REQUEST FOR PROPOSAL (RFP)
FOR
Vision Plan Benefits
RFP NO. 14.03

Release Date
_______February 18, 2014_______

Proposal Due Date
_______March 25, 2014_______
At: Keenan & Associates
901 Calle Amanecer, Ste. 200
San Clemente, CA 92673

All questions must be
submitted in writing no later than:
_______March 4, 2014_______
Any questions concerning the RFP and all answers will also be posted on the LACERS website.

To RFP Administrator
Ms. Isabella Janus, Consultant
Mr. Steve Gedestad, Municipality Practice Leader
Keenan & Associates
E-mail: ijanus@keenan.com,
Phone: (310) 212-0363 ext. 2529
FAX: (310) 328-6793

Official RFP Notices/Addendums
To ensure that no firm is provided advantage over another; all requirements are specified in this RFP. Any changes to the requirements will be posted as an addendum to the RFP on the LACERS website: http://www.lacers.org/aboutlacers/request-for-proposals/index.html. Proposers are solely responsible for monitoring this website and adhering to RFP addendums.

Prohibited Communications
From the RFP release date until a contract for these services is fully executed, firms are prohibited from communicating with Members of the Board of Administration (Board) or staff, other than the RFP Administrator, concerning this RFP or the resulting contract. Any communications could be considered attempts to lobby or market services, and is therefore prohibited by LACERS Marketing Cessation Policy. Firms will be disqualified from contract consideration if the prohibition is not honored.
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### O. REQUIRED COMPLIANCE DOCUMENTS - Appendix A  

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2. Confidentiality and Non Disclosure of Member information (Appendix A – Attachment 2)  
3. Request for Proposal Warranty/Affidavit (Appendix A, Attachment 3) - The document must be signed and notarized  
4. Affirmative Action Plan (Appendix A, Attachment 4) - Complete with the proposal, or submit your own Affirmative Action Plan that meets all the requirements of the City of Los Angeles’ Affirmative Action Program  
5. Equal Employment Practice Form (Appendix A, Attachment 5)  
6. Bidder Certification – City Ethics Commission Form 50 (Appendix A, Attachment 6)  
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### P. Attachments  

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- Attachment B – Rate History  
- Attachment C – LACERS 2014 Health Benefits Enrollment Guide PDF  
- Attachment D – Census  
- Attachment E – Plan pricing, Proposed Rate Template (pricing.xls)  
- Attachment F – Claims Experience (2012, 2013), Rates, Benefits
I. INTRODUCTION AND BACKGROUND

Introduction

The Los Angeles City Employees’ Retirement System (LACERS) is seeking proposals from qualified organizations with in-depth knowledge and expertise in providing fully-insured vision benefits for LACERS’ eligible Retired Members, Survivors (e.g., surviving spouse/domestic partner), and Dependents.

LACERS seeks to partner with vendors who can demonstrate:

- An understanding of the challenges of managing vision plan benefits for a Retiree-only population.
- An established track record of providing high-quality service to vision plan participants.
- Effective provider contracting which balances cost, quality and minimum provider disruption.
- Consistent, responsive, and professional administrative service backed by verifiable performance measurements.
- The ability to provide LACERS with comprehensive reports containing cost and utilization data, that helps LACERS to understand factors that drive costs and how programs and services offered by each plan vendor help to mitigate cost trends.
- Understanding of the Patient Protection and Affordable Care Act and its impact on the vision programs that may impact Members.

This RFP will be for plan year January 1, 2015 – December 31, 2015, with options to renew for five additional one-year periods.

LACER has engaged their Health & Welfare consultant, Keenan & Associates (Keenan), to solicit vision plan benefit proposals for this RFP.

Background

LACERS is a public pension plan providing retirement benefits, survivor benefits, disability retirement benefits, supplemental annuities, and health insurance benefits to its Retirees and their beneficiaries. Established in 1937, pursuant to the City Charter, and under the management and control of a Board of Administration, LACERS is a defined benefit plan providing retirement-related benefits to approximately 6,808 Retirees and beneficiaries of the City of Los Angeles. The LACERS Board has seven Members, each serving five-year terms. Working together under the direction of the LACERS Board of Administration and bound by our fiduciary obligation to our Members, LACERS strives to provide accurate, timely, reliable and consistent retirement benefits and services. Selected proposers will work with staff to present to the Board or its committees health plan-related updates and reports, as requested.

The LACERS Board of Administration (Board) is the authorized trustee designated by the City of Los Angeles to oversee the retiree vision plan benefits. LACERS’ staff administers the program, which consists of selected vision plan carriers, on behalf of its Retired Members and their Dependents. Additionally, LACERS’ staff administers vision plan enrollments, conducts an annual Open Enrollment, prepares and distributes program materials and special communications, takes applications for coverage or changes in coverage according to rules.
developed by the Board, deducts participant health plan premiums from retirement allowances, posts eligibility information to the pension information system, and assists Retirees in accessing LACERS program benefits, and administers retiree health subsidies.

A summary of the vision program is included in Attachment A. The 2014 LACERS Health Benefits Guide, included in Attachment B, provides an overview of LACERS vision plan options. Including benefits available, premium costs, contribution and LACERS health benefits. The guide may be found in the Retired Members section of LACERS web site at www.LACERS.org.

City employees who are 55 years of age or older with at least 10 years of City Service are eligible for vision benefits. Vision benefits are part of LACERS medical plan – when the Member enrolls in a LACERS medical plan, they are covered automatically for vision benefits. Kaiser Permanente subscribers are covered directly through Kaiser Permanente, Anthem Blue Cross, SCAN Health Plan (SCAN) and UnitedHealthcare (UHC) subscribers are covered through Vision Service Plan (VSP).

Disability Retirees, current spouses/domestic partners of City Retirees, surviving spouses/domestic partners (hereafter referred to as Survivors) of City Retirees, and dependent children and grandchildren also participate in the plans.

The majority of LACERS Retirees reside within California (approximately 90%). The remaining 10% of LACERS Retirees reside throughout the United States and internationally. Outside of California, Arizona and Nevada are the states with the largest Retiree populations. The recent LACERS electronic census file is included in Attachment C as Census.xls. The enrollment by plan, as taken from the census information, is available to you in this file.

- The current vision plan benefits are as follows:
  - VSP Choice Plan B
    - Exam every 12 mos.
    - Lenses every 12 mos.
    - Frame every 24 mos.

An annual Open Enrollment period is held October 15 – November 15 of each year. It allows new enrollments and the addition of eligible family members. All Proposers must quote on the basis that there will continue to be an annual Open Enrollment period. Additional qualifying events for enrolling outside of Open Enrollment include: retirement from the City, being added to the retirement payroll as an eligible Survivor, turning age 55. Eligible participants have 30 - 60 days from the date of these qualifying events from which to elect coverage.

LACERS requires renewals to be presented by May 1st for the plan year beginning the following January 1st. The final renewal benefit designs and rates are presented to LACERS by July 25th prior to the start of the plan year. Vendors are not allowed to modify the final renewal benefits and rates. Benefit changes are only allowed provided they are due to state or federal mandates, however, the final rates are not allowed to change.

As part of LACERS Data Initiative Program, vendors are expected to provide complete transparency with information relevant to LACERS program. LACERS is interested in obtaining monthly utilization data, selected plan performance metrics, Member data, and other plan information specific to its population.
Carriers are encouraged to participate in LACERS wellness program initiative. Each Proposer, if available, may contribute to the annual Open Enrollment and wellness campaign initiative for 2014.

In addition, carriers are asked to develop and coordinate a LACERS Member satisfaction survey that will involve its program. The carrier should be responsible for all costs associated with developing this survey.

This RFP seeks proposals for the vision plans described previously. Plan designs should match, as closely as possible, the benefit provisions of the current plans. LACERS prefers to receive an exact match of its existing benefit plans.

Proposers are encouraged to bid on all plans for which they can provide benefits in order to provide LACERS with the best possible range of alternatives. While LACERS does not have a predisposition to any particular plan packaging scenario, the cost advantages and administrative efficiencies resulting from a packaged award will be considered.

All Proposers may choose to bid on any one or all of the above plan scenarios. Required plan elements include claim payment, Member services, provider networks, utilization (precertification and concurrent). An optional element is interactive health management (e.g., web-based or telephonic care management tools and programs).

LACERS reserves the right to award business in whatever configuration best meets its needs, at its sole discretion. These configurations include, for example, awarding coverage for all plans to a single vendor or awarding each plan to separate vendors. If the Proposer submits alternatives and/or substitutions to the terms and conditions, LACERS reserves the right to determine if the alternatives/substitutions are acceptable.

LACERS reserves the right to withdraw this RFP at any time without prior notice and the right to reject any and all responses to this RFP. The rejection of any or all proposals shall not render LACERS liable for costs or damages. LACERS makes no representation that any contract will be awarded to any Proposer responding to this RFP.
II. MINIMUM QUALIFICATIONS

Firms must clearly demonstrate achievement of the minimum qualifications for their proposals to be considered.

1. The firm must have at least five (5) years of experience providing fully insured vision plan benefits to assist public sector clients. A public sector client, for these purposes, must be a United States federal, state, municipal, or other local government client; and,

2. The firm has provided similar fully insured vision plan benefits as detailed in this RFP, resulting in positive impacts for at least three (3) other defined benefit public sector retirement systems with over fifteen thousand (15,000) Members.
III. SCOPE OF SERVICES

Proposers are asked to specify their ability to provide the following services listed below. If a Proposer cannot provide any of the following services, the Proposer must so indicate in their response to this RFP.

A. Vision Plan Underwriting and General Responsibilities

1. Proposer must be a vision insurance provider, not a broker representative, and ranked by either Standard and Poor’s, A.M. Best or Moody’s with a rating of “A” or greater to insure that LACERS is working with a provider that has the financial stability to maintain a multi-year contract with LACERS in support of LACERS retiree population.

2. Must be experienced with and licensed to provide vision plan benefits in the State of California.

3. Must be able to provide access to vision plan benefits coverage to LACERS Members who reside in the state of California or out-of-state (outside California).

4. Agree to accept LACERS definitions of eligible Retiree, Survivor, and Dependents.

5. Agree to work collaboratively with LACERS staff, the LACERS Board of Administration, and LACERS Health and Welfare Consultant.

6. Agree to work collaboratively with other LACERS vendors on other plan benefit-related projects such as Open Enrollment, wellness programs, data initiative and Member satisfaction survey.

7. Agree to provide and present renewal underwriting methodology to LACERS and their Health and Welfare Consultant as needed. In addition, agree to attend LACERS Board meetings as required to present renewals and proposals.

8. Provide such other services as requested by LACERS, for which the Contractor has the technical capability and capacity to render, to parties that include but are not limited to LACERS staff, the LACERS Board of Administration, and LACERS Health and Welfare Consultant.

9. Notify LACERS in writing and obtain approval of any changes to their services including, but not limited to, outsourcing of services outside the United States and its territories.

B. Program Evaluation, Reports, and Data Services

1. Meet with LACERS staff semi-annually to review and evaluate vision plan administration.

2. Upon LACERS request, attend various retiree meetings relating to vision plan benefits.
3. Provide statistical plan reports including utilization data, enrollee distribution reports, status reports and analysis (monthly, periodically, and annually), and other reports as needed and requested by LACERS and/or LACERS Health and Welfare Consultant.

4. Recommend alternatives to current vision plan designs and cost options when requested by LACERS staff and/or LACERS Health and Welfare Consultant.

5. Accept eligibility reporting on a monthly or more frequent basis with a twenty-four (24) hour upload turnaround time to assure timely eligibility capture.

6. Maintain full and accurate records with respect to all matters and services provided to LACERS for a minimum of seven (7) years from December 31st of the affected plan year.

7. Maintain compliance with all applicable Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules as a covered entity. Individuals, organizations, and agencies that meet the definition of a covered entity under HIPAA must comply with the Rules’ requirements to protect the privacy and security of health information and must provide individuals with certain rights with respect to their health information.

8. Inform LACERS staff and LACERS Health and Welfare Consultant of any pending legislation affecting the administration of the vision plans. If relevant legislation is enacted, provide LACERS staff and its consultant with a cost analysis and an implementation plan to ensure that the vision plan and LACERS comply with the new requirements.

C. Customer Support Services

1. Provide financially-based Performance Guarantee(s) to assure a high level of service to LACERS and its Retirees.

2. Provide a dedicated Account Manager, Claims Issue, and Eligibility Contact and agree to change those contacts upon request by LACERS.

3. Provide day-to-day consultation on matters pertaining to claim status, discrepancies, disputes, and plan interpretation.

4. Perform research and provide responses to technical questions from LACERS staff.

5. Provide training for LACERS staff regarding the plan and/or internal plan systems.

6. Provide administrative services for the plan, claims processing, research and resolution of any issues, complaints, or problems.

7. Investigate and resolve administrative and claims problems.

8. Provide LACERS with a disaster recovery plan within ninety (90) days of executing the Contract.
D. Open Enrollment and Communication Services

1. Participate in various events related to Open Enrollment, wellness and other activities/meetings centered upon educating LACERS vision plan participants and human resource personnel regarding this benefit.

2. Assist LACERS and LACERS Health and Welfare Consultant in preparing (open and special) enrollment and plan documents for use in retiree communications guides or letters.

3. Assist LACERS and LACERS Health and Welfare Consultant in drafting communication materials and plan comparison information for Retirees, Survivors, and Dependents.

4. Assist LACERS staff in the planning of a minimum of five (5) annual Open Enrollment meetings for Retirees. Planning to include at least one annual meeting with LACERS staff regarding current Open Enrollment meeting information needs.

5. Develop a presentation on the vision plan services for the annual Open Enrollment.

6. Attend and present vision information (such as vision plan changes for the following calendar year, how to utilize the plan most effectively, etc) at all annual Open Enrollment seminars for Retirees, Survivors, and Dependents.

7. Assist LACERS with the development of vision plan benefits documents, such as the LACERS Health Benefits Guide.

8. Provide electronically formatted participant communications to be used in LACERS newsletters and flyers.

E. Wellness

Provide a comprehensive vision wellness program for LACERS Retirees, Survivors and dependents.

F. Data Initiative

Will assist LACERS in the administration of its strategic plan data initiative, which involve:

1. Reviewing vision plan data and working with LACERS staff and LACERS Health and Welfare Consultant to develop and provide drill-down reports to better understand utilization.


3. Identifying cost drivers within each plan and collaborate with LACERS to develop strategies to mitigate the impact of these cost drivers, which may involve value-
based benefit plan design changes, consideration of new programs or plan offerings, or changes to the existing health benefits program, and communications efforts.

4. Monitoring and reporting on the progress of strategies and its effect on cost drivers.

G. **Member Satisfaction Survey**

Will provide and coordinate a Member survey for the LACERS Retirees, Survivors and Dependents to measure and monitor the overall satisfaction of its plans. The survey should conform to The National Committee for Quality Assurance (NCQA) requirements and be accredited under NCQA standards. The overall costs involved with the survey should be provided by the carrier.
IV. GENERAL DUTIES

The Proposer is expected to perform/handle the following general duties:

1. Treat all LACERS information as confidential as defined in the Confidentiality & Non-Disclosure of Member Information Policy. This applies to all data created, gathered, generated, or acquired within the scope of the contract. Sensitive information inclusive of, but not limited to, LACERS Members and Beneficiaries must be kept confidential in accordance with HIPAA standards. Selected Proposers shall notify LACERS immediately if there are any breaches to the confidentiality of LACERS’ confidential information. The breach of this agreement is subject to cancellation of contract and the selected Proposer being held liable for damages.

2. Maintain confidential any information resulting from this engagement except with written consent from the General Manager of LACERS or designee, prior to the release of any such information. This includes, but will not be limited to, press releases, research, reports, and any publicity given to the selected Proposer for work provided under the resulting contract. LACERS shall be credited as the sponsoring agency.

3. Refer all requests, reports, and all other communication that use LACERS database through the General Manager or appointed designee.

4. Notify LACERS immediately of any anticipated changes in personnel assigned under the terms of this engagement. The firm shall submit resumes of any proposed replacement personnel, and obtain written approval from LACERS for any change in the personnel assigned to the work.

5. Notify LACERS staff in writing in the event that any conflict of interest or possible conflict of interest is discovered regarding the provision of these services.

6. Document discussion ideas, issues, and extended services. Share responsibility with LACERS for documenting in writing all ideas and issues arising in discussions and meetings.
V. INSTRUCTIONS TO PROPOSERS

LACERS and its designated representatives will evaluate all proposals submitted according to this RFP. The proposal submitted will be considered to be your organization’s only submission.

A. Proposal Timeline

The timeline for the RFP process is as follows:

**Activity Dates**
- Release RFP: February 18
- Proposer Question Submission Date: March 4
- Final Responses to Vendor Questions: March 11
- Declare Proposal Intentions: March 11
- Proposals Due: March 25
- Selection of Finalists: May
- Finalist Interviews: May
- Site Visits, Negotiation of Terms and Costs: June – August
- Award of Business: June – August
- Effective Date: January 1, 2015

All questions should be directed only to Ms. Isabella Janus at Keenan & Associates. Any questions or contacts related to the RFP with LACERS office or staff is strictly prohibited during the proposal process.

B. Declare Proposal Intentions

To confirm your intent to submit a proposal in response to this RFP, notify the RFP Administrator no later than **Tuesday, March 11, 2014**. Your confirmation should be in the form of a signed letter, to the address provided on the cover of this RFP. Email or fax your letter by the above date and mail a signed hard copy at your earliest convenience thereafter.

C. Proposal Sections

Proposers should complete the components of this RFP according to the following table:

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<th>Vision Plans</th>
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<tr>
<td>Questionnaire</td>
<td></td>
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<tr>
<td>Organization &amp; Account Management</td>
<td>●</td>
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<tr>
<td>Administrative Issues</td>
<td>●</td>
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<tr>
<td>Member Services</td>
<td>●</td>
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D. File Naming Conventions

The following document naming conventions must be followed without exception.

*Template spreadsheet files*

For questions requiring an attached Excel file, there will be one (1) Excel file per questionnaire section (e.g., Member Services). Individual questions will be identifiable as individual worksheets within the file. The naming convention for the posted templates is simply:

<Section Name>.xls

When you download the file and populate it with information, you must rename the file by adding your company name and a hyphen separator to the beginning, as shown:

<Vendor Name>-<Section Name>.xls

You may use an abbreviation for your company name. However, **you must use exactly the same company name for each and every file.** Sections completed by a subcontracting entity must carry the name of the principal bidding entity.

*Additional Attachments*

When submitting documents (either requested or unsolicited) which are not based on a template file provided with the RFP, your files should be named using the following convention, if the attachment is associated with a specific question:

Refer to Section VII. Questionnaire for the content of the proposal sections.
Remember, as noted above, an unsolicited attached file may NOT be provided as a substitute for answering the question fully in the space and manner provided.

Alternatively, if the attachment is not associated with a specific question, the naming should be:

<Vendor Name>-<Short Title>.<file extension>

Please submit only Microsoft Office documents; other formats cannot be read by all users, and will not be reviewed.

**Hard Copy Attachments**
If the required document is not available in an electronic format, place a copy in a binder under a tab using the same naming convention described above.

### E. Basis of Quotation

Any deviations from the stipulated plan design that you require due to operational, contractual or legal limitations must be fully described in the pricing workbook and in your cover letter. Please be sure that your basic quote includes only those deviations that are absolutely required.

Any deviations from the stipulated plan design that you suggest as alternatives for consideration should be detailed. This may include cost-sharing differences, changes to covered and excluded items (reflecting your company’s standards), or similar deviations; it should not include major structural differences. Providing such alternatives is purely optional; however, if you quote on such alternatives, that quote will be considered binding in the same way as your quote on the stipulated plan design. Any alternative quote is in addition to, and not in lieu of, your quote on the stipulated plans. Proposals that quote only on alternatives will not be considered.

Other Financial and Contract provisions for the proposal include:

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<thead>
<tr>
<th>Effective date:</th>
<th>January 1, 2015</th>
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<tr>
<td>Initial contract term:</td>
<td>12 months</td>
</tr>
<tr>
<td>Policyholder/Contract holder:</td>
<td>Los Angeles City Employees’ Retirement System</td>
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<td>State of contract:</td>
<td>California</td>
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<tr>
<td>Rate/fee guarantee:</td>
<td>12 months Multiple year quotes are encouraged.</td>
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<td>Rate/fee and benefit change:</td>
<td>Upon renewal date only, with notification of benefit and rate change by May 1st prior to the effective date.</td>
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<tr>
<td>Rate Tiers:</td>
<td>All rates must be quoted using the pre-established rate tiers identified in</td>
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this RFP. If a rate guarantee is not available, actuarial and underwriting renewal component fees are desired.

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<th>Funding:</th>
<th>All programs must be quoted on a fully-insured basis.</th>
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<td>Eligibility Provisions:</td>
<td>Duplicate current eligibility provisions</td>
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<tr>
<th>Transfer of Coverage and Transition Provisions:</th>
<th>No loss, no gain – no-one will lose coverage in the transition between carriers. All pre-existing conditions exclusions/limitation must be waived for all participants currently covered or newly enrolling.</th>
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<tr>
<td>COBRA:</td>
<td>LACERS relies on its vendors to administer COBRA. You must agree to provide this service.</td>
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<tr>
<td>Regulatory Compliance:</td>
<td>You must certify that you are compliant with all federal and state regulations (e.g., HIPAA, PPACA, etc.)</td>
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<tr>
<td>Commissions:</td>
<td>None</td>
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**F. Performance Guarantees**

LACERS maintains performance guarantees with its contracted vendors, with portions of the vendor’s compensation at risk for failing to meet these guarantees. Proposers are expected to include performance guarantees in their proposal, and will be assessed on the strength of the performance guarantees they are willing to implement. For finalists, negotiations will take place before an award of business to ensure that there is a final understanding of the agreed upon guarantees.

Indicate how many times in 2013 you did not meet your performance guarantees.

**G. Plan Pricing**

Please review and complete the attached pricing workbooks found in **Attachment D**. Develop the projected cost components of your proposed plans using the sheets provided. (Please refer to **Pricing.xls**).

Available claims experience and current rates and benefits can be found in the following electronic files contained in **Attachment E**. Additional data may be provided at a later date:

- Vision Plan Changes Summary.xls
- Vision Renewal Rate History.xls
- Vision 2013 Current Rates.xls
- VSP Monthly Claims Reports.xls

Census/enrollment information and contributions and current benefits can be found in the following electronic files found in **Attachment B and C**:

- 2013 Health Benefits Guide.pdf (B)
- Census.xls (C)
H. **Proposed Rates.xls Attachment D**

Quotes for each product must be independent; for example, your vision rates should not assume that you secure the entire piece of business. You may, however, indicate price reductions beyond your quote based on certain conditions, such as being the sole selected vendor.

I. **Vision Plan Design Deviations**

Please identify any deviations from the stipulated plan designs that you require due to operational, contractual or legal limitations. It is assumed that any required deviations will be reflected in all of the pricing exhibits of this RFP. Be sure that your basic quote includes only those deviations that are absolutely required, and that all of those deviations are listed in this file.

Please confirm that you can offer and/or administer the current LACERS plan designs. For any designs you cannot offer and/or administer, please be specific as to the benefit that can or cannot be offered/administered and your proposed alternative.
VI. RFP PROCESS

While LACERS has retained the services of Keenan & Associates to facilitate the RFP process, LACERS at all times retains ultimate responsibility for the evaluation and award of contract(s) at its sole discretion. Selected and non-selected Proposers will be notified in writing at the conclusion of the process. Selection is contingent on satisfactory completion of appropriate agreements which will be negotiated. LACERS reserves the right to reject any and/or all proposals, to waive any informality in such proposals, to request new proposals, to revise the RFP prior to proposal submission, to withdraw this RFP, to not award the contract, or to not award a portion of the contract at any time.

LACERS reserves the right to reject any and/or all proposals, to waive any informality in such proposals, to request new proposals, to revise the RFP prior to proposal submission, to withdraw this RFP, to not award the contract, or to not award a portion of the contract at any time.

A. Evaluation Process

The selected proposer must successfully pass all the following levels of review:

- **Level I. Review of Qualifications, Experience, & References**
  Proposer must demonstrate it meets the minimum qualifications (see Section II.); must demonstrate a positive record as a responsible contractor; and must have the resources and experience to perform the required services.

- **Level II. Administrative Responsiveness**
  Firm’s proposal must demonstrate its responsiveness to the administrative requirements outlined in the RFP. Firm’s ability to adhere to LACERS standard contract provisions will also be considered.

- **Level III. Proposed Services and Compensation (“Proposal”)**
  For the purposes of Level III evaluation, the responsive proposals will be evaluated, ranked, and scored based on the criteria below. Interviews may also be conducted.

<table>
<thead>
<tr>
<th>Description</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Cost and Value – Reasonableness of costs to services and best overall value to LACERS based on the following:</td>
<td>30</td>
</tr>
<tr>
<td>• Ability to deliver the RFP scope of services</td>
<td></td>
</tr>
<tr>
<td>• Premium rates</td>
<td></td>
</tr>
<tr>
<td>• Rate adequacy</td>
<td></td>
</tr>
<tr>
<td>• Retention charges</td>
<td></td>
</tr>
<tr>
<td>• Performance guarantees</td>
<td></td>
</tr>
<tr>
<td>• Multiple Year Rate Caps</td>
<td></td>
</tr>
<tr>
<td>• Funding arrangement options</td>
<td></td>
</tr>
<tr>
<td>• Resource commitments to innovative ideas, programs, tools, and/or coverage that would improve quality and cost for the health care program</td>
<td></td>
</tr>
<tr>
<td>• Firm’s financial position will be used as an indicator of the</td>
<td></td>
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</tbody>
</table>
ability to provide the requested services over the full term of the contract

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider Disruption and Employee Access – Ability to duplicate the current network and maximize employee access.</td>
<td>25</td>
</tr>
<tr>
<td>Quality and Member Service – Demonstrated ability to deliver high-quality services and Wellness Programs to public agencies of similar size and/or scope based on past performance and the following:</td>
<td>25</td>
</tr>
<tr>
<td>The Service rating will be based upon the ability to deliver high-quality customer service to Retirees and their dependents, including availability of live customer service representatives and Web-based tools that help in determining benefit levels, decision support, Member education, and provider selection.</td>
<td></td>
</tr>
<tr>
<td>Administration Support and Account Management and Service Team – Ability to provide excellent administration support, and proactive and highly responsive Account Management services.</td>
<td>20</td>
</tr>
<tr>
<td>The level of applicable administrative support services will be considered (claims processing, Member services, billing and eligibility, contracts, enrollment, and firm’s business operation, etc.).</td>
<td></td>
</tr>
<tr>
<td>The Account Management and Service Team evaluation will be based on the quality and quantity of staff assigned to the City account necessary to deliver the services outlined in the scope of services.</td>
<td></td>
</tr>
<tr>
<td>Ability to provide detailed utilization data as part of LACERS’ Data Initiative.</td>
<td></td>
</tr>
<tr>
<td>Ability to provide electronic files as part of the Patient Protection and Affordable Care Act (PPACA).</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

- **Level IV. Final Approval by the Board**

The proposer that demonstrates to be the most qualified to provide the required services at the best overall value to LACERS, as determined by the evaluation panel, will be recommended for contract award to the LACERS Board of Administration (Board). The Board at its sole discretion makes the final award determination.

- **Proposer Questions & Restricted Contact with LACERS Personnel**

Please direct all questions to the RFP Administrator by e-mail to the RFP Administrator identified on the RFP cover page. Questions from all proposers and LACERS answers will be posted on the LACERS website.
C. **Proposal Deadline**

All RFP responses are due at LACERS by the date and time indicated on the cover of this RFP. All requested documents must arrive at the LACERS address above, by the due date to be considered. The complete proposal package shall be placed in a sealed envelope or box with the following label: REQUEST FOR PROPOSAL FOR LACERS VISION PROGRAMS.

**Number of Copies:** Please provide: one (1) spiral-bound original; seven (7) hard copies; one (1) non-bound reproducible copy, and one (1) electronic copy on a CD or flash drive in Microsoft Word Format as submitted and any charts or exhibits as indicated in the *File Naming Conventions* section of this RFP. Plainly identify the respective documents.

Note: Proposers selected to make presentations to the evaluation committee may be expected to submit fourteen (14) additional copies of their responses.

D. **Evaluation Criteria**

LACERS will select a vendor or vendors based on the following criteria:

- Qualification and experience of the firm and the key personnel assigned to the project
- Demonstrated understanding and ability to address LACERS unique needs
- Strength of client service orientation
- Reasonableness of costs and value
- Positive contracting history

E. **Finalist Interviews**

LACERS expects to request the participation of selected bidding organizations in oral interviews. This will be your opportunity to present your proposal in person, to engage in an interactive dialogue and to answer questions. The meeting will be in Los Angeles, and the meeting time would be approximately three (3) hours.

F. **Site Visits**

At its discretion, LACERS may conduct site visits with selected Proposers to address any and potentially all aspects of operations affecting administration of its plan. This could include claim operations, customer service, utilization management/review, and provider network management.

G. **Contracting Process**

All proposals deemed timely and responsive will be reviewed, evaluated, and a short list of the most qualified Proposer(s) will be developed. An evaluation panel consisting of a committee of LACERS staff members will interview the qualified Proposer(s) on the short
After the completion of the interview process, LACERS will rank the short-listed Proposers and negotiate a contract with the highest ranked, qualified Proposer.

If a contract for any reason cannot be successfully negotiated with the first-ranked firm, LACERS may choose to negotiate with the next most qualified firm. The final terms and conditions will be determined during contract negotiations following the selection process. Upon satisfactory negotiation, LACERS Management will return to the Board of Administration with a recommendation to award the contract. No contract shall be final until approved by the Board of Administration.
VII. QUESTIONNAIRE

Answer each question contained in this questionnaire. Each question of the RFP shall be repeated in its entirety before the answers. Proposer must respond to each question contained in the questionnaire. If a question does not apply to Proposer, please write in “not applicable” and state the reasons why the question does not apply.

Provide a response for each product your organization is proposing to LACERS. If one (1) response applies to multiple products, please indicate so.

General

1. Please provide a brief description and History of your organization and address how your products and services would be a good match for the LACERS Retirees compared to other competitors.

2. Please provide your organization’s most recent financial ratings as outlined below:

<table>
<thead>
<tr>
<th>Rating Organization</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. M. Best</td>
<td></td>
</tr>
<tr>
<td>Moody’s</td>
<td></td>
</tr>
<tr>
<td>Standard and Poor’s</td>
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</tr>
</tbody>
</table>

3. Indicate if you expect any operational, systems or organization changes with your company over the next twenty-four (24) months. Attach a high-level project plan.

4. Please indicate the total Members covered in your vision plan as of January 2014.

5. Please list five of your largest public sector clients and, to the extent possible, clients who are located in California or who have significant populations there. Preferably, these clients cover both early and post-65 retirees.

6. Please provide five (5) of your largest clients that have terminated your services within the last two (2) years.

7. Do you agree to all the terms and conditions of this RFP?

8. What is your incurred but not reported (IBNR) claims underwriting policy?

9. What is your retention for each quoted fully insured plan?

10. Provide a participating and nonparticipating quote. What is the methodology (retention, premium, premium stabilization fund timing, etc.) to calculate a refund under the participating contract?

11. Confirm that your proposed rates exclude commissions.
12. Please confirm there will be no adjustments to the proposed rates based on actual enrollment or changes in enrollment.

13. The client requires renewals to be presented by May 1st for the plan year beginning the following January 1st. Confirm your agreement to this requirement.

14. If LACERS decides to award certain services to organizations other than your own, indicate in detail your organization’s willingness to work with other entities, as well as any specific restrictions your organization may have.

15. Does your plan intend to participate in the California Health Benefit Exchange? If so, please indicate your best estimate of the number of Exchange Members you expect to gain in 2015.

16. What percentage is this anticipated population compared to your total health plan Membership?

17. Discuss any technological improvements your organization has planned for 2015 (e.g., Internet related services, online eligibility, etc.) and the effect on enrolled Members.

Plan Design

18. Please refer to the vision plan designs.xls files and indicate if you are able to match the current benefit levels and if there are any differences please describe what they are.

19. For the vision proposal please clearly define and list what is covered under the frame and contact lens allowance.

20. Please clarify the progressive lenses coverage in detail.

21. What is your referral process to an eye specialist, ophthalmologist or retina specialist? Please provide average time for these referrals.

Claims Administration

22. How is image scanning used in your claims adjudication system?

23. Describe your preferred way of receiving, integrating and coordinating eligibility data.

24. Confirm that you accept electronic eligibility files.

25. What percent of total claims are submitted to providers electronically?

26. Please provide your performance standards including the targets and actual results for the most recent period for financial, processing and payment accuracy for your book-of-business.

27. Briefly describe your process for administering claims.
28. What percentage of claims are processed? What percentage of claims process without manual processing or human intervention?

29. Complete the following table for the claims processing system and location that will be used for this client.

<table>
<thead>
<tr>
<th></th>
<th>Claim Turnaround Time (TAT) % processed in 15 calendar days</th>
<th>Claim Turnaround Time (TAT) % processed in 30 calendar days</th>
<th>Financial Payment Accuracy (Dollars)</th>
<th>Claim Processing Accuracy ( % of Claims)</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Standard</td>
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<tr>
<td>2013 YTD*</td>
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<td>2012</td>
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<tr>
<td>2011</td>
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</tbody>
</table>

30. Please describe your disaster recovery plan.

**Reporting**

31. Please confirm if monthly as well as annual reports will be provided. How long after the reporting period will the reports be provided?

32. What ad hoc or customized reports are available and what are the costs if any?

33. Will your organization provide and make available utilization data based on the LACERS’ plan structure? If not, please describe what will be made available.

34. Please submit samples of all available reports and state the frequency of each. Please identify any associated costs for each report.

**Administration**

35. Please provide samples of your service agreement including EOCs/SPDs.

36. Will you produce ID cards for mailing? How long will it take after receipt of a clean eligibility file?

37. Are the ID cards customizable for the LACERS? If so, what are the additional costs for doing so?

38. Provide the transition of care benefits for the vision plan, and address treatment in progress.
39. Describe in detail the implementation timeline assuming a January 1, 2015 effective date and include the assigned tasks for all parties.

**Contracts**

40. How many contracts/EOCs/SPDs will your organization require based on the number of products you are proposing?

41. Indicate when your contracts/EOCs/SPDs are issued in the plan year.

**Networks/Providers**

42. Please submit a Geo-Access report for each network you are offering based on the following:

   a. Optometrist
      i. Urban: Two (2) providers within ten (10) miles
      ii. Rural: Two (2) providers within twenty (20) miles
   b. Vision Specialist – Ophthalmologist, Retina Specialist
      i. Urban: Two (2) providers within ten (10) miles
      ii. Rural: Two (2) providers within twenty (20) miles

43. Refer to the census data provided as part of this questionnaire and provide Geo-Access analysis based on the zip codes.

44. Please provide the average provider discounts of UCR in California for General Providers and Vision Specialist.

45. How often are contracts renewed with Network Providers?

46. If a Provider drops/leaves your network, how are enrollees notified?

47. What procedures are in place to prevent a Member from being overbilled or balance billed by a participating Provider or Specialist?

48. Do you anticipate any significant changes to the network in the next two (2) years?

49. Please provide National Network turnover for the last two (2) years.

**Implementation and Account Management**

50. What are the required data elements for eligibility feeds from LACERS? What are your capabilities for loading and correcting data? Do you have the capability to enter corrections to eligibility records in real time?
51. Please provide your desired eligibility file format/layout.

52. Please describe your proposed account management team and structure. Specifically address:
   • Name and background of account manager and other key team Members
   • Who from account team would be one-hundred percent (100%) dedicated to this account?
   • Location of staff
   • Office Hours
   • Responsibility for any subcontracted relationships
   • Describe your account manager’s experience and involvement with public pension client(s) who were in the process of transitioning from one vision plan to another
   • Years with organization

53. How do you handle retroactive enrollment and cancellations? What are your time limitations relative to processing retroactive eligibility adjustments?

54. What are your termination requirements?

55. Please indicate the response that matches your practice for Member identification numbers:
   • Utilize Social Security Number (SSN) exclusively
   • Utilize unique number (NOT SSN)
   • Purchaser option to use SSN or other number
   • Utilize SSN, but able to make individual exceptions and use non-SSN for those unwilling to utilize SSN for this purpose

56. Do you offer a hard copy Provider Directory? How often is the hard copy provider directories updated? Will LACERS receive directories free of charge? If yes, how many and how often will they receive new directories or supplements? Is your provider information available online? If so, provide web site address. How frequently is this information updated?

**COBRA**

57. Describe your capabilities and any restrictions related to the administration of COBRA for any plans you are awarded.

58. LACERS extends COBRA coverage to those who it deems eligible for 36 months, even though under certain circumstances, federal rules would allow for a shorter coverage period. Do you agree to allow Members who LACERS deems eligible to maintain coverage under COBRA for up to 36 months?
Privacy and HIPAA

59. Do you agree to indemnify LACERS for any liabilities resulting from the improper disclosure of protected health information by you or any of your subcontractors?

Member Services

60. Would you propose to offer a dedicated or partially dedicated unit/staff to LACERS?

61. If you are proposing a partially dedicated unit, please indicate the current number of other groups and total Membership served by the partially dedicated unit.

62. Would you offer a dedicated toll-free phone number?

63. Please confirm whether your customer service personnel are U.S. based. If so, please confirm you will provide sufficient notification to LACERS should the customer service personnel ever be outsourced to another country.

64. What are the hours of operation?

65. What authority do customer service representatives have to resolve issues over the phone? Are customer service representatives authorized to make real-time claim payment adjustments?

66. Do you record customer service calls?

67. What information is the Member required to enter into the VRU system (e.g., group number, SSN, etc.)?

68. Can a Member leave a message at your Member service line after working hours? If yes, what is the protocol for responding to that call?

69. Please define your process for handling issues that are not resolved in the initial call.

Wellness

70. How would you propose to integrate your services with the medical wellness programs?

Commitment to LACERS Wellness Seminars and Fitness Fairs

71. LACERS and the current plans co-sponsor wellness events. If your organization is selected, please indicate if you are willing to be a co-sponsor and contribute money toward LACERS annual retiree health and fitness fairs, and wellness seminars.

72. Are you able to offer vision screenings at LACERS wellness events?
Questions Concerning Your Proposal

73. Provide a general outline of your plan for the Data Initiative services described in Section III Scope of Services.

74. List any additional services you will be providing under your fully insured vision plan which were not requested in this RFP. Include a description of the research and other technical resources, including on-line databases and computer based analytical tools that you make available to your clients.

75. Are there any services which you will not be providing to LACERS, which were required by this RFP?

76. Describe your firm’s ability to provide periodic updates regarding federal legislation and/or Internal Revenue Service (IRS) Rules that may affect the operation of the LACERS and the payment of benefits.

77. Describe the media your firm uses to inform clients of changes in pending federal legislation or regulations.

78. Does your firm produce a newsletter specifically for public retirement plans or is the material produced for both public and private plans?

79. Include as an addendum item samples of your firm’s reports, including an annual renewal and claims report.

H. REQUIRED COMPLIANCE DOCUMENTS

Please submit all REQUIRED COMPLIANCE DOCUMENTS specified in the Required Compliance Documents (Appendix A). Failure to complete these documents will deem your proposal as non-responsive.

a) Request for Proposal Warranty/Affidavit (Appendix A, Attachment 3) - The document must be signed and notarized
b) Affirmative Action Plan (Appendix A, Attachment 4) - Complete with the proposal, or submit your own Affirmative Action Plan that meets all the requirements of the City of Los Angeles’ Affirmative Action Program.
c) Equal Employment Practice Form (Appendix A, Attachment 5).
d) Bidder Certification – City Ethics Commission Form 50 (Appendix A, Attachment 6).
e) Bidder Certification – City Ethics Commission Form 55 (Appendix A, Attachment 7).
f) MBE/WBE/OBE Subcontractor List (Appendix A, Attachment 8)
g) Marketing Cessation Policy (Appendix A, Attachment 9)
h) Required Insurance and Minimum Limits (Appendix A, Attachment 10)
i) Iran Contracting Act of 2010 Compliance Affidavit (Appendix A, Attachment 11)