

**Addendum 1 - Responses to Questions  
RFP 2016-77**

**Flexible Spending Account, Transportation, and Health Reimbursement Arrangement Administration**

**1) Please confirm that the HRA is available to both active employees and to retirees.**

The HRA is available to eligible employees who are enrolled in the City of Minneapolis Medical Plan. The HRA is also available to participants who have terminated or retired and have positive account balances.

**2) How many employees and retirees participate in the HRA?**

The HRA active plan has approximately 4,900 participants (active employees and terminated employees who do not qualify as retirees) and the HRA retiree plan has approximately 400 participants.

**3) Are you utilizing the services of a consultant, agent or broker for this RFP? If so, who are you utilizing (individual and firm)?**

No.

**4) Why did the City issue a request for proposal at this time? Is the City experiencing service related issues with their current administrator?**

Near the end of an initial contract period and subsequently during each year of a contract extension, the practice is to review for potential issuance of a request for proposal for these services. With rules promulgated under Notice 2013-54 and 2015-87, the timing was right for the issuance of a request for proposals to ensure that the plans, in operation, continue to comply with new ACA requirements. There are no major participant service issues.

**5) For the FSA's rollover provision, is the City currently enforcing the minimum rollover amount of \$25?**

Yes.

**6) With regard to the HRA Plan, can you provide further clarification regarding how the money is transferred from the VEBA to the HRA vendor for claim processing? Additionally, what is the HRA currently reimbursing?**

Reimbursement requests are processed each business day. The administrator sends funding notifications to the trustee to cover each day's reimbursements. The trustee wires funds from the trust account to the administrator to cover the reimbursements.

Reimbursable health care expenses (not just medical expenses) are as defined by IRS Code Section 213(d) incurred by a plan participant or an eligible dependent that are not covered by other insurance available to the plan participant or to the eligible dependent. For Retirees only, eligible health expenses include the out-of-pocket portion of Medicare premiums, COBRA premiums and any other health insurance contract or plan premium incurred after the date of retirement.

**7) The HRA design indicates that those who have incurred a one year break in service are responsible for their administration fees; can you elaborate on who is billing those fees? Are these participants currently terminated and the HRA is being offered under COBRA?**

Administration fees for terminated and retired participants are deducted directly from participants' HRA accounts.

An individual's participation in the HRA does not end when he or she terminates employment. Funds remaining in the participant's account remain available for reimbursement of eligible expenses as allowed under the terms of the plan.

Employers sponsoring "group health plans" such as an HRA are required to offer continuation coverage through COBRA. If a participant elects COBRA, the account is forfeited on the end of the COBRA continuation period.

**8) Who is the current TPA for your FSA, Transportation and HRA programs?**

WageWorks, Inc.

**9) Can you confirm you offer the debit card today? If so, does your current arrangement allow all accounts to be used from one card?**

Debit cards are available to health care FSA participants and to HRA participants who are currently employed. Debit cards are not available to terminated or retired participants. Participants enrolled in the HRA and/or the health care FSA receive one debit card which can be used for both accounts. Eligible expenses are paid from the FSA before expenses are paid from the HRA. In addition, participants must affirmatively elect to have eligible expenses reimbursed from the HRA – whether those expenses are paid via the debit card or by submittal of a claim for reimbursement.

**10) Is the plan to award all of the services to one vendor, or could multiple be chosen?**

The administrator chosen will administer the FSA, HRA, and the Transportation Plan.

**11) What are the current monthly service fees?**

Commuter Van Pool = \$3.30 per participant per month (PPPM)

Parking Account Plan = \$3.30 PPPM

Flexible Spending Accounts and HRA = \$3.45 PPPM

**Note:** \$3.45 PPPM fee applies to each individual with a least one account election under in the health care FSA, dependent care FSA and HRA. An individual who enrolls in health care FSA, dependent care FSA and HRA is charged one PPPM fee of \$3.45.

**12) Do the fees include the following services or are some of the services billed separately?**

- Plan Document Fee; \$600
- Annual Non-Discrimination Testing; included
- Renewal Fees; N/A
- Debit Card Fees; included
- Brochures (printing, shipping. Etc.); welcome kits are sent to participants upon their enrollment in an FSA or the HRA- included in the PPPM fee
- Reporting Custom On Going; \$600
- Reporting Custom Ad Hoc; \$600
- Quarterly Reporting to CMS; included
- Video, CD, other; N/A
- Enrollment Fees; N/A
- Onsite Employee Meetings; \$225 per person per day
- Annual Benefits Fairs; \$225 per person per day
- Other Fees/ N/A

**13) What are the exact investment options in your VEBA?**

The approximately \$26 million in VEBA trust assets is invested according to an investment policy adopted by the City. VEBA trust assets are currently invested in government securities and high quality commercial paper. Plan participants do not direct investments.

**14) In regards to the HRA administration, is it correct to assume that the City of Minneapolis is only looking for the underlying HRA administration and does not intend to include administering the VEBA trust account/investments?**

Correct. The City of Minneapolis RFP is for a third party administrator to provide administration services for the HRA. The City does not intend to change the trustee relationship with U.S. Bank.

**15) Who is the City's current health care provider?**

Medica

**16) Who is the insurance broker/consultant the City works with on that health plan?**

Ahmann Martin, however, the City is currently reviewing proposals for benefit consultants.

**17) Do you currently have or are interested in automatic claims reimbursement with your insurance provider?**

No, we are not interested at this time.

**18) Are vendor partners welcome to participate in your employee education / open enrollment meetings?**

We coordinate communications with our vendor partners for a cohesive benefits communication strategy. At this time, only the medical plan vendor participates in open enrollment meetings.

**19) Although not requested in the proposal, does the City have interest in viewing consumerism tools (WalletDoc) designed to work with medical spending accounts?**

Yes, the City of Minneapolis would be open to considering consumerism tools.

**20) Does the City plan to introduce a HDHP and HSA within the proposed date range of this RFP (1/1/17 – 12/31/19)?**

No.

**21) Do you use a benefits administrator for open enrollment FSA elections?**

All open enrollment elections, including FSA elections, are administered through the City of Minneapolis (using PeopleSoft's benefits module) and not through a third party.

**22) Is the ACORD Form required to be submitted with the proposal; or upon award?**

The ACORD form is required upon award.

**23) Please confirm that as a third-party for profit consumer-directed benefits administrator for FSA, HRA, and Commuter benefits, the selected administrator will be exempt from the Living Wage Ordinance based on 38.40 Living Wage (c) Exemptions, part (c) "For-profit entities or 501(c) entities that provide contract health care benefits to city staff or that provide wellness or fitness related products or services to city staff."**

This is confirmed.