



April 12, 2021

State of Arkansas  
500 Woodlane Street  
State Capitol Building,  
Room 315  
Little Rock, AR 72201

Re: Response to RFP – BLR-210001

Bureau of Legislative Research:

Our approach to today's cost of health care is to develop innovative approaches that manage claims costs for our clients and prospective clients. Our particular role in the design of programs is to coordinate our clients together with the correct vendors. We understand that the State of Arkansas plans for both ASE and PSE are in a fiscal position that requires creative and sound actions to stave off continued deficits. Collier has enabled many large organizations to connect to our solutions to reign in health care spending that allows for strengthening their respective fiscal positions. While we strive to keep member disruptions to minimums, we understand as we're sure you do, that any change to benefit designs can be seen as a point of contention and upsetting to some members including retirees. Our consulting advice and direction given to the Executive Subcommittee of the Legislative Council will take into consideration the potential for member disruptions.

We feel that educating employees on their benefit options and "why" the changes occur are very important to the success of the solutions and the satisfaction of employees.

If awarded, we will ask for unrestricted access to all claims and demographic data related to Medical and Rx spends so that our selected subcontractors, if any, have a greater probability to predict success.

We're ready to serve the Subcommittee and ultimately the State of Arkansas's ASE and PSE health plans.

Sincerely,

*John Collier*  
Executive Vice President

## **Vendor Profile**

Business Name: Jas D. Collier & Co DBA Collier Insurance

Business Address: 606 S. Mendenhall Rd, Memphis, TN 38117

Primary Contact Name: John Collier, Executive Vice President 901-529-2900, 901-529-2916, [jcollier@collier.com](mailto:jcollier@collier.com)

Years in this type of business: 110

Proof that Vendor is qualified to do business in the State of Arkansas: Life & Health License No: 242316

Corporation type: S Corp.

Ownership: Collier Insurance is 100% owned and operated by J. Stuart Collier and J. Dabney Collier

States Licensed: Life and Health licensed in all states except, Vermont and Alaska.

States where we have contracts to supply same type of service: We apply for licenses as needed.

Details of pleas or convictions etc.: None.

Details of any bankruptcy, insolvency etc.: None.

Details of any conflicts of interest: None known.

Additional disclosures: None known.



## 2.1 Objectives

Collier has the ability to pull together the resources and vendors based on your own data to analyze and offer the Subcommittee reports that are in line with the goals of this RFP. Collier has a history with the State in that we've consulted on another project in 2014 and as a result of the project we were able to offer significant savings as illustrated in our subcontractors report (Continuous Health) which is attached to this response.

Looking forward to 2022 and beyond for the ASE and PSE health plans, Collier will be taking a similar approach to finding solutions to the issue of high costs associated with Health Plans that we did in 2014 with a considerable different perspective. In 2014, one aspect of the research and resulting report was in regard to moving a particular set of employees away from the group plan and into Healthcare.gov.

Collier has years of experience researching data, offering and implementing solutions for large clients. In our most recent discussions with the Subcommittee we indicated some of our solutions such as

- Direct Primary Care
- Retiree redirection and eligibility strategies
- Concierge Services
- Low member disruption cost reducing strategies
  - Cancer Diagnosis – High Performance Networks i.e. "Centers of Excellence"
  - Kidney Dialysis
    - Networks with extreme discounts
    - Dialysis avoidance programs
  - Direct Contracts with providers
- Reference Based Pricing programs on a market specific basis
- Bundled Networks/Pricing
- Pharmacy Benefit Manager Review
- Claim Audit recommendations

## 2.1 Continued

The aforementioned "list" of solutions is not exhaustive in the universe of cost cutting solutions. They are fairly popular and acceptable within the health benefits industry. We have the experience and ability to engage these and other concepts including research as directed by the Subcommittee.

In addition to health care claim cost containment initiatives available to the ASE and PSE, Collier will also conduct research, pursuant to the RFP, on comparative contribution strategies, administrative expenses, plan designs and quality benchmarks within the "market". We have access to national databases that allow us to peer into other large employers that you either recruit your employees from or lose your employees to. Based on our past engagement, we have demonstrated to the State that we are capable of producing thoughtful, concise and actionable strategies that can be used to contain costs.

## 3.0 Scope of Work/Specifications

With access to the current claim and demographic data we will be able to meet all of the obligations contained in 3.0 A & B. Our intent is to analyze the available data in house as well as potentially subcontracting with other firms who specialize in certain specialized functions. Furthermore, where data does not exist, we will survey a sample of the health plans in the state of Arkansas to act as a guide of the approach to the ultimate goals and objectives of the plan.

We acquired software licenses years ago that we will employ with regard to provider network analysis. From the basic analysis we will be able to offer a comparison of Medicare fee for Service or Medicare Allowable Payments versus your current network. This process is relatively routine for us as we conduct this for most of our prospective brokerage clients and a majority of our consulting clients.

**Bullet #4** - After the dataset is acquired we will be able to stratify the risks to the point that we'll know the conditions which cost the most and from that we can identify and even deem a particular provider or location a "Center of Excellence" for the Plans.

### 3.0 Continued

**Bullet #5** – Vendor acknowledges and agrees with the requirements set forth in this section.

**Bullet #6** - “A review of other public employee plans...” Collier will rely on the Freedom of Information Act of 1967 to obtain the relevant information for sole purpose of comparing plans of benefits and contribution to ensure that the ASE and PSE offerings are comparative and competitive.

**Bullet #7** – We will review the current contribution strategy and offer options to include total cost of all tiers and how changes could impact migration to other plans. We understand that current contributions vary by plan as this information is easily accessible on the web. Additionally, we understand how employers often predicate contribution on a percentage of total cost. There are other employers who feel differently and instead of assigning some percentage of total cost that they feel is market competitive that ultimately changes every year; employers like our own group plan have determined that \$700 per month for Family coverage is the market competitive price for such coverage. But ultimately, the plans need to fit affordability thresholds established by the ACA.

**Bullet #8** – Our team is ready to discuss Value Based Contracting as a concept and evaluate your data to determine which disease states will bring the largest impacts to the overall cost of the plan. With regard to price transparency, the federal government has instituted new measures and are attempting to force Hospitals and other providers to become price transparent. While we feel this is a good first step, simply offering a charge master price on a hospital website is of little value to an end user. There are several other pricing tools we currently use and deploy to members of our group plans. The tools help guide members to high-quality low-cost providers on a voluntary basis with an incentive (waiving deductible or copays are methods in changing behaviors). It’s common that an MRI or similar modality is priced significantly different on different “street corners”. It’s imperative that cost transparency tools are given to members and then incented to use so ASE and PSE plans save on cost while allowing the members a voluntary approach to selecting what’s best for them or their families.

### 3.0 Continued

**Bullet #9** – We would be happy to produce a report for the PSE plan on the economic impact of using the pre-tax savings as a resource to help pay for coverage i.e. premium subsidy.

**Bullet #10** – We understand the codified minimum premium subsidy is in place for PSE. Our analysis would provide insight into not only the economic impact of transitioning to a per-budgeted position basis to the State but also to the employees. Our goal would be to have a ready to deploy contribution strategy that is both politically acceptable from internal associates, employees and constituents.

**Bullet#11** – Acknowledged.

### 3.1 Consulting Capabilities

Collier is a firm that consults with employers on their benefits plans. Depending on the engagement, we will alternate between using “in house tools” and resources or external resources to guide us in the creation of solutions. For this specific engagement we will utilize both internal and external resources. We see that our role will be to define near term cost cutting measures that can be implemented quickly and with little to no disruption.

For example, Direct Primary Care (DPC) is a solution that provides members access to a capitated primary care provider that will transfer claims exposure away from the Plans. This should result in savings. Another benefit of implementing a DPC solution statewide is that it will allow for greater access to members. Offering free access to members allows your presenteeism rate to be higher and absenteeism to be lower as well. We work with a number of DPC vendors but one in particular would be a good fit for the plan as it is currently contracted with another state plan of appx 212k members so the demographics would be very similar to yours. Additionally, once the DPC is implemented we would work to have the DPC steer members into a low cost high quality specialist or hospital. DPC allows us to control the care supply chain.

### 3.1 **Continued**

Collier consults with employers concerning Pharmacy Benefit Management programs. We analyze the client claim data with a combination of in-house tools and industry partners that allows us to design an effective program that not only manages cost from an ingredient perspective but also from a therapeutic class perspective.

Savings from a PBM can often offset a very large amount of total claims cost with little disruption. We would collaborate with your current PBM to allow them to devise saving opportunities based on the claims data. Just changing a PBM is often not the solution to cost issues. We've found that working together with current vendors is typically more manageable. In this engagement, working with current vendors is probably the best path of success due to internal and external politics. However, we will review other PBM's as part of our due diligence.

Claims Accuracy – The national average in health care fraud, waste and abuse is 30% of all billed charges. We have partners that review our employer plans that reduces over all spend in a plan.

Dialysis Center Direct Contracts and Kidney Dialysis Avoidance Programs –

Our region of the country has a high incidence of diabetes and renal failure. Arkansas was number 5 of 50 for kidney failure in a 2013 study by kidney.org The PSE and ASE have a Self-Management education benefit but it appears that's about all. This program is outdated and likely under used. We would use Population Health reports to find gaps in care with regard to Diabetes. As you may know Diabetes is the leading cause of kidney failure and renal dialysis is very expensive. Supporting your members with proven programs designed around addressing diabetics and pre diabetics is a method we currently use in our employer groups to mitigate high cost claims with regard to dialysis.

We currently manage employer groups that utilize services that reduce the cost of annual dialysis by tens of thousands of dollars per case.

A diabetes program and Kidney Dialysis Avoidance program would offer a tremendous amount of ROI with very little disruption to members.

### 3.1 **Continued**

Bundled Networks – We are partnered with a leading firm that specializes in bundled pricing programs. For a set list of Outpatient procedures they are able to achieve average savings and at approximately 120% of Medicare while using high quality providers. It's a voluntary program the employee participates with and a function of the program is to waive the deductible and out of pocket for the member. Example – An MRI is ordered. The member calls this service and they schedule with a high quality provider in the area and they negotiate a better deal. How do they negotiate a better deal? Especially MRI providers; empty time slots cost money. They would rather offer a cut in price and fill the MRI time slots than to let it stand idle.

Retiree redirection and eligibility strategies –

Collier will provide the Subcommittee with options for pre and post retiree coverage that is actuarially supported.

Reference Based Pricing – Collier represents many employers that are using RBP as the sole negotiator of non contracted services such as Inpatient and Outpatient services. We have clients locally in Memphis and other parts of Tennessee, Mississippi and other states. These employers have employees all over the United States. We understand how to structure a plan that uses RBP as the primary source of discounts. We are equipped to analyze your claim and demographic data in our in-house systems that will allow for you to learn the difference in claims cost between your current arrangement and an RBP plan. We can also stratify disease states and offer opinions of selective RBP benefits within a group plan. Our knowledge of RBP is one of Collier's most important differentiators when we go to market for our clients and prospective clients as a broker.

#### 5.4 **Executive Summary**

The health plans offered by ASE and PSE are significantly under funded and will continue to be in a deficit position until systemic changes are adopted. Our firm is capable of offering creative solutions that will result in significant savings. In this RFP response we will illustrate many solutions that are currently utilized. Specifically, due to the current benefit designs being some what outdated we feel that any change will be significant and may be difficult to move across the threshold due to internal and external pressures. Passing benefit changes on to employees will require incentives to the new programs in order for a "buy-in" to occur by the plan members. Unfortunately, not all changes will satisfy all members. The State should be prepared to defend the changes that are necessary to put the plans on a better path.

There is no single solution to solve your spend issues. Rethinking and implementing new or redesigned benefits will take at least 3 years or renewal cycles. Benefits to us don't simply mean deductible and coinsurance. Network discounts, high performance networks, incentives for using certain providers who have low cost and high quality outcomes, stronger PBM management, Population health programs are but a few of the solutions we bring to our clients. Due to the relative simplicity of your current plans, there are plenty of enhancements that can be made to the plans in year one and be used by members that can be driven by behavior changes by participants that will save the plan significant costs but will still fall short of neutral. Since there is no actual data available for this RFP most of what we suggest will be fresh concepts that are currently being deployed in the benefits industry both here in our area and nationally.

The first step in our process is to obtain all claim and demographic data. We will need unencumbered access to this data. All activity to this regard and disclosure to us will be within the rules and regulations of HIPAA. Once we have data and we assume this to be a quick process, we will then identify gaps in care and opportunities to create programs around the results. Organizing this data into actionable plans will take approximately three weeks.

After programs are developed by Collier and tested by the data (an internal process), we will then report back the Subcommittee our results. We will adhere to the RFP specifications with regard to meeting times and dates.

We will deliver programs and processes to the Subcommittee before October 15, 2021 that will have the combination of probability of success to reduce cost and showing membership adherence.

## 5.5 Vendor's Qualifications

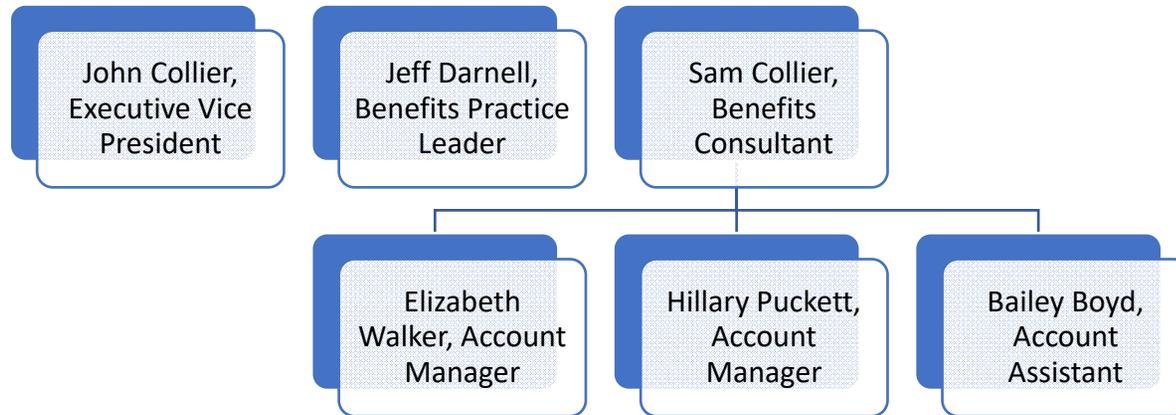
Collier Insurance is a privately held insurance brokerage in existence since 1911 which operates out of Memphis, Tennessee and is powered by a staff of 50 full time employees. Being privately held and fiercely independent means we answer to no one other than our clients. There are no shareholders, Wall Street analysts or other outside ownership of any kind influencing our business. Additionally, our firm is well funded and is staffed and operationally ready to assist large organizations with creative solutions to the cost of their health plans.

Collier belongs to many industry trade groups that help us guide our clients. HCAA, SIIA, NAHU, MarshBerry are a few of the trade groups we subscribe. In addition to these groups we are also very involved with our vendors in designing new products and solutions that leverage our client savings. We are often asked by vendors to help them design products and services that help employers reign in the cost of health care.

Our approach to consulting for healthcare plans follows the client's needs and organizational objectives. We've been consulting for large employers for decades. Our services have been in high demand recently. Health care costs have become an issue for most employers and a drain on finances.

Specifically, our primary team is comprised of John Collier, Jeff Darnell, Sam Collier, Elizabeth Walker, Hillary Puckett and assisted by Baily Boyd. Bios are included in this response as well as simple org chart. All communication will be received by our team at the email address [BLR@Collier.com](mailto:BLR@Collier.com) . Each member of the team understands their particular role within this engagement.

**Collier Insurance**



# ELIZABETH WALKER

## BENEFITS ACCOUNT MANAGER

Before joining Collier Insurance in 2011, Elizabeth worked for 5 years with Humana as a Large Group Account Advisor where she supported retention and growth within existing accounts through representation at enrollment meetings, health fairs and other client activities. In addition, she oversaw new sale implementation and facilitated the resolution process for escalated customer service concerns and issues.

Elizabeth continues to carry out the responsibilities she had at Humana with Collier Insurance for clients of all size. She also manages the marketing of new and renewal business, creates sales presentations and proposals, drafts employer and employee communication pieces, and develops and maintains client relationships.

### Education

Delta State University, Bachelor of Science

# HILLARY PUCKETT

## BENEFITS ACCOUNT MANAGER

Hillary Puckett is an Employee Benefits Account Manager who supports clients of all sizes in managing their benefit programs. With a strong background in customer service, she provides daily hands-on service to employers and employees—offering timely, creative solutions to meet their needs. As part of her duties in account management, she is responsible for renewal and prospect marketing analysis, benchmarking, customized employee communications, compliance, and enrollments.

With proficient organizational skills, Hillary ensures her clients are equipped with updated policy information and the latest education in the healthcare market. She strives to provide exceptional service to members in understanding their claims, billing, or plan designs to ensure successful resolution and guaranteed satisfaction.

Hillary graduated from The University of Mississippi in 2013 with a Bachelor of Arts degree in English and Religious Studies. She has worked for Collier Insurance for three years.

# JOHN STUART COLLIER, III

EXECUTIVE VICE PRESIDENT

John Stuart Collier, III is the EVP at Collier Insurance. He has 12 years of experience specializing in employee benefits and commercial property and casualty programs.

John graduated from the University of Mississippi in 2008.

He has experience in unique benefits cost containment programs like Direct Contracting, Bundled Networks, Deductible Funding Programs, Captives, Stop Loss Analysis, Repricing of Claims through Analytics Systems, High Performance Networks, Centers of Excellence, Discount Comparisons, and Pharmacy analysis.

John is Pareto Captive Inner Circle, Phia Group MVP, Young Leadership Council of HCAA, SIIA Member, Distinguished Member within Healthcare Advisors, and Steady Contributor to Healthcare Hacker.

John has presented to employers and vendors alike on how to run more effective plans through financial accuracy, attaining better deals for services, and measurably better employee experience.

# JEFF DARNELL

## BENEFITS PRACTICE LEADER

Jeff is one of four managers at Collier and he began his career with Blue Cross Blue Shield of Florida in 1995 as a marketing representative in the Florida panhandle. He moved on to Blue Cross Blue Shield of Mississippi to manage large, complex, multisite, national and regional, self-funded and fully insured employers. More recently, Jeff was the local Blue Cross Blue Shield of Tennessee plan. He helped us manage the complexities of our book of business with Blue Cross and now continues to do so as our Benefits Practice Leader.

He manages all areas of our employee benefits business including partner relationships, compliance, benefit plan designs, reinsurance marketing and contract basis design, worksite benefits packaging and benefit administration systems. In addition to these responsibilities, he manages a staff of account managers and is our HIPAA Privacy Officer.

Jeff is a proud graduate of The University of Tulsa.

# SAMUEL COLLIER

BENEFITS CONSULTANT

Having graduated from Sewanee in 2020, Sam is new to Collier as an employee and serves the agency as a Benefits Consultant. He is the son of Stuart Collier.

# BAILEY BOYD

BENEFITS ACCOUNT ASSISTANT

Bailey has been with Collier for 6 months. Her strengths are her organizational skills and technology.




CHROME  
Compass

ContinuousHealth Reform Optimizer and Management Environment (CHROME)

[www.chromecompass.com](http://www.chromecompass.com)

**BLR-210001 – Section 1.15 – PAST PERFORMANCE**

Financial Modeling and Strategy Output  
(Confidential)



Collier  
INSURANCE FOR THE UNEXPECTED

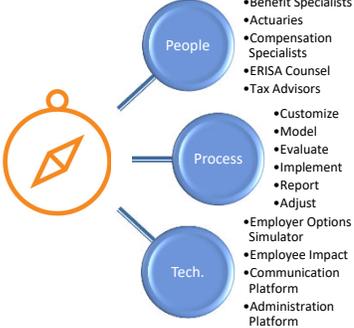


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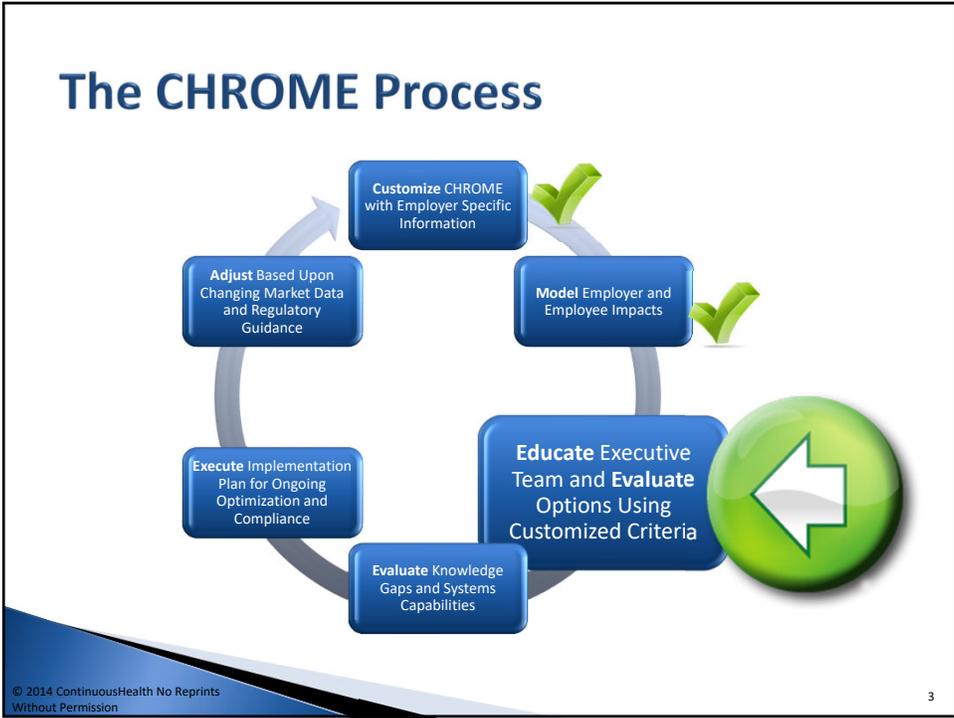
## What is CHROME Compass?

- ▶ The ContinuousHealth Reform Optimizer and Management Environment (CHROME) Compass is a proprietary modeling and planning platform providing a **strategic framework** for employers to understand and evaluate the impact that Health Care Reform will have on its group health plans.
- ▶ CHROME Compass combines people, process and technology in a unique solution available to you through your broker representative.



- People**
  - Benefit Specialists
  - Actuaries
  - Compensation Specialists
  - ERISA Counsel
  - Tax Advisors
- Process**
  - Customize
  - Model
  - Evaluate
  - Implement
  - Report
  - Adjust
- Tech.**
  - Employer Options Simulator
  - Employee Impact
  - Communication Platform
  - Administration Platform

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## Current Situation (What the Data Reveals)

- ▶ Arkansas Public Schools has approximately 80,718 employees, 61,093 working 30+ hours per week.
- ▶ There are currently 57,747 employees that are participating in the 3 plans offered, 21,702 that are waiving coverage and 1,269 who are currently ineligible for medical coverage.

Plan	Grandfathered?	Self-insured?	Enrollment	% Enrolled
Gold	No	Yes	27,874	48%
Silver	No	Yes	5,092	9%
Bronze	No	Yes	24,781	43%

**Current Cost (Not tax adjusted)**

Total  
\$318,256,387

ER Total  
\$189,166,470

EE Total  
\$129,089,917

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# Data Completion Methodology

- ▶ 73,391 unique demographic records were identified on the census provided
  - ▶ Employees with multiple jobs were collapsed into one record that reflected the cumulative salary. The district at which the employee worked the most hours was retained as the district for the record.
- ▶ A combination of State ID and SSN was used to match demographic records, benefit records, and hours provided by the districts.
- ▶ 19,292 records on the benefit census were duplicate employee IDs. The most recent record was retained and the rest were removed from the census.
- ▶ 7,837 benefit records with no corresponding demographic record were excluded from the analysis.
  - ▶ Of those, 3,716 were waived and 4,122 were enrolled in coverage.
- ▶ 556 employees with no gender were assumed to be female.
  - ▶ 77% of employees with a known gender are female
- ▶ 578 employees with no date of birth were given the average birth date for the group: 9/11/1967
- ▶ One employee with a DOB of 10/24/2063 was changed to 10/24/1963
- ▶ 1,269 employee with no zip code were assumed to have the most common zip code: 72762
- ▶ One employee with the zip code 726|7 was changed to 72617
- ▶ 2,153 employees with no hours reported that were also not on the benefit census were excluded from the analysis
- ▶ 1,320 employees reported with less than 30 hours that were also not on the benefit census were excluded from the analysis
- ▶ There were 7,313 employees for which we received no hours.
  - ▶ 3,356 had annual salary above \$20,000 and were assumed to be full-time; the remaining 3,957 were assumed to be part-time
- ▶ Retiree enrollment data was provided in 8 tiers; however, actual pricing is in 20 tiers.

	Enrolled	Waived	Not on Ben Census	Total
30+ hours	42,293	17,409	1,269	60,971
<30 hours	4,654	4,293		8,947

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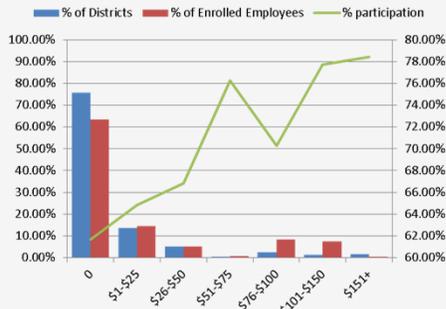
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## Contributions by district

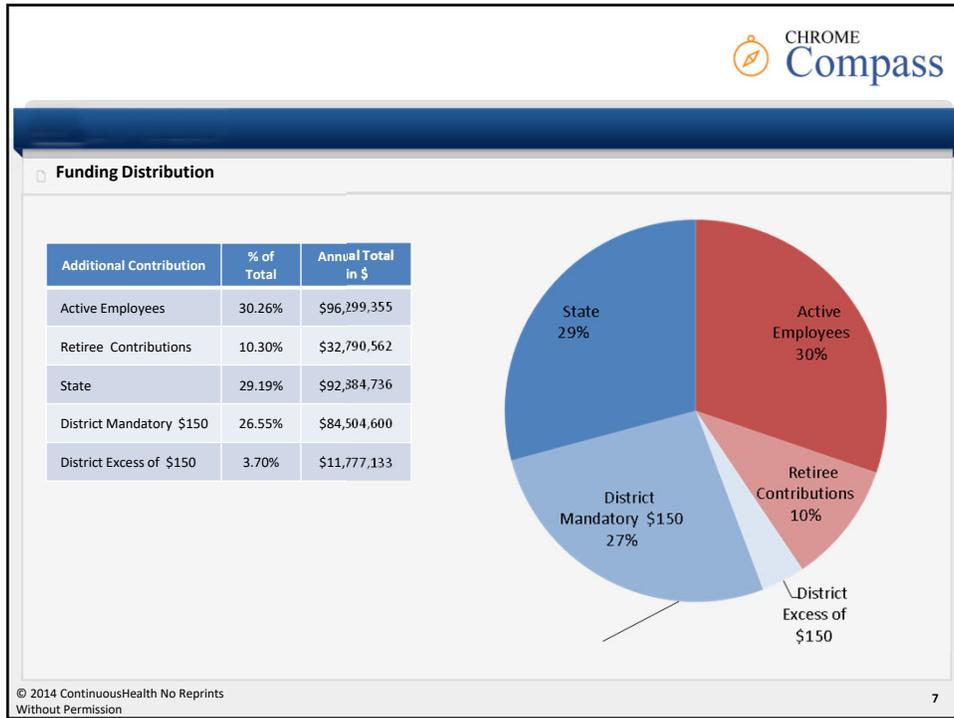
Additional Contribution	% of Districts	% of Enrolled Employees	Participation Rate
\$0	75.71%	63.51%	61.65%
\$1-\$25	13.56%	14.42%	64.82%
\$26-\$50	5.05%	5.14%	66.80%
\$51-\$75	0.32%	0.59%	76.25%
\$76-\$100	2.52%	8.35%	70.28%
\$101-\$150	1.26%	7.56%	77.70%
\$151+	1.58%	0.45%	78.46%



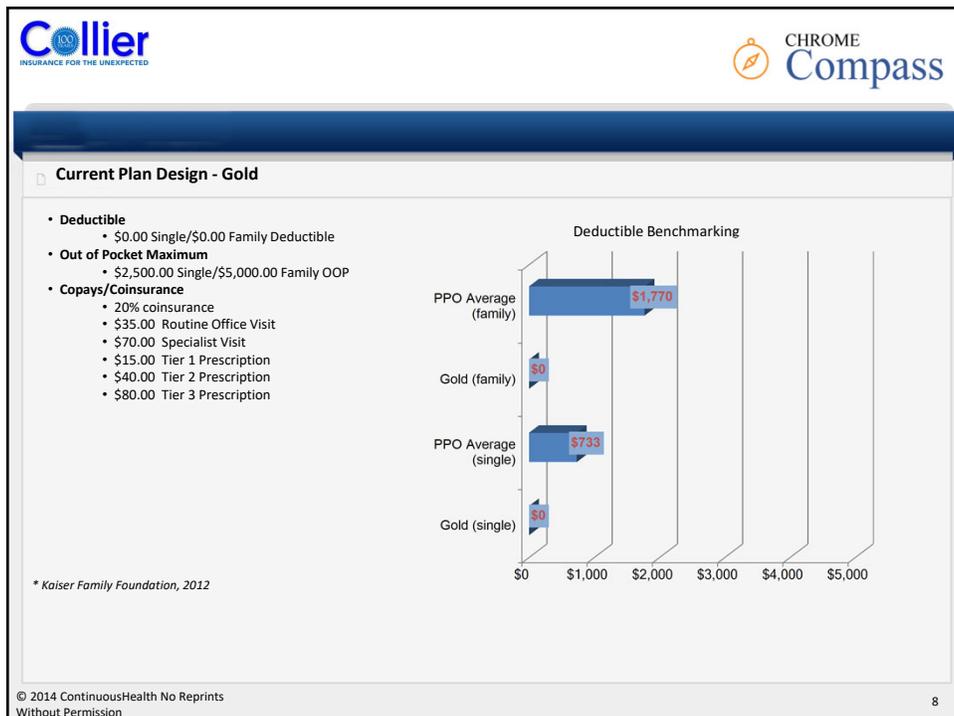
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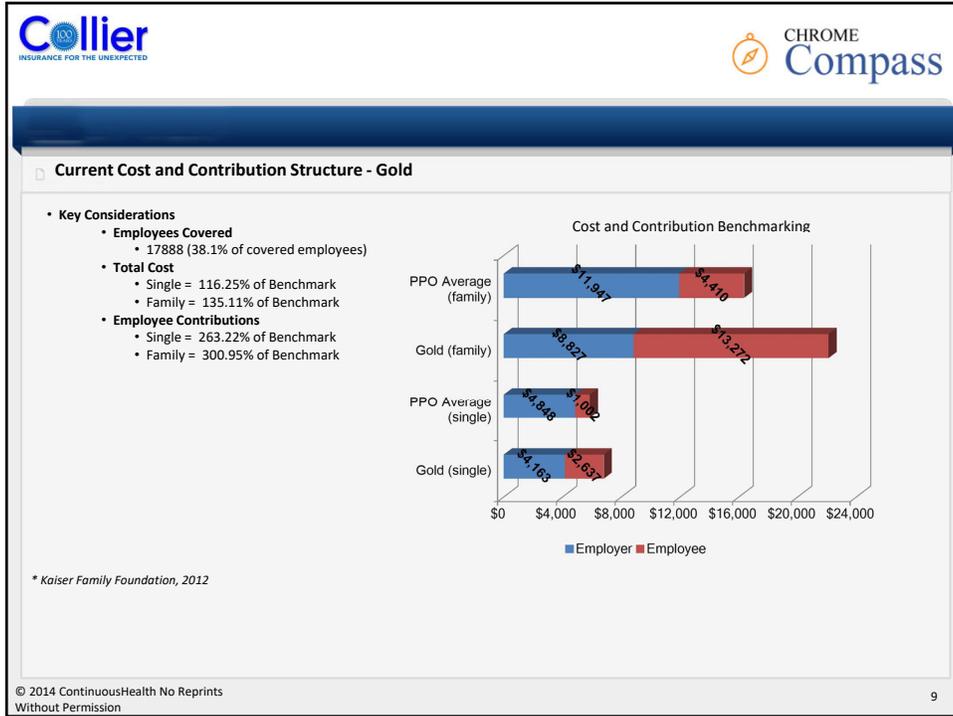
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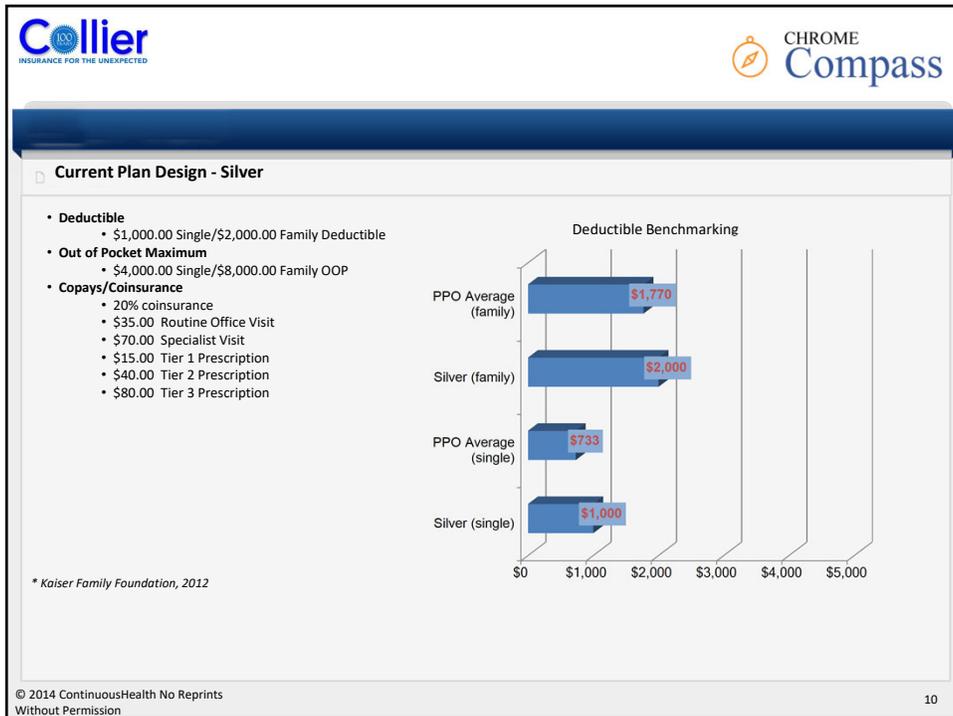
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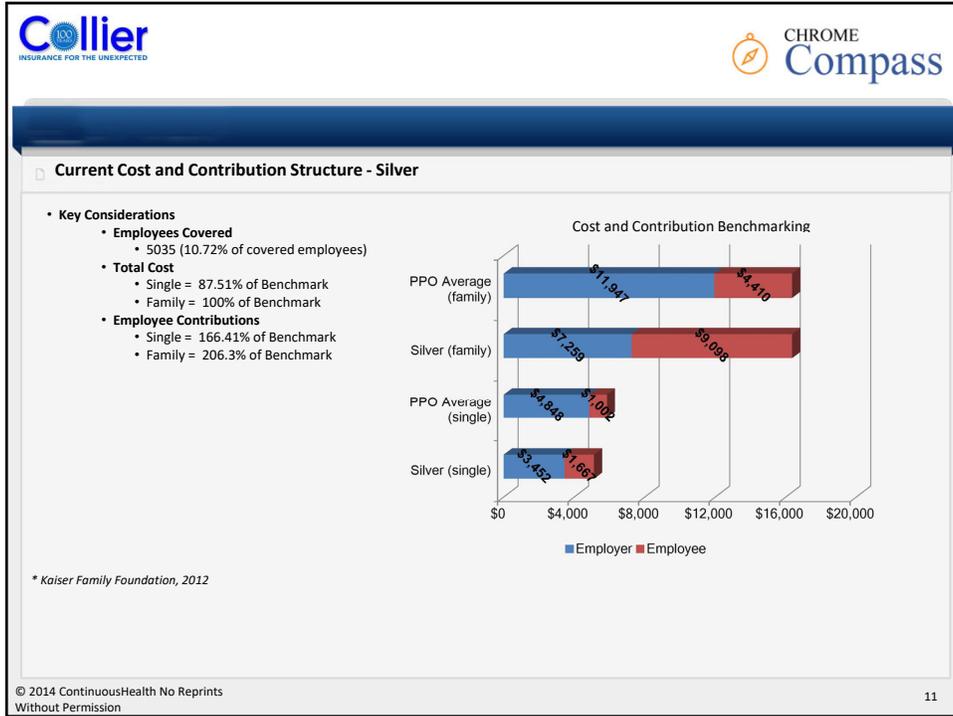
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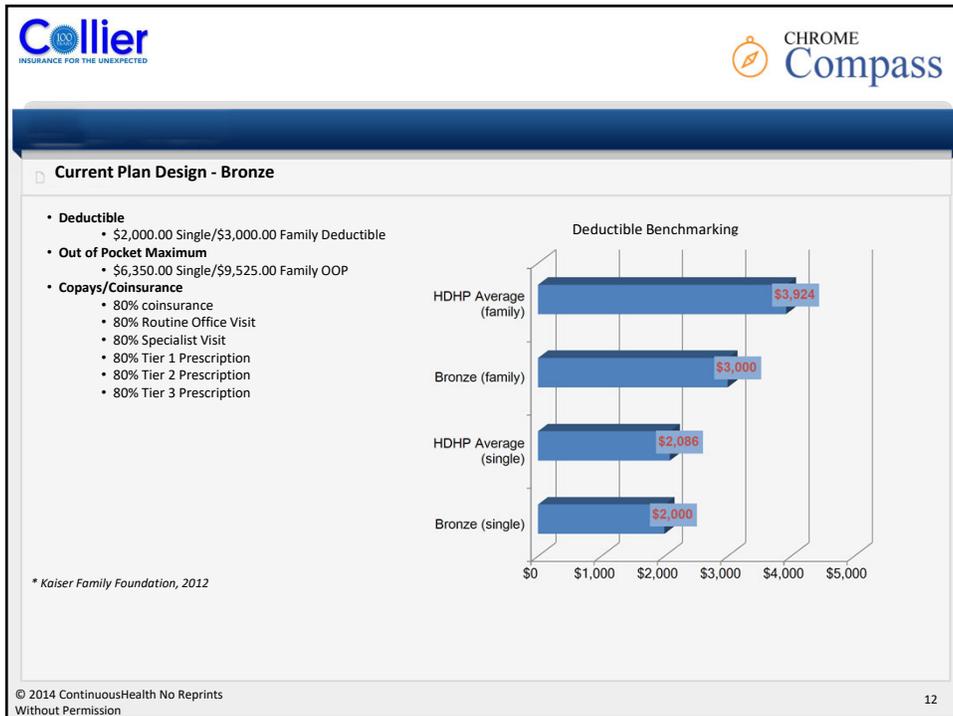
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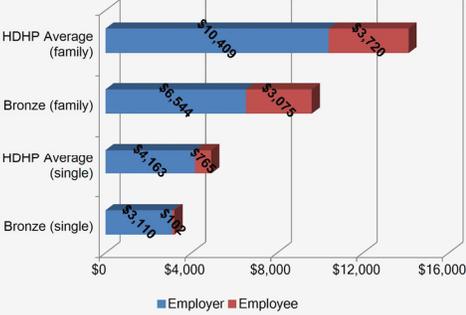
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### Current Cost and Contribution Structure - Bronze

**Key Considerations**

- **Employees Covered**
  - 24024 (51.17% of covered employees)
- **Total Cost**
  - Single = 65.18% of Benchmark
  - Family = 68.07% of Benchmark
- **Employee Contributions**
  - Single = 13.32% of Benchmark
  - Family = 82.65% of Benchmark

#### Cost and Contribution Benchmarking



Plan Type	Employer Contribution	Employee Contribution	Total Cost
HDHP Average (family)	\$10,409	\$3,720	\$14,129
Bronze (family)	\$6,544	\$3,073	\$9,617
HDHP Average (single)	\$4,163	\$769	\$4,932
Bronze (single)	\$3,110	\$109	\$3,219

\* Kaiser Family Foundation, 2012

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### Benefit of pre-tax deductions

**Key Considerations:**

- Individual tax rates are progressive, with the highest income individuals being taxed at a higher rate than the lowest.

**Implications:**

- Higher net worth individuals pay less for their coverage on an after-tax basis.

**Compass Heading:**

- At 600% FPL the tax benefit is \$8.17 greater than at 100% FPL for employee only coverage.
- At 600% FPL the tax benefit is \$205.12 greater than at 100% FPL for family coverage.

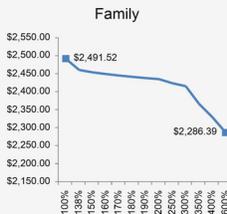
#### Net cost of coverage along FPL

**Employee Only**



FPL Level	Net Cost
100%	\$82.68
600%	\$74.51

**Family**

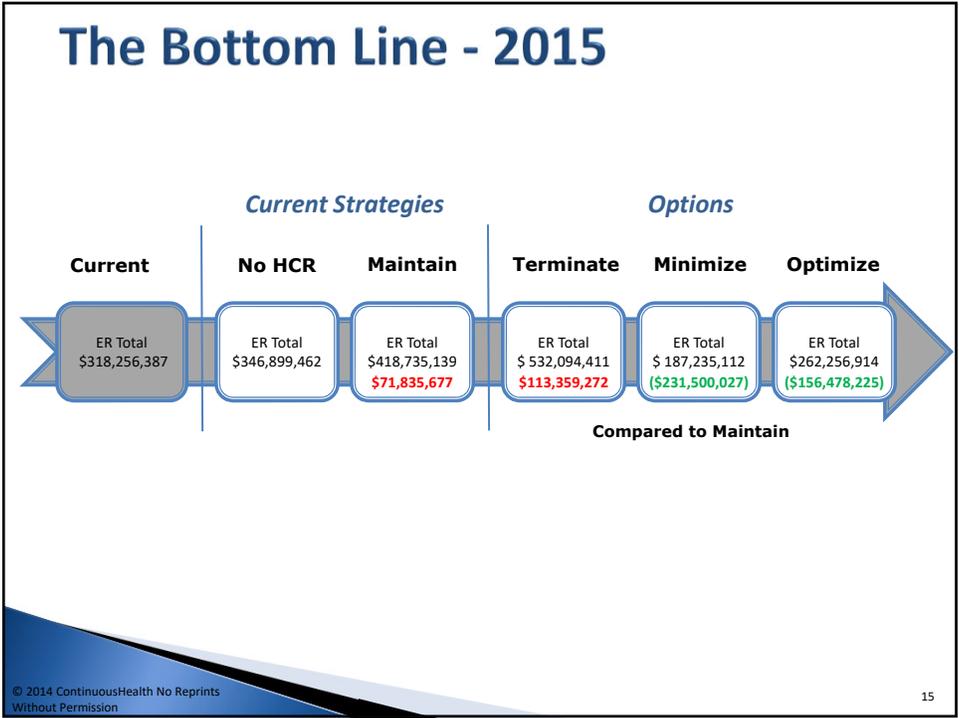


FPL Level	Net Cost
100%	\$2,491.52
600%	\$2,286.39

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### Background

- **Senate Bill**
  - "Patient Protection and Affordable Care Act" P.L. 111-148 - March 23, 2010
- **Reconciliation Bill**
  - "Health Care and Education Reconciliation Act of 2010" P.L. 111-152 - March 30, 2010
- **Staged Implementation**
  - Some Immediate Provisions
  - First Major Employer Milestone First Renewal After Six Month Anniversary of Law's Passage
  - Annual Employer Milestones Thereafter
- **Full Impact of Health Care Reform**
  - State Health Insurance Exchanges are in place in 2014
  - Individuals must have health care coverage or pay penalty in 2014
  - Applies to all full-time employees working average 30 hours per week
  - Employers offer minimum coverage or pay penalty (penalty delayed to 2015)

111th Congress | LEGISLATIVE COUNSEL | Print 111-1  
2d Session

**COMPILATION OF PATIENT PROTECTION AND AFFORDABLE CARE ACT**

(As Amended Through May 1, 2010)

INCLUDING  
PATIENT PROTECTION AND AFFORDABLE CARE ACT  
HEALTH-RELATED PORTIONS OF THE HEALTH CARE AND EDUCATION RECONCILIATION ACT OF 2010

PREPARED BY THE  
Office of the Legislative Counsel  
FOR THE USE OF THE  
U.S. HOUSE OF REPRESENTATIVES



MAY 2010

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### D "Just in Time" Regulations & Guidance

- Over 1,000 places calling for additional regulation or guidance. Many implied but not enumerated (i.e. Tax Change for Adult Dependents)
- So far, most of the regulations and guidance have fallen into one of four buckets:
  - The final bill was relatively clear on the issue and the issued guidance was a **straight-line** interpretation of the bill
  - The legislated requirement may have been cumbersome and difficult to implement. The guidance has been **postponed**.
  - The requirement could have been interpreted either friendly or adverse for employers. The issued guidance was **employer-friendly**.
  - The guidance issued around a requirement was relatively loose and final determination was **deferred to the states**.

Straight Line	Postponed
<ul style="list-style-type: none"> <li>"Fair Access" hours requirement</li> <li>Caps and out-of-pocket limits on individual and small group plans</li> <li>Medical Loss Ratio (MLR) Requirements</li> </ul>	<ul style="list-style-type: none"> <li>Discrimination testing guidance</li> <li>W-2 reporting requirements</li> <li>Auto-enrollment guidance</li> <li>Employer reporting and penalties</li> </ul>
Employer Friendly	Deferred to States
<ul style="list-style-type: none"> <li>Guidance on the "Affordability" measurement</li> <li>Guidance on "Seasonal Employees"</li> <li>Waivers granted to certain employers for Limited Medical plans</li> <li>Guidance on "Measurement" and "Stability" periods</li> <li>Dependent defined to exclude spouses</li> </ul>	<ul style="list-style-type: none"> <li>Definition of "Essential Benefits"</li> <li>Development and operation of the Exchanges</li> <li>Expand provider and health system capacity</li> <li>Medicaid eligibility expansion</li> </ul>

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### D Employer Size Matters

- PPACA adds different requirements for employers, dependent on employer size.
- The determination is based on number of full-time employees (≥ 30 hrs) and full-time equivalents (FTEs).
  - To calculate the number of FTEs: total the number of part-time hours per month divided by 120.
- Common ownership will cause firms to be aggregated for purposes of determining size.
- For "small employers": maximum tax credit of 35% of premium for firms with 10 workers and average wages of \$25K. Credit phases out for up to 25 workers and \$50K in average wages.

**Key Considerations:**

- Is your Eligibility Management System equipped to handle auto-enrollment and increased employer compliance mandates?
- Auto-enrollment will have will have a significant impact on employers who either have current eligibility that's set above 30 hours or a large population of waived employees

<b>Very Large:</b> ≥ 200	<ul style="list-style-type: none"> <li>No employer mandate penalties in 2014</li> <li>Must offer coverage to 70% of FT ees in 2015</li> <li>Must offer coverage to 95% of FT ees in 2016</li> <li>Must auto-enroll benefits (<i>delayed</i>)</li> </ul>
<b>Large:</b> 100 - 200 FTEs	<ul style="list-style-type: none"> <li>No employer mandate penalties in 2014</li> <li>Must offer coverage to 70% of FT ees in 2015</li> <li>Must offer coverage to 95% of FT ees in 2016</li> </ul>
<b>Medium:</b> ≥ 50 - 99 FTEs	<ul style="list-style-type: none"> <li>No employer mandate penalties in 2015</li> <li>Must offer coverage to 95% of FT ees in 2016</li> </ul>
<b>Small:</b> <50 FTEs	<ul style="list-style-type: none"> <li>No employer mandate penalties</li> <li>Can participate in SHOP</li> <li>May be eligible for limited tax credits</li> </ul>

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## New benchmarks and new options

- ▶ Historically, employers had little guidance when establishing the parameters of their benefit plans
- ▶ Health Care Reform has established new “benchmarks” for employer-sponsored health insurance.
- ▶ Leading employers are considering these new benchmarks and new options as they establish long-range plans for their benefit programs.

All Employees  
≥ 30hrs Week

↓

“Fair”  
Employee  
Access

- Expanded Medicaid
- Guarantee Issue Individual
- Public Exchange

→

Alternative  
Sources of  
Insurance

“Acceptable”  
Health  
Coverage

Alternative  
Sources of  
Insurance

“Minimum Value”  
(60%) and  
Compliant Plan  
Design

←

“Affordable”  
Employee  
Contributions

<9.5% of  
Household Income  
*(in 2014, indexes in future years)*

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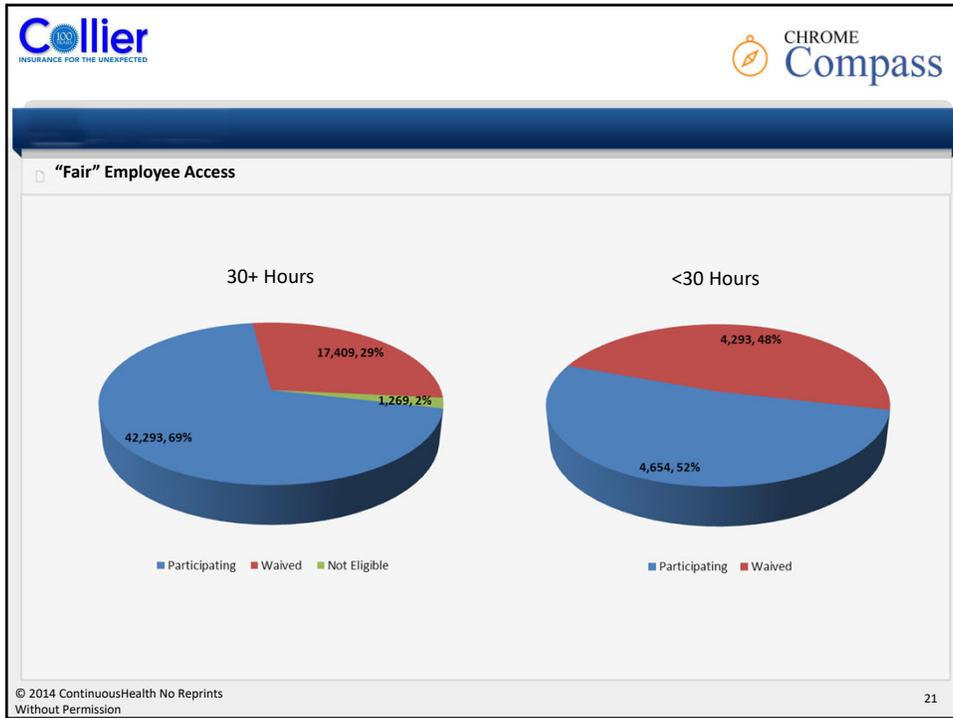
### “Fair” Employee Access

- **Key Considerations:**
  - In 2015, Employers with greater than 50 Full Time Equivalents must offer Minimum Essential Coverage (MEC) to all employees who work an average of 30 or more hours per week (HCR Eligible) within a given month or pay a penalty in the amount of the total number of full time equivalents x \$2,000 per year *(in 2014, indexes in future years)*.
- **Implications:**
  - HCR restricts an employer’s ability to offer different benefits to different populations without paying significant penalties
- **Compass Heading:**
  - It is likely that some percentage of currently waived or ineligible full time employees will enroll in employer sponsored coverage due to individual mandates and differences among employers narrowing (starting in 2014) and to auto-enrollment (likely starting in 2015)
  - 90% of the waived population is assumed to continue waiving and 20% of the ineligible population is assumed to waive future coverage options. With the expansion of Medicaid, all Medicaid eligible are assumed to elect Medicaid, unless otherwise indicated.
  - The chart to the right excludes retirees.

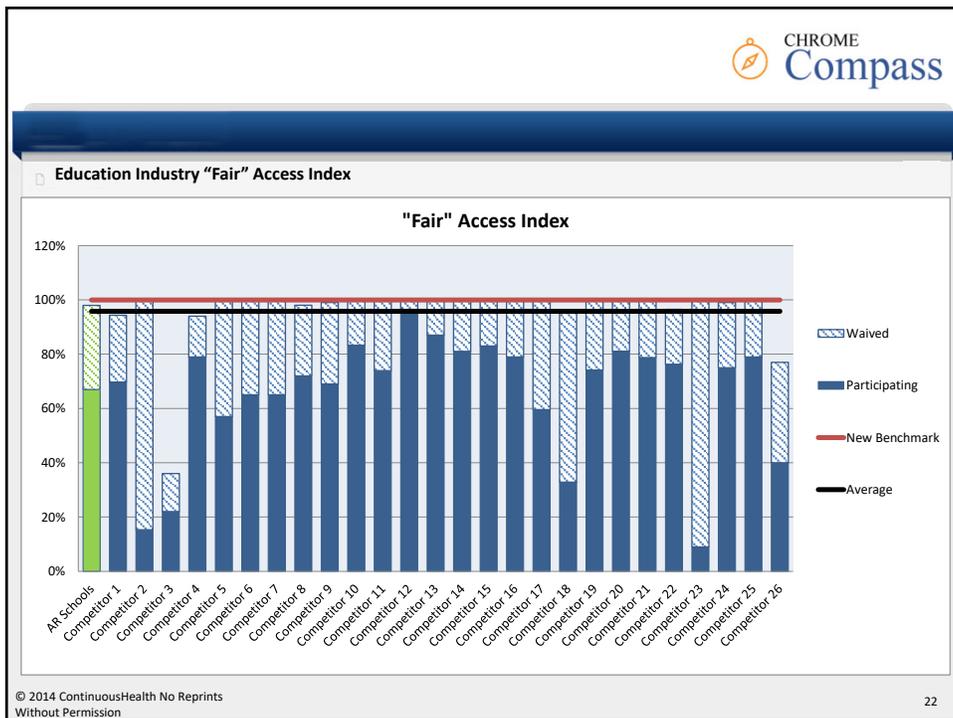
#### “Fair” Access Index

Category	Count	Percentage
Participating	46,947	67%
Waived	21,702	31%
Not Eligible	1,269	2%

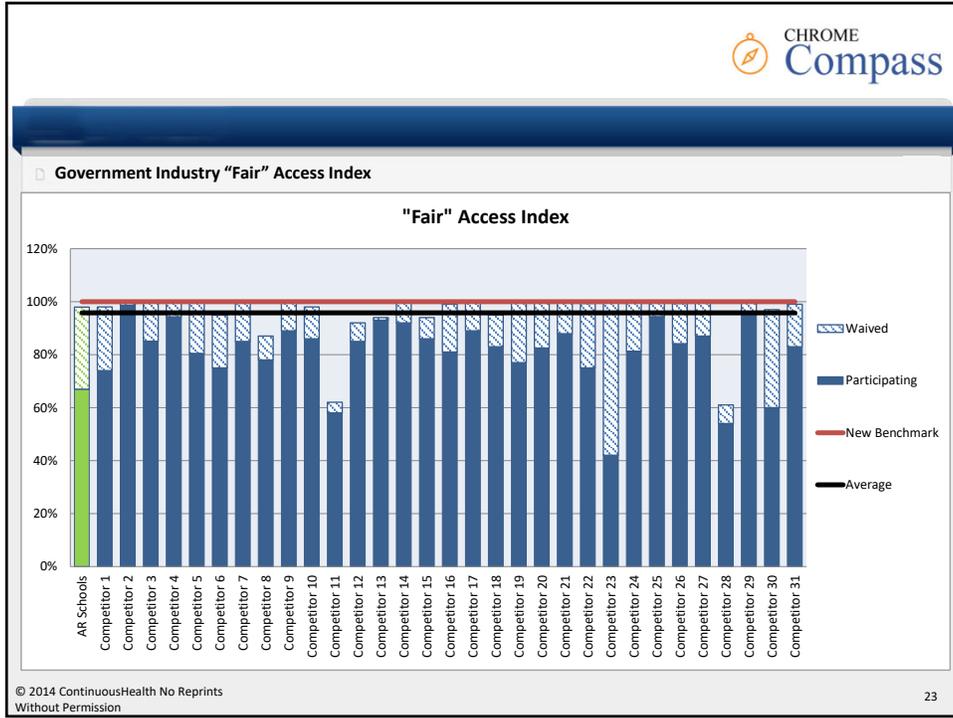
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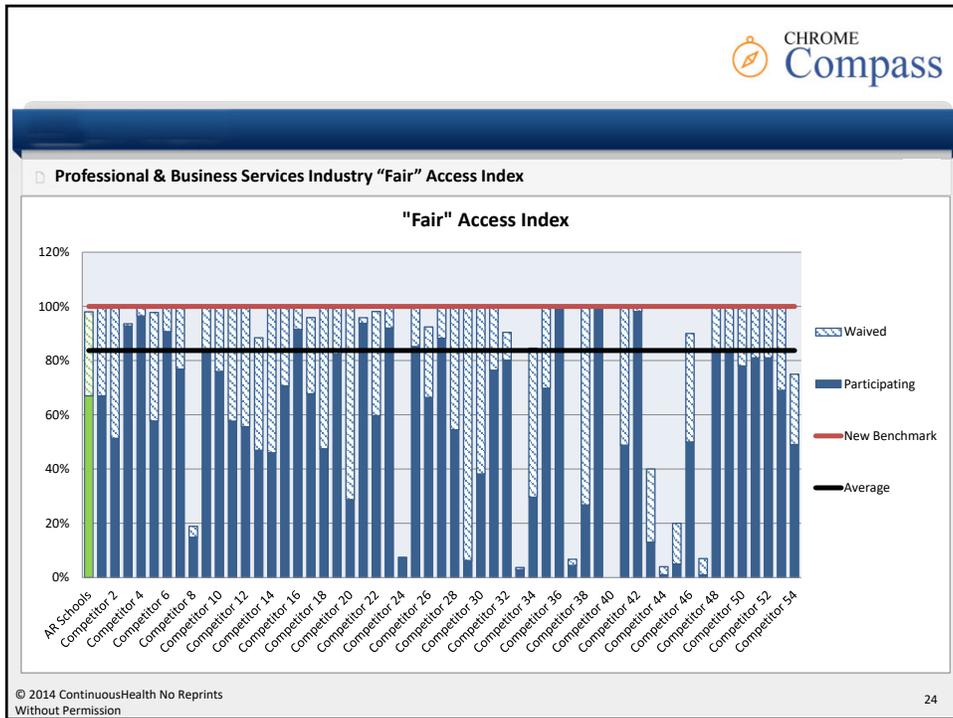
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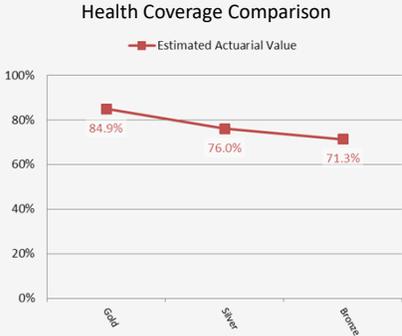



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**"Acceptable" Health Coverage**

- **Key Considerations:**
  - HCR will increase mandated coverages and establish limits on cost sharing for employees. Minimum Essential Coverage (MEC) must be provided to avoid penalties. Standards for Medical Loss Ratio (MLR) will be established for fully-insured plans.
  - In order to be considered "Acceptable Coverage", an employer sponsored plan must pay (on average) 60% of the costs of benefits provided. This is referred to as a plan's actuarial value.
  - Employers should consider the value of any plan's offered to optimize cost and risk. When evaluating "pay or play scenarios" employers should consider the value of the plans offered in the scenario and use this information to adjust the forecasted costs accordingly.
- **Compass Heading**
  - Average aggregate actuarial value for all employees currently enrolled in a plan is 76.88%

**Health Coverage Comparison**



Plan Type	Estimated Actuarial Value
Gold	84.9%
Silver	76.0%
Bronze	71.3%

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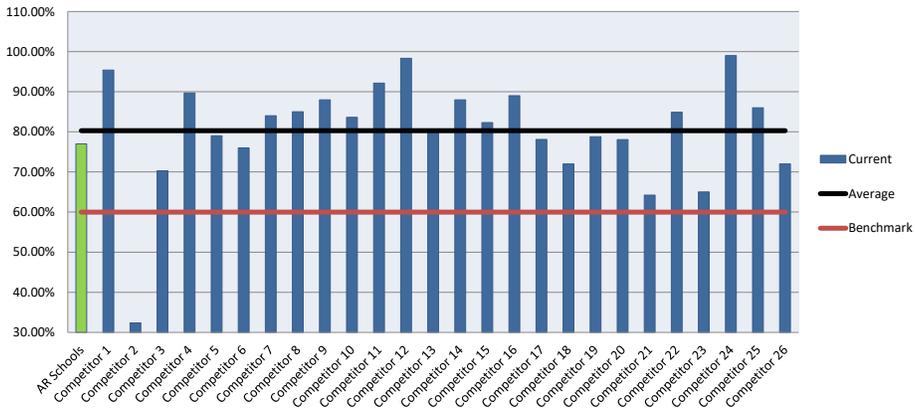
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**Education Industry "Acceptable" Coverage Index**

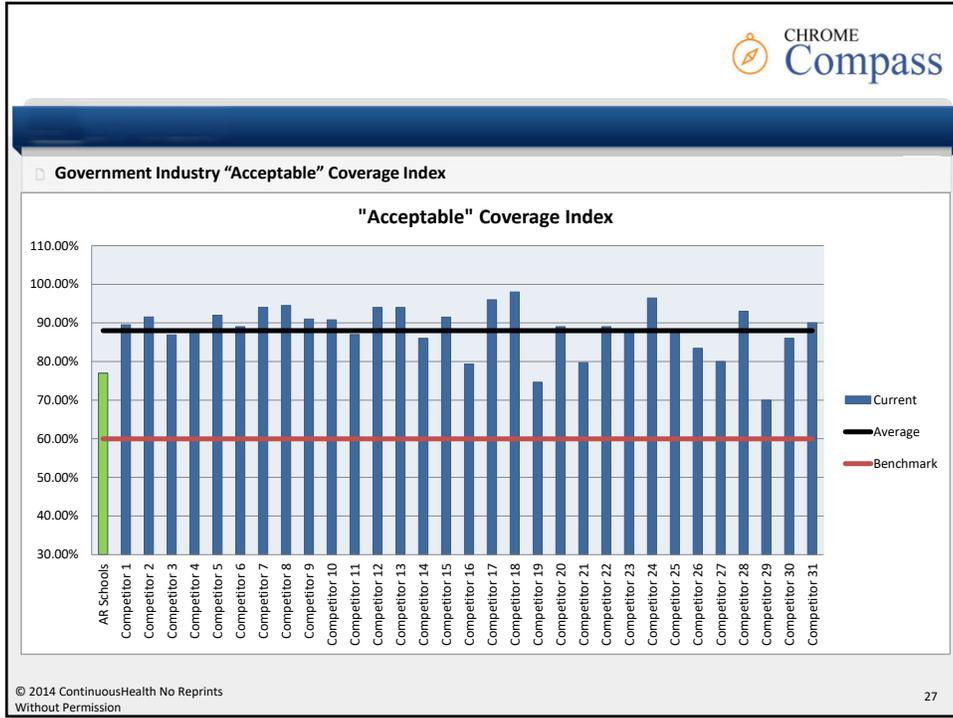
**"Acceptable" Coverage Index**



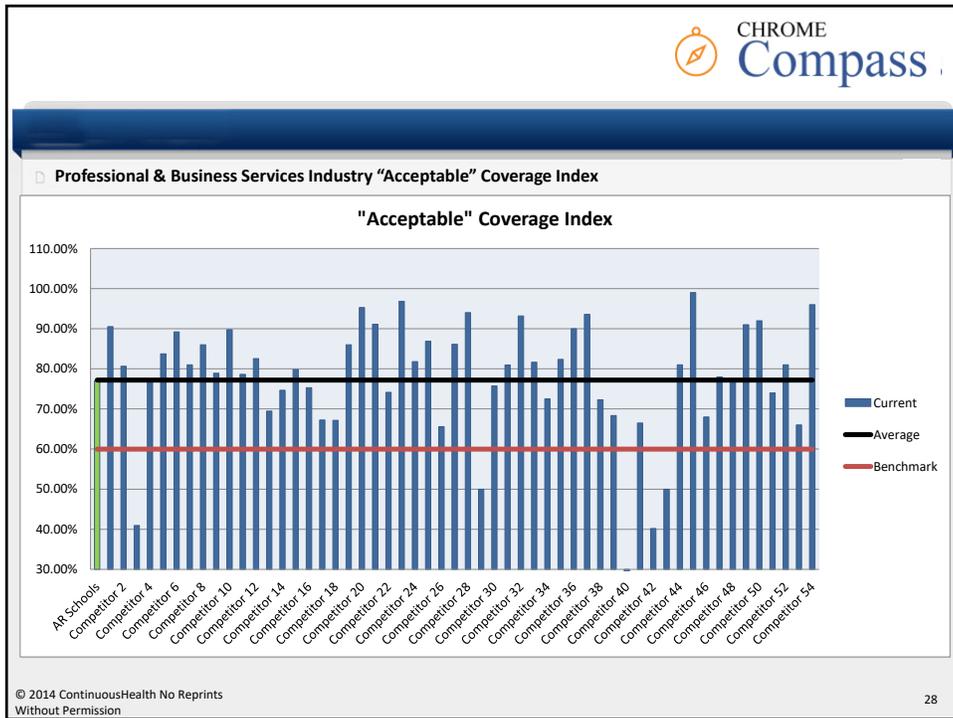
Competitor	Current Coverage Index (%)
All Schools	76.88
Competitor 1	95
Competitor 2	32
Competitor 3	70
Competitor 4	90
Competitor 5	78
Competitor 6	75
Competitor 7	84
Competitor 8	85
Competitor 9	88
Competitor 10	84
Competitor 11	92
Competitor 12	98
Competitor 13	80
Competitor 14	88
Competitor 15	82
Competitor 16	89
Competitor 17	78
Competitor 18	72
Competitor 19	78
Competitor 20	77
Competitor 21	65
Competitor 22	85
Competitor 23	65
Competitor 24	98
Competitor 25	85
Competitor 26	72

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# Actuarial value plan sampling

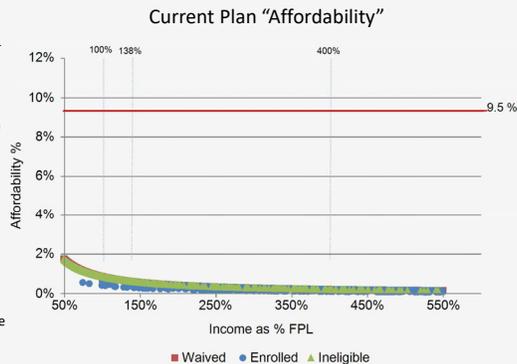
Sample Plan #1	Platinum Plan (90% AV)	Sample Plan #2	Gold Plan (80% AV)	Sample Plan #3	Silver Plan (70% AV)	Sample Plan #4	Bronze Plan (60% AV)
Deductible	\$250	Deductible	\$500	Deductible	\$2,000	Deductible	\$3,000
Coins.	0%	Coins.	25%	Coins.	30%	Coins.	50%
OOP Max	\$750	OOP Max	\$3,000	OOP Max	\$5,000	OOP Max	\$6,350
PCP/ Specialist	\$30 / \$60	PCP/ Specialist	\$25 / \$65	PCP/ Specialist	\$40 / \$65	PCP/ Specialist	50% after deductible
Rx	\$15/\$30/\$55/ 50% after ded. \$200 max	Rx	\$15/\$40/\$60/ 50% after ded. \$200 max	Rx	\$25/\$35/\$60/ 50% after ded. \$200 max	Rx	50% after medical ded.

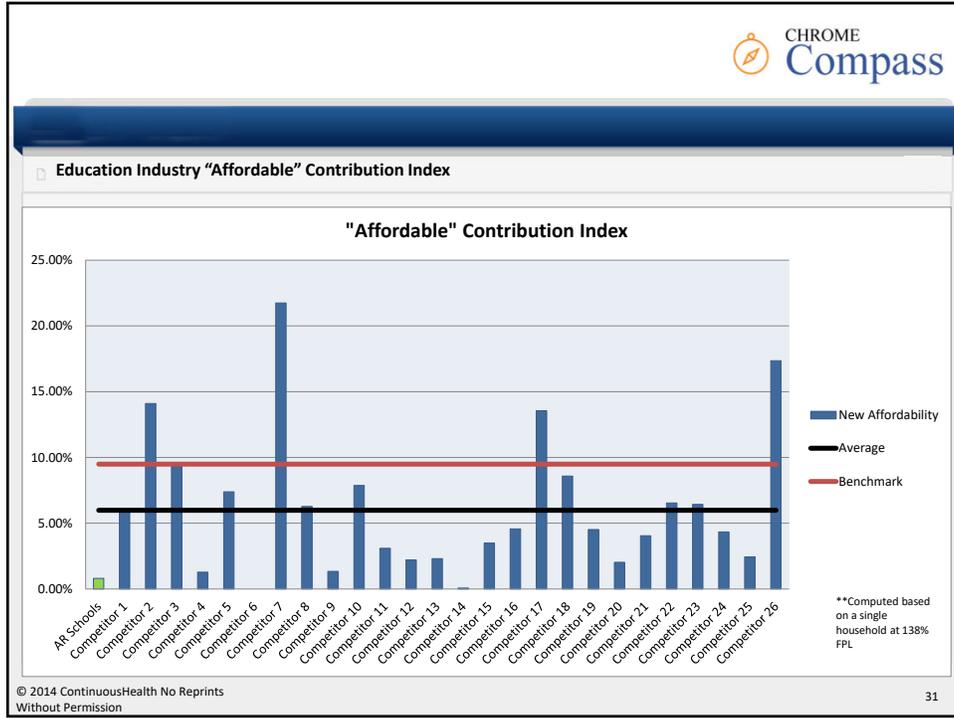
- ▶ Actuarial value is a measure that indicates the percent of covered medical expenditures that a plan is likely to pay, based on the cost sharing provisions. For example, an actuarial value of 60% means that a health plan is estimated to pay 60% of covered medical expenses for a standard population.
- ▶ **Compass Heading:**
  - ▶ The table above shows some sample cost-sharing provisions that would correspond to each of the proposed AV standards, although many other plan designs would also be allowed.



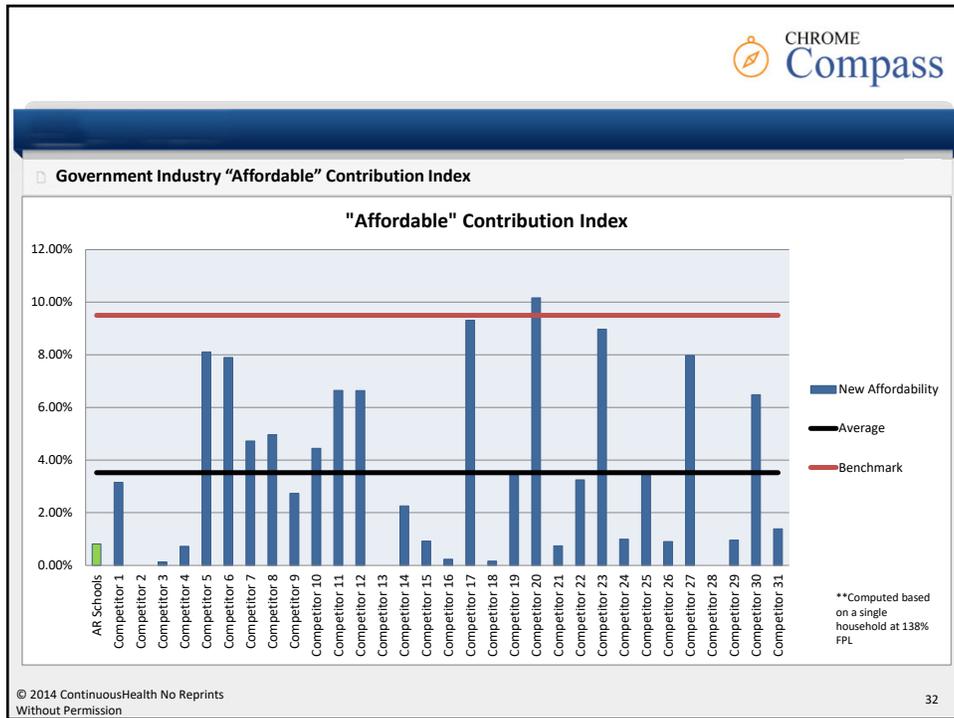
## Employee Affordability

- **Key Considerations:**
  - Employees will have access to subsidies in the Public Health Insurance Exchange (PHIE) even if their employer offers MEC if their required contribution for that plan exceeds 9.5% of their modified adjusted gross household income (MAGHI).
- **Implications:**
  - In 2015, if employees enroll in the PHIE (and receive a subsidy), a "Large" employer will pay a penalty. The penalty amount of \$3,000 per employee penalty indexes in years after 2014, and is capped at a max of \$2,000 (also indexed) times all employees
- **Compass Heading:**
  - This slide shows where employees are anticipated to be in relation to the 9.5% affordability scale.
  - Note that "affordability" is measured based on the current plan with at least a 60% AV with the lowest employee contribution rate for single coverage, and coverage tiers are used as a proxy for family size (since FPL increases per family size).
  - Currently waived and ineligible employees are placed in coverage tiers according to average national household composition data.
  - Current average employee only contribution is 0.6% of household income for a single household at 138% FPL

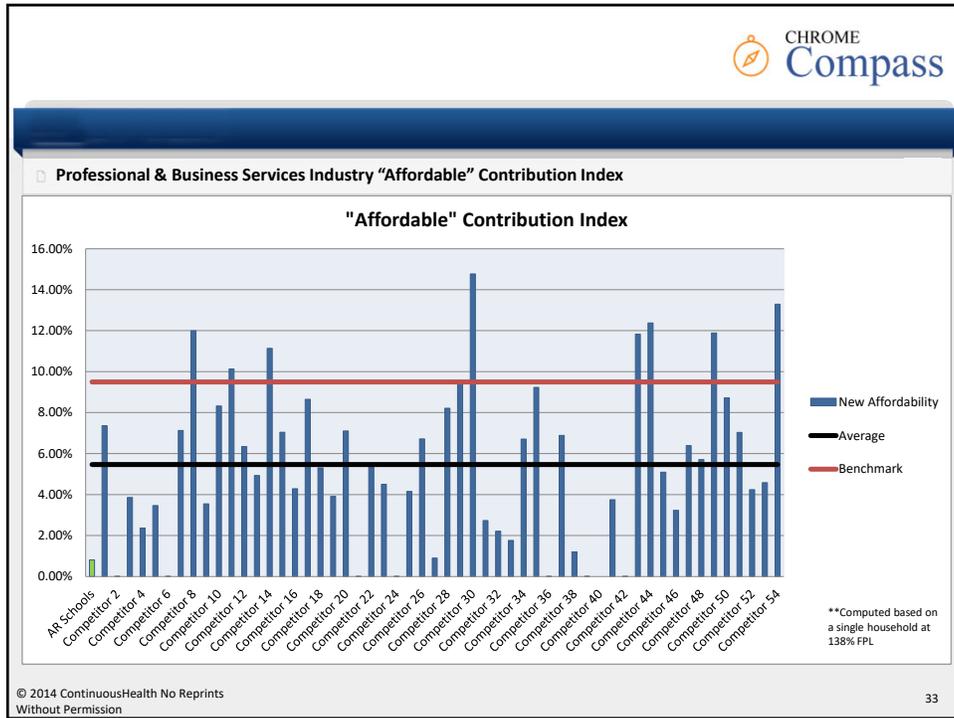




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**2014 Federal Poverty Guidelines**

**Key Considerations:**

- The Federal Poverty Guidelines are issued in January each year by the Department of Health and Human Services. They are used for administrative purposes, such as determining eligibility for government assistance programs.

**Implications:**

- The Federal Poverty Line (FPL) increases with each additional household member.

**Compass Heading:**

- Health Care Reform has established 9.5% of MAGHI as an "affordable" employee contribution.
- According to the 2012 Employer Health Benefits Survey published by the Kaiser Family Foundation, the average employee contribution ranges from \$62 to \$93 for single coverage and \$310 to \$381 for family coverage.
- On average, current employee contributions toward single coverage are considered "affordable" even for expanded Medicaid eligible individuals.

Persons in Family	100%	138%	9.5% of 138% (monthly)	400%
1	\$11,670	\$16,105	\$127	\$46,680
2	\$15,730	\$21,707	\$172	\$62,960
3	\$19,790	\$27,310	\$216	\$79,160
4	\$23,850	\$32,913	\$261	\$95,400
Each additional household member	\$4,060	\$5,603		\$16,240

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## New Options – Individual Market Reforms

- ▶ **Current State of Individual Market**
  - Provided by major carriers with access to same networks as group insurance
  - “Medical Underwriting” allowed in all but five states
    - Can be denied for pre-existing conditions
    - Can be charged a higher rate because of health history
    - Older individuals charged six times young individuals
  - Some policies are rescinded after issue because of errors on application
  - Inefficient distribution through independent brokers or carrier direct web sites
- ▶ **Overhaul of Individual Market Complete in 2014**
  - Still private insurance although plan designs and loss ratios regulated
  - All Plans “Guarantee Issue”
  - No “Rate-ups” except for tobacco use, regional cost variations and age
  - Mandatory distribution through Public Health Insurance Exchanges
- ▶ **Implication:**
  - Many of the elements that make individual health insurance undesirable will be eliminated by 2014.




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### “Individual” Tax Credits

- **Key Considerations:**
  - Today, the government provides subsidies for health insurance in the form of pre-tax treatment for employer sponsored benefits.
  - In 2014, some employees who make less than 400% of the Federal Poverty Line will be able to access government subsidies through the Public Health Insurance Exchange.
- **Implications:**
  - Employers need to consider how employees access government subsidies as a part of their overall strategy for offering benefits.
- **Compass Heading:**
  - Generally, most lower paid employees will be better off on tax subsidized individual coverage while most higher paid employees will be better off staying on employer group coverage.

**Federal Tax Credits**

Employer Provided Insurance	Individual Health Insurance Exchange
EE Deduction (Sec 125)	Cost Sharing Subsidies
ER Exclusion / Deduction (Sec 105, 106, 162)	Premium Credits



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**Public Health Insurance Exchanges**

- Key Considerations:**
  - In the exchange, some individuals will be able to access Premium Credits and Out of Pocket Subsidies that will reduce their overall cost of healthcare
  - Employees >100% and <400% of the FPL will have access to varying levels of subsidies .
  - Employees <138% of the FPL will potentially be eligible for Medicaid, if their state chooses to expand Medicaid eligibility.
  - In states that do not expand eligibility, employees >100% of the FPL will have access to subsidies and employees <100% of the FPL may or may not have access to coverage other than group.
- Implications:**
  - Employers need to consider how employees access government subsidies as a part of their overall strategy for offering benefits.
- Compass Heading:**
  - Many employees will be able to access coverage that is better than the current group plan if they are eligible for individual tax credits and cost sharing subsidies.

**Tax Credit Guidelines**

Federal Poverty Level	Max Premium as % of AGHI	Estimated Plan Actuarial Value
<100%	0%	100%
100% - 138%	2%	100%
139% - 150%	3.0% - 4.0%	94%
151% - 200%	4.0% - 6.3%	87%
201% - 250%	6.3% - 8.05%	73%
251% - 300%	8.05% - 9.5%	70%
301% - 400%	9.5%	70%
>400%	unlimited	60%

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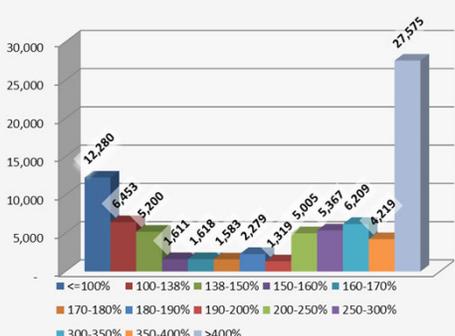



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**Employee Modified Adjusted Gross Household Income Distribution**

- Key Considerations:**
  - Employees >100% and <400% of the FPL will have access to varying levels of subsidies .
  - Employees <138% of the FPL will potentially be eligible for Medicaid, if their state chooses to expand Medicaid eligibility.
  - In states that do not expand eligibility, employees >100% of the FPL will have access to subsidies and employees <100% of the FPL may or may not have access to coverage other than group.
- Implications:**
  - In 2015 if an employee receives a subsidy, a "Large" employer will pay a penalty of \$3,000 per employee up to a max of \$2,000 times all employees.
  - There is no penalty for the employer if the employee is eligible for Medicaid.
- Compass Heading:**
  - This slide shows where employees' anticipated AGHI currently fall in relation to the FPL.

**AGHI Distribution by FPL**

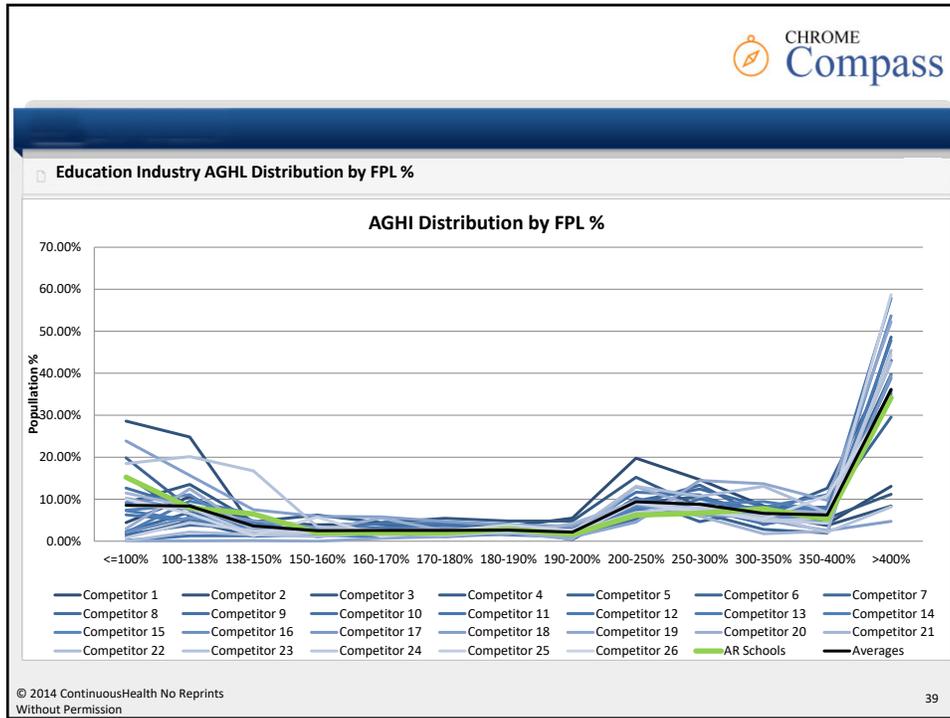


FPL Category	AGHI Value
<=100%	12,280
100-138%	8,453
138-150%	5,200
150-160%	4,511
160-170%	1,618
170-180%	1,583
180-190%	2,279
190-200%	1,310
200-250%	5,005
250-300%	5,367
300-350%	6,268
350-400%	4,219
>400%	21,575

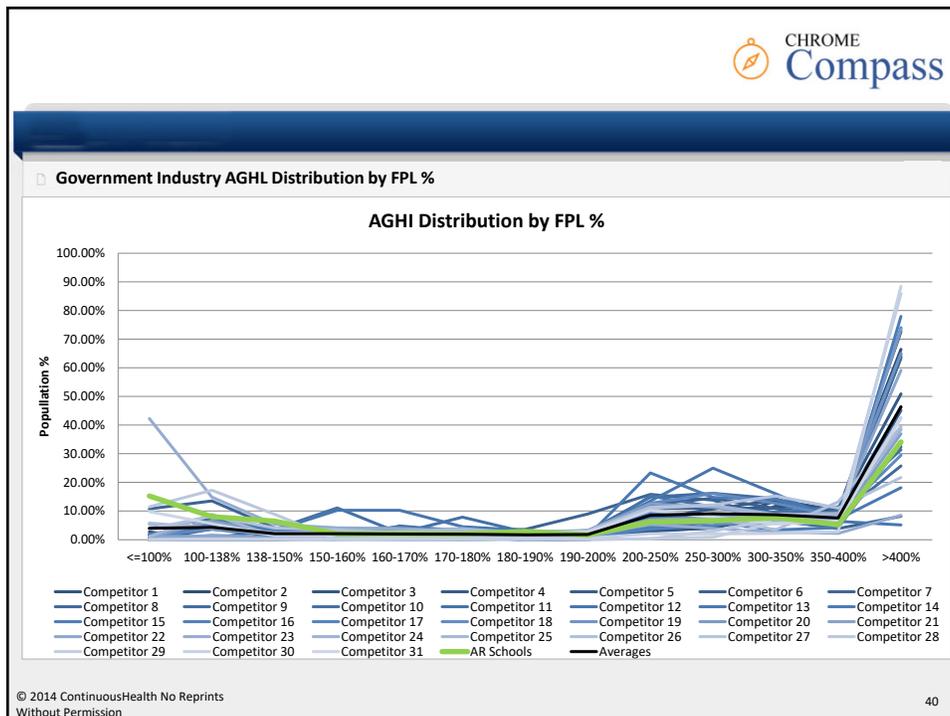
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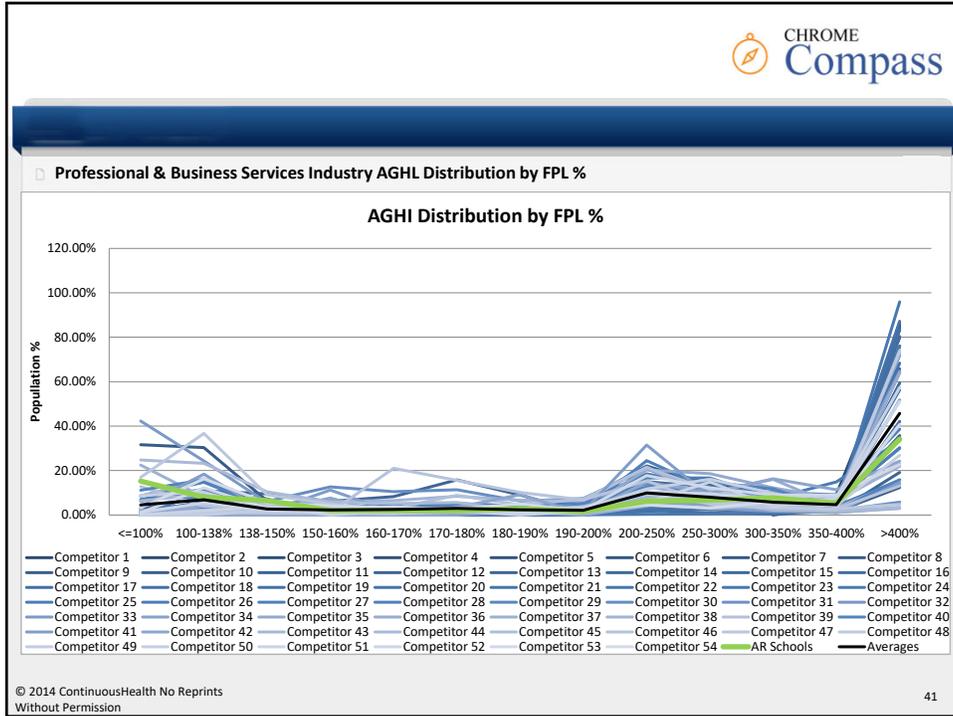
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**Individual Tax Credit/Cost Sharing Subsidy Eligibility**

- Key Considerations:**
  - Individual access to the Exchange will be based upon a combination of factors.
  - Employed individuals who have access to affordable coverage that meets minimum requirements will not be able to receive subsidies on the Exchange regardless of their income level.
- Implications:**
  - Should an employer offer a plan that meets MEC, low employee contributions may preclude employees from accessing subsidies on the Exchange.
- Compass Heading:**
  - What the employer offers, and how they price it, has everything to do with whether or not employees will be able to access the tax credits and cost sharing subsidies through the exchange.

**Tax Credit Access (if AGHI <400% FPL)**

```

    graph TD
      Q1{Employed?} -- No --> Eligible
      Q1 -- Yes --> Q2{Access to "Acceptable" Coverage?}
      Q2 -- No --> Eligible
      Q2 -- Yes --> Q3{Access to "Affordable" Coverage?}
      Q3 -- No --> Eligible
      Q3 -- Yes --> NotEligible
  
```

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D **Expanded Medicaid Eligible Employee Example**

- **Key Considerations:**
  - Premium Credits will have the effect of capping an individual's expenditure on health insurance.
  - Subsidies will have the effect of decreasing the out-of-pocket expenditures for employees (and their families).
- **Implications:**
  - Employees (if they are eligible for subsidies) will need to evaluate their coverage options in terms of their projected use of healthcare.
- **Compass Heading:**
  - In the example to the right, the employee receives 23% more of their average health expenditures covered for \$1,834 less premium per year.

Employee Profile	
Age	75
Salary	\$15,980.68
Current Coverage Level	Employee Only
Projected Coverage Level	Employee Only
Est. AGHI	\$15,980.68
% Est. AGHI to FPL	134.25%

Employee View	Gross Premium	Net Premium	Est. AV
Group	\$762.83	\$610.33	76%
Exchange	\$1,200.00	\$0	96%
Comparison	\$437.17	(\$610.33)	20%

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D **Subsidy Eligible Employee Example**

- **Key Considerations:**
  - Premium Credits will have the effect of capping an individual's expenditure on health insurance.
  - Subsidies will have the effect of decreasing the out-of-pocket expenditures for employees (and their families).
- **Implications:**
  - Employees (if they are eligible for subsidies) will need to evaluate their coverage options in terms of their projected use of healthcare.
- **Compass Heading:**
  - In the example to the right, the employee receives 23% more of their average health expenditures covered for \$1,834 less premium per year.

Employee Profile	
Age	49
Salary	\$12,566
Current Coverage Level	Family
Projected Coverage Level	Family
Est. AGHI	\$33,804
% Est. AGHI to FPL	138.96%

Employee View	Gross Premium	Net Premium	Est. AV
Group	\$3,599	\$2,875	71%
Exchange	\$16,011	\$1,041	94%
Comparison	\$12,411	(\$1,834)	23%

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**Non-Subsidy Eligible Employee Example**

- **Key Considerations:**
  - Employees not eligible for Premium Credits or Subsidies will be forced to buy relatively expensive Exchange coverage with after tax dollars.
- **Implications:**
  - Many higher wage earners will be far better off on employer-sponsored coverage.
- **Compass Heading:**
  - In the example to the right, the employee receives 2% less of their average health expenditures covered for \$12,257 more per year.

Employee Profile	
Age	58
Salary	\$81,816
Current Coverage Level	Employee and Children
Projected Coverage Level	Employee and Children
Est. AGHI	\$81,816
% Est. AGHI to FPL	405.31%

Employee View	Gross Premium	Net Premium	Est. AV
Group	\$5,197	\$3,992	72%
Exchange	\$16,249	\$16,249	70%
Comparison	\$11,052	\$12,257	(2%)

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**Medicare Eligible Retiree Example**

- **Key Considerations:**
  - Employees not eligible for Premium Credits or Subsidies will be forced to buy relatively expensive Exchange coverage with after tax dollars.
- **Implications:**
  - Many higher wage earners will be far better off on employer-sponsored coverage.
- **Compass Heading:**
  - In the example to the right, the employee receives 2% less of their average health expenditures covered for \$12,257 more per year.

Employee Profile	
Age	73
Salary	\$28,000.00
Current Coverage Level	Employee and Spouse
Projected Coverage Level	Employee and Spouse
Est. AGHI	\$44,520.00
% Est. AGHI to FPL	277.48%

Employee View	Gross Premium	Net Premium	Est. AV
Current	\$9,084.84	\$7,200.58	85%
Exchange	\$2,400.00	\$2,400.00	96%
Comparison	(\$6,684.84)	(\$4,800.58)	11%

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### D Medicare Eligible Retiree Example

- **Key Considerations:**
  - Employees not eligible for Premium Credits or Subsidies will be forced to buy relatively expensive Exchange coverage with after tax dollars.
- **Implications:**
  - Many higher wage earners will be far better off on employer-sponsored coverage.
- **Compass Heading:**
  - In the example to the right, the employee receives 2% less of their average health expenditures covered for \$12,257 more per year.

Employee Profile	
Age	73
Salary	\$28,000.00
Current Coverage Level	Employee and Spouse
Projected Coverage Level	Employee and Spouse
Est. AGHI	\$44,520.00
% Est. AGHI to FPL	277.48%

Employee View	Gross Premium	Net Premium	Est. AV
Current	\$9,084.84	\$7,200.58	85%
Exchange	\$2,400.00	\$2,400.00	96%
Comparison	(\$6,684.84)	(\$4,800.58)	11%

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### D Non-Medicare Eligible Retiree Example

- **Key Considerations:**
  - Employees not eligible for Premium Credits or Subsidies will be forced to buy relatively expensive Exchange coverage with after tax dollars.
- **Implications:**
  - Many higher wage earners will be far better off on employer-sponsored coverage.
- **Compass Heading:**
  - In the example to the right, the employee receives 2% less of their average health expenditures covered for \$12,257 more per year.

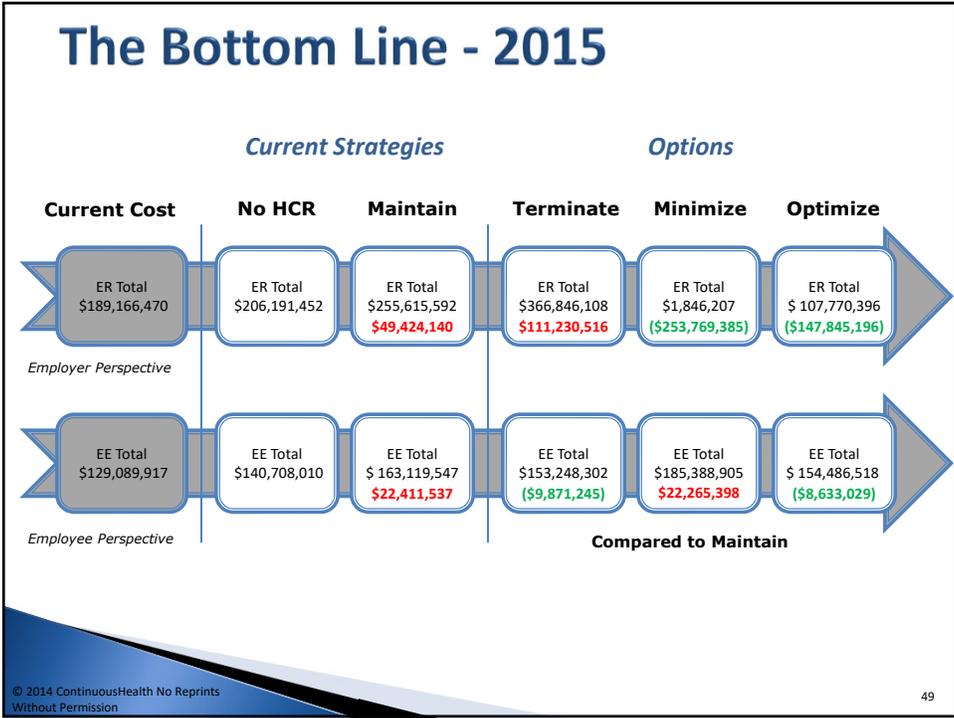
Employee Profile	
Age	64
Salary	\$28,000.00
Current Coverage Level	Employee and Spouse
Projected Coverage Level	Employee and Spouse
Est. AGHI	\$44,520.00
% Est. AGHI to FPL	277.48%

Employee View	Gross Premium	Net Premium	Est. AV
Current	\$17,789.58	\$14,099.89	85%
Exchange	\$18,049.09	\$3,938.60	70%
Comparison	\$259.51	(\$10,161.29)	(15%)

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## Strategic Action Plans

- ▶ The output of CHROME Compass is a multi-year plan designed to “optimize” your position in terms of the points of the compass.
- ▶ Leading employers are making incremental changes to their allocation of compensation dollars to avoid radical changes.

“Fair”  
Employee  
Access

“Affordable”  
Employee  
Contributions

“Acceptable”  
Health  
Coverage

Alternative  
Sources of  
Insurance

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## Action plan – “Fair” employee access

Strategies	Arkansas Public Schools	Considerations
Adjust retiree access	Currently offer coverage to retirees on a voluntary basis at active employee rates	The retiree population claim experience is 131% of active employees
Medical plan eligibility limited by average number of hours	Part-time employees in some districts currently have access to the medical plan (with employer contribution)	The part-time population claim experience is 116% of active employees
Conduct full documentation verification for dependents	Dependent counts have been growing steadily from a ratio of 1.45 in 2011 to 1.54 in 2014	5-12% of dependents enrolled in group coverage don't meet eligibility criteria
Include special provisions concerning coverage for spouses with other coverage available	Spousal participation has grown from 9.1% in 2011 to 12.6% in 2014	21% of all employers have this type of provision with projections indicating 46% will by 2016

## Action plan – “Acceptable” health coverage

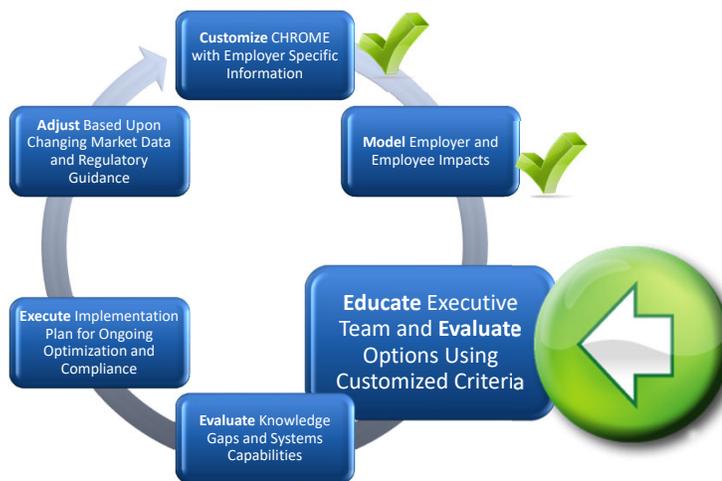
Strategies	Arkansas Public Schools	Considerations
Multiple plan choices lead to increased employee satisfaction, even with cost-shifting	Currently offer 3 plan choices, without sufficient spread	More plan choices require more control over employee contributions and increased investment in employee education
Single plan choice arrangements are easier to control, but likely reduce employee satisfaction	57% of current enrolled population have elected to pay more for richer coverage	Single plan choice arrangements ease the risk of varying contribution strategies across districts
Many employers are reallocating health plan funding into HSAs	Current plan funding is insufficient to reallocate dollars to non-claimants	The limits defined by ACA restrict the plan's ability to free up enough dollars

## Action plan – “Affordable” contributions

Strategies	Arkansas Public Schools	Considerations
Gradually adjust employee contributions to optimize expanded Medicaid opportunity	Currently offers coverage to approximately 18,000 expanded Medicaid eligible employees at \$11 per month	Low employee contributions will inhibit employees from taking advantage of their expanded Medicaid options
Many employers are moving to a defined contribution approach to funding	Currently offers different contributions for different plans and different tiers within the plans	Defined contribution simplifies plan pricing but will result in large compensation reductions for employees with families
For a multi-option strategy to succeed, higher actuarial value plans should be priced higher	Local school districts’ ability to contribute in excess of \$150 skews plan pricing	Reallocate excess contributions to either compensation or other benefits that do not adversely affect the medical plan

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## The CHROME Process



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# Additional Slides




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### D Cadillac Plan Excise Tax - Gold

**Key Considerations:**

- Starting in 2018, a 40% excise tax will be levied on the total premium cost of employer-provided health coverage that exceeds certain thresholds (i.e., \$10,200 for single and \$27,500 for non-single coverage, subject to a special one-time adjustment in 2018, non-medical COLA adjustments thereafter, and special rules for certain employees including those subject to collective bargaining agreements).
- Total premium cost includes employee and employer contributions for most types of group health plan coverage, with exclusions for stand-alone dental and vision coverage, long-term care, and certain types of excepted benefits (but not employer-paid hospital indemnity and critical illness type coverage).
- Employers should keep in mind that the calculation includes other group benefits, such as FSA, that will cause them to reach the thresholds faster.

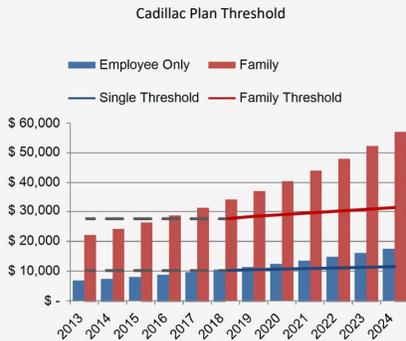
**Implications:**

- Since post-2018 thresholds are not tied to medical inflation, almost all employers will eventually become subject to the excise tax which will raise the cost of providing coverage.
- Employers will need to monitor their plan costs and consider plan containment strategies to mitigate the impact of future excise taxes.

**Compass Heading:**

- If current plan design is maintained, it is anticipated that in 2018 single coverage will exceed thresholds by \$263 and family coverage will exceed thresholds by \$6,502.

**Cadillac Plan Threshold**



Year	Employee Only	Family	Single Threshold	Family Threshold
2013	\$8,000	\$20,000	\$10,200	\$27,500
2014	\$8,500	\$22,000	\$10,200	\$27,500
2015	\$9,000	\$24,000	\$10,200	\$27,500
2016	\$9,500	\$26,000	\$10,200	\$27,500
2017	\$10,000	\$28,000	\$10,200	\$27,500
2018	\$10,500	\$30,000	\$10,400	\$27,700
2019	\$11,000	\$32,000	\$10,600	\$27,900
2020	\$11,500	\$34,000	\$10,800	\$28,100
2021	\$12,000	\$36,000	\$11,000	\$28,300
2022	\$12,500	\$38,000	\$11,200	\$28,500
2023	\$13,000	\$40,000	\$11,400	\$28,700
2024	\$13,500	\$42,000	\$11,600	\$28,900

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**D Cadillac Plan Excise Tax - Silver**

**Key Considerations:**

- Starting in 2018, a 40% excise tax will be levied on the total premium cost of employer-provided health coverage that exceeds certain thresholds (i.e., \$10,200 for single and \$27,500 for non-single coverage, subject to a special one-time adjustment in 2018, non-medical COLA adjustments thereafter, and special rules for certain employees including those subject to collective bargaining agreements).
- Total premium cost includes employee and employer contributions for most types of group health plan coverage, with exclusions for stand-alone dental and vision coverage, long-term care, and certain types of excepted benefits (but not employer-paid hospital indemnity and critical illness type coverage).
- Employers should keep in mind that the calculation includes other group benefits, such as FSA, that will cause them to reach the thresholds faster.

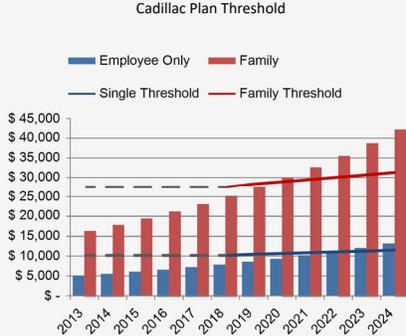
**Implications:**

- Since post-2018 thresholds are not tied to medical inflation, almost all employers will eventually become subject to the excise tax which will raise the cost of providing coverage.
- Employers will need to monitor their plan costs and consider plan containment strategies to mitigate the impact of future excise taxes.

**Compass Heading:**

- If current plan design is maintained, it is anticipated that in 2018 single coverage will be less than thresholds by \$2,322 and family coverage will be less than thresholds by \$2,333.

**Cadillac Plan Threshold**



Year	Employee Only	Family
2013	\$5,000	\$15,000
2014	\$5,000	\$17,000
2015	\$5,000	\$19,000
2016	\$5,000	\$21,000
2017	\$5,000	\$23,000
2018	\$5,000	\$25,000
2019	\$5,000	\$27,000
2020	\$5,000	\$29,000
2021	\$5,000	\$31,000
2022	\$5,000	\$33,000
2023	\$5,000	\$35,000
2024	\$5,000	\$37,000

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**D Cadillac Plan Excise Tax - Bronze**

**Key Considerations:**

- Starting in 2018, a 40% excise tax will be levied on the total premium cost of employer-provided health coverage that exceeds certain thresholds (i.e., \$10,200 for single and \$27,500 for non-single coverage, subject to a special one-time adjustment in 2018, non-medical COLA adjustments thereafter, and special rules for certain employees including those subject to collective bargaining agreements).
- Total premium cost includes employee and employer contributions for most types of group health plan coverage, with exclusions for stand-alone dental and vision coverage, long-term care, and certain types of excepted benefits (but not employer-paid hospital indemnity and critical illness type coverage).
- Employers should keep in mind that the calculation includes other group benefits, such as FSA, that will cause them to reach the thresholds faster.

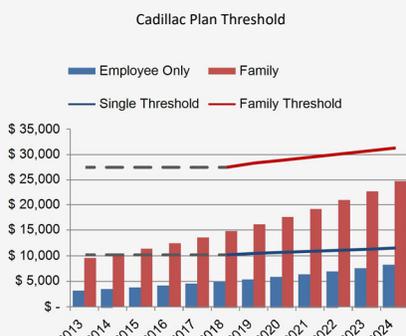
**Implications:**

- Since post-2018 thresholds are not tied to medical inflation, almost all employers will eventually become subject to the excise tax which will raise the cost of providing coverage.
- Employers will need to monitor their plan costs and consider plan containment strategies to mitigate the impact of future excise taxes.

**Compass Heading:**

- If current plan design is maintained, it is anticipated that in 2018 single coverage will be less than thresholds by \$5,258 and family coverage will be less than thresholds by \$12,701.

**Cadillac Plan Threshold**



Year	Employee Only	Family
2013	\$5,000	\$10,000
2014	\$5,000	\$11,000
2015	\$5,000	\$12,000
2016	\$5,000	\$13,000
2017	\$5,000	\$14,000
2018	\$5,000	\$15,000
2019	\$5,000	\$16,000
2020	\$5,000	\$17,000
2021	\$5,000	\$18,000
2022	\$5,000	\$19,000
2023	\$5,000	\$20,000
2024	\$5,000	\$21,000

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**State of Arkansas**  
**Bureau of**  
**Legislative Research**

Marty Garrity, Director  
 Kevin Anderson, Assistant Director  
 for Fiscal Services  
 Tim Carlock, Assistant Director  
 for Information Technology  
 Matthew Miller, Assistant Director  
 for Legal Services  
 Estella Smith, Assistant Director  
 for Research Services

**REQUEST FOR PROPOSAL**

RFP Number: BLR-210001	
Commodity: <b>Employee Health Benefits Consulting Services</b>	Proposal Opening Date: <b>April 12, 2021</b>
Date: <b>March 15, 2021</b>	Proposal Opening Time: <b>4:00 P.M. CDT</b>

PROPOSALS SHALL BE SUBMITTED IN HARD COPY AND ELECTRONIC FORMAT AND WILL BE ACCEPTED UNTIL THE TIME AND DATE SPECIFIED ABOVE. THE PROPOSAL ENVELOPE MUST BE SEALED AND SHOULD BE PROPERLY MARKED WITH THE PROPOSAL NUMBER, DATE AND HOUR OF PROPOSAL OPENING, AND VENDOR'S RETURN ADDRESS. THE ELECTRONIC SUBMISSIONS SHOULD BE CLEARLY MARKED AS A PROPOSAL IN RESPONSE TO RFP NO. BLR-210001. IT IS NOT NECESSARY TO RETURN "NO BIDS" TO THE BUREAU OF LEGISLATIVE RESEARCH.

Vendors are responsible for delivery of their proposal documents to the Bureau of Legislative Research prior to the scheduled time for opening of the particular proposal. When appropriate, Vendors should consult with delivery providers to determine whether the proposal documents will be delivered to the Bureau of Legislative Research office street address prior to the scheduled time for proposal opening. Delivery providers, USPS, UPS, FedEx, and DHL, deliver mail to our street address, 500 Woodlane Street, State Capitol Building, Room 315, Little Rock, Arkansas 72201, on a schedule determined by each individual provider. These providers will deliver to our offices based solely on our street address.

MAILING ADDRESS: 500 Woodlane Street State Capitol Building, Room 315 Little Rock, Arkansas 72201	PROPOSAL OPENING LOCATION: Bureau of Legislative Research Director's Office State Capitol Building, Room 315
E-MAIL: thayerj@blr.arkansas.gov	
TELEPHONE: (501) 682-1937	

Company Name: Jas D. Collier & Co DBA Collier Insurance

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Name (type or print): J. Stuart Collier

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Title: CEO

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Address: 606 S. Mendenhall Rd. Memphis, TN 38117

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Telephone Number: 901-529-2900

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Fax Number: 901-529-2916

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E-Mail Address: scollier@collier.com

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Identification:

Federal Employer ID Number 62-0632599

Social Security Number 413-92-8921

**FAILURE TO PROVIDE TAXPAYER IDENTIFICATION NUMBER MAY  
RESULT IN PROPOSAL REJECTION**

Business Designation (check one):	Individual [ ]	Sole Proprietorship [ ]	Public Service Corp [ ]
	Partnership [ ]	Corporation [X]	Government/ Nonprofit [ ]

GENERAL DESCRIPTION:	Employee Health Benefits Consulting Services
TYPE OF CONTRACT:	Term

**MINORITY BUSINESS POLICY**

Participation by minority businesses is encouraged in procurements by state agencies, and although it is not required, the Bureau of Legislative Research ("BLR") supports that policy. "Minority" is defined at Arkansas Code Annotated § 15-4-303 as "a lawful permanent resident of this state who is: (A) African American; (B) Hispanic American; (C) American Indian; (D) Asian American; (E) Pacific Islander American; or (F) A service-disabled veteran as designated by the United States Department of Veteran Affairs". "Minority business enterprise" is defined at Arkansas Code Annotated § 15-4-303 as "a business that is at least fifty-one percent (51%) owned by one (1) or more minority persons". The Arkansas Economic Development Commission conducts a certification process for minority businesses. Vendors unable to include minority-owned businesses as subcontractors may explain the circumstances preventing minority inclusion.

**EQUAL EMPLOYMENT OPPORTUNITY POLICY**

The Vendor shall submit a copy of the Vendor's Equal Opportunity Policy. EO Policies shall be submitted in hard copy and electronic format to the Bureau of Legislative Research accompanying the solicitation response. The Bureau of Legislative Research will maintain a file of all Vendor EO policies submitted in response to this solicitation. The submission is a one-time requirement, but Vendors are responsible for providing updates or changes to their respective policies.

**EMPLOYMENT OF ILLEGAL IMMIGRANTS**

The Vendor shall certify prior to award of the contract that it does not employ or contract with any illegal immigrants in its contract with the Bureau of Legislative Research. Vendors shall certify on the Proposal Signature Page and online at <https://www.ark.org/dfa/immigrant/index.php/disclosure/submit/new> . Any subcontractors used by the Vendor at the time of the Vendor's certification shall also certify that they do not employ or contract with any illegal immigrant. Certification by the subcontractors shall be submitted within thirty (30) days after contract execution.

**RESTRICTION OF BOYCOTT OF ISRAEL**

Pursuant to Arkansas Code § 25-1-503, a public entity shall not enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of Israel. This prohibition does not apply to a company which offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business.

By checking the designated box on the Proposal Signature Page, the Vendor agrees and certifies that they do not, and will not for the duration of the contract boycott Israel.

# TSS Illegal Immigrant Contractor Disclosure Certification

## TSS Illegal Immigrant Contractor Disclosure Certification View Submission Details

**Disclosure forms are valid for one year.**

**Vendor:** Collier Insurance (JAS D Collier & Co)

**Tax ID:** 2599

**Disclosure Statement:** I certify that I **DO NOT** employ or contract with an illegal immigrant.

**Contact E-mail:** jdarnell@collier.com

**Submitted on:** 04-06-21

**Valid through:** 04-05-22

Interim reviews can be conducted at any time and are encouraged in the event of performance concerns.

## **V. CONFLICT OF INTEREST**

The Company expects you to conduct yourself at all times in a manner consistent with the best interests of your co-workers, your department and the Company. This applies particularly to association with other employees at all levels and with customers, competitors, and vendors. You should avoid personal activities or involvement from which personal benefit or obligation may potentially result, as they might create or appear to others to create a conflict with your responsibility, loyalty and the welfare of the Company. Other employment including freelancing, consulting, etc., must not interfere with your ability to perform your duties and fulfill your obligations to the Company, and there must be no conflict of interest.

Other employment must not be in competition with your position at the Company. If ever you are in doubt as to the appropriateness of other employment, it is best to discuss it with your manager in advance.

All commissions paid to an employee from the sale of any insurance products must be submitted to Collier. Failure to turn over such commission paid to individual employees is considered employee theft and will be prosecuted under criminal law.

## **W. OUTSIDE EMPLOYMENT**

You may hold outside jobs as long as you are able to meet the performance standards of your job with the Company. You will be required to meet performance standards particular to your position and will be subject to scheduling demands, regardless of any existing outside work requirements. Outside jobs are not allowed within the insurance industry or which may cause a conflict of interest.

## **X. EQUAL EMPLOYMENT OPPORTUNITY**

The Company policy is to provide equal employment opportunity to qualified persons without regard to race, color, religion, gender, national origin, age, known mental and physical disabilities, or veteran status.

### **A. DISCRIMINATION**

The Company will not tolerate discrimination or harassment of its employees relative to gender, race, religion, national origin, age, or disability.

An employee should direct any concerns regarding a harassment or discrimination situation to the Administration Manager or the Collier Insurance President or CEO (employees do not

## **DISCLOSURE FORMS**

Completion of the EO-98-04 Governor's Executive Order contract disclosure forms located at <http://www.dfa.arkansas.gov/offices/procurement/Documents/contgrantform.pdf> is required as a condition of obtaining a contract with the Bureau of Legislative Research and shall be submitted with the Vendor's response.

## **SECTION I. GENERAL INFORMATION**

### **1.0 INTRODUCTION**

The purpose of this Request for Proposals ("RFP") issued by the Bureau of Legislative Research ("BLR") is to invite responses ("Proposals") from Vendors desiring to provide Employee Health Benefits Consulting Services for the Executive Subcommittee of the Legislative Council (the "Subcommittee").

The Subcommittee and the BLR intend to execute one (1) contract as a result of this procurement ("the Contract"), if any contract is issued at all, encompassing all of the products and services contemplated in this RFP, and Proposals shall be evaluated accordingly. All Vendors must fully acquaint themselves with the needs and requirements of the Subcommittee and the BLR and obtain all necessary information to develop an appropriate solution and to submit responsive and effective Proposals.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.1 ISSUING AGENCY**

This RFP is issued by the BLR for the Subcommittee. The BLR is the sole point of contact in the state for the selection process. Vendor questions regarding RFP-related matters should be made in writing (via e-mail) through the Director of the BLR's Legal Counsel, Jillian Thayer, [thayerj@blr.arkansas.gov](mailto:thayerj@blr.arkansas.gov). Questions regarding technical information or clarification should be addressed in the same manner.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.2 SCHEDULE OF EVENTS**

- |   |  |
|---|--|
| • Release RFP   | March 15, 2021                           |
| • Deadline for submission of questions  | April 5, 2021                            |
| • Closing for receipt of proposals and opening of proposals                               | April 12, 2021 at 4:00 p.m. CDT          |
| • Evaluation of proposals by BLR  | April 12, 2021 to April 22, 2021         |
| • Proposals released to Subcommittee  | April 23, 2021                           |
| • Selection of Vendors to make Oral Presentations   | To Be Announced by Subcommittee          |
| • Oral Presentations/Intent to Award  | To Be Announced by Subcommittee          |
| • Approval of draft contract by the Policy-Making Subcommittee of the Legislative Council | May 19, 2021                             |
| • Approval of final contract by the Legislative Council                                   | May 21, 2021                             |
| • Contract Execution and Start Date   | Upon approval of the Legislative Council |
| • Final Report presented to Legislative Council   | October 15, 2021                         |

Proposals are due no later than the date and time listed on Page 1 of the RFP.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### 1.3 **CAUTION TO VENDORS**

- Vendors shall not contact members of the Subcommittee or the BLR regarding this RFP or the Vendor Selection process from the time the RFP is posted until the Intent to Award is issued, other than through submission of questions in the manner provided for under Section 1.7 of this RFP. The BLR will initiate all other necessary contact with Vendors. ***Any violation of this requirement can be considered a basis for disqualification of the Vendor by the Subcommittee.***
- **Vendors shall respond to each numbered paragraph of the RFP, including by written acknowledgment of the requirements and terms contained in paragraphs that require no other response.** (e.g. “Section 1.3. Vendor acknowledges and agrees with the requirements set forth in this section.”) Failure to provide a response will be interpreted as an affirmative response or agreement to the conditions. Reference to handbooks or other technical materials as part of a response must not constitute the entire response, and Vendor must identify the specific page and paragraph being referenced.
- On or before the date and time specified on page one of this RFP, Vendors shall submit:
  - a. One (1) signed original hard copy of the original proposal and the Official Proposal Price Sheet (“OPPS”);
  - b. Fifteen (15) additional copies of the redacted proposal and the OPPS (If no redacted version is submitted, then 15 copies of the original proposal.); and
  - c. If the Vendor’s proposal contains information that is proprietary and confidential, two (2) electronic versions of the proposal (one (1) redacted electronic version and one (1) unredacted electronic version) on CD, flash drive, or via e-mail. However, if there is no information to redact, one (1) electronic version of the proposal is sufficient.
- If emailing electronic versions, send to Jillian Thayer at [thayerj@blr.arkansas.gov](mailto:thayerj@blr.arkansas.gov) .
- Failure to submit the required number of copies with the proposal may be cause for rejection.
- For a proposal to be considered, an official authorized to bind the Vendor to a resultant contract must have signed the proposal **and** the Official Proposal Price Sheet.
- All official documents shall be included as part of the resultant Contract.
- The Subcommittee reserves the right to award a contract or reject a proposal for any or all line items of a proposal received as a result of this RFP, if it is in the best interest of the Subcommittee to do so. Proposals will be rejected for one or more reasons not limited to the following:
  - a. Failure of the Vendor to submit his or her proposal(s) on or before the deadline established by the issuing office;
  - b. Failure of the Vendor to respond to a requirement for oral/written clarification, presentation, or demonstration;
  - c. Failure to supply Vendor references;
  - d. Failure to sign the original proposal **and** the Official Proposal Price Sheet;
  - e. Failure to complete and sign the Official Proposal Price Sheet(s);
  - f. Any wording by the Vendor in its response to this RFP, or in subsequent correspondence, that conflicts with or takes exception to a requirement in the RFP; or
  - g. Failure of any proposed services to meet or exceed the specifications.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.4 REP FORMAT**

Any statement in this document that contains the word “must” or “shall” means that compliance with the intent of the statement is mandatory, and failure by the Vendor to satisfy that intent will cause the proposal to be rejected.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.5 ALTERATION OF ORIGINAL RFP DOCUMENTS**

The original written or electronic language of the RFP shall not be changed or altered except by approved written addendum issued by the BLR. This does not eliminate a Vendor from taking exception(s) to these documents, but it does clarify that the Vendor cannot change the original document’s written or electronic language. If the Vendor wishes to make exception(s) to any of the original language, it must be submitted by the Vendor in separate written or electronic language in a manner that clearly explains the exception(s). If Vendor’s submittal is discovered to contain alterations/changes to the original written or electronic documents, the Vendor’s response may be declared non-responsive, and the response shall not be considered.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.6 REQUIREMENT OF AMENDMENT**

THIS RFP MAY BE MODIFIED ONLY BY AMENDMENTS WRITTEN AND AUTHORIZED BY THE BUREAU OF LEGISLATIVE RESEARCH. Vendors are cautioned to ensure that they have received or obtained and responded to any and all amendments to the RFP prior to submission.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.7 REP QUESTIONS**

Any questions regarding the contents and requirements of the RFP and the format of responses to the RFP shall be directed to Jillian Thayer *via email only* at [thayerj@blr.arkansas.gov](mailto:thayerj@blr.arkansas.gov). Questions must be submitted by the deadline set forth in Section 1.2, Schedule of Events. Questions submitted by Vendors and answers to questions, as provided by the Bureau of Legislative Research, will be made public.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.8 PRICES/COST**

An official authorized to bind the Vendor to any resulting Contract must sign the Official Proposal Price Sheet.

Vendors must include all pricing information on the Official Proposal Price Sheet and any attachments thereto and must clearly mark said page(s) as pricing information. Official Proposal Price Sheets may be reproduced as needed. Vendors may expand items to identify all proposed services and costs. A separate listing, which must include pricing, may be submitted with summary pricing.

All charges included on the Official Proposal Price Sheet, must be valid for one hundred eighty (180) days following proposal opening, and shall be included in the cost evaluation. The pricing must include all associated costs for the service being bid.

The BLR will not be obligated to pay any costs not identified on the Official Proposal Price Sheet. Any cost not identified by the Vendor but subsequently incurred in order to achieve successful operation will be borne by the Vendor.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.9 PROPRIETARY INFORMATION**

Proposals and documents pertaining to the RFP become the property of the BLR, and after release to the Subcommittee, shall be open to public inspection pursuant to the Freedom of Information Act of 1967, Arkansas Code § 25-19-101, *et seq.* It is the responsibility of the Vendor to identify all proprietary information by providing a redacted copy of the proposal, as discussed below, and to seal such information in a separate envelope or e-mail marked as confidential and proprietary.

If the proposal contains information that the Vendor considers confidential and proprietary, the Vendor shall submit one (1) complete electronic copy of the proposal from which any proprietary information has been removed, *i.e.*, a redacted copy. The redacted copy should reflect the same pagination as the original, show the empty space from which information was redacted, and be submitted on a CD, a flash drive, or in a separate e-mail. Except for the redacted information, the electronic copy must be identical to the original hard copy. The Vendor is responsible for ensuring the redacted copy on CD, flash drive, or submitted via e-mail is protected against restoration of redacted data. ***Submission of a redacted copy is at the discretion of the Vendor, but if no information is redacted, the entire proposal will be considered available as public information once published to the Subcommittee members.***

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.10 DELIVERY OF RESPONSE DOCUMENTS**

It is the responsibility of Vendors to submit proposals at the place and on or before the date and time set in the RFP solicitation documents. Proposal documents received at the BLR office after the date and time designated for proposal opening are considered late proposals and shall not be considered. Proposal documents that are to be returned may be opened to verify which RFP the submission is for.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.11 BID EVALUATION**

The Subcommittee will evaluate all proposals to ensure all requirements are met. The Contract will be awarded on the basis of the proposal that most thoroughly satisfies the relevant criteria as determined by the Subcommittee.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.12 ORAL AND/OR WRITTEN PRESENTATIONS/DEMONSTRATIONS**

The Subcommittee will select a small group of Vendors from among the proposals submitted to attend a meeting of the Subcommittee to answer questions and to make oral and written presentations to the Subcommittee. The date of this meeting will be announced by the Subcommittee at least one (1) week prior. All presentations are subject to be recorded.

The Successful Vendor selected by the Subcommittee shall also attend the May 19, 2021 meeting of the Policy Making Subcommittee of the Legislative Council and the May 21, 2021 meeting of the Legislative Council, in order to answer any questions that may arise regarding the Contract.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.13 INTENT TO AWARD**

After complete evaluation of the proposal, the intent to award will be announced at the meeting of the Subcommittee at which select Vendors' oral presentations are given (See Section 1.12). The date of this meeting will be announced by the Subcommittee at least one (1) week prior. The purpose of the announcement is to establish a specific time in which vendors and agencies are aware of the intent to award. The Subcommittee reserves the right to waive this policy, the Intent to Award, when it is in the best interest of the state.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.14 APPEALS**

A Vendor who is aggrieved in connection with the award of a contract may protest to the Legislative Council. The protest shall be submitted in writing within five (5) calendar days after the intent to award is announced. After reasonable notice to the protestor, the Legislative Council, or the Joint Budget Committee if the Arkansas General Assembly is in session, shall promptly meet to discuss and issue a decision in writing that states the reasons for the action taken. The Legislative Council's or the Joint Budget Committee's decision is final and conclusive. In the event of a timely protest, the Bureau of Legislative Research shall not proceed further with the solicitation or with the award of the contract unless the co-chairs of the Arkansas Legislative Council or the Joint Budget Committee make a written determination that the award of the contract without delay is necessary to protect substantial interests of the state.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.15 PAST PERFORMANCE**

A Vendor's past performance may be used in the evaluation of any offer made in response to this solicitation. The past performance should not be greater than three (3) years old and must be supported by written documentation submitted to the Bureau of Legislative Research with the Vendor's RFP response. Documentation shall be in the form of a report, memo, file, or any other appropriate authenticated notation of performance to the vendor files.

**Collier has consulted for the State of Arkansas in the past. In 2014, Collier presented solutions to the state that when optimized, the savings would be in excess of \$100 Million. The resulting power point is included in the response to the RFP.**

#### **1.16 TYPE OF CONTRACT**

This will be a term contract commencing on the date of execution of the Contract, and terminating on December 31, 2021, with an option for one (1) renewal of up to six (6) months. The Subcommittee and the BLR will have the option to renegotiate at the time of renewal.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.17 PAYMENT AND INVOICE PROVISIONS**

All invoices shall be delivered to the BLR and must show an itemized list of charges. The Invoice, Invoice Remit, and Summary must be delivered via email to Jillian Thayer, Legal Counsel to the Director, at [thayerj@blr.arkansas.gov](mailto:thayerj@blr.arkansas.gov).

The BLR shall have no responsibility whatsoever for the payment of any federal, state, or local taxes that become payable by the Successful Vendor or its subcontractors, agents, officers, or employees. The Successful Vendor shall pay and discharge all such taxes when due.

Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the BLR. The BLR may not be invoiced in advance of delivery and acceptance of any services. Payment will be made only after the Successful Vendor has successfully satisfied the BLR as to the reliability and effectiveness of the services as a whole. Purchase Order Number and/or Contract Number should be referenced on each invoice.

The Successful Vendor shall be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the BLR. Access will be granted to state or federal government entities or any of their duly authorized representatives upon request.

Financial and accounting records shall be made available, upon request, to the BLR's designee(s) at any time during the contract period and any extension thereof and for five (5) years from expiration date and final payment on the Contract or extension thereof.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.18 PRIME CONTRACTOR RESPONSIBILITY**

The Successful Vendor will be required to assume prime contractor responsibility for the Contract and will be the sole point of contact.

If any part of the work is to be subcontracted, the Vendor must disclose in its proposal the following information: a list of subcontractors, including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's business organization.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.19 DELEGATION AND/OR ASSIGNMENT**

The Vendor shall not assign the Contract in whole or in part or any payment arising therefrom without the prior written consent of the Subcommittee. The Vendor shall not delegate any duties under the Contract to a subcontractor unless the BLR, as approved by the Subcommittee, has given written consent to the delegation.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.20 CONDITIONS OF CONTRACT**

The Successful Vendor shall at all times observe and comply with federal and state laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of the Contract which in any manner affect the completion of the work. The Successful Vendor shall indemnify and save harmless the BLR, the Subcommittee, the Arkansas Legislative Council, the Arkansas General Assembly, and the State of Arkansas and all of their officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order, or decree by an employee, representative, or subcontractor of the Successful Vendor.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.21 STATEMENT OF LIABILITY**

The BLR and the Subcommittee will demonstrate reasonable care but shall not be liable in the event of loss, destruction, or theft of contractor-owned technical literature to be delivered or to be used in the installation of deliverables. The Vendor is required to retain total liability for technical literature until the deliverables have been accepted by the authorized BLR official. At no time will the BLR or the Subcommittee be responsible for or accept liability for any Vendor-owned items.

The Successful Vendor shall indemnify and hold harmless the Subcommittee and its members, the Arkansas Legislative Council and its members, the BLR and its officers, directors, agents, retailers, and employees, and the State of Arkansas from and against any and all suits, damages, expenses, losses, liabilities, claims of any kind, costs or expenses of any nature or kind, including, with limitation, court costs, attorneys' fees, and other damages, arising out of, in connection with, or resulting from the development, possession, license, modification, disclosure, or use of any copyrighted or non-copyrighted materials, trademark, service mark, secure process, invention, process or idea (whether patented or not), trade secret, confidential information, article, or appliance furnished or used by a vendor in the performance of the Contract.

The resulting Contract shall be governed by the laws of the State of Arkansas, without regard for Arkansas' conflict of law principles. Any claims against the Bureau of Legislative Research, the Subcommittee, the Arkansas Legislative Council, or the Arkansas General Assembly, whether arising in tort or in contract, shall be brought before the Arkansas State Claims Commission as provided by Arkansas law, and shall be governed accordingly. Nothing in this RFP or the resulting contract shall be construed as a waiver of sovereign immunity.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.22 AWARD RESPONSIBILITY**

The BLR and the Subcommittee will be responsible for award and administration of any resulting contract(s).

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.23 INDEPENDENT PRICE DETERMINATION**

By submission of this proposal, the Vendor certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this proposal:

- The prices in the proposal have been arrived at independently, without collusion, and that no prior information concerning these prices has been received from or given to a competitive company; and
- If there is sufficient evidence of collusion to warrant consideration of this proposal by the Office of the Attorney General, all Vendors shall understand that this paragraph may be used as a basis for litigation.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.24 PUBLICITY**

News release(s), media interviews, or other publicity by a Vendor pertaining to this RFP or any portion of the project shall not be made without prior written approval of the BLR, as authorized by the co-chairs of the Subcommittee. Failure to comply with this requirement is deemed to be a valid reason for disqualification of the Vendor's proposal.

The Successful Vendor agrees not to use the BLR's, the Subcommittee's, the Arkansas Legislative Council's, or the Arkansas General Assembly's names, trademarks, service marks, logos, images, or any data arising or resulting from this RFP or the Contract as part of any commercial advertising or proposal without the express prior written consent of the BLR and the Subcommittee in each instance.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.25 CONFIDENTIALITY**

The Successful Vendor shall be bound to confidentiality of any confidential information that its employees may become aware of during the course of performance of contracted services. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the Contract.

The Successful Vendor shall represent and warrant that its performance under the Contract will not infringe any patent, copyright, trademark, service mark, or other intellectual property rights of any other person or entity and that it will not constitute the unauthorized use or disclosure of any trade secret of any other person or entity.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.26 PROPOSAL TENURE**

All Proposals shall remain valid for one hundred eighty (180) calendar days from the Proposal due date referenced on Page 1 of the RFP.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **1.27 WARRANTIES**

- The Successful Vendor shall warrant that it currently is, and will at all times remain, lawfully organized and constituted under all federal, state, and local law, ordinances, and other authorities of its domicile and that it currently is, and will at all times remain, in full compliance with all legal requirements of its domicile and the State of Arkansas.
- The Successful Vendor shall warrant and agree that all services provided pursuant to this RFP and the Contract have been and shall be prepared or done in a workman-like manner consistent with the highest standards of the industry in which the services are normally performed. The Successful Vendor further represents and warrants that all computer programs implemented for performance under the Contract shall meet the performance standards required thereunder and shall correctly and accurately perform their intended functions.
- The Successful Vendor shall warrant that it is qualified to do business in the State of Arkansas and is in good standing under the laws of the State of Arkansas, and shall file appropriate tax returns as provided by the laws of this State.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.28 CONTRACT TERMINATION**

Subsequent to award and execution of the Contract, the Subcommittee and the BLR may terminate the Contract at any time. In the event of termination, the Successful Vendor agrees to apply its best efforts to bring work in progress to an orderly conclusion, in a manner and form consistent with the Contract and satisfactory to the Subcommittee.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.29 VENDOR QUALIFICATIONS**

The Successful Vendor must, upon request of the Subcommittee, furnish satisfactory evidence of its ability to furnish products or services in accordance with the terms and conditions of this proposal. The Subcommittee reserves the right to make the final determination as to the Vendor's ability to provide the services requested herein.

The Vendor must demonstrate that it possesses the capabilities and qualifications described in Sections 3 and 5, including without limitation the following:

- Be capable of providing the services required by the Subcommittee;
- Provide documentation that it is authorized to do business in this State; and
- Complete the Official Proposal Price Sheet in Attachment A.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.30 NEGOTIATIONS**

As provided in this RFP, discussions may be conducted by the Subcommittee and the BLR with a responsible Vendor who submits proposals determined to be reasonably susceptible of being selected for award for the purpose of obtaining clarification of proposal responses and negotiation for best and final offers.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.31 LICENSES AND PERMITS**

During the term of the Contract, the Vendor shall be responsible for obtaining, and maintaining in good standing, all licenses (including professional licenses, if any), permits, inspections, and related fees for each or any such licenses, permits, and/or inspections required by the state, county, city, or other government entity or unit to accomplish the work specified in this solicitation and the contract.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **1.32 OWNERSHIP OF DATA & MATERIALS**

All data, material, and documentation prepared for the Subcommittee pursuant to the Contract shall belong exclusively to the BLR, for the use of the Subcommittee and other committees of the Arkansas General Assembly, as authorized by the Subcommittee.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

## **SECTION 2. OVERVIEW**

### **2.0 EMPLOYEE HEALTH BENEFITS STUDY OVERVIEW**

The Subcommittee is issuing this Request for Proposals with the clear intent to develop and implement a strategic plan and legislative framework for the State and Public School Life and Health Insurance Program (collectively referred to herein as the “Plans” or specifically as the “ASE Plan” for State employees and retirees and the “PSE Plan” for Public School employees and retirees ) that will allow the Plans to operate on an actuarially sound basis while offering high-quality and reasonably priced insurance options for active employees and retirees of both the State of Arkansas and various public school districts.

Currently, the Plans are maintained through two (2) separate and distinct self-funded arrangements centered around two (2) non-federal governmental health plans and carries with them the applicable exemptions from many federal requirements contained within the Employee Retirement Income Security Act of 1974 (ERISA). The Plans are subject to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and elements of the Health Information Technology Economic and Clinical Health Act (HITECH), as well as many provisions of the Arkansas Code. The Plans are not generally subject to rules issued by the Arkansas Insurance Commissioner unless specifically incorporated by reference. The Plans are governed by the State and Public School Life and Health Insurance Board (the “Board”) as established in Arkansas Code § 21-5-401 *et seq.*

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **2.1 OBJECTIVES**

It is the objective of the Subcommittee, by entering into a Contract for consultant services, to provide to the members of the Arkansas Legislative Council detailed and accurate information concerning a multi-year strategic path forward for the Plans in such areas to include, but not limited to, legislative initiated funding, employer subsidy, plan design consideration, and network operations.

The final work product shall constitute a spectrum of options with reasonable assumptions as to the economic, logistic, legal, and political ramifications of the various options. Every effort should be made to provide the options in a politically-neutral and option-agnostic approach so that the Subcommittee is presented actionable and reasonable data, likely outcomes, and anticipated costs for the Subcommittee to fully analyze, debate, and act upon as they elect to do so. The final work product shall address all aspects of operations of the Plans such as Provider Network Reimbursement, Employer contribution strategy, administration expenses, plan design comparisons, market-based benchmarks, quality initiatives, and the over-arching systemic goals regarding the Plans. **The Successful Vendor shall provide this information in a timely manner to the Subcommittee in order to assist the Subcommittee in compiling its report due to the Legislative Council at its October 15, 2021 meeting.**

This Request for Proposal is designed to obtain a Contract to provide Employee Health Benefits Consulting Services to the Subcommittee. All responses to this RFP shall reflect the overall goals and objectives stated herein.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

## **SECTION 3. EMPLOYEE HEALTH BENEFITS CONSULTING SERVICES**

### **3.0 SCOPE OF WORK / SPECIFICATIONS**

It will be the responsibility of the Vendor to provide the Subcommittee, and ultimately, the members of the Arkansas Legislative Council, with accurate and detailed reports, guidance, and opinions, including without limitation, information set forth in Section 2.0, above and in this Section 3.0.

#### **A. In General.**

In order to achieve the objectives set forth in Section 2.1, above, the Successful Vendor will provide:

- Weekly status updates on the project to the BLR;
- Monthly reports to the Subcommittee, which will require monthly attendance at meetings of the

Subcommittee to answer questions regarding the project;

- Answers to research requests or data inquiries by members of the Subcommittee, or other members of the General Assembly, as authorized by the Subcommittee co-chairs;
- Assistance with draft legislation based on recommendations adopted by the Subcommittee; and
- Assistance with drafting a final report for the Subcommittee to submit to the Arkansas Legislative Council no later than October 15, 2021.
- 

In addition, the Successful Vendor will need to:

- Gather information from and meet with interested stakeholders; and
- Be available to attend meetings of the Subcommittee, the Arkansas Legislative Council, and other legislative committees, as requested and authorized by the Subcommittee co-chairs.

## **B. Topics for Analysis and Recommendations.**

In addition to the topics addressed in Section 2.0, Vendor shall also provide the following to the Subcommittee as part of their regular updates and final report:

- A comprehensive market based analysis of large self-funded employers, both governmental and private sectors, to compare key elements of the Plans. Elements to include but not limited to:
  - member premium cost share as a percentage of the base monthly health plan premium (employer contribution compared to employee net cost),
  - member cost shares in the form of Deductible, Co-Pays, Co-Insurance percentage, and Maximum Out of Pocket compared to total annual cost of healthcare services, and
  - member participation rates by plan option and for various coverage tiers currently at Employee Only, Employee & Spouse, Employee & Child(ren), and Employee & Family.

To the extent available and applicable to the discussions, Vendor shall consult fully insured employer groups for applicable comparisons as well as large employers in both the self-funded and fully-insured market.

- Non-member demographics to fully analyze and understand the characteristics of the employed and eligible population that opt NOT to participate in the Plans at any available coverage tiers.
  - Data and analysis that will provide the Subcommittee with a better understanding of the economic impact of the premium at the current rate compared to salary of different individuals.
  - Vendor shall then use applicable details to examine the impact of and present options such as a possible salary adjustment factor or other income-based element to the current employee premium schedule.
- A comprehensive provider network analysis to review the breadth of the network supporting the Plans and a full actuarial analysis of the paid claims for a benchmark comparison to the published rates for Medicare fee for service.
  - Historically, the administrative aspect of provider network recruitment, credentialing, and fee schedule negotiation has been contracted to managed care networks and state-wide carriers with little to no direct intervention at the Board or legislative fronts.
- A comprehensive review of the Arkansas provider community to review Centers of Excellence or other recognized aspects of quality for various procedures as a consideration for a limited or specialized network for more complex procedures.
  - The review should be sensitive to the diversity of the State and School workforce in the areas of technical proficiency, geography, economic impact to the employer and member in regards to their time away from work, variations in out of pocket costs for care at different locations, and other issues that are directly impacted by limited access to care.
- A comprehensive review of participation rates, members to subscriber ratio between the two Plans, plan designs detailing all cost shares to which the members were exposed, base premium cost, state/school contribution amounts, and employee / retiree premium for the last 15 years.
  - This review should include an analysis of the progression of the Plans in regards to participation, costs, and employer subsidy so that paths forward can have the benefit of the past to help direct strategic decisions.

- A review of the other public employee plans (cities, counties, colleges, universities, and other public workforces) offered throughout the state for employers outside the current ASE and PSE Plans.
  - This should include, at a minimum, the primary elements of plan design, the base premium, employer subsidy, and employee net costs for the last 5-7 years.
- A review of the contribution strategy for each plan option and coverage tier and how the funding strategy impacts the mix of enrolled members.
  - For the current 2021 plan year, the amount of “State & Plan Contribution” varies by plan option and by coverage tier.
  - Historically, a contribution was allocated based on a percentage of the Base Monthly Premium that varies by plan and tier.
- A review of the concepts around Value Based Contracting and Episode of Care contracting for various medical procedures as well as the benefits to the Plans and the members if all providers actively participated in public disclosure and price transparency.
- A review of the economic impact regarding the pre-tax premiums coordinated through the public school’s cafeteria plans and how those tax savings could be used to benefit the PSE Plan as future premium subsidy.
- A review of the economic impact regarding a revision to the public school contribution threshold adjusting from a minimum contribution amount per enrolled individual per month (per Arkansas Code § 6-17-1117 *et seq.*) to a methodology similar to the state funding of an amount per-budgeted position basis.
- Analysis of all current legislation applicable to the Plans and recommendations for draft legislation to aid in the strategic growth of the Plans and their improved financial viability.

In the event that services in addition to those described in Sections 2.0 and 3.0 are required during the term of the Contract, the Subcommittee shall vote to authorize additional work, subject to the approval of the Subcommittee co-chairs, who shall have the power to approve the additional services and an additional fee for those services in an amount not to exceed ten percent (10%) of the total contract amount.

**See attached response.**

### **3.1 CONSULTING CAPABILITIES**

It should be expected that the Subcommittee may require other details, reports, guidance, and information as part of the final work product under this RFP. It is not possible to capture all variables and discussion points that may be required by the members of the Subcommittee or the legislative body at large so the prospective Vendor should take this opportunity to provide any comparative experience to the Plans or the scope of work envisioned herein to fully and completely communicate their ability to succeed.

In this Section 3.1, Vendor should detail all capabilities, ideas, guidance, and other information to fully demonstrate the capabilities of the prospective Vendor.

**See attached response.**

### **3.2 EMPLOYEE HEALTH BENEFITS OVERSIGHT CONSULTING**

The Successful Vendor will be evaluated based on a clear and confident understanding of the goals and deliverables addressed in Section 2 and Section 3. To be evaluated as a complete response to this RFP, each prospective vendor must detail their experience, understanding, and potential path of success for each item addressed above.

Vendor’s response to this Request for Proposal should be comprehensive and address each individual item of section 3.0 to the Vendor’s fullest extent to communicate their understanding of the requirement and how best the Vendor will meet this requirement. All pertinent information regarding the Vendor’s proposed solution, team, actuarial resources, technical infrastructure, or other details must be provided to the items in 3.0 and 3.1

The consulting services provided by the successful Vendor pursuant to this Request for Proposal must address the stated specifications and requirements. These services will be provided to the Subcommittee and other legislative committees, as approved.

As requested, the Vendor must attend various meetings of the Subcommittee and other legislative committees of the Arkansas General Assembly. Hourly compensation will be paid for meeting times. The Vendor shall explain any anticipated limitations in its ability to attend meetings of the Subcommittee or other legislative committees or to provide any of the services described in Section 3.0.

All projects shall be paid pursuant to the fee schedule. The Vendor shall submit itemized invoices to the BLR, which will pay the invoices on a monthly basis.

The BLR does not grant the Vendor with exclusive rights to all Employee Health Benefits Consulting Services contemplated under this RFP. In the event that the Subcommittee decides that acquisition of these services by another Vendor is in the Subcommittee's best interests, the BLR reserves the right to contract and purchase Employee Health Benefits Consulting Services from a different source outside of the contract resulting from this RFP, and the Subcommittee's action to procure services outside of the Contract does not infringe upon, nor terminate, the contract resulting from this Request for Proposal.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **3.3 PROCUREMENT OF GOODS AND SERVICES**

If the Vendor anticipates the need to procure additional goods or services in order to provide the consulting services requested in their RFP, the Vendor must identify the goods and / or services that may be procured, the reason the procurement is necessary, the name of the vendor for whom the goods or services are to be procured, and the anticipated cost of the goods and/or services to be procured.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

## **SECTION 4. COST PROPOSAL**

### **4.0 COMPENSATION**

Compensation for Employee Health Benefits Consulting Services shall be paid based upon the work performed as specified in this RFP. A Vendor seeking consideration shall submit a compensation proposal for Employee Health Benefits Consulting Services as provided throughout the RFP.

The fee schedule will cover the time spent in the completion of the requested task or project, as well as other administrative costs (including, but not limited to, secretarial, bookkeeping, budget preparation, monitoring and auditing services, travel expenses, etc.). The fee schedule will cover the time expended inclusive of all overhead or any other costs associated with the particular individuals who may be performing the services.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **4.1 PAYMENT SCHEDULE**

The BLR shall pay the Vendor based on the hours expended for approved projects on a monthly basis or as otherwise may be agreed to in writing by the parties. The BLR may request and the Vendor shall provide timesheets or other documentation as may be directed by the BLR prior to the payment for any services rendered. Failure to provide appropriate and satisfactory documentation will be sufficient grounds to withhold payment for the disputed amount, but other nondisputed amounts must be paid in a timely manner.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **4.2 TRAVEL, LODGING, AND MEALS**

The Successful Vendor may submit invoices and receive reimbursement for actual travel expenses allowed by law related to attending meetings of the Subcommittee and other legislative committees of the Arkansas General Assembly, or other travel related to work under the Contract as approved by the co-chairs of the Subcommittee. Reimbursement of travel expenses will be included in the total maximum contract amount.

Estimates of expenses as allowed by law for travel related to field work required by the Contract and this RFP should be included by the Vendor in the fee schedule, as required by Section 4.0.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **SECTION 5. ADDITIONAL VENDOR REQUIREMENTS**

#### **5.0 COMPREHENSIVE VENDOR INFORMATION**

All proposals should be complete and carefully worded and should convey all of the information requested by the Subcommittee and the BLR. If significant errors are found in the Vendor's proposal, or if the proposal fails to conform to the essential requirements of the RFP, the Subcommittee will be the sole judge as to whether that variance is significant enough to reject the proposal. Proposals should be prepared simply and economically, providing a straightforward, concise description of the Vendor's capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of the content. Proposals that include either modifications to any of the contractual requirements of the RFP or a Vendor's standard terms and conditions may be deemed non-responsive and therefore not considered for award.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

#### **5.1 VENDOR PROFILE**

In addition to information requested in other sections of the RFP, the Vendor shall submit the following:

- Business Name;
- Business Address;
- Alternate Business Address;
- Primary Contact Name, Title, Telephone, Fax, and E-mail Address;
- How many years this company has been in this type of business;
- Proof that the Vendor is qualified to do business in the State of Arkansas;
- A disclosure of the Vendor's name and address and, as applicable, the names and addresses of the following: If the Vendor is a corporation, the officers, directors, and each stockholder of more than a ten percent (10%) interest in the corporation. However, in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of the securities need be disclosed; if the Vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust; if the Vendor is an association, the members, officers, and directors; and if the Vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers;
- A disclosure of all the states and jurisdictions in which the Vendor does business and the nature of the business for each state or jurisdiction;
- A disclosure of all the states and jurisdictions in which the Vendor has contracts to supply the type of services requested under this RFP and the nature of the goods or services involved for each state or jurisdiction;

- A disclosure of the details of any finding or plea, conviction, or adjudication of guilt in a state or federal court of the Vendor for any felony or any other criminal offense other than a traffic violation committed by the persons identified as management, supervisory, or key personnel;
- A disclosure of the details of any bankruptcy, insolvency, reorganization, or corporate or individual purchase or takeover of another corporation, including without limitation bonded indebtedness, and any pending litigation of the Vendor;
- A disclosure of any conflicts of interest on the part of the Vendor or its personnel that will be working on this project.
- Additional disclosures and information that the Subcommittee may determine to be appropriate for the procurement involved.

**See attached Vendor Profile**

## **5.2 GENERAL INFORMATION**

Vendor shall submit any additional information for consideration such as specialized services, staffs available, or other pertinent information the Vendor may wish to include.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

## **5.3 DISCLOSURE OF LITIGATION**

A Vendor shall include in its Proposal a complete disclosure of any civil or criminal litigation or indictment involving such Vendor. A Vendor shall also disclose any civil or criminal litigation or indictment involving any of its joint ventures, strategic partners, prime contractor team members, and subcontractors. This disclosure requirement is a continuing obligation, and any litigation commenced after a Vendor has submitted a Proposal under this RFP must be disclosed to the BLR in writing within five (5) days after the litigation is commenced.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

## **5.4 EXECUTIVE SUMMARY**

A Vendor must provide a summary overview and an implementation plan for the entire project being proposed. The intent of this requirement is to provide the Subcommittee with a concise but functional summary of the discussion of each phase of the Vendor's plan in the order of progression. While the Subcommittee expects a Vendor to provide full details in each of the sections in other areas of the RFP relating to its plan, the Executive Summary will provide a "map" for the Subcommittee to use while reviewing the Proposal.

Each area summarized must be listed in chronological order, beginning with the date of Contract execution, to provide a clear indication of the flow and duration of the project. A Vendor may use graphics, charts, pre-printed reports, or other enhancements as a part of this section to support the chronology or add to the presentation. Any such materials must be included in the original and each copy of the Proposal.

**See attached Executive Summary**

## **5.5 VENDOR'S QUALIFICATIONS**

A Vendor shall provide resumes or short biographies and qualifications of all management, supervisory, and key personnel to be involved in performing the services contemplated under this RFP. The resumes shall present the personnel in sufficient detail to provide the Subcommittee with evidence that the personnel involved can perform the work specified in the RFP. A Vendor shall provide a brief history of its company, to include the name and location of the company and any parent/subsidiary affiliation with other entities. If a Vendor is utilizing the services of a subcontractor(s) for any of the service components listed, the Vendor shall include in its proposal response a brief history of the subcontractor's company to include the information requested herein.

A Vendor shall provide:

- A brief professional history, including the number of years of experience in providing the services required under this RFP or related experience and any professional affiliations and trade affiliations.
- A listing of current accounts and the longevity of those accounts.
- An organizational chart highlighting the names/positions that will be involved in the contract, including the individual who will be primarily responsible for managing the account on a day-to-day basis.
- A detailed description of the plan for assisting the Subcommittee in meeting its goals and objectives, including how the requirements will be met and what assurances of efficiency and success the proposed approach will provide.
- An indication of the timeframe the Vendor would require to assist the Subcommittee in meeting its goals and objectives.
- A detailed, narrative statement listing the three (3) most recent, comparable contracts (including contact information) that the Vendor has performed and the general history and experience of its organization.
- At least three (3) references from entities that have recent (within the last three (3) years) contract experience with the Vendor and are able to attest to the Vendor's work experience and qualifications relevant to this RFP. List of every business for which Vendor has performed, at any time during the past three (3) years, services substantially similar to those sought with this solicitation. Err on the side of inclusion; by submitting an offer, Vendor represents that the list is complete.
- List of failed projects, suspensions, debarments, and significant litigation.
- An outline or other information relating to why the Vendor's experience qualifies in meeting the specifications stated in Section 3 of this RFP.

A Vendor shall provide information on any conflict of interest with the objectives and goals of the Subcommittee that could result from other projects in which the Vendor is involved. Failure to disclose any such conflict may be cause for Contract termination or disqualification of the response.

A Vendor or its subcontractor(s) must list all clients that were lost between March 2018 and the present and the reason for the loss. The Subcommittee reserves the right to contact any accounts listed in this section. A Vendor must describe any contract disputes involving an amount of thirty-five thousand dollars (\$35,000) or more that the Vendor, or its subcontractor(s), has been involved in within the past two (2) years. Please indicate if the dispute(s) have been successfully resolved.

**See attached Vendor's Qualifications**

### **5.5.1 BACKGROUND INVESTIGATION**

Vendors must allow the BLR to perform an investigation of the financial responsibility, security, and integrity of a Vendor submitting a bid, if required by the Subcommittee.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

## **SECTION 6. EVALUATION CRITERIA FOR SELECTION**

### **6.0 GENERALLY**

The Vendor should address each item listed in this RFP to be guaranteed a complete evaluation. After initial qualification of proposals, selection of the Successful Vendor will be determined in a meeting of the Subcommittee by evaluation of several factors.

The Subcommittee has developed evaluation criteria that will be used by the Subcommittee and that is incorporated in Section 6.1 of this RFP. Other agents of the Subcommittee may also examine documents.

Submission of a proposal implies Vendor acceptance of the evaluation technique and Vendor recognition that subjective judgments must be made by the Subcommittee during the evaluation of the proposals.

The Subcommittee reserves, and a Vendor by submitting a Proposal grants to the Subcommittee, the right to obtain any information from any lawful source regarding the past business history, practices, and abilities of Vendor, its officers, directors, employees, owners, team members, partners, and/or subcontractors.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

### **6.1 EVALUATION CRITERIA**

The following evaluation criteria are listed according to their relative importance; however, the difference between the importance assigned to any one criterion and the criteria immediately preceding and following is small:

- Directly related experience;
- Pricing;
- Plan for providing services;
- Proposed schedule for providing services;
- Proposed personnel and the credentials of those assigned;
- Compliance with the requirements of the RFP; and
- Past performance.

**Vendor acknowledges and agrees with the requirements set forth in this section.**

**EXECUTIVE ORDER E0-98-04**  
**EXECUTIVE ORDER DISCLOSURE FORM**

NAME: JAS D Collier & Co. (DBA Collier Insurance)

ADDRESS: 606 S. Mendenhall Rd. Memphis, TN 38117 Shelby County  
Street City State/Zip County

CONTRACT NO: BLR-210001 FEDERAL NO: \_\_\_\_\_

CONTRACT EFFECTIVE DATE: TBD

**B. DISCLOSURE REQUIREMENTS**

Agencies shall require, as a condition of obtaining or renewing a contract, lease, purchase agreement, employment, or grant with any state agency, that any individual desiring to contract with, be employed by, or receive grant benefits from, any state agency shall disclose whether that person is a current or former; member of the general assembly, constitutional officer, board or commission member, state employee, or the spouse or immediate family member of any of the persons described in this sentence. Agencies shall require that any non-individual entity desiring to contract with, or receive grant benefits from, any state agency shall disclose (1.) any position of control, or (2.) any ownership interests of 10% or greater, that is held by a current or former member of the general assembly, constitutional officer, board or commission member, state employee, or the spouse or immediate family member of any of the persons described in this sentence.

As a condition for obtaining funding through a contract, lease, purchase agreement, or a grant with the Department of Health and Human Services, the following information must be disclosed:

Individual contractor indicate below if you are:

	Current	Former	Term(s) of service
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)	
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)	
3. A state employee	Yes/No (circle one)	Yes/No (circle one)	
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)	

Individual contractor indicate below if you are a spouse or immediate family member of an individual that is;

	Current	Former	Term(s) of service	Relative's name and relationship
1. A member of the general assembly	Yes/No (circle one)	Yes/No (circle one)		
2. A constitutional officer	Yes/No (circle one)	Yes/No (circle one)		
3. A state employee	Yes/No (circle one)	Yes/No (circle one)		
4. Serving as a commission or board member	Yes/No (circle one)	Yes/No (circle one)		

**ATTACHMENT A  
OFFICIAL PROPOSAL PRICE SHEET**

**Note: The Official Proposal Price Sheet must be submitted in a separate envelope or e-mail. Any reference to pricing in the technical proposal shall be cause for disqualification from further considerations for award.**

1. Bids should provide at least a 180-day acceptance period.
2. By submission of a proposal, the proposer certifies the following:
  - A. Prices in this proposal have been arrived at independently, without consultation, communication, or agreement for the purpose of restricting competition;
  - B. No attempt has been made nor will be by the proposer to induce any other person or firm to submit a proposal for the purpose of restricting competition;
  - C. The person signing this proposal is authorized to represent the company and is legally responsible for the decision as to the price and supporting documentation provided as a result of this RFP; and
  - D. Prices in this proposal have not been knowingly disclosed by the proposer and will not be prior to award to any other proposer.

**The Official Price Proposal Sheet must be submitted in substantially the following form, allowing for the inclusion of specific information regarding positions, goods, services, etc., and signed by an official authorized to bind the Vendor to a resultant contract.**

DESCRIPTION	PRICE PER HOUR	NUMBER OF POSITIONS
Supervisor	\$300	2
Other Professional Staff (List by Position)	\$250	1
Support Staff	\$150	3
DESCRIPTION	PRICE PER UNIT (IF APPLICABLE)	TOTAL PRICE
Subcontractors (if any)		
Travel		
Any Additional Goods & Services (List Individually)		
<b>TOTAL MAXIMUM AMOUNT OF BID: \$345,000</b>		

  
Signature, Title

4/9/21  
Date

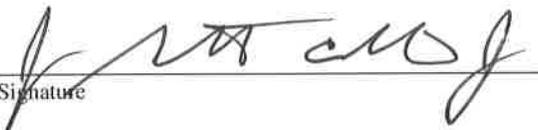
Non-individual entity list any individual who holds a position of control or ownership interest of 10% or greater in the entity if the individual is:

	Current	Former	Relative's name & Term(s) of Service	Relationship	Individual
1. A member of the general assembly	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			
2. A constitutional officer	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			
3. A state employee	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			
4. Serving as a commission or board member	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			

Non-individual entity list any individual who holds a position of control or ownership interest of 10% of greater in the entity if the individual is a spouse or immediate family member of:

	Current	Former	Term(s) of service	Relative's name & Relationship	Individual
1. A member of the general assembly	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			
2. A constitutional officer	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			
3. A state employee	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			
4. Serving as a commission or board member	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No	Yes/No (circle one) <input checked="" type="radio"/> Yes <input type="radio"/> No			

Failure of any person or entity to disclose under any term of Executive Order 98-04 shall be considered a material breach of the terms of the contract.

  
 Signature  
 CEO  
 Title

4/9/21  
 Date

**THIS FORM MUST BE COMPLETED AND RETURNED PRIOR TO EXECUTION OF THE CONTRACT**

## PROPOSAL SIGNATURE PAGE

Type or Print the following information:

### Prospective Contractor Contact Information

Contact Person: Stuart Collier Title: CEO  
Phone: 901-529-2900 Alternate Phone: \_\_\_\_\_  
Email: scollier@collier.com

### Confirmation of Redacted Copy

YES, a redacted copy of proposal documents is enclosed.

NO, a redacted copy of submission documents is not enclosed. I understand a full copy of non-redacted submission documents will be released if requested.

*Note: If a redacted copy of the proposal documents is not provided with the Vendor's proposal, and neither box is checked a copy of the unredacted documents will be released in response to any request made under the Arkansas Freedom of Information Act (FOIA).*

### Illegal Immigrant Confirmation

By signing and submitting a response to this RFP and by certifying online at <https://www.ark.org/dfa/immigrant/index.php/disclosure/submit/new>, the Vendor agrees and certifies that they do not employ or contract with illegal immigrants. If selected, the Vendor certifies that they will not employ or contract with illegal immigrants during the aggregate term of the contract.

### Israel Boycott Restriction Confirmation

By checking the box below, the Vendor agrees and certifies that they do not boycott Israel, and if selected, will not boycott Israel during the aggregate term of the contract.

Vendor does not and will not boycott Israel.

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***An official authorized to bind the Vendor to a resultant contract shall sign below.***

The Signature below signifies agreement that any exception that conflicts with the requirements of this RFP will cause the Vendor's proposal to be disqualified.

Authorized Signature:  Title: CEO  
Printed/Typed Name: Stuart Collier, Jr. Date: 4/9/21