



**REQUEST FOR PROPOSAL
HEALTH and DENTAL EMPLOYEE BENEFIT PLANS
CITY OF TORRINGTON/BOARD OF EDUCATION
RFP #EBP-007-012811**

Addendum 4

RFP Participants,

In Addendum 4 we are providing answers to the questions that were addressed in the bidders conference call held on January 11, 2011 at 11am. This addendum includes the following attachment:

- 3 EPs RX util mo brand v generic.pdf

As of this Addendum the following items are still outstanding:

- SPDs for all plans
- R&C Methodology for Medical and Dental
- Rate differential for the Copay Dental Plans with Rider A.
- Large claimant identification, City or BOE.

1. **Can the large claimants be identified as City or BOE members?** We have requested Anthem to identify City and BOE members on the 3 large claim reports provided with the initial RFP.
2. **Are plan design details available for the Traditional/Indemnity Plan?** Fact sheets are currently not available. We have, however, requested the Plan Documents for this and all other plans.
3. **Please provide mail order and brand generic utilization history.** Attached to this addendum we have provided this information for the 3 experience periods provide with the RFP (July 08 thru June 09, July 09 thru June 10, and Dec 09 thru Nov 10).

4. **There are three rate levels for the Copay Dental Plan with Rider A, why the rate differential?** We are investigation with the incumbent and hope to have an answer soon. Please note:
 - a. The vast majority are in one plan with the rates mirroring the 200 subgroup.
 - b. The 202 (which has different rate than the 200) has no membership, so please ignore.
 - c. The 235 and 236 subgroups have only 28 combined subscribers.
 - d. Since member impact is so small and the rate differential is less than 1%, we encourage you to make a reasonable underwriting assumption and assume the benefits match that of the 200 et al. We will, however, provide an answer once we understand the differential.

5. **Is there a formal scoring process for the bids, if so what is the scoring process?** There is no formal scoring process. Lindberg & Ripple will review all responses and provide a report to the City and BOE. Clearly the cost proposal will be an important consideration, however benefit deviations, provider disruption, underwriting consistency, and service package will all be important considerations.

6. **Is there a quiet period prior to the RFP due date?** While there is no formal quiet period all questions are due to Lindberg & Ripple by 11am on Friday January 21, 2011. City policy requires all bidders to receive answers to questions raised by other bidders and also that all pertinent questions and addendums be provided 5 days prior to the due date. So, we will not be able to address any questions received after the 11am, January 21 deadline as thereafter we will not be able to meet the 5 day requirement.

7. **The RFP specifications request that a detailed claim projection be included with Appendix A (Cost Proposal), if no detailed claims projection is included will that disqualify our bid?** We have not provided an exhibit for bidders to complete their claim projection detail so we cannot disqualify bidders for not providing such information. Lindberg & Ripple, however, is tasked with analyzing the cost projections. The underwriting detail is a crucial component of our analysis. Without this information we will be limited in our ability to justify/support your financial proposal.

8. **Page 7 of the RFP Specifications, the sign off form asks for a list of attachments included in the bidders' response, are bidders required to list all attachments?** We encourage you to list ALL attachments you are providing. At a minimum please list the exhibits we have provided to be completed by all bidders as attachments. The purpose of the form is to confirm the individual signing the form is authorizing the information contained in the proposal including all necessary exhibits.

9. **You are requesting Vision costs to be broken out separately from the medial, should the cost for Vision include the hardware coverage only or the hardware and eye exam?** Either is fine, but please identify on the vision cost exhibits whether the cost is associated with hardware and exam or hardware only. PLEASE NOTE: As discussed in previous addendums, the Medical plan does include a baked in vision exam with refraction (limited to 1 exam every 2 years). For the subgroups with no hardware coverage they are still entitled to this baked in vision exam.

10. **On the fully insured cost financial exhibits you have some notes, in particular "who are these guys" what is that in reference to?** Those notes were intended for internal use and should have been removed. To answer the question, the "who are these guys" tie to the 234 subgroup, which is a grandfathered Retired Fire Fighter group.

Thank you.

TORRINGTON CITY AND BOARD OF EDUCATION

Prescription Drugs Cost and Utilization

CURRENT MONTH MEMBERSHIP: 2,741

CURRENT PERIOD MEMBERSHIP: 33,152

PRIOR PERIOD MEMBERSHIP: 33,361

Current Paid Period: Jul-2008 Through Jun-2009

Prior Paid Period: Jul-2007 Through Jun-2008

Mail Order vs. Drug Card Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
DRUG CARD	29,157	96.4 %	95.5 %	\$278,116	\$1,387,247	\$41.85	10.6
MAIL ORDER	1,078	3.6 %	4.5 %	\$22,008	\$162,602	\$4.90	0.4
TOTAL	30,235	100 %	100 %	\$300,125	\$1,549,849	\$46.75	10.9

Brand vs. Generic Drug Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
BRAND - GENERIC AVAIL	1,257	4.2 %	7.5 %	\$23,256	\$77,657	\$2.34	0.5
BRAND - NO GENERIC	10,641	35.2 %	35.6 %	\$186,890	\$1,120,612	\$33.80	3.9
GENERIC	18,337	60.6 %	56.9 %	\$89,978	\$351,581	\$10.61	6.6
TOTAL	30,235	100 %	100 %	\$300,125	\$1,549,849	\$46.75	10.9

Formulary vs. Non-Formulary Drug Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
GENERIC	18,337	60.6 %	56.9 %	\$89,978	\$351,581	\$10.61	6.6
FORMULARY BRAND	7,894	26.1 %	29.0 %	\$111,076	\$808,803	\$24.40	2.9
NON-FORMULARY BRAND	4,004	13.2 %	14.1 %	\$99,070	\$389,465	\$11.75	1.4
TOTAL	30,235	100 %	100 %	\$300,125	\$1,549,849	\$46.75	10.9



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Prescription Drugs

3.F.1

7/30/2009

TORRINGTON CITY AND BOARD OF EDUCATION

Prescription Drugs Cost and Utilization

CURRENT MONTH MEMBERSHIP: 2,660

CURRENT PERIOD MEMBERSHIP: 32,106

PRIOR PERIOD MEMBERSHIP: 33,134

Current Paid Period: Jul-2009 Through Jun-2010

Prior Paid Period: Jul-2008 Through Jun-2009

Mail Order vs. Drug Card Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
DRUG CARD	29,964	97.5 %	96.4 %	\$295,335	\$1,554,265	\$48.41	11.2
MAIL ORDER	782	2.5 %	3.6 %	\$16,553	\$110,800	\$3.45	0.3
TOTAL	30,746	100 %	100 %	\$311,888	\$1,665,065	\$51.86	11.5

Brand vs. Generic Drug Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
BRAND - GENERIC AVAIL	1,568	5.1 %	6.8 %	\$31,407	\$126,757	\$3.95	0.6
BRAND - NO GENERIC	10,392	33.8 %	32.4 %	\$182,969	\$1,145,359	\$35.67	3.9
GENERIC	18,786	61.1 %	60.8 %	\$97,513	\$392,950	\$12.24	7.0
TOTAL	30,746	100 %	100 %	\$311,888	\$1,665,065	\$51.86	11.5

Copay Category Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
TIER 1	18,786	61.1 %	60.8 %	\$97,513	\$392,950	\$12.24	7.0
TIER 2	7,954	25.9 %	26.0 %	\$119,044	\$895,130	\$27.88	3.0
TIER 3	4,006	13.0 %	13.2 %	\$95,331	\$376,985	\$11.74	1.5
TOTAL	30,746	100 %	100 %	\$311,888	\$1,665,065	\$51.86	11.5



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Prescription Drugs

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8/31/2010

TORRINGTON CITY AND BOARD OF EDUCATION

Prescription Drugs Cost and Utilization

CURRENT MONTH MEMBERSHIP: 2,644

CURRENT PERIOD MEMBERSHIP: 31,893

PRIOR PERIOD MEMBERSHIP: 32,726

Current Paid Period: Dec-2009 Through Nov-2010

Prior Paid Period: Dec-2008 Through Nov-2009

Mail Order vs. Drug Card Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
DRUG CARD	29,529	95.4 %	94.9 %	\$299,926	\$1,524,671	\$47.81	11.1
MAIL ORDER	1,417	4.6 %	5.1 %	\$34,184	\$208,220	\$6.53	0.5
TOTAL	30,946	100 %	100 %	\$334,111	\$1,732,891	\$54.33	11.6

Brand vs. Generic Drug Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
BRAND - GENERIC AVAIL	1,337	4.3 %	6.6 %	\$30,384	\$106,582	\$3.34	0.5
BRAND - NO GENERIC	10,116	32.7 %	33.4 %	\$200,160	\$1,209,930	\$37.94	3.8
GENERIC	19,493	63.0 %	60.0 %	\$103,567	\$416,378	\$13.06	7.3
TOTAL	30,946	100 %	100 %	\$334,111	\$1,732,891	\$54.33	11.6

Copay Category Utilization

	Script Count	% of Utilization	Prior % of Utilization	Member Paid	Employer Paid	Employer Paid PMPM	PMPY Script Volume
TIER 1	19,493	63.0 %	60.0 %	\$103,567	\$416,378	\$13.06	7.3
TIER 2	8,324	26.9 %	25.5 %	\$140,339	\$966,315	\$30.30	3.1
TIER 3	3,129	10.1 %	14.6 %	\$90,204	\$350,198	\$10.98	1.2
TOTAL	30,946	100 %	100 %	\$334,111	\$1,732,891	\$54.33	11.6



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12/14/2010