



**ADDENDUM #1**  
**RFP NUMBER: 2015027-HR-P**  
**Voluntary Worksite Benefits RFP**

DATE: February 11, 2015

TO: All Potential Offerors

City of Harrisonburg's Voluntary Worksite Benefits RFP, is modified as follows:

1. Current census information will be released in a future addendum. Because this information contains confidential information, any Offeror that would like access to this information must complete and submit the attached "Confidentiality & Non-Disclosure Agreement" (*Attachment K*). Submissions of this document may be emailed to Ms. Pat Hilliard, Procurement Manager, at [Purchasing@harrisonburgva.gov](mailto:Purchasing@harrisonburgva.gov) or by fax to her at 540-432-7778. Upon receipt of a completed Agreement, the documents will be emailed directly back to the requestor.

2. Question: How does the City currently enroll and administer their Voluntary and Worksite benefits? Is an outside company or enrollment firm used?

Answer: Enrollment is handled by the vendor during the City's Open Enrollment period and at the time of hiring of new employees. The employee is expected to contact the vendor directly to make changes to any plans in which they have enrolled.

3. Question: I would like to request a copy of current Aflac invoices.

Answer: The City does not receive monthly invoices from AFLAC. The billing is handled electronically. We have attached a report indicating the number of participants (see page 6 of this addendum) and associated costs on a monthly basis for the last three months (November and December of 2014 and January 2015) (see page 7 of this addendum).

4. Question; For the Hospital Confinement Grid: this was missing from the document.

Answer: This is now combined with the Critical Illness Plan at our current provider. We do not have current information to provide as a standalone grid for this policy.

5. Question: How many new hires do you have each year, approximately?

Answer: The City has hired an average of 76 new employees per year, over the last three (3) years.

6. Question: With regards to the Accident Grid, all carriers typically have 3-5 different levels of coverage, each one with a higher premium, but also higher payouts. Sometimes the employer chooses which level to

offer, and some carriers allow each employee to choose the level. How should we quote this? Comparing rates on different levels of coverage is very hard to do.

Answer: The City has provided information in the RFP related to rates and types of coverage offered. Please use this information as your reference point and prepare an appropriate response. Offerors are encouraged to provide information on any other products the company believes would be advantageous for the employees to consider.

7. Question: With regards to the Critical Illness & Cancer Grids, most carriers have two separate products for each of these areas, and some have a combined Critical Illness w/Cancer coverage. Is it ok to quote the more relevant “combined” coverage? This typically saves employees about 30% for more coverage.

Answer: The City has provided information in the RFP related to rates and types of coverage offered. Please use this information as your reference point and prepare an appropriate response. Offerors are encouraged to provide information on any other products the company believes would be advantageous for the employees to consider.

8. Question: With regards to the Hospital Confinement Grid, is an HSA or an HRA in place, or is one planned to be offered in the near future? Can you send the current SBCs on your medical coverage?

Answer: City of Harrisonburg Health Insurance is provided by Anthem Blue Cross Blue Shield – [www.anthem.com](http://www.anthem.com) – 800-451-1527.

Health Insurance Premiums – City currently pays 70% of the cost for health care. Below is the information.

- Deductible
  - single coverage: \$500
  - family coverage: \$1000
- Co-payments
  - \$25 for outpatient primary care physician visits
  - \$50 Co-payment for outpatient specialty care provider
- Routine Wellness Services, 100% Allowable Charges:
  - Well Baby visits
  - Mammography screenings
  - Check-up visits
  - Prostate exams
  - Gynecological exams
  - Immunizations
- 20% of Allowable Charges (AC) after deductible for diagnostic services (in-network physicians)
- 20% of Allowable Charges (AC) after deductible for outpatient facility services and emergency room visits
- In-network maximum calendar year deductible
  - single coverage : \$3,000
  - family coverage: \$6,000  
(no family member will pay more than \$3,000 toward the limit)
- Prescription drug card--three tier levels of coverage:

	30 Day Supply	90 Day Supply
- First tier:	\$10	\$20
- Second tier:	\$40	\$80
- Third tier:	\$75	\$150

The City does not currently offer employees either an HSA or an HRA. I do not anticipate either of these types of plans to be offered within the next fiscal year (July 2015 to June 2016).

The City has provided Short Term Disability (STD) insurance for employees who were hired on or after January 1, 2014 (employer paid). Employees hired on or after this date may be enrolled in the Hybrid Retirement Plan through the Virginia Retirement System (VRS) (non-public safety employees) or provide a similar program through the City of Harrisonburg (public safety employees in Plan 1 or Plan 2 of VRS). Hybrid Plan employees are eligible to participate in the STD once they have been employed with the City for a minimum of twelve months (non-work related injury or illness).

A description of the VRS STD may be found on the VRS website:

[http://www.varetire.org/Pdf/Publications/vldp-manual-ch2-short-term-disability.pdf#search=%22Short Term Disability%22](http://www.varetire.org/Pdf/Publications/vldp-manual-ch2-short-term-disability.pdf#search=%22Short%20Term%20Disability%22)

The City has provided a comparable plan for non-public safety employees hired after 1/1/15 (39 employees) through the Standard Company and has provided a comparable plan for public safety employees (18 employees) through Sentara-RMH Occupational Health.

City of Harrisonburg legacy employees have had access to the Short Term Disability plan offered through AFLAC and may have chosen to participate on an employee-paid basis.

STD Plan Design for Hybrid Employees (those employees hired after January 1, 2014 and all VRS Hybrid members):

- 12 mo waiting period for non-work related injuries/illnesses
- Benefits start on the 8th day of injuries/illnesses
- Eligible for up to 125 workdays

9. Question: What current LTD coverage does the City have? (STD Grid)

Answer: The City offers Long Term Disability insurance only to those employees hired since January 1, 2014 as a part of the VRS Hybrid Plan. Coverage begins after 125 workdays and the employer-paid Short Term Disability is exhausted.

Legacy employees are eligible to apply for VRS Disability Retirement if they are no longer able to perform the functions of their job.

10. Question: What Elimination Period should we quote for the STD Grid? Some carriers allow the employee to choose, others make the employer select only one.

Answer: The Short Term Disability plan will be a voluntary *employee* paid insurance and the employee should make the determination regarding the elimination period. Should the employee choose to participate, the benefit will be completely separate from any leave coverage offered through the City.

11. Question: What Benefit Period should we choose for the STD Grid?

Answer: See response to Question #13.

12. Question: Should we quote Off-Job or On/Off-Job? (STD Grid)

Answer: On and off the job.

13. Question: Should the coverage “coordinate” with other sources of income, or are you looking for STD that pays regardless of other sources of income? (STD Grid)

Answer: The STD coverage does not have to coordinate with any other sources of income that may be provided or coordinated by the City.

14. Question: Do you want plans that include mental and nervous (i.e. anxiety) conditions? Many carriers will restrict any stress/anxiety related conditions in the fine print. Others allow it. [mental related disabilities are growing due to stress, which is why this should be an important part of your analysis] (STD Grid)

Answer: Those who choose to prepare a proposal in response to this RFP are free to recommend coverage appropriate for City of Harrisonburg employees.

15. Question: Do you want rates that are Issue or Attained Age rated? (STD Grid)

Answer: Issue rated.

16. Question: Are you looking for "Unit" plans or 60% plans: some carriers only allow the employee to enroll in coverage that is 60% of their gross pay, and others allow the employee to determine how much benefit that want to receive. (STD Grid)

Answer: Those who choose to prepare a proposal in response to this RFP are free to recommend coverage and/or plans appropriate for City of Harrisonburg employees.

17. Question: Please provide a copy of a sample contract.

Answer: See Attachment J of the RFP document (page 29).

18. Question: Please provide the current participation amounts for each plan.

Answer: See response to Question #3.

All other requirements, terms and conditions of the RFP remain unchanged.

Addendum page must be signed and returned with your proposal to acknowledge receipt of this addendum.

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Authorized Signature

By: Pat Hilliard, CPPB  
Procurement Manager



**ATTACHMENT K. CONFIDENTIALITY & NON-DISCLOSURE AGREEMENT**

This Confidentiality and Non-disclosure Agreement (the "Agreement") is made and entered into this \_\_\_ day of **February, 2015** by and between the City of Harrisonburg, Virginia, a Virginia municipal corporation, (the "City") and the undersigned recipient of certain Confidential Information ("the Recipient") for the purposes of preventing the unauthorized disclosure of Confidential Information.

- A. The City issued Request For Proposal (RFP) Number 2015027-HR-P for Voluntary Worksite Benefits. Recipient is considering submitting a proposal in response to the RFP and has requested that the City provide certain personal information regarding employees of the City.
- B. The City has agreed to provide such information provided the Recipient agrees to the following conditions:
  1. Confidentiality and Non-disclosure. The Recipient agrees that all information, records and/or documents provided by the City to Recipient which contains Confidential Information shall remain confidential and that Recipient shall not make any unauthorized use or disclosure of any such information disclosed by the City. Confidential Information shall include, but not be limited to, personal information of the City employees or its Contractors.
  2. Obligations of Recipient. Recipient agrees that the Confidential Information provided by the City shall be used only in the consideration and/or preparation of a response by Recipient to the RFP. Recipient acknowledges and agrees, except if required by judicial or administrative order, trial or other governmental proceeding pertaining to this matter, that it will not use, duplicate or divulge to others any Confidential Information disclosed to Recipient by the City without first obtaining the prior written permission from the City.
  3. Term. The non-disclosure provisions of this Agreement shall survive the awarding of a contract pursuant to the RFP. At the time of the awarding of a contract pursuant to the RFP, Recipient agrees to destroy all copies, whether written or electronic, of the Confidential Information. Recipient's duty to hold Confidential Information in confidence shall remain in effect until the City notifies the Recipient in writing, releasing the Recipient from this Agreement.
  4. Remedies. Recipient agrees that its obligations hereunder are necessary and reasonable in order to protect the personal information provided by the City, and expressly agrees that monetary damages would be inadequate to compensate the City for any breach of any covenant or agreement set forth herein. Accordingly, Recipient agrees and acknowledges that any such violation or threatened violation will cause irreparable injury to the City and its employees and its Contractors, and that, in addition to any civil and/or criminal sanctions or penalties, the City, and any of its employees and its Contractors shall be entitled to obtain injunctive relief against the threatened breach of the Agreement or the continuation of any such breach, without the necessity of proving actual damages. Recipient shall be responsible for all damages resulting from such violation, including but not limited to, the cost of notification and shall indemnify and hold harmless the City, its office's, employees and elected officials, of any damages resulting form a breach of this agreement.
  5. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Virginia, with venue for any action arising hereunder proper only in the Circuit Court of Rockingham County, Virginia.

Agreement as of the date first above written.

**City of Harrisonburg, Virginia**  
 Signature: Pat Hilliard  
 Name: Pat Hilliard, CPPB  
 Title: Purchasing Agent  
 Address: 345 South Main Street  
Harrisonburg, VA 22801

**Contractor/Employee**  
 Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_

## City of Harrisonburg Aflac Policy Statistics

Short-term Disability

131

Individual Accident	One-Parent Accident	Husband and Wife Accident	Family Accident	Total Accident
77	18	45	94	234

Individual Cancer	One-Parent Cancer	Family Cancer	Total Cancer
53	5	116	174

Individual CCR	One-Parent CCR	Husband and Wife CCR	Family CCR	Total CCR
20	6	20	13	59

Individual Hospital Protection	One-Parent Hospital	Husband and Wife Hospital	Family Hospital	Total Hospital
14	1	0	2	17

Individual Intensive Care	Family Intensive Care	Total Intensive Care
40	46	86

CCR= Critical Care and Recovery

City of Harrisonburg  
 AFLAC Employee Deductions

<u>Pay Date</u>	<u>Pre-Tax Number of Participants</u>	<u>Pre-Tax Total Deduction</u>	<u>After-Tax Number of Participants</u>	<u>After-Tax Total Deduction</u>	<u>Total Number of Participants</u>	<u>Total Deduction</u>
11/14/2014	256	7,756.53	212	2,860.07	468	10,616.60
11/26/2014	255	7,731.78	211	2,856.57	466	10,588.35
<b>November 2014 Total</b>						<b>21,204.95</b>
12/12/2014	255	7,731.78	211	2,856.57	466	10,588.35
12/24/2014	255	7,731.78	211	2,856.57	466	10,588.35
<b>December 2014 Total</b>						<b>21,176.70</b>
01/09/2015	258	7,827.20	214	2,910.78	472	10,737.98
01/23/2015	258	7,827.20	214	2,910.78	472	10,737.98
<b>January 2015 Total</b>						<b>21,475.96</b>