

COMMUNICATIONS

1. Does LACERA conduct active/retiree benefits meetings? Do you conduct meetings during enrollment?

Answer – LACERA’s Member Services Division does provide presentations to active members on their retirement benefits. We offer new-hire, mid-career, and pre-retirement presentations.

These presentations are upon request of County departments. The presentations are done year round as requested.

We also offer weekly pre-retirement presentations here at LACERA’s Pasadena offices.

There is no retiree benefit meetings conducted once members have retired. Members are free to telephone or come into our office for personal or one-on-one assistance.

2. Does LACERA conduct surveys of active/retiree satisfaction? Focus groups? Is this something LACERA would be interested in?

Answer – Yes, LACERA does conduct surveys of active/retiree satisfaction. No, LACERA does not conduct focus groups and is not interested in doing so at this time.

3. Would the consultant be responsible for developing web site content for Benefits, Health Care and Communications links on www.lacera.com?

Answer – The website is managed by LACERA’s Communications Division. Consultant will supply LACERA with content, information and references specifically related to the Retiree Health Care Benefits Program and LACERA’s Communications Division is responsible for finalizing and posting to the website.

4. The communications link on LACERA's web site (www.lacera.com/communications) displays a number of brochures, newsletters, plan documents and forms. Are these what the RFP is referring to on Page 4, Section G?

Answer – Yes, everything on the LACERA website under Communications that is related to Retiree Health Care, excluding vendor booklets, outgoing and return envelopes, letters and other information to retirees, carrier/vendor informational material, and wellness program handouts and mailings listed in the RFP, Page 4, Section G.

5. Newsletters are not specifically mentioned on page 4 Section G. Would the consultant be responsible for the content and design of PostScript and Spotlight? Or are the newsletters created internally?

Answer – No. All newsletters are created internally.

6. How often do the communications materials online get revised and updated?

Answer – Any on-line materials labeled with a plan year (i.e. 2009-2010) are revised annually. Other brochures and forms are updated to accommodate major benefit changes and/or to comply with changes by Medicare/CMS, state and federal laws and mandates, carrier-specific changes, etc.

7. Who is responsible for LACERA's communications?

Answer – LACERA’s Communications Division.

8. Does LACERA have its own communications staff?

Answer – Yes.

9. Who will the communications consultant partner with on LACERA's staff in designing, writing and producing initiatives for LACERA?

Answer – The Retiree Health Care Division Director and relevant Division staff.

10. Does LACERA have preferred vendors for printing, fulfillment, and distribution?

Answer – Yes LACERA does, but for the communications involved with this contract, the consultant will be expected to enter into their own agreements directly.

11. Does LACERA brand their benefits communications? If not, would LACERA want the consultant to brand their benefits communications?

Answer – Yes, LACERA does brand their benefits communications.

12. Does LACERA have an annual Communications Strategy that gets updated each year?

Answer – Yes. Consultant will meet annually, typically at the beginning of the calendar year, early in the annual renewal process, with RHC staff to discuss communications strategy for the upcoming plan year. Timelines will be established for the completion of form/brochure updates.

13. Please confirm you are not expecting the consultant to translate your communication materials into other languages.

Answer – No, we do not expect the consultant to translate communication materials into other

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languages.

14. Can you provide samples of the “special mailings” indicated in Section G of the Statement of Work – finished size, number of pages, frequency, etc.?

Answer – Special mailings, as referenced in Section G of the Statement of Work, refers to the Annual Health Care Packet found at the LACERA website. On occasion, LACERA may require the assistance of the consultant to perform a special mailing that is outside the scope of LACERA’s expertise.

LACERA will provide samples of these special mailings, except vendor booklets and carrier/vendor informational materials, to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the samples sent.

15. Please provide examples of the “special projects” media campaigns indicated in Section G of the Statement of Work. We are particularly interested in the subject matter/topics, the frequency of these campaigns, etc.

Answer – Special projects are specifically related to LACERA’s Staying Healthy Together program, which is our current wellness program. Twice a year, spring and fall, LACERA hosts retiree Staying Healthy Together workshops. The consultant is the point of contact between carriers and vendors relating to the workshops and is responsible for the following tasks in relation to this program: theme/topic development, soliciting carrier input and participation, produce and mail postcard invitations, submit a related article for newsletter/website inclusion, search for appropriate venues including location due diligence, setup rooms and arrange for the catering of refreshments, assist in the development of participative activities for the members, develop the prize giveaways and raffle, send liability insurance certification to venues, take the lead at the workshops to keep presentations on time and activities flowing, review carrier presentations/materials for appropriateness and relevance to the theme/topic, collect contributions to wellness efforts from carriers, maintain a timeline of events for current workshop activities and develop a strategy for the next campaign.

16. Are there printers/fulfillment houses with which LACERA has negotiated discounts that we should talk with as we prepare cost estimates? Is it required that printing be done by a union printer?

Answer – No, the consultant will be expected to enter into its own agreements with printers/fulfillment houses. It is not required that printing be done by a union printer.

17. On average, what has LACERA paid in production costs (art design, printing, fulfillment, postage, etc.) in each year of the current contract?

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Answer* – Current consultant Communications outside costs are as follows for fiscal year 2008-2009:

Annual Health Care Packet (referred to in #14)	\$77,000
Ongoing Communications	\$72,000
Wellness	\$34,000

The consultant is responsible for paying these costs from the monthly retainer fee paid by LACERA. LACERA pays postage costs, as invoiced by the consultant, and paid approximately \$73,000 in postage costs in fiscal year 2008-2009.

***The response to this question was formulated with the assistance of a potential respondent to this RFP.**

18. Most, if not all, of the communication materials listed in Section G of the Statement of Work are posted as PDFs on the LACERA website. For us to provide printing/postage estimates, please advise which pieces are printed and what quantities were used for each.

Answer – All communication materials listed in Section G of the Statement of Work are printed, except vendor booklets, carrier/vendor information material, and wellness program handouts and mailings, which are produced by the carriers/vendors.

Quantities can be found at the end of each document. For instance, the “Exploring Your Health Care Benefits Through LACERA” brochure has an identifier at the end of the document: 301-5000-04/08. The first number, 301, is a form number assigned by the consultant and used internally. The second number, 5000, is the quantity printed. The third number, 04/08, is the last date the brochure was updated/printed. Each piece of communication material is considered for updating/changes when the quantity of inventory is exhausted.

19. Some of the forms on the LACERA website appear to be NCR. Please confirm which, if any, of the retiree health forms are multipart.

Answer – All three forms listed under Retiree Health Care – Forms are multipart.

20. How many communications projects does LACERA do throughout the year?

Answer – There are less than ten planned communications projects per year specifically related to Retiree Health Care.

21. With regard to Communications, is the consultant expected to create new graphic designs or would the consultant be working with existing documents/designs?

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Answer – Consultant will be working with existing documents/designs to the extent that such documents/designs do not constitute the proprietary materials of LACERA's current consultant.

22. Please be more specific about the frequency of mailings, fulfillment quantities and materials that are being assembled.

Answer – The frequency of mailings are done annually for the forms and brochures with the plan year listed and bi-annually for the Staying Healthy Together Program. On occasion, LACERA may require the assistance of the consultant to perform a special mailing that is outside the scope of LACERA's expertise.

Quantities can be found at the end of each document. For instance, the "Exploring Your Health Care Benefits Through LACERA" brochure has an identifier at the end of the document: 301-5000-04/08. The first number, 301, is a form number assigned by the consultant and used internally. The second number, 5000, is the quantity printed. The third number, 04/08, is the last date the brochure was updated/printed. Each piece of communication material is considered for updating/changes when the quantity of inventory is exhausted.

23. With regard to the statement "produce printed copies," what would be the expectation for this work?

Answer – Everything contained in the Retiree Health Care Forms and Brochures/Rate tables page of the website and on occasion, LACERA may require the assistance of the consultant to perform a special mailing that is outside the scope of LACERA's expertise.

24. Please list all communications direct costs spent by the current Consultant over the last 3 years.

Answer – Please see the response to question # 17.

25. Are you satisfied with your current communications? If not, what would you like to change? Where do you have opportunities for improvement?

Answer – Yes, we are satisfied with our current communications program. However, we are always looking for opportunities to improve our communications program and we are especially interested in improving member understanding of the Retiree Health Care Benefits Program.

26. Can you track the percentage of your members who order printed documents from the Web site? If so, can you share that information?

Answer – We do not track percentages but do have counts for fiscal year 2008-2009. 602 electronic requests for printed documents were received and 332,104 forms were downloaded from www.lacera.com.

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27. How do LACERA members know what resources are available to them if they do not have access to the Internet?

Answer – LACERA communicates to all its members both through Internet postings and by direct mailings.

28. Does LACERA have a “Go Green” initiative or the desire for increased electronic communication?

Answer – Yes. However, since the Retiree Health Care Division’s communications are mainly directed at retirees, who may not be proficient with electronic communication, direct mailings remain an important means of communication.

29. Have you ever surveyed your members about their benefits and/or the communications? If so, can you share the survey results?

Answer – Yes, we have surveyed members about their benefits and/or communications. We can not share the survey results at this time.

30. Will the consultant have access to the existing artwork files for the communication materials?

Answer – Consultant will be working with existing documents/designs to the extent that such documents/designs do not constitute the proprietary materials of LACERA’s current consultant.

31. Who manages the LACERA Web site?

Answer – LACERA’s Communications Division manages the LACERA Website.

32. In regard to training, communications, and member education, please describe past activities and the budget LACERA has allocated to these activities in the future. If unable to share a budget, please identify the proportion of health plan consulting costs historically devoted to these activities.

Answer – Training provided to Retiree Health Care Staff and or other LACERA staff members: HIPAA training, Medicare Training, COBRA Training, Prescription Drug Pricing, Carrier Contracts Documents, Benefit Training, Medicare Part D Training, etc.

Training provided to LACERA Board Members: General benefits training.

Communication to members: annual mailings, mailings related to the Staying Healthy Together Program, and newsletter articles on topics related to the Retiree Health Care Benefits Program.

Member education: newsletter/website articles, the Staying Healthy Together Program.

The proportion of health plan consulting costs changes from year to year based on need, the current industry environment, Board make-up and experience levels, etc., and is included in the monthly retainer fee paid to the Consultant by LACERA. Please see response to questions #72 and #75 for further information.

33. Statement of Work G. Communications states: “Collating monthly supplies of LACERA’s enrollment packet contents for new retirees and maintaining inventories of carrier materials and other LACERA media: this includes the responsibilities of shipping, and providing messenger mail delivery services to maintain availability of these resources at LACERA.” Please explain in detail how the current consulting firm handles these services. Also, could you please include the amount paid to the consulting firm to provide these services?

Answer – Our current consultant works with a fulfillment firm to provide these services.

Please see the response to question #17 for more information.

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CONSULTANT

34. What were the total fees paid to the current consulting firm for Fiscal or Calendar year 2006, 2007 and 2008?

Answer – Our current payment method is to pay the following annual rates, on a monthly basis:

	2006-2007	2007-2008	2008-2009
TOTAL ANNUAL RATE	\$623,000	\$641,000	\$660,000

Our current consultant is also compensated for claims audits performed on our Anthem Blue Cross medical and CIGNA dental plans by those organizations. The current cost of the Anthem Blue Cross medical claims audit is \$70,000 and the cost of the CIGNA dental claims audit is \$45,000.

Beginning in July 2010, LACERA’s consultant will receive all compensation, including payments for claims audits, solely from LACERA. Please recall that your proposals should include the cost of performing audits outlined in the Statement of Work, and be itemized separately for fee setting purposes. (RFP Section V.E.9.d and Statement of Work, Section E.)

35. What were the total number of hours spent by the current consultant in Fiscal Year or Calendar Year 2006, 2007 and 2008 and how do these hours break down by:

- Audit
- Communication
- H&B/Consulting

Answer* –

	2006-2007	2007-2008	2008-2009
Communications	186	187	303
Wellness Activities	662	529	475
Audits (Anthem Blue Cross and CIGNA)	474	499	451
H&B/Consulting	1,094	1,223	942

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36. In the Statement of Work, it mentions monthly meetings. Can some team members attend via phone if needed? Or does LACERA require that all appropriate consulting resources attend in person?

Answer – The physical attendance of at least one consultant representative is required at each monthly Insurance, Benefits & Legislative Committee meeting. This committee is a committee of the Board of Retirement. It typically meets on the first Thursday after the second Wednesday of each month in the Board Room of LACERA’s Pasadena, CA offices.

Please see the response to question #57 for more information.

37. Is LACERA going out to bid for any reason other than coming to the end of the term of its current contract?

Answer – LACERA is going out to bid because we are coming to the end of the term of our current 5-year contract. It is our goal to continuously improve each aspect of our health care program. To that end, we are seeking the highest quality health care benefits consultant, at the best value, to continuously evaluate the program and identify opportunities for improvement.

38. Who is the current consultant, and how long has LACERA been with them?

Answer – LACERA’s current Retiree Health Care Benefits Program consultant is Mercer. There has been a contract in place with Mercer (formerly Foster Higgins) since July 1, 1992.

39. When was the last time consulting services of this type were put out to bid?

Answer – The last time consulting services of this type were put out to bid was in 2004 for a five-year contract beginning July 1, 2005.

40. The services will start July 1, 2010. What is your plan year and when are renewals completed? Will this timing require the takeover of any activities in mid-course (i.e., begun by the prior consultant and completed by a new one)?

Answer – Our plan year runs from July 1 to June 30. Renewals are completed in the spring of each year, with premium/deduction rates to be finalized by the beginning of April, in time for LACERA system rate changes to be completed and tested by the beginning of May, and communication materials to be produced and mailed by the end of May. This timing will not require the takeover of any regular renewal activities in mid-course.

41. Do you anticipate the need to make changes based on the current economic situation? For example, do you expect to reduce your consulting budget, either eliminating or insourcing certain activities? Do you expect to make changes to reduce the cost or cost trend of your benefit programs?

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Answer – LACERA does not anticipate making changes to our retiree health care benefits program based on the current economic situation. We are attempting to contain costs in our administrative budget where possible, in the areas of staff travel, publications, supplies, mailings/postage, overtime, etc., for example.

42. Are you able to share the fees you are paying for the current consultant and how their scope of work differs from the scope you are requesting?

Answer – The fees we are paying the current consultant are included in the answers to questions 34 and 73. LACERA will provide a copy of our current contract scope of work to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the scope of work sent.

43. Is there a LACERA procurement department/representation included within Consultants Annual Renewal work or on-going RFP activities?

Answer – No, there is no LACERA procurement department representation included within Consultants Annual Renewal work or on-going RFP activities. Retiree Health Care Division Staff does participate in these activities.

44. Are there any specific requirements mandated as a part of the RFP activities (i.e., Bidding Conferences, Defined Scoring Methodologies, Evaluation Committee's, etc.), or is it based on mutual consent between LACERA and consultant based on best-practice and/or relative to situation?

Answer – LACERA does have a general purchasing and contract administration policy. The policy permits certain variations based on the specific situation and industry practice. LACERA will provide the policy to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the document sent.

45. How is the LACERA benefits department setup and expected to interact with Consultant (i.e., one point-of-contact, multiple project leads, etc.)?

Answer – The LACERA Retiree Health Care Division is managed by a Director, and two assistant managers, overseen by Executive Office Staff and by the Board of Retirement. LACERA will provide the Retiree Health Care Division organizational chart to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the document sent.

The main point of contact for day-to-day activities and projects will be the Director. All contractual items will be directed to LACERA Executive Office Staff and the Director.

46. How satisfied are you with the current Consultant’s services?

Answer – LACERA is satisfied with the current consultant’s services. It is our goal to continuously improve each aspect of our health care program. To that end, we encourage and expect the LACERA health care benefits consultant to continuously evaluate the program and identify opportunities for improvement.

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RETIREE WELLNESS PROGRAM

47. Please clarify what "maintaining carrier contributions toward wellness program efforts and providing LACERA with a monthly accounting of these funds" means?

Answer – Annually, each LACERA health carrier provides a contribution to LACERA's wellness program Staying Healthy Together. LACERA currently uses these funds to pay for the costs incurred for the bi-annual Staying Healthy Together workshops. Currently, the consultant collects and retains that money in an account used solely for this purpose. Beginning July 1, 2010, the consultant will continue to collect the funds from carriers and LACERA will retain the money in an in-house account used solely for this purpose.

48. Page 6 / Section I / Special Projects – please describe what you mean by operating the wellness workshop? Please estimate the number of hours your current consultant has spent on these workshops?

Answer – Twice a year, spring and fall, LACERA hosts retiree Staying Healthy Together workshops. The consultant is the point of contact between carriers and vendors relating to the workshops and is responsible for the following tasks in relation to this program: theme/topic development, soliciting carrier input and participation, produce and mail postcard invitations, submit a related article for newsletter/website inclusion, search for appropriate venues including location due diligence, setup rooms and arrange for the catering of refreshments, assist in the development of participative activities for the members, develop the prize giveaways and raffle, send liability insurance certification to venues, take the lead at the workshops to keep presentations on time and activities flowing, review carrier presentations/materials for appropriateness and relevance to the theme/topic, collect contributions to wellness efforts from carriers, maintain a timeline of events for current workshop activities and develop a strategy for the next campaign.

For number of hours spent, please see response to question #35 – Wellness Activities.

49. Please describe the "semi-annual wellness program/health education workshops for LACERA members." How many of these workshops take place annually? How many locations? How many approximate attendees? Do the carriers participate in these workshops? Do the carriers contribute to these workshops? How much do they contribute? Please provide any other relevant information to help us price this service.

Answer – Please see the response to question #15. LACERA has used six locations all located in Los Angeles County. Each workshop attracts approximately 200 attendees. The carriers do participate in and contribute to these workshops.

For Plan Year 2009-2010, each carrier contributed the following amount:

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Anthem Blue Cross	\$51,000
Kaiser	\$41,000
CIGNA	\$24,100
PacifiCare/Secure Horizons	\$6,800
Caremark	\$6,000
SCAN	\$1,000

Please note that these amounts are used to pay for workshop expenses only and are not used to compensate the consultant for its assistance with the workshop. The consultant’s assistance with the workshops is part of the overall consultant contract proposal.

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STATEMENT OF WORK

50. We have an existing contract with LACERA. Please confirm: Whether Q 12 in the RFP refer just to a sample of the terms and conditions of the existing contract we have with LACERA, or would you like to see a sample "engagement letter," which is a document describing the scope of the work in detail, in addition to our contractual terms? And, whether our signed Terms & Conditions in place with LACERA can be used to provide services requested in this RFP.

Answer – Please provide a sample contract, or terms and conditions your firm proposes to use, in lieu of the one provided by LACERA in the RFP.

No. A new agreement and statement of work will replace any agreement(s) currently in place.

51. The Statement of Work implies that separate audits (i.e., three distinct statistically-valid sample) of Anthem Plans, I, II and III are required. Would LACERA consider a single combined statistically valid sample that encompasses all three Plans?

Answer – The Anthem Plans, I, II and III do comprise a single claims audit for which a single, statistically valid sample is anticipated and is acceptable. The other claims audit is for the CIGNA Dental Plan.

52. Define what is contemplated by risk management in the scope of work (Exhibit A, part A).

Answer – LACERA contemplates risk management as identifying gaps in business processes that might create risk. "Risk management" generally refers to a series of tasks and functions, the purpose of which is to reduce planned or unexpected financial loss to an organization. Healthcare (and healthcare insurance) organizations must identify general and specific risks, assess the probabilities of the risks occurring, evaluate the corresponding levels of possible financial loss, and, lastly, design policies, practices, and procedures for managing those risks. LACERA looks to its Consultant to provide guidance in executing these projects, minimizing healthcare claims and, thereby, premiums to its retired members. Also required under this heading would be monitoring and advising LACERA regarding legal compliance, including compliance with current rules and regulations, keeping LACERA apprised of developing legislation and regulations; interpreting recent court decisions and determining whether they affect LACERA. Assisting LACERA with the development of any programs or policies aimed at fraud prevention.

LACERA's Retiree Health Care Division has no internal risk management assistance.

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53. Statement of Work: Letter C - Annual Medicare Part B Premium Reimbursement Program Analysis and Report. Can LACERA send a SAMPLE copy of past Analysis Reports (to further our understanding of work required)?

Answer – Yes. LACERA will provide a sample copy of past Analysis Reports to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which would like the sample sent.

54. Statement of Work: Letter F - Ongoing Program Administration and Maintenance. Please elaborate on the difference between these two bullet points (i.e., are these two references to Monthly Claim Service Reports different?): Monitoring the carriers production of monthly claim service reports; Producing monthly claim service reports for the Insurance, Benefits & Legislative Committee. Can a sample of these reports be provided (to further our understanding of work required)?

Answer – The references are to the same report. The first bullet point refers to the consultant’s responsibility to collect this information from the carriers on a monthly basis. The second bullet point refers to consultant formatting the collected information for the Insurance, Benefits, and Legislative Committee.

LACERA will provide a sample copy of this report to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which would like the sample sent.

55. Is the consultant selected to include the costs of the actuarial certification and submission of all data necessary for LACERA to receive the RDS subsidy for Part D prescriptions?

Answer – The consultant should include the cost of the actuarial certification for RDS program purposes. The responsibility of data submission to the CMS’ RDS Secure Site rests with LACERA and the participating carriers.

56. May the bid include an isolated charge per RFP in its bid under retainer services such that fees would be lower if an RFP is not issued and each RFP would be billed at a separate amount?

Answer – Yes, the bid may include an isolated charge per RFP in its bid under retainer services. We encourage all bidders to submit their bids in this manner.

57. Are there public meetings that the Consultant must be present and in attendance? How many per year?

Answer – There are 24 regularly scheduled Board of Retirement meetings each year. Additionally, the Board of Retirement and Board of Investments holds one off-site meeting

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annually in January of each year. Committees of both Boards meet on a regular basis, typically monthly.

The Board of Retirement meeting that the consultant would be most concerned with is the second Board of Retirement meeting of each month which is followed by the Insurance, Benefits, and Legislative Committee meetings. These are the meetings that the consultant is required to attend (a total of 12 meetings each year). Additionally, attendance may be required at the Board Offsite meeting and ad-hoc meetings.

The Board meeting schedule is subject to change. Board schedule information is available at the LACERA website at the “Boards” tab.

58. Please confirm Anthem Blue Cross of CA claims for Plans I, II and III are processed at their Woodland Hills facility. If not, please advise the location (City) where claims are processed.

Answer – Anthem Blue Cross processes LACERA claims at its facility located in Rancho Cordova, CA, near Sacramento.

59. Please advise the CIGNA location (City and State) where the Dental PPO claims are processed.

Answer – CIGNA processes LACERA claims at its facility located in Visalia, CA, north of Bakersfield.

60. Statistically valid audits produce a degree of confidence (expressed as a %) in the results. Does LACERA have a minimum confidence level they want produced (i.e., 90%, 93%, 95%) in this process, or is a minimum confidence requirement addressed in the agreements with Anthem and CIGNA?

Answer – The confidence level standard used for generally acceptable, statistically valid, audit samples is 95% ± 3%. Although this is not specified in the LACERA agreement with its consultant, this is the standard against which LACERA’s Internal Audit Division will evaluate the consultant’s audit scope and performance.

61. When were the last audits of Anthem and CIGNA performed?

Answer – The last audits of Anthem and CIGNA were performed at this time last year, for the 2007-2008 plan year.

62. Are performance guarantees presently in place with either carrier? If so, can we obtain a copy of the guarantees?

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Answer – Yes, performance guarantees are in place with both Anthem Blue Cross and CIGNA.

LACERA will provide a copy of the performance guarantees presently in place to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the document sent.

63. What have the sample sizes been for audits LACERA has done previously for the medical and dental plans?

Answer – In September 2008, for the Plan Year 2007-2008, the current consultant reviewed 200 Dental claims. In October 2008, for the Plan Year 2007-2008, the current consultant reviewed 250 medical claims.

64. Have prior audits included operational assessments (which include a review of claims and customer service operations) in addition to testing of sample claims?

Answer – Operations assessed in the past have related directly to specific exceptions found in the review of individual claims.

65. What dollar amount do your carriers contribute towards the claim audits? Please specify medical versus dental. Is it anticipated that the additional audit (effectiveness, accuracy and quality audit – see below) will be carrier-funded as well?

Answer – The current consultant is compensated for claims audits performed on our Anthem Blue Cross medical and CIGNA dental plans by those organizations. The current cost of the Anthem Blue Cross medical claims audit is \$70,000 and the cost of the CIGNA dental claims audit is \$45,000.

Beginning in July 2010, LACERA's consultant will receive all compensation, including payments for claims and other audits, solely from LACERA. Please recall that your proposals should include the cost of performing audits outlined in the Statement of Work, and be itemized separately for fee setting purposes. (RFP Section V.E.9.d and Statement of Work, Section E.)

There is no additional audit proposed at this time. LACERA would like the consultant to provide assistance in devising an Audit Program which may include audits of effectiveness, accuracy and quality. No costs for audits other than the ones specified in the Statement of Work Section E.1. are required.

66. For the medical audit, are behavioral health claims administered by Anthem in the same location as medical claims and, if not, are behavioral claims in scope?

Answer – Yes, behavioral health claims are administered by Anthem in the same location as medical claims, and behavioral claims are in scope.

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67. The RFP outlines a new area of audit related to "effectiveness, accuracy, and quality of our carriers and of the Retiree Health Care Benefits Program internal operational practices." To clarify, is LACERA asking for an audit of the effectiveness of its own internal operation in addition to that of your carriers?

Answer – Yes, but only the internal operations of the Retiree Health Care Division, if found to be desirable over the course of developing the Audit Program outlined in Section E.2. of the Statement of Work.

68. Due to the different claim office operations / payment practices between Medical and Prescription Drug, does LACERA anticipate the Audit of Anthem Blue Cross (Plans 1, 2, and 3) would include Prescription Drugs?

Answer – No. LACERA has already contracted to have a separate Pharmacy Benefits Manager audit performed in the near future. However, such an audit could be added at a later date for an additional, agreed-upon fee. Bidders should not include any charges for such an audit in their present bid.

68a. Page 3, of paragraph E, subparagraph 1 indicates the Consultant will conduct an audit of Anthem Blue Cross of California, Plans I, II and III. Is it LACERA's intent that the Anthem Blue Cross of California audit exclude claims for the Anthem Blue Cross Prudent Buyer plan that is mentions on page 2 of the RFP?

Answer – No. The Anthem Blue Cross Prudent Buyer plan is included in the audit of Anthem Blue Cross plans.

68b. Statement of work strategic planning section includes trends on LTC. Can LACERA describe the nature and expectations of this activity? How does LACERA expect these to be different than the services provided by the Producers Group?

Answer – Under strategic planning, LACERA expects to be updated on trends in the long term care industry in general, not the trends in the LACERA-sponsored long term care plan.

68c. Statement of work E.2. Audits ask for support and guidance in developing an audit program for both internal and external audits. Is this considered a one time project? Beyond strategic input of the components of an audit program are there further deliverables? How does this process overlap and interact with the activities of LACERA's internal audit unit?

Answer – The initiation of the LACERA audit program is a one time project. Part of developing the audit program will be establishing appropriate timing to revisit the program for updating. Beyond strategic input of the components of an audit program, the consultant will be responsible

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for providing the program in the form of a finished report which may be used for making recommendations to the Board of Retirement. This process will be performed in partnership with LACERA Retiree Health Care Division and Internal Audit Division staff and will not overlap, but may interact with, processes the Internal Audit Division already have in place.

OTHER

69. When does Open Enrollment take place?

Answer – LACERA does not conduct an annual open enrollment but has year-round enrollment with certain waiting periods in place. Annually, we do send a package to all members with any benefit and rate changes, and other relevant information. The production and mailing of this package happens concurrently with our annual renewals for our plan year which runs from July 1 through June 30.

70. Please elaborate on the difference between Q 13 and Q 16 in the Questionnaire?

Answer – Question 13 falls under the heading of “Recurring Activities” and asks for “tools” as well as your approach to the recurring activities listed in the question. The focus of the answer should be on how you approach these types of cyclical activities and the tools you use to perform them.

Question 16 falls under the heading of “Strategy Setting” and asks for a brief description of your approach to providing deliverables. The focus of the answer should be how you plan to accomplish providing the deliverables asked for.

71. Does LACERA use a data warehouse, and if so, who is your vendor?

Answer – No, LACERA does not use a data warehouse.

72. On average, what is the anticipated activity level on an annual basis for:
Responding to ad hoc information requests? Training on benefit issues?

Answer* – Ad hoc information requests occur on a random basis and can range from a informal phone calls or e-mail questions to more formal requests requiring a response in the form of a report and/or comprehensive resources. Informal ad hoc information requests occur, on average, 5-8 times per month. Formal ad hoc information requests occur, on average, one time per month.

We anticipate the following kinds of training opportunities on an “as needed” basis: Formal training sessions as identified in the Statement of Work in the RFP, webinars and seminars offered to all clients, educational opportunities that arise during consultant meetings with LACERA, and publications produced by or recommended by consultant.

***The response to this question was formulated with the assistance of a potential respondent to this RFP.**

73. What is the current budget/annual fee for the requested services?

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Answer – The 2009-2010 annual fee for the services currently being provided is \$679,000. This does not include the \$70,000 paid by Anthem Blue Cross to the current consultant to perform the medical claims audit or the \$45,000 paid by CIGNA to the current consultant to perform the dental claims audit.

Beginning in July 2010, LACERA’s consultant will receive all compensation, including payments for claims and other audits, solely from LACERA. Please recall that your proposals should include the cost of performing audits outlined in the Statement of Work, and be itemized separately for fee setting purposes. (RFP Section V.E.9.d and Statement of Work, Section E.)

74. Can LACERA provide a word version of the contract? This would allow for a complete contract mark-up (addressing exceptions) to be submitted with the RFP.

Answer – Yes. LACERA will provide a word version of the contract contained in the RFP to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the document sent.

75. Page 5 / Section H / training and education – how many hours of training would you estimate were received the past year?

Answer* – LACERA’s formal training needs and requests have changed over the years including the format of Board and Board Committee meetings. In 2008-2009, no formal training sessions were done. This does not include: Webinars and seminars that the current consultant sponsors and LACERA staff attends, educational opportunities that arise during consultant meetings with LACERA, compliance publications, as well as other welfare related information which LACERA staff has access to.

Approximately 20-30 hours of training were received through these means in the past year.

***The response to this question was formulated with the assistance of a potential respondent to this RFP.**

76. Please describe your premium increases over the last 5 years?

Answer –

2008-2009	Average increase	3.5%
2007-2008	Average increase	8.6%
2006-2007	Average increase	1%
2005-2006	Average increase	7.5%
2004-2005	Average increase	10.4%

77. Are all of the Rx plans included in the Medical Plans?

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Answer – Yes, although Caremark Pharmacy Benefit Manager (PBM) administers the prescription drug plan for our Anthem Blue Cross Plans I, II, and III by contract with Anthem Blue Cross.

78. Are the Medicare Advantage Prescription plans fully-insured or some type of employer group waiver plan arrangement? Your mention of premiums implies fully-insured but we want to confirm.

Answer – Our Medicare Advantage Prescription plans are fully-insured.

79. Please describe the current HR/Benefit strategy for LACERA. How is the success of this strategy measured?

Answer – The LACERA Retiree Health Care Division's strategy strives to effectively administer the Health Care Benefits Program for retired association members and their beneficiaries, and to provide a health care program of the highest quality at an affordable cost.

Our strategy is measured through the completion of organizational goals and fundamental performance expectations set at the beginning of each fiscal year.

80. What are your pain points with your members?

Answer – Benefit issues such as: premium costs, prescription drug costs, no preventive care benefits (other than mandated benefits), no durable medical equipment benefits for non-Medicare participants, etc. Communication of these benefit issues is at times challenging.

81. Is there any particular issue that needs to be addressed with regard to member behavior?

Answer – No. There is no particular issue, but we do try to help the members be better health care consumers so that they may best optimize their benefits.

82. Do members understand the value of the benefits provided by LACERA?

Answer – Yes. Some members do understand the value of the benefits provided by LACERA, but there are many who probably do not fully understand.

83. Do you anticipate significant plan design changes over the next three years?

Answer – No, except in relation to mandated plan design changes.

84. What are the three most significant issues facing LACERA over the next three years?

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Answer – The three most significant issues facing LACERA are: the outcome of the federal health care reform debate, continuing to provide a health care program of the highest quality at an affordable cost to our Medicare population, and engaging our retired membership in wellness activities.

85. How often does LACERA competitively bid its plans? When was the last time they were bid?

Answer – LACERA does not have a regular schedule for competitively bidding its plans. The last time LACERA conducted an RFP for a carrier or vendor was in plan year 1991-1992, for contracts beginning July 1, 1992.

86. What is LACERA's most pressing need or issue with regard to its plans? Are there areas in which you consider your program to be underperforming today?

Answer – LACERA’s most pressing issue is managing through today’s health care environment. It is our goal to continuously improve each aspect of our health care program and to continuously evaluate the program and identify opportunities for improvement.

87. Please describe the content and level of detail of the monthly claim service report

Answer – LACERA will provide a copy of the monthly claim service report to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the document sent.

88. Can you provide more insight on the members of the Insurance, Benefits and Legislative Committee (number on Committee, roles of Committee members, required length of time serving on Committee, etc)?

Answer – Such information can be found on the LACERA website under the tab “Boards.” The By-Laws and Committee information can be found there too.

89. The RFP coverage mentions 95,000 actives and 53,000 retirees. Page 2 of the RFP list enrollees by plan but does not total 53,000 retirees. Please clarify.

Answer – Not all of our retired members are enrolled in the LACERA group health plans. Some may have coverage through a spouse or another employer, etc.

90. Please provide a copy of the most recent Medicare report referenced in the RFP.

Answer – LACERA will provide a copy of the most recent Medicare report reference in the RFP to anyone who submits a request for such at the contact address provided in the RFP. Please specify the email and mail address to which you would like the document sent.