

REQUEST FOR COMPETITIVE NEGOTIABLE PROPOSALS

GROUP HEALTH INSURANCE

AUGUST 1, 2010

The County of Lancaster, Virginia, invites any interested firm to offer *Competitive Negotiable* Proposals for the Lancaster County Group Health Insurance Program, to be effective for an August 1, 2009 renewal. **The health insurance coverage will be for a period of 12 months, expiring July 31, 2011.** This group is comprised of the employees of the Lancaster County Board of Supervisors, Constitutional Officers, Department of Social Services and various other county offices.

Lancaster County has approached several known health insurance carriers on a direct basis, and will not entertain requests to be appointed as the Producer of Record for these or any other companies the County has approached on a direct basis.

All firms desiring to participate in this solicitation must submit an original and two copies of its proposal(s), in an envelope marked "Group Health Insurance Proposal" to:

William H. Pennell, Jr.
County Administrator
County of Lancaster, Virginia
8311 Mary Ball Road
Lancaster, VA 22503
wpennell@lancova.com

All proposal(s) are due at the above office **no later** than 4:00 p.m., March 17, 2010.

Please base your offer(s) on the following criteria and support documents. Thank you for your interest in Lancaster County's Group Health Insurance Program.

BASIC INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. You may provide as many offers as you desire. Each offer will be considered on its own merits and will be treated independently from all other offers.
2. Offers are **due no later than** 4:00 p.m., March 17, 2010 at the Office of the County Administrator, Lancaster County Virginia, 8311 Mary Ball Road, Lancaster, Virginia 22503, 804-462-5129, wpennell@lancova.com.

Include the original proposal with ***TWO*** copies.

3. Lancaster County's current Group Health Insurance coverage is provided by Southern Health Insurance. Please call for a copy of our current program benefits.
4. Lancaster County desires to receive your **fully insured plan(s)** to consider.
5. Lancaster County is seeking to continue its current program's benefits, however benefit plan design changes will be considered.
6. The County has the option of requesting your and your underwriter's attendance at a future meeting(s) to discuss your benefit design and the credits and debits associated with each benefit change.

If underwriters are not available to meet with the County, then one representative of your insurance company is requested to be in attendance when and if you are asked to present your program(s).

7. When quoting, clarify if there are any commission loadings, and if so, the annual cost to the County.
8. Lancaster County will **NOT** be responsible for late proposals received via either the United States Postal System or other delivery services. **Proposals received after 4:00 p.m. on March 17, 2010, will NOT be considered.**
9. LANCASTER COUNTY RESERVES THE RIGHT TO ACCEPT OR REJECT ALL PROPOSALS AND TO AWARD THE COVERAGES IN WHATEVER MANNER BEST SERVES THE INTEREST OF LANCASTER COUNTY AS PROVIDED BY THE CODE OF VIRGINIA, 1950, AS AMENDED.
10. Include a **VOLUNTARY Dental Option** for Lancaster County's consideration.

11. The County is also interested in Vision insurance Coverage. Please include a Vision Benefits Plan as part of your submittal for Lancaster County's consideration.
12. **YOU MUST CONFIRM IN WRITING THAT NO EMPLOYEE, OR COVERED DEPENDENT, WILL LOSE HIS/HER BENEFITS WHEN SWITCHING TO YOUR PROGRAM AND THAT THE "ACTIVELY-AT-WORK" REQUIREMENT WILL BE WAIVED FOR ALL PARTICIPANTS COVERED UNDER THE PRIOR PLAN, INCLUDING COBRA AND RETIREE PARTICIPANTS.**
13. All proposals will be for a one year term, Lancaster County having the option of amending future inception dates, if desired.

Also, Lancaster County will have the option of continuing the successful program for up to two additional one-year periods at the sole discretion of Lancaster County.

14. Our anticipated schedule of events follows:

ACTIVITY OR EVENT	DATES
Release Specifications	February 5, 2010
Receive Proposals	March 17, 2010
Evaluate Proposals	March 18 - 27, 2010
Interview Selected Carriers	April 6 - April 17, 2010
Presentation of Recommendation to the Board of Supervisors and their Award	April 30, 2010
Development of employee communication materials, administration manual, and the plan document to be given to employees by selected Insurance Carrier (s)	June 15 -19, 2010
Information to Employees	June 22, 2010
Open Enrollment	July 1 - July 17, 2010
Contract Begins	August 1, 2010

15. The following criteria will be used to evaluate your offers:
 - Quality of your offer and its responsiveness to our RFP.
 - Overall qualifications and experience of your carrier.
 - History of cost management activities.
 - Net annual costs to provide services to Lancaster County.
 - Proven ability to process claims promptly and accurately.
 - The Network Providers
 - The Network Hospitals
 - COBRA Administration

- HIPAA Administration
- The subscriber's monthly rates and total annual program costs.
- Annual Deductibles and Co-payments
- Quarterly meetings with employees to discuss claims problems, if requested.
- Optional Dental and Vision programs that will be considered.
- Out of Network Services and Coverage.
- Wellness Programs and Coverage.

16. **Lancaster County will select for interview as many proposers deemed to be qualified to handle its program and offer each the opportunity to meet with representatives to review programs, discuss rates, benefit designs and funding alternatives.**

You must understand that the County may not request a meeting with you. The County has the option of meeting with the insurance companies it deems to have offered the most favorable programs.

17. **Be sure to reflect the TOTAL ANNUAL COSTS to Lancaster County for each funding alternative offered.**

This means that you are to include within your offer the following for EACH rate classification:

Classification (Employee, Employee and Spouse, Employee plus One, Family, etc.)
Number of Employees in Each Classification.
Times the Monthly Rate
Times 12 months.
Equals the Total Annual Costs.

18. **PLEASE REMEMBER TO PROVIDE THE TWELVE MONTH RATES FOR EACH PROGRAM'S CLASSIFICATION.**

19. Employee meetings are expected of the successful insurance company and its representative to explain our program to all County employees.

The benefit package choices and all other aspects of your program will be discussed.

County employees will also ask questions of the program, its benefits, networks, out-of-plan coverage and deductibles, etc.

20. Advise if your insurance carrier can invoice COBRA participants separately on behalf of Lancaster County, and handle the COBRA program for the county.

21. Contact Betty S. Stevens via 804-462-5129 or 804-462-0031 (Fax) or e-mail bstevens@lancova.com for additional information.

PROGRAMS REQUESTED

The County is requesting a number of benefit programs be offered for the County's consideration.

The County employees will decide to accept a specific program combination and recommend it to the Lancaster County Board of Supervisors.

When providing your offers, you may provide any combination of programs, such as:

- *An HMO and HMO Point-of-Service*
- *A PPO Point-of-Service, an HMO and Comprehensive*
- *A standard PPO, a PPO Point-of-Service and an HMO*
- *Any other combination giving the County two or three programs to select among*
- *A Health Savings Account option.*

The Vision benefits are being requested and are to be quoted as part of the coverage, unless they are automatically included within your program.

UNDERWRITERS AT FUTURE MEETINGS

If you are invited to an interview, an underwriter will need to attend to be able to provide the percentage increases and decreases as the County requests benefit changes.

Our goal is to have the County ask questions and receive benefit and rate changes at the April meeting so a decision can be made at that time.

BENEFITS

If you are interested in bidding, please call Mrs. Stevens for the County's current benefits.

CLAIMS

Claims information is available to interested bidders. Please call Mrs. Stevens for claims information.