

**DEPARTMENTAL INPUT
CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION**

Rev 1

New contract
 OTR
 CO
 SS
 BW
 Emergency
 Previous Contract/Project No.

Re-Bid
 Other
 LIVING WAGE APPLIES: YES NO

Requisition/Project No: ROID1300051/ RFP 835 TERM OF CONTRACT: 4 years with 2 two-year options-to-renew

Requisition/Project Title: Employee Disability Insurance Program

Description: Miami-Dade County as represented by the Miami-Dade County Internal Services Department is soliciting proposals from experienced and qualified firms to provide an insured Employee Short-Term Disability (STD) and Long-Term Disability (LTD) Insurance Program (the "Program") and related services.

User Department(s): Internal Services Department (ISD) – Human Resources Division

Issuing Department: ISD Contact Person: Annie Perez Phone: 305-375-1620

Estimated Cost: \$9,000,000 / year Funding Source: employee-funded REVENUE GENERATING:

ANALYSIS

Commodity/Service No: <u>95337</u>		SIC:	
Trade/Commodity/Service Opportunities			
<div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: 80%;"> Contract/Project History of Previous Purchases For Previous Three (3) Years Check Here <input type="checkbox"/> if this is a New Contract/Purchase with no Previous History </div>			
		EXISTING	2ND YEAR
		3RD YEAR	
Contractor:			
Small Business Enterprise:			
Contract Value:			
Comments:			
Continued on another page (s): <input type="checkbox"/> Yes <input type="checkbox"/> No			

RECOMMENDATIONS

SBE	Set-Aside	Sub-Contractor Goal	Bid Preference	Selection Factor
		%		
		%		
		%		
		%		

Basis of Recommendation: _____

Signed: Annie Perez Date to SBD: 1/24/13

Date Returned to DPM: _____

RECEIVED
 DEPT. BUSINESS DEV.
 2013 JAN 24 PM 5:28



Department of Regulatory and Economic Resources
Small Business Development Division
Certified Firms as of
January 24, 2013
(Certified in Specific Categories Below)

TRADE CATEGORIES	FIRM NAME	CERT NO.	BUSN.	EXP. DATE	CONTACT	ADDRESS	PHONE / FAX
95337 Disability	D'ANDRE INSURANCE SERVICES, LLC	14871	MICRO/SBE	03/31/2015	CARLA D'ANDRE	3540 Loquat Ave * Miami, FL 33133-0000	305-200-3151 / 305-271-8877

Total # of Certified and Under Review Firms: 1

* Firms that have timely submitted re-certification applications which are "Under Review" are listed in red. Firms listed in red with "Under Review" designation in the Expiration Date column have not received final approval. You may contact the firm or SBD for approval status.

*Firms with "Under Review" designations may request an expedited certification review by submitting documentation relative to their participation on an upcoming project. Contact SBD (305-375-2378) for more information.

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Miami-Dade County, Florida

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SCOPE OF SERVICES

2.1 Background

Miami-Dade County, hereinafter referred to as the "County," as represented by the Miami-Dade County Internal Services Department is soliciting proposals from experienced and qualified firms to provide an insured Employee Short-Term Disability (STD) and Long-Term Disability (LTD) Insurance Program (the "Program") and related services. The purpose of this RFP is to obtain an insurer who will provide a Program that enhances the quality of the current offerings while minimizing costs. There are approximately 27,000 employees eligible for this Program (refer to Attachment A, Disability Census). For the plan claims experience, refer to Attachment B, Historical Plan Experience. For the County Historical Disability Rates, refer to Attachment C, County Historical Rates. Eligible employees accrue between three and four hours of sick leave per pay period with a maximum accrual of 96 hours per year. There is no cap on the number of sick leave hours that may be accumulated. For accrued sick leave hours as of December 28, 2012, refer to Attachment A, Disability Census. The waiting period for new hires to be eligible for benefits is 90 days. Part-time employees must consistently work 60 hours biweekly to be eligible and remain eligible for benefits. Newly hired senior management are eligible for first day coverage.

A. Current Plans

Enrollment in the program for Plan Year 2012 is approximately as follows:

	<u>STD</u>	<u>LTD</u>	<u>EXECUTIVE LTD</u>
Enrolled	12,575	14,326	192

Note: Executives not enrolled in an Executive LTD Plan may choose to enroll in one of the regular STD and/or LTD Plans.

Contributions to the employee STD, LTD and the Executive LTD Plans are made on a post-tax basis through the County's Cafeteria Benefits. Employees (and executives) pay the full cost of the benefit. An employee may participate in either the STD Plan or the LTD Plan, or both. The salary replacement benefit for the STD and LTD Plans equals 60% of the employee's salary, up to the set maximum for the option selected. Within the STD and LTD plans there are two (2) benefit alternatives, a low option and high option. The Executive LTD Plan pays 66 2/3% of the executive's monthly salary up to \$7,000 per month.

	<u>Low Option Max</u>	<u>High Option Max</u>
	<u>Executive LTD Max</u>	
STD Disability Plan	Up to \$500/week	Up to \$1,000/week N/A
LTD Disability Plan	Up to \$2,000/month	Up to \$4,000/month N/A
Executive LTD Disability Plan	N/A	N/A Up to \$7,000
County Commissioners		Flat \$7,000

The Program is currently insured by Metropolitan Life. Copies of the current summary plan descriptions for the Group STD and Group LTD for all non-executives, Group LTD for County Executives, and Group LTD for County Commissioners are included in **Attachment D, Current Certificates of Coverage**.

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B. New Program Overview

The County will continue to offer two (2) choices within the Short-Term Disability Plan (STD) and the Long-Term Disability Plan (LTD), a basic and enhanced option. The Executive Long-Term Disability Plan (Executive LTD) was eliminated and replaced by the Premier LTD Plan effective January 1, 2013. The Premier LTD Plan duplicates the former Executive LTD Plan and must be made available to all benefits eligible employees at their expense as of January 1, 2014. Enrollees in the Premier LTD Plan may not also enroll for a STD plan due to the overlap in elimination periods.

The premiums for the Program shall be paid on a payroll volume basis by the employees who voluntarily elect to take part in the Short-Term Disability Plan (STD), Long-Term Disability Plan (LTD) or Premier LTD Plan. The County recognizes the existence of Florida Statutes, Section 624.1275. (Note: Any commission, service fee or other form of agent remuneration must be included in the rate proposal. Refer to Appendix B, Price Proposal Schedule.) The selected Proposer shall administer the Program in accordance with all applicable state and federal laws.

The proposed Program shall mirror the current plan provisions, except to the extent that the County has requested changes herein. The plan designs for any proposed Program are outlined in **Attachment F, Proposed Plan Designs**.

2.2 Qualification Requirements

A. Minimum Qualification Requirement:

The selected Proposer shall, at the time of proposal due date, be licensed to conduct business by the State of Florida, Office of Insurance Regulation.

Note: The above requirement is also a continuing condition of award, as the selected Proposer must maintain this minimum qualification throughout the duration of the contract.

B. Preferred Qualification Requirement:

The selected Proposer should have a minimum A Rating from A.M. Best and a Financial Classification of "VII" or higher as of the most recent rating.

2.3 Requirements and Services To Be Provided

A. Call Intake/Customer Service

The selected Proposer shall:

1. Accept incoming calls from employees and others (i.e., County representatives, family members, physician, or supervisor).
2. Provide a Call Intake System that has an "automated call distribution" feature with message capability for after hours and return calls shall be made within 24 hours.
3. Provide customer service in English, Spanish and Creole during the County's normal business hours (8:00 a.m. to 5:00 p.m. Eastern Time).

B. Clinical Support Services

The clinical and vocational aspects of disability claims require significant detailed medical data – in addition to discussions with attending physicians. Therefore, the selected Proposer shall:

1. Provide clinical review by an appropriate medical professional, including initial claim determination approval/denial and determination of levels of impairment;

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2. Coordinate with healthcare providers to obtain objective clinical information;
3. Contact and discuss with the County's departmental personnel representative the claimant's job duties and functional requirements, etc.;
4. Provide expert testimony by the appropriate medical professional, when necessary to support claim decisions; and
5. Provide telephone interaction with other appropriate healthcare and vocational vendors.

C. Claims Administration and Management

The selected Proposer shall:

1. Assume full risk on the Plan effective date for all lives effective on or after the Plan effective date;
2. Pay benefits on a "no loss – no gain" basis as provided in Florida Statutes thereby no one will lose coverage due to a change in vendor (Note: A pre-existing condition clause shall not apply to any employee enrolled for LTD or Premier LTD as of December 31, 2013);
3. Maintain a file to support payments, denials, Social Security activities, appeals, and vocational assistance ;
4. Conduct claimant interviews, if deemed appropriate;
5. Allow an independent claim management audit by a third-party selected by the County, if requested by the County;
6. Maintain an internal audit program;
7. Process payments and negotiate settlements, when appropriate;
8. Provide tax reporting in accordance with the Federal tax code;
9. Provide vocational/occupational and rehabilitation services to claimants, if appropriate;
10. Maintain database for the management of each claimant;
11. Provide implementation assistance to the County including internal training, communication materials, and an administration manual;
12. Administer a written appeals process, for reconsideration of any benefit denial;
13. Resolve all appeals within 30 calendar days of receipt of completed documentation;
14. Maintain all required forms and authorization guidelines such as employer and employee statements, attending physician statements, and authorizations to release information statements;
15. Accept Evidence of Insurability directly from employees through the provision of return envelopes, facsimile or online submission;
16. Provide appropriate level of personnel to attend employee meetings; and
17. Accept the use of the current Miami-Dade County Enrollment Form and/or use of County's on-line enrollment process. Refer to **Attachment E, Enrollment Form**. If, at some date in the future, it becomes necessary to terminate any contract issued as a result of this RFP, the selected Proposer shall transfer to the County or the County's new Program provider, within 30 days of termination, all data and records necessary to administer the Program.

D. Financial Reporting & Records

At the County's request, the selected Proposer shall provide to the County, at a minimum, the following reports separately for each of the Plans:

1. A quarterly account reconciliation of cost components within 30 days of the close of each quarter. The components should include areas such as the number of new submissions, date tracking to assure initial determination and ongoing medical reviews are occurring

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- at the required times, the number of open files, and the number of closed files. The latter must denote reasons for case termination.
2. A quarterly Utilization Report for each disability income benefit plan with the following year-to-date data, within 30 days of the end of each quarter and plan year reporting periods:
 - a) Earned premium
 - b) Administrative charges
 - c) Paid claims
 - d) Open reported (pending) claims
 - e) Change in Incurred But Not Reported (IBNR) reserve
 - f) Cost/premium ratio
 - g) Claims denied
 3. An Annual Savings Report including comparison of actual, approved, and benchmark durations by diagnosis within 60 days following the close of the reporting period.
 4. A Semi-annual Summary Report of claims activity by reported diagnosis within 60 days following the close of the reporting period.
 5. Annual reporting of the status of each claim, within the Social Security process, to the County within 45 days following the close of the reporting period.

E. Fiduciary Protection

In addition to the other Insurance Requirements stated in the contract (refer to Section 5.0, Article 10 herein), the selected Proposer shall provide indemnification and liability protection for the clinical and non-clinical administration components of this Program. The selected Proposer shall indemnify and hold the County harmless from any clinical, professional, or administrative decisions made by the selected Proposer rendering services including the administration of the appeals process.

F. Performance Standards

The selected Proposer shall comply with the Performance Standards Provisions (See **Attachment G, Sample Performance Standards**). Compliance of Performance Standards shall be measured annually at the end of each Plan Year and any non-compliance shall be assessed as liquidated damages. The Performance Standards shall remain in effect for the duration of any contract issued, renewal options exercised, and any extensions thereof, as a result of this RFP.

G. Premium Guarantee

All premiums shall be guaranteed for the initial contract term of four (4) years, January 1, 2014 through December 31, 2017, independent of actual enrollment or any other premium rate contingencies. The selected Proposer shall provide the renewal rates for the first two year option period by June 1st 2017, and by June 1st 2019 for the second two-year option period. The renewal rates are subject to negotiations and acceptance by the County.

H. Guaranteed Issue

For all Plans, the selected Proposer shall guarantee issue for an employee's first time enrollment in any of the Plans (including current enrollees and new enrollees, applying within their initial eligibility period). If an employee wishes to enroll at a subsequent enrollment, the selected Proposer may require medical underwriting. Medical underwriting shall be performed for subsequent enrollments only.

I. Actively at Work Provision

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For all Plans, employees must be actively at work with the County in order for their coverage to become effective. However, should the effective date be a non-work day for an employee, insurance will still become effective on that date if the employee is otherwise actively-at-work and performed in his/her customary manner all of the regular duties of his/her employment or occupation on the last preceding scheduled work day and is not disabled.

If an employee is not actively at work with the County on the date when their coverage would otherwise become effective, the coverage would become effective on the date of their return to active work with the County. However, coverage shall be offered on a "no-loss, no-gain" basis, whereby no employee will lose coverage related to the change in insurance carriers.

J. Pre-existing Conditions Clause

For the LTD and Premier Plans, a pre-existing condition means a sickness or injury for which the insured received medical treatment, consultation, care or services including diagnostic measures, or had taken prescribed drugs or medicines for in the three months prior to the effective date of coverage of the insured person. The above pre-existing condition clause shall not apply once the person has been insured under the Plan for 12 consecutive months. The County's STD Plan does not include a pre-existing condition clause.

K. Premium Remittance

The County shall provide a bi-weekly remittance, for the prior pay period, accompanied by an electronic file of employee salary deductions to the selected Proposer for all Plans.

The selected Proposer shall take into its underwriting consideration the need for a sixty (60) day grace period for payment. The County provides for the collection of premiums from employees on leave of absence.

The selected Proposer shall allow retroactive premium adjustments and honor claims that are incurred within 120 days of reporting for eligible employees who are inadvertently and incorrectly excluded from employer remittance files.

L. Master Contracts/Certificates of Coverage

The selected Proposer shall duplicate the requested benefit plan design provisions. The Certificates of Coverage for all Plans shall be provided to the County no later than December 13, 2013. The selected Proposer shall mail the approved Certificates of Coverage to members' homes within 60 days of the beginning of the initial plan year and to subsequent members upon enrollment.

M. Year-end Accounting

The selected Proposer shall deliver to the County a final year-end accounting which includes, but is not limited to, premiums, claims and reserves, if applicable no later than 90 days following the close of each calendar year.