



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

State of Nebraska

Best and Final Offer (BAFO)

Keith Bushardt | Area President
Arthur J. Gallagher & Co.
402.829.1016
Keith_Bushardt@ajg.com

Kevin Towery | Health & Welfare Practice Leader
Arthur J. Gallagher & Co.
214.414.9950
Kevin_Towery@ajg.com

Best and Final Offer (BAFO)

Request for Proposal Number 5297Z1

Bidder: Gallagher Benefit Services, Inc. (ID #2337682)

A contract resulting from this Request for Proposal will be issued approximately for a period of three (3) years effective the date of award. The contract has the option to be renewed for four (4) additional one (1) year periods as mutually agreed upon by all parties.

Prices quoted below shall remain fixed for the initial contract period which is three (3) years. Any request for a price increase subsequent to the initial contract period shall not exceed four percent (4%) of the previous Contract period and must be submitted in writing to the State Purchasing Bureau a minimum of 120 days prior to the end of the current contract period, and be accompanied by documentation justifying the price increase. Further documentation may be required by the State to justify the increase. The State reserves the right to deny any requested price increase. No price increases are to be billed to any State Agencies prior to written amendment of the contract by the parties.

Pricing to include all expenses including all travel expenses to Lincoln, NE. The annual rate includes all benefit consulting services included in this RFP, excluding the Health Insurance and Pharmacy Benefit Plan RFP.

BASE ANNUAL FEES INCLUDE THE FOLLOWING:

- **Required Actuarial/Analytics:**

- Annual plan cost analysis and annual calculation of the employer and employee contributions for each of the State's health plans
- Annual Actuarial Opinion – i.e., analysis and recommendation of IBNR amount at end of plan year
- Analysis and recommendation of annual Claims Fluctuation Reserve (CFR) at end of the plan year
- Help State prepare a Value on Investment (VOI) for the State's wellness program
- A monthly budget report of the State's health plan performance comparing actual to budgeted costs
- Preparation of the State of Nebraska Health Insurance Plan Annual Report
- Preparation of health plan reports including cost trending and multi-year forecasting projections as requested by the State (assumes a reasonable number of such requests)

- **Benefit Advocacy Center Basic Services Including:**

- Explain Benefits
- Provider Find
- Order ID Cards
- Claim Resolution
- COBRA Question
- Confirm Eligibility
- Enrollment Questions
- Bundle Your Bills
- Appeal Letter Writing Assistance

- **Implement carrier renewal strategies with Client**
- **Develop timeline covering every aspect from RFP preparation to the delivery of employee communications**
- **Provide analysis of employee disruption report and preparation of geo-access report**
- **Evaluate vendor responses to track variations in coverage and costs as they are identified**
- **Conduct finalist interviews to investigate and document intangibles such as personalities, service orientation and responsiveness**
- **Facilitate decision process by coordinating close collaboration and discussions among the GBS team and Client**
- **All day-to-day Account Management and operations support**
- **Evaluate plan design to assist with compliance with state and federal regulations**
- **Review benefit plan documents, including summary plan descriptions, contracts, employee summaries, and policies/procedures**
- **Assist with the review and evaluation of COBRA and HIPAA compliance procedures**
- **Provide general information and guidance to assist with compliance with ERISA, FMLA, USERRA, Medicare Part D and other Federal legislation that directly affects the administration of plan benefits**
- **Provide template or sample compliance notices, certificates of creditable coverage and enrollment forms as reasonably requested by Client**
 - Complete annual CMS disclosures to satisfy MSP requirements
- **Population Health & Wellness Consulting**
- **Compliance support**
- **Underwriting support**
- **Non-Data Analytics and Reporting**
- **Analysis of actual vs. budget**
- **Employee contributions**
- **Health Care Claims Review**
- **Vendor Management**
- **5500 Preparation & Filing**
- **Summary Plan Description & Compliance Review**

The Annual rate will be paid by the State in 12 equal installments to the contractor.

Initial Contract Period	Annual Rate
Year 1	\$225,000
Year 2	\$225,000
Year 3	\$225,000

HEALTH PLAN AND PHARMACY BENEFIT PLAN RFP CONSULTING FEES

When the State issues the RFP for the Health Insurance and Pharmacy Benefit plan, additional resources and time will be expected from the contractor. To compensate for this additional time and resources, provide a lump sum cost per milestone. Implementation Claims Audit will be conducted 30 – 60 days prior to implementation and payment will be made upon completion and approval of the audit by the State.

Milestone	Posting of the RFP	Posting of the Intent to Award	Contractor Start Date	Implementation Claims Audit
Lump Sum	\$15,000	\$25,000	\$5,000	\$5,000

ADDITIONAL SERVICES

Based on the content of the RFP, Gallagher Benefit Services proposes the State of Nebraska consider the following services at the onset or at strategic milestones during the course of the contract.

- **Dependent Eligibility Audit** \$100,000
- **GASB Valuation** \$25,000-\$30,000+
- **Medical Claims Audit** \$40,000
- **Annual Data Feeds (Medical, Rx and Wellness –up to 3 years historical data)** \$25,000
- **Semi-annual Data Feeds** \$10,000 (in addition to annual feed cost)
- **Quarterly Data Feeds** \$30,000 (in addition to annual feed cost)
- **Cost & Utilization Report** \$20,000
- **Bend The Trend Report** \$30,000
- **Pharmacy Benefit Consulting:**
 - PBM Claims Audit (after year 2 of contract) \$ 50,000
- **Benefit Advocacy Center Enrollment Services:** \$1.00/PEPM
 - New-Hire Enrollments
 - Open Enrollment Forms
 - Evidence of Insurability
 - Maintain Eligibility – Qualifying events
 - Dependent Eligibility Verification
 - QMSCOs
 - Resetting Eligibility Passwords
- **Benefit Advocacy Center Fulfillment Services**
 - New Hire Packets \$2.00 per packet
 - Wellness Tracking Minimum \$250 / year
 - New Hire Reminder Notification \$1.00 per outreach
 - Billing Reconciliation (limited) TBD
 - Confirmation Statements \$1.00 per statement
 - Outbound calls / emails (with script) \$1.00 per outreach

Best and Final Offer (BAFO)
Fixed Hourly Rates and/or Additional Optional Services and Fees
 Request for Proposal Number 5297Z1

Bidder: Gallagher Benefit Services, Inc. (ID #2337682)

There may arise from time to time a need for work not originally specifically delineated in this RFP but considered within the scope of work. This additional work may stem from legislative mandates, emerging trends, and regulatory changes unknown at the time of the RFP.

The State may request the contractor, subject to mutual agreement by both parties, to engage in short onetime special consulting projects, related to State benefit plans.

The bidder should provide the hourly rate for each Staff position used to complete onetime special consulting projects in the following table. Please identify any additional Staff titles and their appropriate rates, which bidder believes may be used to complete said projects.

The bidder may provide additional optional services that may be provided to the State as identified in a lump sum unit cost.

The hourly rate/unit cost provided below will not be included as part of the evaluation.

All additional costs (hourly rates or unit cost) must be based upon the amounts provided below.

Staff Title/Description	Hourly Rate
Account Executive	\$200.00
Senior Actuary	\$400.00
Actuarial Analyst	\$225.00
Underwriter	\$350.00
Subject Matter Expert – Executive Staff / Manager	\$450.00
Subject Matter Expert – Staff Consultant	\$250.00
Office Staff	\$100.00

BEST AND FINAL OFFER LETTER

June 14, 2016

Gallagher Benefit Services, Inc.
Keith Bushardt
10050 Regency Circle
Suite 300
Omaha, NE 68114
E-mail: Keith_Bushardt@ajg.com

RE: Request for Best and Final Offer for RFP Number 5297Z1, selecting a qualified contractor to provide professional health and welfare consulting services for the employee insurance benefits program which includes health, wellness, dental, vision, life, long term disability, flexible spending accounts, health savings account, and employee assistance program.

The State of Nebraska, Administrative Services, has completed its evaluation of the Bidders' Corporate Overview and Technical Approach proposals in response to RFP # 5297Z1. At this time, the State requests an overall Best and Final Offer (BAFO) which will require a new cost proposal(s) to be submitted.

Bidders are **required** to submit a new cost proposal(s) on the BAFO Cost Proposal form (attached).

Failure to submit a BAFO that conforms to the instructions of this request may result in the rejection of the bidder's cost proposal(s) and thereby disqualify the bidder's entire proposal(s) from further consideration. Follow all instructions as indicated on the BAFO.

Submission Information

Please submit your response with one (1) original in a sealed envelope by 2:00 PM Central Time on Monday, June 20, 2016.

Responses shall be submitted to the following address:

Michelle Thompson/Teresa Fleming, Buyers
State Purchasing Bureau
1526 K Street, Suite 130
Lincoln NE 68508

RFP # 5297Z1

The sealed responses will be publicly opened on Monday, June 20, 2016, at 2:00 PM Central Time at the proposal opening location:

State Purchasing Bureau
1526 K Street, Suite 130
Lincoln NE 68508