



citycounty insurance services  
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## Request for Proposal (RFP) Addendum

### Health Benefits Actuarial Consulting Services for GASB 45/75

CIS (Citycounty Insurance Services)  
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RFP Schedule	
Issuance of RFP:	<b>May 31, 2016</b>
Submission of Questions about the RFP:	<b>June 17, 2016, 5:00 p.m. (PDT)</b>
Proposal Due Date:	<b>July 15, 2016, 5:00 p.m. (PDT)</b>
Anticipated Contract Award:	<b>August 26, 2016</b>

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A membership service of:



## ADDENDUM

### A. BACKGROUND

On June 6, 2016, CIS issued a Request for Proposal (RFP) for a qualified health benefit and pension actuary to provide actuarial studies to CIS and its employer-members for “other post-employment benefits” in accordance with Governmental Accounting Standards Board (GASB) Statement 75.

CIS is issuing this Addendum to the RFP to respond to written questions we received from potential proposers. The Addendum modifies the original RFP document only to the extent indicated. All other areas of the original RFP remain in effect and can only be modified in writing by CIS. This Addendum is made an integral part of the original RFP. It is the responsibility of all proposers to conform to this Addendum. Proposers who have already submitted proposals may either: 1. submit an addendum to their proposal; or 2. withdraw the original proposal and submit a new one. Any addendum or revised proposal must be submitted no later than the **Proposal Due Date of 5:00 p.m. (PDT) on July 15, 2016.**

### B. RESPONSES TO QUESTIONS

1. Why is CIS putting these services out to bid at this time? Are there any concerns with the current provider?

**Answer:** CIS is required perform a bid process for contracts that surpass \$25,000. CIS also periodically issues RFPs as due diligence to ensure CIS members are receiving the best value for their contributions. There are no issues with the current provider.

2. How will data be provided to the actuary?
  - a. The RFP states that CIS will be able to provide demographic, enrollment and claims data for its member entities. Please describe what is included in that data, or perhaps provide a list of fields provided. Is the data provided in aggregate or separately for each entity?

**Answer:** Separately. Following are the fields for the data provided:

Member Census Data Fields							
Last Name	First Name	SSN / National ID	Gender	Date of Birth	Most Recent Hire Date		
Division	Location	Class	Reg/Temp	Employment End Date	Salary Effective Date		
Salary Per	Earnings Rate	Scheduled Hours	Job Class	Medical Plan Name			
Medical/Vision Coverage	Medical Effective Date	Vision Plan Name	Vision Effective Date	Dental Plan Name			
Dental Effective Date	Dental Coverage	Medical Employee Cost	Medical Employer Cost	Medical Total Cost			
Dental Employee Cost	Dental Employer Cost	Dental Total Cost	Vision Employee Cost	Vision Employer Cost			
Vision Total Cost	HasRetirementPlan	Medical Retiree Subsidy	Dental Retiree Subsidy	Vision Retiree Subsidy			
Dependent Census Data Fields							
Last Name	First Name	Initial	Suffix	SSN / National ID	Dep. Last Name	Dep. First Name	Dep. Initial
Dep. Suffix	Dep. Date of Birth	Dep. Gender	Medical plan name	Medical coverage	Dental plan name	Dental coverage	Vision Plan
Med/Den Coverage	Dep. Relation						

<b>Plan Data Fields</b>				
Plan Type	Plan Name	Plan Class Name	Effective Date	Eligible Divisions
Eligible Locations	Eligible Classes	Employee Only - EE	Employee Only - ER	Employee Only - Total
Employee + Child - EE	Employee + Child - ER	Employee + Child - Total	Employee + Children - EE	Employee + Children - ER
Employee + Children - Total	Employee + Spouse - EE	Employee + Spouse - ER	Employee + Spouse - Total	Employee + Family - EE
Employee + Family - ER	Employee + Family - Total			

- b. Do all of the employers share the same eligibility requirements for retiree health/OPEB benefits? (Such as age/service requirements.)

**Answer:** ORS 243.303 requires that all retirees under the age of 65 be offered the coverage they had as an active employee. Individual entity policy dictates the amount of premium paid by the entity. Most entities do not fund any of the retiree premium.

- c. Do all of the employers provide the same types of benefits for retiree health/OPEB? For example, do any provide life insurance or other supplemental benefits that can vary from employer to employer?

**Answer:** It is rare for benefits other than medical coverage to be offered to retirees, but we do have members who provide those benefits.

- d. For the employers that provide a subsidy towards retiree coverage, is CIS able to provide that information in aggregate?

**Answer:** CIS is often able to provide subsidy information for member entities, but confirmation from the entity is advised.

- e. What data will the actuary be required to collect from the employers? Will CIS be able to assist in collecting this information?

**Answer:** The actuary will be required to collect the following:

- i) Explicit subsidy information on specific benefits. CIS entities with subsidies are fewer than 10.
- ii) All data (including census information listed in 2a above) for non-CIS entities. CIS can't collect data from non-members.

- f. Do any employers provide coverage for Medicare retirees outside of the CIS plan(s)? If so, how is that currently valued?

**Answer:** CIS does not provide Medicare coverage. Data must be gathered directly from the entity as with any non-CIS coverage direct subsidies. CIS is not aware of any currently.

3. How many non-member entities utilize the current arrangement? Does CIS facilitate any portion of the process? Or once engaged, does the actuary work directly with the employer in every respect?

**Answer:** There are 13 non-CIS entities utilizing the process. CIS facilitates billing and communication as necessary. By and large, the actuary works directly with the entity.

4. Currently, are all valuations performed simultaneously, or are some performed "off-cycle". The RFP refers to an August 1 valuation date. What is the current timeframe, generally speaking, for performing the valuations?

**Answer:** CIS' position is to keep all participating entities on-cycle. Data is collected in the fall typically for use in June 30 reporting for the following year. The extended timeframe is provided for budgetary planning, if necessary.

5. Is it anticipated that valuations would continue on a biennial basis?

**Answer:** Yes.

6. Please provide the pricing schedule(s) currently in use for the requested services.

**Answer:** Costs are derived from a base rate plus additional costs based on number of plans to be evaluated as well as head counts within those plans.

7. Please provide sample reports produced by the current actuary. If possible, please provide reports for both a large (over 500 employees) and small (less than 50 employees) employer. Redacted reports would be acceptable.

**Answer:** GASB 45 reports at this point are somewhat generic and stock compliant. The reports and the information contained therein are the specific subject of the RFP. Individual respondents are expected to understand and communicate the information required for GASB valuation and reporting, independent of work performed by the current actuaries. CIS does not wish to disclose at this time.

8. Please provide a copy of one of the "no valuation letters" referenced on page 3 of the RFP. Redacted samples would be acceptable.

**Answer:** Please see the response to question #7 above.

9. Would some of the smaller CIS employer members (100 active and retired employees or less) prefer an option to use the Alternative Measurement method, with some assistance from the actuary, for their June 30, 2018 GASB #75 disclosures?

**Answer:** It may make sense for some smaller (under 100) pooled members to utilize the alternate measurement method. Different situations may warrant different methodologies.

10. Would CIS be able to provide the actuary with information on annual health cost trends and the implicit subsidies amongst each of the available coverage options?

**Answer:** CIS could provide information related only to its members' claims. CIS does not perform estimates for implicit subsidy levels.

11. Can CIS provide us with a copy of an August 1, 2014 GASB #45 actuarial report prepared by Milliman for a CIS employer member?

**Answer:** Please see the response to question #7 above.

12. Will all of the smaller CIS employer members (who had been exempt from GASB #45 implicit disclosures) be part of the August 1, 2016 actuarial valuations in order to meet just their June 30, 2018 GASB #75 reporting requirements but will not need OPEB disclosures for their June 30, 2017 reporting date?

**Answer:** GASB 75 requires reporting for periods that begin after June 15, 2017. Entities with a July through June fiscal year (which CIS believes is the entirety of our pooled groups), will not be required to report until June 30, 2018.