

The following questions have been asked by the prospective bidders who provided a letter of intent to bid on the RFP for services of a third party administrator for the Municipal Employees Health Insurance Program (MEHIP). The MEHIP program is administered by the Office of the State Comptroller pursuant to Section 5-259(i) of the Connecticut General Statutes.

The Office of the State Comptroller is in the process of administering MEHIP in two parts: the Enhanced MEHIP program for municipalities and the traditional MEHIP for not for profits and small businesses.

The Enhanced MEHIP program is designed with a standardized set of health benefit plans consisting of self funded medical and pharmacy coverage. In addition, the enhanced MEHIP program will permit a municipality to join the Enhanced MEHIP with their existing health benefits plans with the plan to transition each municipality to common plan design through collective bargaining. A link is provided to more detailed information about the Enhanced MEHIP program: (a separate link to the information pamphlet is provided with this Q & A) With the Enhanced MEHIP plan a municipality will provide their demographic information, current plan design information and claims data to the Comptroller's Office. Actuaries will determine the "premium equivalent" rate for that municipality. If the municipality accepts the premium equivalent rate, it will sign a participation agreement for the Enhanced MEHIP program.

The Enhanced MEHIP program will operate as a typical self-funded municipal plan. The carriers that have agreed to underwrite business in the MEHIP, Anthem, HealthNet and United Health Care will provide benefits administration, including but not limited to the provision of summary plan descriptions and claims adjudication services to the E-MEHIP participants. The employer will continue to handle open enrollment in the same manner that they currently conduct open enrollment for their employees and retirees.

The Comptroller's Office is also looking to determine how to handle retirees that have health benefit plans that are inactive and no longer offered to new retirees or future retirees, but are required to be maintained for an existing population of retirees. The TPA may be required to perform claims adjudication services in those circumstances which would require a separate PEPM quote.

The traditional MEHIP program will serve not for profits and small businesses with fully insured health benefits plans from the three carriers that provide health insurance to the State, Anthem, HealthNet and United Health Care. The traditional MEHIP program is offered to personal care attendants, not for profit organizations with state, federal or municipal contracts, labor unions that represent public employees, retirees participating in the State Municipal Retiree Plan, tourism districts and regional emergency telecommunications centers and will continue to be offered at the present time on a fully insured basis. The Office of the State Comptroller has used its bargaining power backed by the strength of its state employee plans to negotiate competitive rates for participant groups.

For both the E-MEHIP program and Traditional MEHIP it is anticipated that the third party administrator will collect and distribute premiums based upon the health benefits

carriers selected by the employer or participant as the case may be, coordinate renewal rates for participant employers in a timely fashion in anticipation of open enrollment, provide information and also coordinate initial rate quotes for prospective participants.

Questions and Answers: (Any unanswered questions will be supplemented prior to bidders conference)

Five prospective companies submitted questions. Those questions and the answers appear below. The questions will be answered both as to the Enhanced MEHIP program and the Traditional MEHIP program as the services required for each may vary slightly or the response is based upon the self-funded versus the fully insured program. If the answer is applicable to both programs no distinction will be made in the answer. Duplicative questions will not be repeated. A number of questions were determined to be not relevant to the third party administrative services necessary for the MEHIP program or the answers are contained in the overall description of the program set forth above. A brief explanation as to why these questions are not relevant to the successful operation of the program is provided below with those questions under the heading **Discarded Questions.**

** Based on the RFP time frames, will the deadline for the RFP be considered for extension, since the responses to questions will post on May 27th and the RFP is due May 30th, 2008?

The deadline for submission of the RFP responses has been extended to June 4, 2008.

1) What are the rating requirements (allowable rating factors)?

E-MEHIP: The TPA will be responsible for coordinating initial and renewal rate quotes, which will be provided through the OSC and the actuary and communicating to the municipal participant.

T-MEHIP: The TPA will be responsible for obtaining rate quotes and renewal quotes from the approved carriers and communicating those rates to the prospective or existing participants.

2) What are the participation requirements (minimum percentage of eligible employees, spousal waiver, etc.)?

Eligibility for benefits shall be established by the individual participating employer.

3) Are there going to be late enrollee provisions, and if so, what are they?

Section 125 requirements regarding qualifying events will be utilized.

4) What will be the policy for reinstatement?

See answer to Question # 3.

- 5) What will be the rating structure (family, child, children, spouse and child(ren) etc.)?

E-MEHIP: employee, employee + 1 and family.

- 6) Will there be minimum hours of work for an eligible employee (20, 30, etc.)?

Eligibility for benefits shall be established by the individual participating employer.

- 7) Can "extra eligibles" be enrolled (retirees, family members who are not dependents, etc.)?

Eligibility for benefits shall be established by the individual participating employer. Retirees would be covered under the eligibility rules established by the participating employer. Domestic partners as well as civil unions will be required to be offered coverage.

Non-dependents are not covered.

- 8) Can different departments have their own set of plans within a municipality and can eligibility, participation, rate structure differ?

Yes.

- 9) How are the existing plans going to transition over to the new plan (terminate all at once and enroll, phased on anniversary date, etc.)?

E-MEHIP: There is no mandate to move to the standard plan. Any movement to the standard plan would occur on an anniversary date, typically July 1st for most municipalities.

T-MEHIP: There is no standard plan.

- 10) Who will be responsible for collection and cancellation if a municipality is slow in paying?

Third party administrator.

E-MEHIP: The plan is self-funded therefore premium equivalents will be required to be collected at the outset of the month in which benefits are provided.

T-MEHIP: There is a 30 day grace period from the established due date for participants.

- 11) Is this considered a different pool? Two separate pools-one for the state employees and the other for the municipalities?

State employees are not participants in this program and are not contained within the same rating pool.

- 12) Are municipalities currently participating in the MEHIP?

Yes.

- 13) Who is the current Third Party Administrator?

Mercer.

- 14) Was the incumbent TPA invited to bid?

Yes.

- 15) What is the primary reason the current TPA is out to bid?

With the roll out of the new Enhanced MEHIP program, in addition to the Traditional MEHIP it was determined that the program should be put to the market. The Office of the State Comptroller reserves the right, in accordance with the RFP to award the programs together to one administrator or to separate the E-MEHIP and the T-MEHIP as two separate awards.

- 16) Will there be underwriting duties for the TPA under Enhanced MEHIP?

No.

- 17) When is the typical enrollment period for municipalities?

E-MEHIP: During the initial introductory period of the new program participants will be joining during an extended period of time. Typically municipalities hold open enrollment for a 30 day period during the April – June time period with a July 1st start date. Open enrollments will continue to be handled by municipal employers in the same manner that they are currently performed.

- 18) Do you expect participation to expand immediately, or are you expecting a slow increase?

E-MEHIP: Expanded participation is expected. The initial increase in enrollment is still being determined, however, it is expected to be at least 5,000 to 6,000 lives.

T-MEHIP: Participation has been growing each year at a pace of several hundred lives.

- 19) Who collects the premiums from the insureds, the municipalities or the administrator?

Employer participants would be responsible for collecting any employee premium share and paying the entire premium to the third party administrator for distribution to the appropriate carrier allocated based upon the plan or plans of the participants.

- 20) Who collects the premiums from the retirees?

See answer to Question 19. Retirees would be handled in the same manner as active employees.

- 21) Since MEHIP already has an existing website, can this municipality segment piggyback onto the current website? In other words, can links be established?

The TPA will maintain the MEHIP website for all segments of the program. The respondent may make recommendations as to how to fold Enhanced MEHIP into the existing format or make recommendations for improvements to the web-site.

- 22) What type of role is expected of the administrator in providing "assistance with open enrollment"?

It is anticipated that all employers including the municipalities will continue to handle their own open enrollment processes. The TPA is expected to work with the participating employers to coordinate renewal rates, provide initial quotes, insure that renewal rates are available in a timely fashion for open enrollment, coordinate any materials that are needed from carriers for open enrollment.

- 23) Is there an expectation of the administrator to market the plans "face to face" with the municipalities?

Yes.

- 24) What is the award date of the contract?

The target date is June 13, 2008.

- 25) Is this RFP required by regulation, and if yes how often will the RFP be required?

No. It is anticipated that a contract will be awarded for a period of not less than 3 years.

- 26) If a new contract is awarded to a new Administrator and/or TPA who is responsible for the coordination of all information to the newly appointed?

The Office of the State Comptroller is responsible for oversight of the program and the incumbent TPA would work with OSC on any transition issues.

- 27) Will the new Administrator and/or TPA be responsible for all direct customer service, product materials and disbursement of these materials?

The carriers will be responsible for the preparation and provision of all materials to both participating employers and individual participants.

- 28) Assuming the time lines, are all parties capable of transferring all information electronically in a certain format?

Yes.

- 29) Invoicing, reconciliation and payment is required for all enrolled parties (public entities, non-profit, small companies and individuals, etc.). Is there a set date for this process, for example by the 10th of the month?

Yes.

E-MEHIP: The program is self funded and as noted above premiums would be due at the start of the month in order to pay claims adjudicated by the carriers.

T-MEHIP: In the fully insured environment there would be due date with a 30 day grace period.

- 30) Is there a set schedule for communication requirements of enrollment, premium payments to any and all parties, MEHIP, TPA, Administrator and all Insurance Carriers?

E-MEHIP: This is TBD and recommendations would be expected from the TPA with the process approved by the Municipal Health Care Cost Containment Committee with a recommendation to the Comptroller.

T-MEHIP: TPA would make recommendations to the Comptroller.

- 31) Will the newly appointed Administrator be required to design, produce and print all material modifications and disburse this information to all parties prior to the July 1st, 2008 effective date.

See answer to Question 27. E-MEHIP: The standard plan which is new may require some printing and distribution by the TPA initially with an SPD that has been developed. If municipality is utilizing its existing plans the carriers would have that responsibility. Marketing information would be the responsibility of the TPA.

T-MEHIP: Marketing and informational materials would be the responsibility of the TPA. Plan design materials would be the responsibility of the carriers.

- 32) Who will handle COBRA administration in the self-funded and/or fully insured arena?

The current TPA handles COBRA for Traditional MEHIP. In Enhanced MEHIP the municipalities may prefer to handle COBRA administration or to have the TPA handle. Respondent should identify the specific cost associated with handling COBRA administration in its pricing.

- 33) Are postal costs included in the overall administrative fee per enrollee? If not, who is responsible for the postal costs and if there are weight and rate increases is an adjustment allowed for the overall increase in cost?

The state's current carriers share the postal costs, set-up fees & printing on a proportional basis. Marketing materials would be the responsibility of the TPA with approval by the Comptroller.

- 34) Is the set-up fee to be included in the administrative fee quoted?

See answer to Question 33.

- 35) Are all printing fees to be included in the administrative fees quoted?

See answer to Question 33.

- 36) Can the newly appointed Administrator conduct all enrollment through its systems which is web based?

Open enrollment will not be part of the process for the TPA. The employers will handle the enrollment of participating employees. However, billing transactions and monthly additions and deletions of employees for qualifying events can be handled on-line.

- 37) Is the Open Enrollment Period time frame consistent across all groups, carriers and plans? How often is Open Enrollment conducted?

Open enrollment in municipalities typically takes place from April – June for a July 1st plan year. Traditional MEHIP may be on a different cycle with the most common plan year date being 1/1.

- 38) Who is responsible for all the Open Enrollment communications and materials? Is it conducted electronically or by first class mail?

The health benefits carriers.

- 39) Are there MEHIP specially customized materials for either the self-funded and/ or fully insured products?

No.

- 40) Are any administrative cost inclusive of plan material design, production and printing? What are the anticipated quantities required?

Not applicable.

- 41) What hours are requested for personalized Customer Service inquiries? Is web access or integrated voice response acceptable for after work hours?

Plan sponsors are expected to handle communications with individual enrollees. For plan sponsors normal business hours augmented by web access and integrated voice response is appropriate.

- 42) Regarding all receivables (premiums, as well as, administrative fees), is the bank account maintained by MEHIP or the appointed Administrator? Do payments go directly to a lock box? Are copies of checks provided to the Administrator, as well as, a posting report of deposits, or does the Administrator actually receive the check payment, post, then forward or deposit to an account already established?

Appointed third party administrator handles transactions and accounts subject to State audit.

- 43) Who responsible for reconciliation of all bank accounts?

See answer above.

- 44) What is the length of time allowed for non-payment before termination, and is this time consistent across all carriers? Are there any fees associated with insufficient funds which will be charged by MEHIP or the bank to the actual parties of payment and who is responsible issuance of these fees and collection?

E-MEHIP: The MHCCC will establish rules for non-payment via the participation agreement with each participating municipality.

T-MEHIP: Carrier rules in place currently remain unchanged.

- 45) How many municipal entities are currently self-funded?

None, however municipalities that join E-MEHIP may have previously been self-funded with their prior plan.

- 46) How many other entities (small business, non-profit organizations, etc) are currently self-funded?

None.

- 47) What is the current level of enrollment under the self-funded arena for employee count and dependent count?

Enrollment is anticipated to be at least 5000 employee lives to start.

- 48) Assuming a Third Part Administrators is currently contracted for claims administration, who is the current Third Party Administrator (TPA) and how long has this TPA been in place as the Administrator of the self-funded plans?

Claims adjudication will be performed by the carriers for E-MEHIP and T- MEHIP. For inactive retirement plans that are not currently being sold or administered by a particular carrier, the TPA would be required to adjudicate claims pursuant to the appropriate plan of benefits for each retiree group.

- 49) If a new TPA is selected as the successful bidder, will a certain network (currently contracted) be required for continued network access, and/or will there be an offering for several networks in the state? Will this TPA have to be contracted with these network(s)?

With respect to inactive plan designs that are available to retirees, yes. If claims adjudication services are performed, yes, access to a network is required.

- 50) Are there actuarially established rates for the self-funded plans? If yes, who is the Actuary? If not, is the TPA required to secure the actuarial services?

Yes. The actuary is Milliman. The TPA will not be required to provide actuarial services.

- 51) Are the actuarial costs associated with its services to be included in the TPA administrative fees?

See response to Question 50.

- 52) Assuming there is a current TPA for self-funded claim administration and the TPA is retained, would a new overall Administrator position be considered?

There are three components to the program that can be awarded by this RFP in part or in whole, E-MEHIP, municipal retirees with inactive plans, municipal retirees and traditional MEHIP.

- 53) Is the current TPA able to electronically provide all data information? (For example: enrollment, premiums, reconciled premium invoicing (receivables), plans etc.) When would this be provided?

A transition plan will be developed at the time that an award is issued.

- 54) Will disbursement be required prior to July 1, 2008 to all parties?

Clarification is needed before an answer can be provided.

- 55) Based on time frames provided, is the newly contracted TPA expected to be processing claims within a certain time frame? RFP due May 30th, newly awarded TPA appointed when? Administration required, June 1st, 2008?

The TPA will not be processing claims with the possible exception of certain inactive plan designs for retirees.

- 56) How many municipal entities are currently fully insured?

All T-MEHIP participants are currently fully insured. The self-insured Enhanced MEHIP is being introduced for July 1st.

- 57) How many other entities (small business, non-profit organizations, etc) are currently fully insured?

As of January 1, 2008 there were 8,043 employees and 14,742 members in the municipal and non-profit sector of MEHIP. The small employer segment of MEHIP has 147 employers and 267 members.

- 58) What is the current level of enrollment under the fully insured plans for employee count and dependent count?

See answer to Question 57.

- 59) no question.

- 60) Are the fully insured materials produced and disbursed by each of the contracted Insurance Carriers or by the appointed Administrator? Are these materials customized to the MEHIP organization?

Carriers and materials are not customized.

- 61) Will the new Administrator or the Insurance Carrier be required to make the necessary communication modifications prior to the effective date of the contract July 1, 2008?

Not applicable.

- 62) Will each carrier electronically provide enrollment, status, premium reconciliation on a scheduled basis?

- 63) How often are reconciliation reports required by each Insurance carrier and / or the MEHIP?

- 64) Does each fully insured carrier have a specific date for acceptance of enrollment changes, premium payments etc?

Based upon the individual fully insured plan.

- 65) Is the new Administrator required to post and maintain all fully insured rates, summary plans in the MEHIP web site? Could the new Administrator use its web site for service?

Rates and summary info must be posted on the appropriate website. It is assumed that the MEHIP site will be used.

- 66) What is the time frame, for advance notice, on the fully insured plans benefit or rate changes and/or increases?

A 60 day prior to renewal time frame has been required of the carriers as of this time.

- 67) Are the fully insured rates regionally based by zip code or location and change quarterly? Are these rates annual rates?

They are annual rates. The fully insured rates for Traditional MEHIP for small employers is based upon the small group rating law. If the Traditional MEHIP plan is pooled with a larger group the underwriting process will change.

- 69) When will the contract renew for the fully insured carrier plans? Is the renewal date the same for all groups, carriers, plans?

The Office of the State Comptroller has negotiated with the Carriers with respect to their participation in the MEHIP. The renewal dates are not uniform.

- 70) The effective date is noted as July 1, 2008. What is the plan start date?

The plan start date is July 1, 2008 for E-MEHIP. The Traditional MEHIP is an on-going program. Changes to that program would be phased in as employer contracts change.

- 71) Will the three tier (A, B, C) structure remain?

For Traditional MEHIP at this time, yes.

- 72) What administrative cost or fee basis is currently used and what other alternatives will the Committee consider?

The current structure is a per participant per month structure and the respondent is free to recommend or propose a fee structure that deviates from the current structure.

- 73) Will the selected TPA be required to obtain a SAS70 certification?

- 74) Will the TPA be responsible for paying commissions/fees to brokers/consultants if a group elects to include them? If so is the TPA responsible for verifying licensing?

T-MEHIP: Carriers pay the brokers.

E-MEHIP: TBD

- 75) Will broker education sessions be required?

Yes, as part of the marketing of the program

- 76) How many claim disbursements, and enrollment fee disbursements will be made each month?

T-MEHIP: no claim disbursements (handled by carriers). Enrollment fees—variable

E-MEHIP: no claim disbursements except for retirees from inactive plans. Volume is unknown. No enrollment fees applicable.

- 77) What fiduciary responsibility will the TPA assume?

- 78) Will the TPA be responsible for both employer and member calls?

Employer calls. If the program elects to administer retiree benefits for inactive plan designs then the TPA would handle member calls.

79) Will the TPA be responsible for issuing 5500 information and issuing 1099s?

80) Will rates be issued in both 3-tier and 4-tier formats?

T-MEHIP: some are three tier

E-MEHIP: Three tier is the norm for municipalities

81) Will the TPA be responsible for student eligibility verification?

Employer would be responsible, except if the TPA is administering inactive retiree plans which involve a student dependent.

82) Will the TPA be responsible for creating enrollment forms and employer materials?

Please see earlier responses regarding carrier responsibility and TPA responsibility vis a vis marketing.

83) Will there be a stop loss carrier, or will the Health plans provide their own stop loss?

E-MEHIP: At the current time stop loss insurance is not contemplated. A reserve component has been factored into the "premium rate" that a participant would pay.

T-MEHIP: It is a fully insured program.

83) How will asset shortages be handled if a carrier's claim request exceeds reserves being held?

Rules to be determined by E-MEHIP Municipal Health Care Cost Containment Committee (MHCCC)

84) Will the TPA be responsible for tracking reserves and "profit/loss" on an individual group basis?

No

85) If 5000 employees have not signed on by 6/1/08 what will happen?

86) If the Donovan bill is signed into law, will that change the Enhanced MEHIP offering?

No.

- 87) Is there any minimum size threshold under which a custom legacy retiree or legacy active bargained benefit arrangement will not be accommodated?

No.

- 88) Will the TPA be expected to administer all types of retiree plans? Pre-Medicare, Medicare supplemental, Medicare carve-out, Pharmacy?

Yes.

- 89) Will the TPA be expected to administer any legacy Retiree Prescription Drug benefit or will that be the responsibility of the Caremark?

The only responsibility will be with respect to any retirees covered by inactive benefit plans, regardless of the PBM. Existing carriers/administrators are responsible for handling the runout of claims incurred before the effective date of E-MEHIP participation.

- 90) It was announced that the committee decided that to ease the transition, towns can enter the program with their existing plans. Does that include H.S.A. plans?

HSA's are not offered.

- 91) Have the carriers agreed to support a group's existing plan design in the Enhanced MEHIP if they are the current carrier, or will all grandfathered plans be administered through the TPA?

The carriers would administer current plans. Inactive plans would be administered by the TPA.

- 92) Will current non-MEHIP Municipalities still be given an option to join the traditional MEHIP or Enhanced MEHIP?

Municipalities would have the option.

- 93) Will the TPA handle run-out claims on any self funded legacy plans be brought into Enhanced MEHIP?

See answer to Question 89.

- 94) How many different benefit plans are administered currently? Is there much variation in the plans offered?

The number of plans is not relevant as the TPA isn't handling claims.

- 95) Could the successful bidder be another option for claims processing along with the current insurance carriers?

Only for the inactive retirees that may participate under E-MEHIP

- 96) What are the estimates for the number of covered members year one? Year two? Year three? What factors does the Comptroller's office believe will have the greatest affect on the programs' success and growth?

Estimates have been provided above for year one. Year 2 and 3 do not have projections and will largely depend on the success of year 1. The greatest affect on success and growth will be education, cooperation and favorable pricing.

- 97) Will the Office of the State Comptroller consider a bid for portions of the work instead of the entire package? For instance, could a contract be given for administration of COBRA collection only? Or enrollment services/communication meetings only? Could an administrator work only with retirees; handling enrollments, collecting premiums and adjudicating claims?
- 98) The RFP transmittal requires the successful bidder to provide up to 1,000 hours per year of on-site services. Please describe what these services are envisioned to entail? Are these hours for attendance at meetings? Presentations? If so, at what meetings and what kinds of presentations? If for consulting, what level of consulting is expected?

Attendance at some of the Municipal Health Insurance Cost Containment meetings. Meetings with groups interested in the MEHIP such as trade associations, business expos, presentations to business groups. It would also entail meetings with the Office of the State Comptroller regarding the status of plan operation.

- 99) The RFP asks for costs to be detailed on a per month basis. Could you provide some guidance as to what services are currently performed by separate fee to assist us in packaging our proposal? Would you prefer a menu of services with a cost attached to each?

As noted above, the current arrangement is a per participant per month fee. The respondent is free to recommend another arrangement or detail its costs separately. Currently the PPM fee is bundled.

- 100) If the RFP is for administering claims for active employees, what type of wellness programs does the state envision? Disease management? Network services? How detailed would the state like us to be in presenting our administrative ideas and solutions? Or should we model our administration (and pricing) on a current plan and if so, what plan?

N/A. These programs are handled by the carriers or in some instances the MHCCC will be reviewing in conjunction with the Comptroller's Office.

Discarded Questions

Will the municipalities be experience rated or will the plans be considered one pool with pooled experience?

Is there excess stop loss currently in place? Through whom?

Does the RFP pertain to the new enhanced MEHIP only?

Is there excess stop loss currently in place? Through whom?

Who is responsible for securing this excess stop loss on a contractual basis?

If there is no excess stop loss, how is the self-funded program protected from excess shock losses?

Are the self-funded materials produced by the current TPA or by the MEHIP?

Will the new TPA and/or new Administrator be required to make the necessary material modifications prior to the effective date of the contract July 1, 2008?

Are there self-funded Plan Documents and Summary Plan Descriptions in place and are they current?

Will the successful bidder take over the administration of the current MEHIP plan?

How many enrollees are covered by the current plan? How many individual employer groups are currently participating in the MEHIP plan? How many employees are eligible under those current plans?

Will the program utilize underwriting techniques similar to those in use in the private sector for similar sized groups?

Will the successful bidder obtain stop-loss quotes for individual groups wishing to self-fund the claims? Will the successful bidder negotiate stop-loss for the entire group in aggregate?

Will all administrative data be able to be transferred electronically, or will the new administrator be required to handle enrollment manually via a web access and/or is paper enrollment required by each carrier?

If no broker is involved will the TPA handle all enrollment meetings?

Is COBRA & HIPAA administration to be included in standard TPA fee?

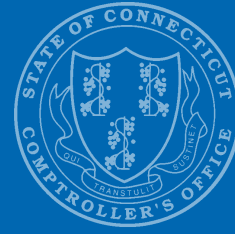
Will eligibility reconciliation be done on a monthly basis with each carrier?

Will the successful bidder take over the billing services for the current groups?

The current plans utilize insurance companies to process the claims on a fully insured basis. Will the successful bidder of this RFP process the claims instead of the current insurance carriers?

Could each plan sponsor have their own unique set of benefits, or will the MEHIP program have a limited number of plans. If so, how many plans are envisioned?

Are the current fully insured carriers able to electronically provide all data information? (For example: enrollment, premiums, reconciled premium invoicing (receivables), plans etc.) When would this be provided?



STATE OF CONNECTICUT

ENHANCED MEHIP



Substantial healthcare
savings for taxpayers
and employees —
learn more inside!



A Message from State Comptroller Nancy Wyman about the *Enhanced Municipal Health Insurance Plan*

As the national debate over affordable healthcare continues, municipal leaders across our state and the entire country are struggling to keep their employee healthcare costs down. Increases have strained the budgets of our cities and towns, and elected officials are clamoring for ways to help control costs as property taxes continue to rise.

I am pleased to announce the availability of the Enhanced Municipal Employee Health Insurance Plan (MEHIP). It is a self-funded insurance plan that uses the state's enormous buying power to leverage lower rates. It pools municipal employee populations together in one big group, spreading risk and consequently driving down costs.

Leaders of municipalities and unions came to me for help in lowering the health insurance costs that are choking municipal budgets and threatening jobs. Both management and labor, in conjunction with my office, have put together a plan that will achieve significant savings.

I am confident that our product has the potential to save cities and towns millions of taxpayer dollars, which can subsequently translate to real property tax relief. The Enhanced MEHIP program provides quality health care insurance options at affordable rates, and I encourage you to consider participating in the program.

Nancy Wyman

Municipal Healthcare Cost Containment Committee Members

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Susan Bransfield
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Portland

Natalie Ketcham
First Selectwoman
Redding

Doug Cutler
Town Administrator
Putnam

Woody Bliss
First Selectman
Weston

Frequently Asked Questions

What is the Enhanced MEHIP?

MEHIP has introduced an enhanced option for healthcare coverage offered by the State of Connecticut to Connecticut municipalities and their employees. Under the enhanced program, MEHIP offers three different benefit designs for your employees and their families to choose from – all at large-group rates.

How is it different than the current MEHIP?

The Enhanced MEHIP offering provides for a consistent statewide plan design. That means you can take advantage of large-group rating – everyone enrolled in this enhanced MEHIP option will be pooled together. Large claim costs and risk will be spread among all MEHIP participants utilizing this option. The State will maintain reserves, including a claims stabilization reserve and, if necessary, stop loss insurance, to protect participating groups from claims fluctuations.

Why is it less expensive than the plans we currently offer?

The new program lets you take advantage of the substantial savings resulting from large-group purchasing power, pooled risk, administrative economies of scale and no commercial advertising.

Can I add these MEHIP plans to my current healthcare plan lineup?

For all those participating to realize the savings potential, this MEHIP offering must be exclusive. You'll find that the plan design options offer a range of choices and provider networks for your employees.

What will the premiums be?

Final rates will be available once all claims and/or rate histories and employee census information for prospective participating towns are reviewed.

What carriers participate in the Enhanced MEHIP?

Anthem Blue Cross and Blue Shield of Connecticut, Health Net, and Oxford/UnitedHealthcare are the medical benefit carriers. Caremark (formerly Pharmacare) is the pharmacy benefit manager.

What kind of administrative support is available for Enhanced MEHIP employers?

Enhanced MEHIP will be administered by Mercer, the same firm that administers the current MEHIP program. Mercer handles eligibility, billing and enrollment, and provides communication assistance. Mercer will also continue to provide COBRA billing administration.

When do we need to sign up to put Enhanced MEHIP in place for next year?

Your rate and claim history (if available) has to be returned immediately, but no later than April 10, 2008. Final rates will be determined in early May, at which time enrollment will begin with enrolling towns contracting with the State through completion of a group enrollment application. At the same time, enrolling employees must sign up through completion of Mercer applications. Towns that complete and submit their group and member applications by the 1st of June will be effective as of July 1, 2008. Thereafter, all applications will need to be completed by the 15th of the prior month (i.e., June 15th for an August 1st effective date).

How can I learn more?

More information will be available soon at the MEHIP website, www.mehip.org.

Or you may call the MEHIP at 1-800-572-7891 or 1-860-723-5751. If you would like us to work through your broker, just include the contact information and we will include his/her commission in your rate proposal. You may then have the broker follow up for you.

How do we join?

Email two years of your rate history, claim history if available, and benefit plans to Thomas.L.Reilly@mercer.com. Or send hard copy to:

MEHIP
One State Street, 19th floor
Hartford, CT, 06103-3187

All groups joining the Enhanced MEHIP plan will be expected to sign a participation agreement for three years to ensure stable claims for all groups joining.

ENHANCED MEHIP PLANS

	PPO \$15/\$25 OFFICE; \$100 HOSPITAL		HMO/EPO \$15 OFFICE; \$100 HOSPITAL	COMPREHENSIVE PPO \$15/\$25 OFFICE; \$100 HOSPITAL	
BENEFITS	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	IN-NETWORK	OUT-OF-NETWORK
FINANCIAL:					
Deductible	N/A	\$1,000/\$1,500/\$2,000	None	\$250/\$500/\$750	\$250/\$500/\$750
Co-Insurance	N/A	80%/20%	None	90%/10%	70%/30%
Cost Share Maximum	N/A	\$2,000/\$3,000/\$4,000	\$1,500/\$2,500	\$1,000/\$1,500/\$2,000	\$2,500/\$3,500/\$5,000
Maximum Lifetime Benefit Per Member	Unlimited	\$1,000,000	Unlimited	Unlimited	\$1,000,000
Gatekeeper Network	No	No	No	No	No
DEPENDENT LIMITING AGE:	19/23	19/23	19/23	19/23	19/23
PREVENTIVE CARE:				Deductible Waived	
Physical Examination-Child (standard schedule)	No copay	Ded. & Coins.	No copay	No copay	Ded. & Coins.
Physical Examination-Adult (standard schedule)	No copay	Ded. & Coins.	No copay	No copay	Ded. & Coins.
Immunization	No copay	Ded. & Coins.	No copay	No copay	Ded. & Coins.
OUTPATIENT CARE:					
Physician Office Visits	\$15 copay	Ded. & Coins.	\$15 copay	\$15 copay	Ded. & Coins.
Specialist Office Visits	\$25 copay	Ded. & Coins.	\$15 copay	\$25 copay	Ded. & Coins.
Outpatient Surgical Services	\$100 copay	Ded. & Coins.	\$100 copay	Ded. & Coins.	Ded. & Coins.
Diagnostic X-Ray or Lab Examination	\$15 copay	Ded. & Coins.	\$15 copay	Ded. & Coins.	Ded. & Coins.
PET/CAT/MRI Exams	\$25 copay	Ded. & Coins.	\$25 copay	Ded. & Coins.	Ded. & Coins.
Outpatient Rehabilitation	\$15 copay	Ded. & Coins.	\$15 copay	Ded. & Coins.	Ded. & Coins.
Physical Therapy/Occupational Therapy	Limited to 50 visits combined per year	Limited to 50 visits per years subject to ded. & coins.	Limited to 50 visits combined per year	Limited to 50 visits combined per year	Limited to 50 visits per years subject to ded. & coins.
Speech Therapy	Limited to 30 visits combined per year	Limited to 30 visits per years subject to ded. & coins.	Limited to 30 visits per year	Limited to 30 visits per year	Limited to 30 visits per years subject to ded. & coins.
Prenatal and Postnatal Maternity Care	\$15 initial visit	Ded. & Coins.	\$15 initial visit	\$15 initial visit	Ded. & Coins.
MENTAL HEALTH CARE:					
Outpatient Treatment (60 days per year)	\$15 copay	Ded. & Coins.	\$15 copay	Ded. & Coins.	Ded. & Coins.
Inpatient Treatment (30 days per year)	\$100 copay	Ded. & Coins.	\$100 copay	Ded. & Coins.	Ded. & Coins.
SUBSTANCE ABUSE:					
Detox	7 days max benefit	Ded. & Coins.	7 days max benefit	7 days max benefit	Ded. & Coins.
Outpatient Treatment	\$15 copay, 60 days per year	Ded. & Coins.	\$15 copay, 60 days per year	Ded. & Coins., 60 days per year	Ded. & Coins.
Inpatient Treatment	\$100 copay, 30 days per year	Ded. & Coins.	\$100 copay, 30 days per year	Ded. & Coins., 30 days per year	Ded. & Coins.
ALLERGY CARE:					
Visits (30 per year)	\$15 copay	Ded. & Coins.	\$15 copay	\$15 copay	Ded. & Coins.
Injections	No copay	Ded. & Coins.	No copay	No copay	Ded. & Coins.
HOSPITAL CARE:					
Semi-Private Hospital Room Admission**	\$100 copay	Ded. & Coins.	\$100 copay	Ded. & Coins.	Ded. & Coins.
Skilled Nursing and Rehabilitation Facilities (120 day max.)	\$100 copay, if admitted from hospital no copay	Ded. & Coins.	\$100 copay, if admitted from hospital no copay	Ded. & Coins. if admitted from hospital no ded.	Ded. & Coins.
HOME HEALTH CARE:	No copay	Ded. & Coins.	No copay	Ded. & Coins.	Ded. & Coins.
EMERGENCY CARE					
Emergency Room (waived if admitted)	\$50 copay	\$50 copay	\$50 copay	\$50 copay	\$50 copay
Ambulance Services	No copay	No copay	No copay	No copay	No copay
Urgent Care (participating centers only)	\$25 copay	\$25 copay	\$25 copay	\$25 copay	\$25 copay
PRESCRIPTION DRUGS:*					
Drugs	\$5 copay	Ded. & Coins.	\$5 copay	\$5 copay	Ded. & Coins.
Listed Brand Tier 2 Drugs	\$20 copay	Ded. & Coins.	\$20 copay	\$20 copay	Ded. & Coins.
Non-Listed Brand Tier 3 Drugs	\$35 copay	Ded. & Coins.	\$35 copay	\$35 copay	Ded. & Coins.
Mail Order	1.5 x mail copay	N/A	1.5 x mail copay	1.5 x mail copay	N/A
Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited

*Managed pharmacy plan: Includes No OTC substitution, mandatory generic, step therapy, maintenance medication 2 refill maximum at retail pharmacy must go to mail order.

**No hospital copay if readmitted within 90 days.