



RFP Number: 21-02: **Administration of Health Reimbursement Arrangement (HRA), Flexible Spending Account (FSA) and Continuation of Benefits (COBRA)**

Addendum Number: 1

NOTICE TO PROPOSERS: THIS ADDENDUM SHALL BECOME PART OF THE RFP, AND PROPOSERS SHALL ACKNOWLEDGE, IN WRITING, RECEIPT AND INCORPORATION OF ALL ADDENDA AND CLARIFICATIONS IN THEIR RESPONSE. FAILURE OF THE PROPOSER TO RECEIVE ADDENDA SHALL NOT RELIEVE THE PROPOSER FROM ANY OBLIGATION UNDER ITS PROPOSAL AS SUBMITTED. THE PROPOSER SHALL IDENTIFY AND LIST IN ITS PROPOSAL ALL ADDENDA RECEIVED AND INCLUDED IN ITS PROPOSAL; FAILURE TO DO SO MAY BE ASSERTED BY THE DISTRICT AS A BASIS FOR DETERMINING THE PROPOSAL NON-RESPONSIVE.

Answers to Questions

Number	Questions	Responses
1	In regards to the recent Los Angeles Community College District RFP, I wanted to inquire if the hard copy requirement could possibly be waived?	No, the hard copy requirement cannot be waived. Proposals will only be accepted by mail or hand-delivered to the address listed in the RFP.
2	The RFP asks for an original paper RFP submission, along with six paper copies (seven paper submissions total). Due to the COVID-19 pandemic and the circumstances our country has been facing for a year now, proposing vendor is working from home and strongly prefers to submit electronic submissions, vs paper submissions. Please confirm if electronic-only submissions will be accepted.	No, proposals cannot be submitted via email. Proposals will only be accepted by mail or hand-delivered to the address listed in the RFP (see Section 2.1 on the RFP) .



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3	Please provide detail of how this scenario looks today, and how eligibility is currently tracked/updated: "The District intends for employees to use the HRA provisions for all applicable medical and health-related expenditures, up to the full dollar amount provided, before the employee can set-up and use a Flexible Spending Account (FSA) for such purposes."	A new HRA contribution of \$1,500 will be provided for calendar 2021, 2022 and 2023 on January 1 st of each of those three years to currently enrolled and newly eligible active and retired employees. Prior year balances are currently carried over and eligible subject to plan rules. In 2023 collective bargaining will determine if any changes will be made to the contribution amount or any other plan rules.
4	What is their administrative experience like today, and what is their reason for marketing? Any pain points they are looking to alleviate and improve? <ul style="list-style-type: none">• What is their service experience today for the HR team? (one point, team, etc.)• Likelihood of making a move?	Not sure we understand your question; however, if the question is why is LACCD issuing an RFP, please see the following response: The current contract is ending and LACCD is looking to competitively procure these services. The District cannot comment on the current service levels or service experience. The District cannot comment on the likelihood of who will be awarded the contract.
5	As the District's Benefits run on a calendar year (1/1 – 12/31), why is a mid-year takeover of 5/1/2021 being requested? For best practices and a more streamlined experience, we recommend renewing FSA and HRA at the typical renewal period.	The District has no information on why the contract has historically been renewed on 5/1.
6	Who are the current administrator(s): Anticipated participation: <ul style="list-style-type: none">• FSA:• HRA:• Retiree HRA: All 3,000?	The current administrator is HealthEquity. FSA- 456 HRA – 6,391



Number	Questions	Responses
	<ul style="list-style-type: none">• LOA Direct Billing:	Direct Bill – 209 Retiree HRA – 3000 retirees are eligible; participation rate not available because program is not yet fully implemented.
7	Number of employees enrolled in medical/dental/vision:	No breakdown is available for the number of Cobra/Direct Bill employees enrolled in medical/dental/vision.
8	Ben admin/HRIS file vendor:	The District manages its HRIS function internally utilizing SAP software.
9	Are you able to share the current administrative fees? <ul style="list-style-type: none">• FSA:• HRA:• Retiree HRA:• LOA Direct Billing:• COBRA:	The District will not disclose current administrative fees.
11	How much is LACCD contributing to the HRA accounts?	Please refer to answer to Question 3.
12	Are there any other marketings or projects taking place that LACCD is prioritizing right now?	The District cannot comment on any other RFPs that may be taking place at this time.



Number	Questions	Responses
13	What is the average turnover rate and how many are currently on COBRA today?	The District cannot comment on the average turnover rate. Please refer to the answer to Questions 6 and 7 as respects Cobra enrollments.
14	What will be the key decision factors on the vendor that is chosen?	Please see RFP 21-02, with particular emphasis on Section 4.2 for details.
15	Is there any need for custom communications for Retirees or active employees?	There may be a need for custom communications, but no specific need is identified at this time.
16	<p>Page 14 of the RFP; Section 2.6 of the RFP indicates Joint proposals are not acceptable. Multiple firms may submit together as long as the structure is such that one firm acts as a prime and others act as subcontractors. In this case, LACCD will execute a contract with the firm acting as the prime contractor. The District may designate a lead within the selected firm(s).</p> <p>QUESTION: If the Proposer utilizes one of its wholly-owned subsidiaries to perform the COBRA services, and a separate Rider is required to be signed between the District and such wholly-owned subsidiary (solely with regard to the COBRA portion), does the District consider this situation a joint proposal? Please note the wholly owned</p>	The District will only execute one contract to a proposer (prime). If multiple firms (including subsidiaries) submit a proposal together, the District will only execute one contract to that prime.



Number	Questions	Responses
	subsidiary is not a subcontractor. Proposer suggests the parent company will be the "prime contractor" executing the main contract with a separate Rider being executed by the wholly owned subsidiary. Will this be acceptable?	
17	Whether companies from Outside USA can apply for this? (like, from India or Canada)	No, companies outside of the U.S. cannot apply.
18	Whether we need to come over there for meetings?	All Candidates must be licensed to do business in the State of California and there may be a requirement to meet in person.
19	Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)	All Candidates must be licensed to do business in the State of California and there may be a requirement to meet in person.
20	Can we submit the proposals via email?	No, proposals cannot be submitted via email. Proposals will only be accepted by mail or hand-delivered to the address listed in the RFP (see RFP Section 2.1 for details).
21	Why has District decided to bid these services at this time (fees, service issues, standard due diligence, etc.)? a. Are there service level concerns with the current administrator?	There are no service-level concerns with the current administrator. The current contract is ending and LACCD is looking to competitively procure these services.



Number	Questions	Responses
	b. If no service issues, what would be the catalyst for District to change administrators?	
22	How long has the current administrator provided services to the District?	The current administrator has been providing services for seven years.
23	Can the District confirm the current total number of HRA accounts, FSA Account, Benefit Eligible Employees, and AB 528 plan participants?	Please see response to Question 6.
24	What is the current administrative fee for the benefits which the District is seeking (i.e., FSA, HRA, Continuation Benefits)? Does the District cover the cost of these benefits or do participants pay the fees?	The District will not comment on current administrative fees. The District pays the cost of the administrative fees.
25	Does District work with a benefits consultant or broker? If so, who (name, company).	The District's current benefits consultant is Arthur J. Gallagher.
26	Who is your benefit administration platform provider and payroll vendor? Does the District anticipate any changes to these platforms or replacement of current systems	The District administers benefits and payroll on its SAP platform. No changes are anticipated to SAP at the time of this RFP.



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27	Can the District provide greater detail regarding the claims eligibility date for active HRA account participants? Can HRA participants submit claims for prior years? Is there a claims run out period?	<p>New HRA accounts are provided to eligible employees on the 1st of January following their eligibility.</p> <p>HRA claims incurred in a calendar year are eligible for reimbursement up until March 31 of the following calendar year.</p> <p>Claims for prior years are not allowed. Thus there is no runout period, they must be submitted by 3/31 of the next year.</p>
28	Is there any requirement for marketing material to be mailed? What was the quantity and number of locations for the most recent plan year? Can material be emailed or otherwise posted on the website	<p>Marketing material is on an as-needed basis to clarify plan/legislative changes, and is typically communicated electronically.</p> <p>U.S. mail communications average 2 per year.</p> <p>The District has 9 colleges and an administrative "home office."</p>
29	What is the expectation / projections for increased participation? Has enrollment been relatively flat the past two plan years?	The District does not have projections or enrollment trends available.
30	What was the forfeiture information such as; a. The total number of participants who forfeited money in the last plan year for health care FSAs? b. The total amount of forfeited money for the last plan year for health care FSAs?	The District does not have this information available.



Number	Questions	Responses
	c. The total number of participants who forfeited money in the last plan year for Dependent Care FSAs? d. The total amount of forfeited money for the last plan year for dependent care FSAs?	
31	What amenities or service features do you like the most about the current FSA, Continuation Benefit plan administrator?	The District will not comment on service features of current provider.
32	Does the District have new technological objectives for administration of these services?	The District does not have specific technological objectives for a service provider.
33	Are there particular features or processes the District is seeking in the chosen vendor?	Please see RFP 21-02.
34	Will the incumbent TPA handle the claims run-out administration for the final plan year of the FSA contract?	No.
35	What are the current administrator's claims processing turnaround time for FSA services?	The District does not have this information available.



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36	Approximately what percentage of your employee base has access to email?	All active and adjunct employees have a District email account.
37	Does the current service provider provide claims integration with your health benefit carriers?	No.
38	Can the District provide information regarding any service provider expectations involved with annual open enrollment meetings, including the format District might utilize as part of this process? How many days and locations will the new service provider be expected to attend?	Service provider expectations around open enrollment are fluid due to the Covid-19 pandemic. The 2020 open enrollment process was 100% virtual, and the current service provider participated in 2 virtual open enrollment events.
39	Will the District provide the current performance guarantees established with the current provider?	The District will not comment on performance guarantees of current provider.
40	Has the current administrator paid penalties for failing to meet performance guaranteed? Is so, where did they fall short?	No.
41	How does the District pay for COBRA services today? Is the District open to a "per eligible per month" fee?	Please see answer to Question 24.



Number	Questions	Responses
42	What are the current number of participants in your HSA, FSA, and COBRA benefits?	Please see answer to Question 6.
43	Who is your current vendor providing your third party benefits?	HealthEquity.
44	Are there any current servicing concerns or pain points to mitigate?	The District will not comment on performance of current provider.
45	Are you using a broker or consultant for this RFP development or review of RFP responses?	No.
46	Under the HRA, employees will have a debit card and may also be reimbursed by check/EFT?	There is a single card for FSA and HRA. Members may pay their expenses via debit card or submit by mail, fax, or online.
47	Similarly under the FSA, reimbursements are by debit card / check /EFT?	Please see answer to Question 46.
48	Employer funding to cover these payments is monthly in arrears by invoice. Will Los Angeles Community College agree to a prefunding account to cover the 'float'?	Employer funding to cover payments will remain "monthly in arrears" and billed monthly. The District does not prefund accounts.



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49	We have real time access for participants to check their account through their online account or mobile app. In our experience, participants rarely use IVR access. During your required service hours, all calls are answered directly by live operators, with no 'telephone tree". Will this be a satisfactory alternative to the IVR request?	Yes.
50	What is the claims funding arrangement and frequency of funding between Los Angeles Community College District (the District) and the vendor?	Please see answer to Question 48.
51	Will the vendor have ACH access to a District bank account for claims? If not, will prefunding be provided?	No. Please see answer to Question 48.
52	Will the District supply the vendor with a payroll file of actual FSA payroll deductions and HRA contributions? If so, will the District conform to the vendor file specs?	Yes; District will work with vendor to conform to vendor file specs.
53	Will the District provide an electronic open enrollment and ongoing file for new hires, terminations and changes? If so, will the District conform to the vendor file specs?	Yes; District will work with vendor to conform to vendor file specs.



Number	Questions	Responses
54	Can you disclose the current Per Participant Per Month FSA administrative fee? Does this fee include the debit card or is that an additional fee?	The District will not disclose current fees.
55	Can you disclose the current Per Participant Per Month HRA administrative fee? Does this fee include the debit card or is that an additional fee?	Please see answer to Question 54.
56	How does the District pay for COBRA? Per notice basis or per insured employee per month?	Per insured employee per month.
57	Is the COBRA administrator expected to pay carriers directly, or can COBRA premiums be remitted to the District on a monthly basis?	Cobra premiums are remitted to the District on a monthly basis.
58	For COBRA, what is the District's COBRA activity - Approximately, how many terms per year? How many new hires?	Please see answer to Question 6. No information on new hires is available.
59	Can you disclose the current COBRA fees?	The District will not disclose current fees.
60	What is the length of the contract?	This contract will be issued for up to five years. Please see RFP 21-02, with particular emphasis on Section 2.11



Number	Questions	Responses
61	What is the number of current COBRA continuants?	Please see answer to Question 6.
62	What is the number of current HRA participants?	Please see answer to Question 6.
63	What is the number of current FSA participants?	Please see answer to Question 6.