection is streamlined and guided through Aon's *HelpMeChoose* decision support
- Increased Satisfaction — 86% overall satisfaction with benefits through Aon Benefit Experience

For the City:

- Savings — 5-8% average top line savings in year one, and a historical trend of 2.5% over the last 11 years
- Benefits Harmonization — Turnkey solution for future growth and acquisitions
- Improved Recruitment & Retention — Competitive plan offerings based on employee's local market
- Reduced Administrative Burden — Aon helps manage the benefits program on your behalf, allowing HR teams to shift focus to other key priorities

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

We negotiate tailored and customized plans with carriers on each of our clients. Most of our clients are self-funded, so we are very well versed in the logistics of determining what levers to pull (copays, deductibles, in/out network, ER/Urgent Care, narrow network, etc.) for the City and its members and working with the carriers to implement that plan. We will work directly with City HR/benefits staff to determine what has been done in the past, how the current benefits came to be, make recommendations based on your size, experience, and clinical utilization and then work with the vendors to implement.

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

Yes, absolutely! During our renewal and marketing process, we will provide the City with a side-by-side analysis of policies and plan designs for you to compare in order to make the best possible decision.

Our process includes the following:

- **Cost Projections** — Being able to see the impact of various approaches allows you to develop your preferred approach more quickly. To achieve this, we will model a number of plan alternatives to forecast the impact of individual initiatives, as well as the impact of various combinations of initiatives.
- **Actuarial Services** — We have more than 300 health and welfare actuaries located across the nation, a majority with underwriting experience. Our local team, which includes two of those actuaries, shares experiences and market data with other public sector teams on a regular basis. Your Account Team will pass these findings on to you during strategic planning and the renewal process. Additionally, our actuarial services include modeling, reserve development, employee contributions, health plan pricing, and the impact of plan design changes; and performing a variety of other actuarial calculations (analyzing trends, utilization rates, funding of large claims and stop-losses, and the PPACA) to ensure that your health benefit plans are financially sound.
- **Renewals, Plan Selection, and Broker Services** — Our goal is for our clients to have no “surprises” with regard to prospective renewal actions. Aon provides:
 - Comprehensive renewal analysis, including periodic forecasts of potential rate actions based on your specific experience and national cost trends
 - Independent renewal calculations and analysis to compare with the insurance vendor renewal using our financial expertise and extensive database of cost trends and comparative vendor data. We use this information to negotiate the most favorable terms for our clients in advance
 - Modeling with multiple plan design options to present both the financial and employee impact to help our clients make the most informed decisions. When necessary, we will advise our clients to market coverage with the most service comprehensive and cost-effective providers and compare those results to the incumbent offer

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

The City's team is uniquely qualified to assist with escalated resolution issues related to the carrier's adjudication of member claims as well as provider networks, member services, account management, eligibility processing, and premium/fee payment issues. We understand the health plans' processes and limitations through daily interaction on behalf of our clients.

Due to the large volume of healthcare business we manage, most of the major health plans have assigned senior regional/national account executives to manage their firms' overall relationships with us. These contacts can bypass much of the internal bureaucracy that exists at many of the health plans to support what Aon and our clients are trying to accomplish. Our consultants have direct access to these health plan liaisons to support the City. As a result, we would expect the City to notify the Account Team immediately upon identification of a claims issue, so that we can resolve it on your behalf.

12. 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?

Issues during any big implementation or transition are inevitable. However, Aon has the experience and resources to understand expectations and we leverage our relationships with vendors to ensure quick resolution. Although the Aon team is involved during implementation to ensure all plans are programmed appropriately, there are issues with network physicians, accumulators, which we resolve quickly through our national and local carrier partners. We have also experienced more significant disruption when a client elected to move to a PBM outside our recommended procurement. As this PBM required a specific type of pharmacy to deliver the 340B pricing, members needed to fill their prescriptions at a rural health pharmacy that focused on indigent care. There was an additional approval process for specialty medications that further complicated the transition. While this was not our recommendation, we deployed our Pharmacy team to assist the client by negotiating communication processes, alternative prescription fulfillment at traditional pharmacies (although more expensive than 340B pricing) and provided legal support for the specialty issue. We have since facilitated another pharmacy procurement. During issues like these, Aon coordinates ongoing calls with the vendors as a "status" check to ensure we prevent as many issues as possible and our experience and expertise in handling these types of transitions allows us to be fully prepared to handle any issues that arise.

13. 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 would you handle this?

While each scenario is different, we would work with the appropriate vendor to provide support to the employee/dependent. While we wouldn't be able to speak directly with the employee, we would absolutely manage vendor expectations and ensure the specific issue was resolved quickly.

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

Engaging, seamless, and glitch-free. Open Enrollment (OE) is the City's opportunity to showcase its investment in their employees. To create the level of appreciation you would like, the enrollment process and communication must be accessible, intuitive and informative.

An ideal and successful Open Enrollment consists of proactive and multi-mode communications. Aon will support this in a variety of ways:

1. We will work with you on coordinating a specific number of open enrollment meetings, depending on your population and open enrollment timeframe. We will coordinate these meetings with your vendors so they can attend.
2. Aon will assist in creating and presenting an open enrollment presentation, which provides an overview of all benefits, how employees can enroll, where to go if they have questions, and important tips and reminders. We will work closely with City HR/benefits staff on finalizing this presentation to get feedback on how to best communicate with your membership.
3. If the City hosts any sort of benefit fair, Aon will assist in the scheduling, coordination, and participate in the fair, if applicable.
4. We recommend leveraging additional materials directly from each of your vendor partners and Aon will work with each vendor to obtain these materials and can work with the City on creating a gameplan for when and how to distribute these communications.
5. Lastly, Aon will provide a fully customizable open enrollment guide that can be distributed to employees and/or new hires throughout the year. Ultimately, we are flexible and ready to support you. We'll want to understand what you've done in the past and make recommendations where we can improve the open enrollment process.