

Vendor's Offer

Form 201-B (RFP)

"Return this Section with your Response"

It is required that Offeror complete, sign and submit the original of this form to the City Procurement Office with the proposal response. An unsigned "Vendor's Offer", late proposal response and/or a materially incomplete response will be considered nonresponsive and rejected.

Offeror is to type or legibly write in ink all information required below.

Company Name: The Hays Group, Inc. dba Hays Companies

Company Mailing Address: 2710 E. Camelback Road, Suite 210

City: Phoenix State: Arizona Zip: 85016

Contact Person: Charles W. Broucek III Title: Senior Vice President

Phone No.: 602/977-3806 FAX: 602/977-3801 E-mail: cbroucek@hayscompanies.com

Company Tax Information:

Arizona Transaction Privilege (Sales) Tax No.: NA or

Arizona Use Tax No.: Applied for Arizona Use Tax Number – In Process

Federal I.D. No.: 41-1784898

City & State Where Sales Tax is Paid: NA

If a Tempe based firm, provide Tempe Transaction Privilege (Sales) Tax No.: NA

THIS PROPOSAL IS OFFERED BY

Name of Authorized Individual (TYPE OR PRINT IN INK) Charles W. Broucek III

Title of Authorized Individual (TYPE OR PRINT IN INK) Senior Vice President

REQUIRED SIGNATURE OF AUTHORIZED OFFEROR (MUST SIGN IN INK)

By signing this Vendor's Offer, Offeror acknowledges acceptance of all terms and conditions contained herein and that prices offered were independently developed without consultation with any other Offeror or potential Offeror. In accordance with A.R.S. 35-393, et seq., the Offeror hereby certifies that it does not have scrutinized business operations in Iran or Sudan. Failure to sign and return this form with proposal response will be considered nonresponsive and rejected.



Signature of Authorized Offeror

(H/RFP 3-2008)

8-6-2013

Date

Specifications

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The City is requesting that, at a minimum, the contracted firm provide the services listed below for all current and future plans. Indicate in the response column if you intend to provide this service for the fee you have submitted. If you answer "no" provide an explanation under the exceptions column.

There are additional spaces provided below each major category for responding firms to list additional services that will be included as part of their fee structure. The additional services offered will be scored per the evaluation criteria and will affect firms overall scoring. The City of Tempe will be the sole determiner of the value of the additional services offered.

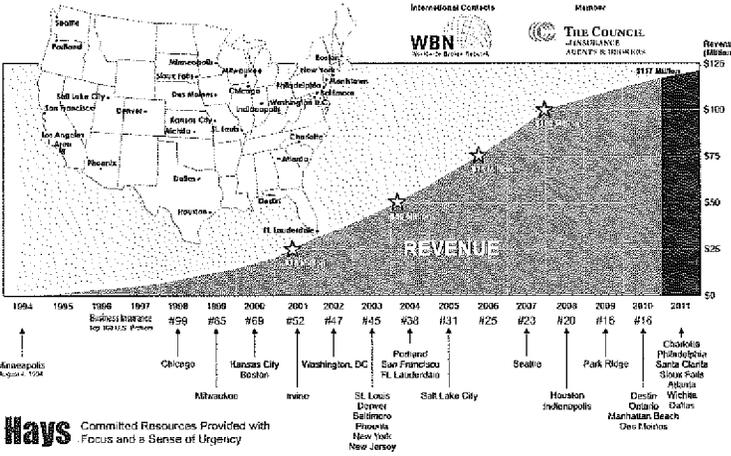
I RFP Design and Analysis			
Description	Vendor Response		
	Yes	No	Exception
1 Assist the City in the development and review of RFP's for employee benefits as requested by the City	X		
2 Attend, in person, any and all meetings related to development of solicitations	X		
3 Provide issue ready RFPs	X		
4 Provide assistance with answering of questions related to solicitations	X		
5 Evaluate bids and bidders including, but not limited to, administration, claim payments procedures, customer service, network, firms policies, financial solvency and identify the most cost-beneficial package that meets the City needs	X		
6 Provide a side-by-side comparison of current and proposed plans to simplify analysis and decision making	X		
7 Assist, in person, in internal reviews, evaluations, interviews, selection and final contract negotiations	X		
Other services to be included in submitted fee			
II General Requirements and Maintenance of Existing Plans			
Description	Vendor Response		
	Yes	No	Exception
1 Provide professional, customary insurance consulting services	X		
2 Attend meetings, in person, as requested by the City of Tempe	X		
3 Provide actuarial services as needed	X		
4 Provide ongoing analysis of plan designs, cost containment strategies and cost sharing alternatives available to the City	X		
5 Ensure that all negotiated self-funding arrangements and other arrangements with any administrator and/or insurance carriers are strictly adhered to	X		

6	Provide liaison services between the City and insurance carriers	X		
7	Assist the City in administering all insurance plans and other issues with carriers including analyzing the effectiveness of programs and offering creative solutions	X		
8	Perform a rate analysis and evaluate and negotiate all renewals	X		
9	Provide consulting advice for union negotiations before, during and after the negotiations to include the impact of benefit demands and advice on implementing the new changes	X		
10	Attend meetings as requested by the City related to union negotiations to provide support information	X		
11	Assist and provide recommendations in order to fulfill compliance requirements of State and Federal regulations, statutes and mandates. (COBRA, HIPPA, Medicare, FMLA, ACA etc.)	X		
12	Provide routine group benefit and general health care consulting advise	X		
13	Assist the City with plan design changes and modifications	X		
14	Assist the City in establishing a strategic plan for employee benefits	X		
15	Provide ongoing analysis and planning of new approaches to employee benefits	X		
16	Take the initiative to bring new ideas to the City	X		
17	Work with the management team to develop and provide policy direction	X		
18	Design and create print and/or web ready documents, summary plan descriptions, employee booklets, forms and any other announcement materials necessary to gather needed information, assist with enrollment and provide proper communication for the participants of the plan	X		Exhibit #1 – Sample Communications
19	Inform the City of changing legislation and legal decisions affecting employee benefits. Advise and discuss methods to comply with these changes	X		
20	Monitor administrator's actuarial and renewal assumptions	X		
21	Prepare premium rate equivalents for self-funded plans for actives and pre-Medicare eligible retirees	X		
22	Have you allowed for the addition of one (1) new program per year of contract beyond those indicated in the above list as part of submitted fee.	X		
Other services to be included in submitted fee				

Proposal Questionnaire

“Return this Section with your Response”

Bidder shall submit answers to the following questions. Responses will be utilized in determination of contract award.

	Question	Response
1	Provide the address of the office that will service the City of Tempe.	Hays Companies 2710 E. Camelback Road, Suite 210 Phoenix, AZ 85018
	a If you do not have a Tempe, or valley address, how do you intend to handle this account?	NA
2	Describe your company and its history – include years in business	 <p>The Hays Group, Inc. dba Hays Companies is a full-service Employee Benefit and Risk Management brokerage/consulting firm corporately headquartered in Minneapolis, MN with offices in the following locations: Phoenix, Minneapolis, Orange County, Los Angeles, San Francisco, Portland (OR), Seattle, Salt Lake City, Denver, Kansas City, Milwaukee, Chicago, Houston, Boston, New York, Washington D.C., Baltimore, Fort Lauderdale, Ft. Lauderdale, Indianapolis, Des Moines, St. Louis, Morristown (NJ), Charlotte, Dallas, Park Ridge, Orlando, Des Moines, Sioux Falls, Atlanta, Wichita, Santa Clarita, and Philadelphia. We also maintain an International Employee Benefits Practice headquartered in Minneapolis.</p> <p>The Hays Companies philosophy/culture was founded on the principal of being a firm national in scope with local service delivery and ownership. The ability of an organization to realize opportunity and effectively manage change can influence the successful outcome of projects and goals. More than ever organizations are challenged to find the balance between the dynamics of balance sheet goals and the changing socio-economic and regulatory environment that influences the effective human resources management of an organizations people and policy.</p> <p>At Hays Companies, we recognize these changing dynamics</p>

		<p>and have developed our consulting and brokerage services to enable us to become an active, day-to-day partner with you. As your active partner, we want to become part of your staff, taking work off your desks, enabling you to build and maintain a cost-effective quality benefit program for SGA stakeholders.</p> <p>Our Employee Benefits Practice accounts for approximately 45% of the overall Hays Companies' revenue. The National Employee Benefits Group is led nationally by Mike Egan. Mike has been with the Hays Companies since founding the Employee Benefit operations in 1994. Prior to Hays, Mike had similar roles both with carrier markets and a leading brokerage/consulting firm. In addition to Mike's leadership, we are assisted our Executive VP, Mike Davis. Mike acts in the role of Leader and Liaison to both Corporate and Regional Resources including: Underwriting Services, Communication Services, International Benefits, Government Compliance, Wellness Services, Retirement Planning, etc... and significantly supports the Arizona operations.</p> <p>Lastly, Hays Companies is not affiliated with any insurance company, third party administrative agency or provider network. Furthermore, we are completely independent with no outside ownership or debt. We represent and serve only one group...our clients.</p> <p>The Hays Group, Inc. dba Hays Companies is a privately owned S Corporation incorporated in the State of Minnesota with majority owner, James Hays, and several other senior executives' actively operating the business. While financial statements are not publicly distributed, Hays Companies has reported continuous profitability over the last 17 years with 2011 revenues in excess of \$127 million, assets of \$135 million, and stockholder equity of \$36 million. Should you have any specific questions about Hays Companies financial performance or strength, please don't hesitate to contact our Sr. VP Finance and CFO, Stephen Lerum at 612-373-7273 or slerum@hayscompanies.com.</p>
3	What is the name of your parent organization?	The Hays Group, Inc. dba Hays Companies
4	Please provide contact information for the account representative that will be assigned to the City of Tempe. <ul style="list-style-type: none"> • Contact Name • Phone Number • Cell Phone Number • e-mail address 	<div style="background-color: #cccccc; padding: 5px;">Provide contact information in spaces below</div> Charles W. Broucek III 602/977-3806 (Office) 602/692-3564 (Cell) cbroucek@hayscompanies.com
a	Because of the nature of the services that are needed it is critical that firms have a local representative to handle the City account. Do you have a local representative?	Yes

b	If a valley representative is available, is this person fully qualified to handle the issues and requirements of this RFP?	Yes
c	Provide resume(s) for the people who will be assigned to the City of Tempe account	<p>CHARLIE BROUCEK, PHR – SENIOR VICE PRESIDENT, EMPLOYEE BENEFITS</p> <p>Charlie is a Sr. Vice President and Partner for the Hays Companies. In this role, he provides strategic consultation and benefit plan structure and design for partially self-funded and fully-insured clients.</p> <p>Charlie brings over 16 years of experience in consulting and business development including employee benefits and insurance, recruiting and staffing, and employee relations. Charlie has worked with a diverse group of industries including: Non-Profit, Retirement Communities, Educational Institutions, Telecommunications, Technology, Banking, Government, and Construction.</p> <p>Charlie holds a BS in Business Management from the W.P. Carey School of Business at Arizona State University. Additionally, he is a licensed Life/Health Producer in Arizona, Utah, New Mexico, Texas, California, Oklahoma, Virginia, Washington and Oregon.</p> <p>Charlie is Past President of the W.P Carey Alumni Chapter at ASU, Former Council Member – ASU Alumni Association, Past Director – Valley of the Sun Human Resources Association, Past Director/Treasurer – Esperanca, Inc. (Phoenix Based Non Profit), Alumni of the National Advisory Council Member, UHC and involved in youth athletics.</p> <p>SLOAN CHRISTENSEN – VICE PRESIDENT, CLIENT MANAGER EMPLOYEE BENEFITS</p> <p>Sloan is a Vice President and Employee Benefits Consultant for Hays Companies of Arizona. In this role, he provides day – to – day consultation and employee benefit plan design for clients.</p> <p>Sloan has over 10 years of experience in Pharmacy Consulting, Managed Health Care and Business Development including employee benefits, insurance and employee relations. Sloan has an extensive ancillary background with over four years in the Life, Short and Long Term Disability and Self - Funding. Sloan has worked with a diverse group of industries including: Hospital's, HMO's Medical, Technology, Banking, Government, Construction and Non – Profit.</p> <p>Sloan holds a BS in Sales and Service Technology from Weber State University. He is a licensed Life/ Health Producer in Arizona, Utah and New Mexico.</p> <p>Sloan currently serves on the Board of Directors for the Boys and Girls Clubs of Scottsdale, and Sloan is involved with</p>

		<p>Arizona Girls Athletic Foundation coaching multiple youth volley ball teams.</p> <p>PAULA CAMPBELL – CONSULTANT, EMPLOYEE BENEFITS</p> <p>Paula has over 20 years of experience in the health care industry. She began her career working for a Third Party Administrator (TPA) and held various positions including Account Manager and Customer Service, as well as leading projects management teams within the Network Development and Quality Assurance departments. As the Manager of Account Services for Benesight (now owned by UHC), she was responsible for managing a team of Account Executives as well as managing both middle market and national accounts.</p> <p>Paula’s primary focus at Hays is client service, plan marketing, analysis and maintenance of employee benefit programs, and managing carrier relationships.</p> <p>Paula is a licensed Life/Health Producer in Arizona.</p> <p>JAMISON DAVIS – TECHNICAL CONSULTANT/VP, EMPLOYEE BENEFITS</p> <p>Jamison has been Vice President at Hays Companies of Arizona since August of 2007. In his role as a Technical Consultant, he provides strategic consulting through budget forecasting, monthly reporting, benchmarking analysis and plan analytics. As the local underwriting resources, he stays very involved with all self-funded clients from renewals to monitoring of plan financials and budgets.</p> <p>Jamison is a licensed Life/Health Producer in Arizona and brings over 10 years of experience in employee benefits and insurance. He holds a BS in Marketing from Northern Arizona University.</p> <p>Jamison has a passion for helping others and serves the public as a fundraising Life Member for the EC 70 and a former board member for Fresh Start Women’s Foundation. In his first five years, he raised over \$100,000 in charitable contributions.</p>
5	<p>Are there any outstanding legal actions pending against your organization?</p> <p>a If yes, explain</p>	<p>In the normal course of business as an insurance broker, The Hays Group, Inc. and its affiliates periodically become involved in various legal actions brought by third parties, which frequently involve non-competition agreements. If specifics are required, please contact Daniel Walseth, General Counsel, Hays Companies, for additional information. Dan can be reached at 612/347-8347 or dwalseth@hayscompanies.com.</p>
6	<p>Do you plan to sub-contract any portion of the services requested to another firm?</p>	<p>No</p>

a	If yes, provide complete information about the sub-contractor(s)	NA
7	Describe the approach and methodology that you will employ in working with the City of Tempe for all phases of the work requested in this RFP	<p>Hays Companies employs the following analytics/risk pool management methodology, in addition to corporate wellness programming, to ensure both cost effective benefits and plan alignment. Our methodology and process is supported by a full-service government compliance department that considers important regulatory requirements such as PPACA, COBRA, HIPAA, etc...</p> <p>EXECUTIVE SUMMARY</p> <p>Across the country, employer groups are struggling to understand what is behind increasing healthcare costs and what can be done to effectively contain them. In recent years, this struggle has fueled the creation of a variety of products and programs designed to control the cost curve. Consumer directed health plans are designed to put employees in an environment where they will make smarter, cost effective decisions with regard to their healthcare usage. Similarly, health and wellness initiatives are hoped to have long-term impacts on employee behavior which in turn, will mitigate costly chronic conditions over time. Though an important part of the cost control equation, current programs and products are not providing the impact to overall healthcare spend that organizations require. Current programs are failing to address the largest driver of employer based healthcare costs - the risk pool itself. Without effective strategies to measure and influence the risk pool, many of the initiatives to control healthcare spend will be reactive and their returns limited. Cost control strategies that begin with the risk pool itself are a necessary first step to long-term efficiency and a foundation for other products and services designed with the same purpose. However, effective management of the risk pool requires a detailed understanding of cost and utilization patterns, technology to enable that understanding, and the expertise to turn that information into informed recommendations.</p> <p>The Hays Companies approach to reducing cost through risk pool management is unique in the field of health care consulting. To manage client health care costs, we start with analyzing health plan data with analytic information technology that is contractually available to only a few other consulting organizations. When we apply our exclusive risk pool management methodology to the data gained from this technology, we are able to provide health plan financial management services that are unique to Hays Companies.</p> <p>RISK POOL MANAGEMENT MODELS</p> <p>The Hays approach connects cost outcomes to rate and contribution structures through a process we call Risk Pool Management. Risk Pool Management provides an examination of current rate and contribution structures to</p>

understand who is currently attracted to given health plans. We determine how plan design, budgeted rates and contributions influence who is selecting the health plan, if that risk pool contains unnecessarily poor demographic health, and how these dynamics are contributing to potentially unnecessary cost. This analysis will also examine how much members are contributing to overall healthcare costs both through payroll deductions as well as through the plan design. Understanding this relationship is critical to determining whether or not employers are attracting unneeded risk to their plans.

DATA TECHNOLOGY

Through analytic, reporting, and modeling tools powered by Health Plan Intelligence (HPI), Hays delivers the highest quality data to guide decision making for our self-funded clients. In partnership with Hays, organizations have a unique and exclusive look into the issues driving healthcare costs. Consequently, the strategic recommendations and solutions provided by Hays are targeted and their effects measurable. The HPI suite of services includes:

HPI-Dashboard - A comprehensive analysis which combines membership information with health experience data, HPI-Dashboard provides a clear and concise understanding of how the health plan is performing. HPI-Dashboard includes the evaluation and performance benchmarking of health care utilization rates, unit costs, plan design efficiency, and the impact of specific diseases and behaviors.

HPI-Analytics – An unparalleled view of underlying and value added health care data which empowers the discovery of hidden problem areas and potential opportunities. HPI-Analytics delivers multi-dimensional filters and controls which fuel customized data reports and views in a real-time environment - powerful and actionable information in just a few clicks.

HPI-BeneCalc – This tool provides a real-time benefit modeling tool. HPI-BeneCalc models the financial and member impact of changes in plan design, medical inflation, network performance, fixed costs, stop-loss parameters, employee contributions and more.

Understanding how participants are utilizing healthcare plans is a necessary prerequisite to developing targeted budget, contribution, and design strategies to maximize plan efficiency. HPI enables that understanding.

HEALTH PLAN INTELLIGENCE

Core to a successful philosophical approach to plan management is to ensure that all design recommendations and decisions are founded on strong empirical data. To

effectively execute a successful Risk Pool Management approach we must fully analyze all components of a benefit model and have a complete understanding of the precise cost drivers for each major spending component (i.e. Medical claims, Rx claims, fixed costs, disease and wellness programs, etc.). The first step in performing this type of analysis is to ensure organizations receive detailed and actionable data which we provide through our Health Plan Intelligence (HPI) reporting and analytic tools. Hays has a partnership with a leading provider of health analytics services which enable us to deliver the suite of HPI tools to our clients.

HPI PORTAL

The HPI-Portal provides a secure and central access point for all Health Plan Intelligence content. The HPI portal is web based and allows easy access to all HPI content. Additionally, the HPI portal allows us to monitor the status of current HPI projects as well as access sample content and demos.

HPI DASHBOARD

The HPI-Dashboard is a twenty-page management-level, key performance indicator and benchmarking report. The HPI-Dashboard provides an understandable and intuitive view of how a health plan is performing with specific focus on the cost of key employee and dependent populations, key service areas, as well as underlying conditions.

The HPI-Dashboard is fundamental to answer many critical questions, including:

- How much are we paying for health care?
- How much are other companies paying?
- Which areas within our plan are most costly?
- How efficient is our plan design?
- How much does chronic disease cost?

The HPI-Dashboard provides the key metrics and performance indicators which afford organizations the opportunity to understand how their plan is performing, how they compare to other companies, and identify specific problem areas which warrant additional investigation.

HPI ANALYTICS

HPI-Analytics provides direct access to powerful views of underlying health care data. All the underlying data have been enhanced to include logical population groupings and descriptions which are critical for the development and application of Risk Pool Management processes.

With the HPI-Analytics we utilize an intuitive interface

which enables:

- Easy access to pre-defined views of the underlying data
- Ability to apply multiple filters to retrieve custom analysis and results
- Ability to drill-down into specific areas uncovering hidden problems and opportunities
- Extremely powerful and advanced analysis through cross-drill technology
- Customized data to include company-specific values such as plan design, location, division, etc.

HPI BENE CALC

HPI-BeneCalc is an online plan modeling application. HPI-BeneCalc provides Hays the ability to calculate exact plan values which is fundamental to appropriate rate and contribution development. Once plans have been defined, HPI-BeneCalc give us the advantage of modeling both the precise financial and member impact of potential plan changes thus affording organizations the opportunity to pursue changes which maximize plan savings while minimizing member disruption and negative migration (adverse selection).

RISK POOL MANAGEMENT

The claim and demographic information provided by HPI coupled with the on-going monitoring of membership and enrollment data allow for the precise actuarial alignment of rate and contribution structures. Taken together, these processes are what we refer to as Risk Pool Management. In the absence of Risk Pool Management techniques, organizations often find themselves in an environment of misalignment where the choices made by employees are to the financial detriment of the plan. Misalignment can lead to any or all of the following:

- An insufficient budget
- A large renewal increase
- Miscalculated employee contributions
- Incorrect cost-projections of COBRA participation

Risk Pool Management is a set of sophisticated projection and modeling techniques which corrects misalignment thereby mitigating the variation of year-over-year costs while maximizing the financial performance of plan offerings. The components of Hays' exclusive Risk Pool Management approach include:

- Cost projections
- The determination and alignment of premium equivalency rates
- The actuarial development of employee premiums

COST PROJECTIONS

Self-insured groups typically rely on third party administrator or reinsurance projections when budgeting for a new plan year. Unfortunately, most projections that are tied to the purchase of stop loss insurance are largely automated and have what reinsurers sometimes refer to as “acceptable variability”. Additionally, some cost projections are deliberately underestimated for strategic or competitive purposes. The result of either can be an under-funded estimate of actual cost.

To eliminate these concerns, we have developed a sophisticated projection modeling tool that eliminates as much statistical variation as possible, which allows for the following as it pertains to the TPA or re-insurer’s projections.

- If the projection is correct – our formula merely corroborates their estimate.
- If the projection is too high – our formula allows for informed negotiations with the vendor.

Regardless of the relationship between the two projections, with proper cost projection techniques organizations enjoy the comfort of knowing that (a) variation from the budget will be insignificant (b) renewal increases higher than trend will be virtually non-existent (c) employee contributions will reflect the intent of the employer and (d) COBRA participants will be paying the appropriate amount of premium.

THE DETERMINATION AND ALIGNMENT OF PREMIUM EQUIVALENCY RATES

Most organizations are largely unaware of the detrimental financial ramifications associated with the actuarial misalignment of premium equivalency rates – particularly when employees are eligible for more than one plan. Rate development is further complicated by the fact that actuarial alignment involves holding constant the proportional relationship among three variables:

- the relationship among tiers (i.e. single, 2-party, family etc.) on the same plan;
- the relationship between the same tiers on different plans (e.g. the family rate on Plan A

relative to the family rate on Plan B); and

- the overall relationship among multiple plans as defined by pure actuarial benefit richness.

After combining all costs (claims, admin, stop loss, access fees, rebates etc.), the financial models developed by Hays funnels all costs through an alignment algorithm that appropriately balances the variables identified above. The inputs for the algorithm depend on data extracted from the *Health Plan Intelligence* report. The output of the analysis results in perfectly aligned premium equivalency rates that act as the base-point for contribution (employee premium) modeling.

Corporate Wellness

Hays Companies maintains a full-service Health Strategies Group to provide our clients with different program considerations in support of wellness initiatives.

All of our programs are custom based on client need. We have implemented both participation and results/outcomes based programing. The first step is to review the utilization of services. This is accomplished by mining claims data either through available through Hays' HPI report to understand how a workforce is using wellness/preventive benefits. At a high level the data can be analyzed to see how many visits were coded by the physician offices as being preventive. At a more defined level, the number of specific preventive screenings can be culled for analysis. For example, we can look at how many men 50 years and older had a PSA (prostate-specific antigen) test screening for prostate cancer in the preceding 12 months. When utilization of these types of services is low, Hays will work with the City of Tempe to develop benefit and clinical strategies to enhance service utilization in order to promote early identification of risk factors and/or potentially catastrophic disease states.

The above described an analysis of traditional medical services focused on wellness and prevention. Many organizations also offer wellness and preventive services through wellness programs or adjunct vendors. These services can vary from health risk assessments to health food choices in a cafeteria to biometrics to health coaching. The analysis of these programs differs in that participation levels, follow-through on risk factors, and outcomes related to changed behaviors is the focus.

Hays Companies is particularly well-suited for this type of data analysis and support in the development of targeted programs. Melissa Tobler RN, BSN, our national practice leader for Hays Health Strategies, was the first

broker/consultant in the country to be certified in Critical Outcomes Reporting Analysis by the Disease Management Purchasing Consortium. Ms. Tobler assists our consulting/account management staff and clients in understanding the clinical opportunities unique to each organization based on the health of their workforce.

Government Compliance

Hays Companies maintains a full-service Government Compliance Department based in our Minneapolis HQ Location supporting both internal and external clients. We recognize that one of the most important aspects of working with clients is to provide timely and accurate information on topics that affect how employers and benefit plans operate. As brokers and consultants, our value to our clients depends on how well we can achieve this goal. This is increasingly important as the benefits' field continues to look for products and systems that can make plans more effective and efficient.

As a national firm with offices from coast to coast, we strive to make sure our clients have access to up-to-date information on federal laws that have an impact on benefit plans. One of our other objectives is to obtain information on state law changes that may apply to our clients' benefit programs.

To achieve our goals, the Research & Compliance Department utilizes the following vehicles:

- Monthly updates on various topics, including Medicare and the Group Plan, PPACA, Waivers of Life Premium, to name just a few.
- Periodic webinars on pertinent topics.
- E-mail communications regarding issues that are of topical interest to our clients.
- White papers detailing important issues, such as FMLA, ADA, etc.
- Information and research to help our staff respond to client questions.

Our Consultants also review all plan documents using a comprehensive Compliance Checklist ensuring that all documents are in compliance with appropriate laws and regulations and contain the language required by these laws and regulations. Lastly, we will complete a PPACA Analysis for the City of Tempe that assists in the projection of costs related to Health Care Reform.

Exhibit #2 - Sample HPI Dashboard

		<p>Exhibit #3 - Sample Risk Pool Management Exhibit #4 - Sample Investing in Health (Clinical Analysis) Exhibit #5 - Sample PPACA Analysis</p>
8	<p>Describe your approach to assisting the City with any competitive bid processes, inclusive of the development of RFPs, proposal evaluation, selection and contract negotiations processes.</p>	<p>Once the strategic direction is set and the benefit program is designed, we help you assess the vendor markets through a comprehensive Request for Proposal (RFP) process. RFPs are tailored to reflect the specific needs of the City of Tempe. They are then distributed to vendor markets that are most capable of delivering in accord with the established design. We coordinate the finalist interview process, which allows you the opportunity to meet and select the ultimate vendor to support your program. In addition to the meticulous RFP process, we manage the renewal process by leveraging our professional expertise to find out what is “behind the numbers” – focusing on the methodology that carriers/vendors employ to generate the needed premium.</p> <p>Renewal Negotiation</p> <p>We believe in managing the renewal process, instead of the renewal process managing the City of Tempe and us. In order to more effectively manage the renewal process, Hays has implemented several steps to our renewal process: 1) pre renewal meeting, 2) underwriting the renewal before receiving the actual renewal from the carrier, 3) start the process early, and 4) use proprietary software tools to forecast trends and negotiate with carriers.</p> <p>Pre-renewal Meeting/Underwriting Forecast</p> <p>At least 180 days prior to the renewal date your account team will meet with the key decision makers from the City of Tempe to understand and develop the renewal strategy. In addition, the lead consultant will detail the state of the current market, claims utilization of the City of Tempe, and benchmark benefits and the contribution structure.</p> <p>Hays Companies employs a number of underwriters as part of the benefits team. Prior to the actual renewal delivered by the carrier, a Hays underwriter will forecast the City of Tempe’s renewal based on actual experience and demographics. Quarterly, Hays conducts a trend survey that allows us to incorporate the most up-to-date trend factors. Knowing the estimated renewal action prior to the release of the actual renewal enables us to plan well in advance. We can decide whether or not to market, evaluate plan changes, and/or recommend contribution changes.</p> <p>Negotiating renewal rates is more effective when negotiating underwriter to underwriter...both sides are talking the same language. Renewal discussions are based on facts. These facts include a thorough evaluation of: 1) the data used by the carrier and its correctness, 2) the pricing methodology and its</p>

		<p>fairness, and 3) the premium cost as compared to the marketplace.</p> <p>Program Design</p> <p>Using a variety of strategies, Hays Companies will help the City of Tempe to build a program that fits the established human resources and financial objectives. We will benchmark your plan against other employers based upon geographic and industry parameters that are meaningful to the City of Tempe. This information will assist you in developing plans that are competitive with other similar service providers and employers in the area.</p> <p>Program design encompasses more than just plan design. Plan design is important to accomplishing the benefit value objectives established for the plan and employees. It also helps to encourage proper use of the health plan or discourage inappropriate health care utilization. Programs such as disease management, wellness or therapeutic prescription interchange, strengthen an organization's ability to improve the health of its population.</p> <p>Hays Companies works with clients to ensure that programs and plans are properly coordinated to give you the best opportunity to achieve optimal plan performance.</p> <p>Implementation, Communication and Ongoing Administrative Support</p> <p>As part of the vendor selection process, we demand implementation and ongoing performance guarantees of all vendors. We also recognize communication is critical to the successful implementation of a new benefit plan. We provide our clients with professional communication tools to help educate employees on the new program features. Further, we provide ongoing administrative and compliance support during implementation, allowing you the time to focus on your core business activities.</p> <p>The schedule to review your plan and assess alternative strategies and tactics would ideally start 6+ months prior to commencing your annual open enrollment communications.</p>
9	Do you receive any benefit or monetary compensation from any current or potential providers for the City of Tempe?	As a National Employee Benefits Brokerage and Consulting firm with clients in all 50 states, we have business most providers that service our clients and industry. Depending on the arrangement, we work on both a fee and commission therefore it is likely that we receive direct compensation in some capacity from each of the listed of vendors. Locally, we have business with the follow providers listed as current: Cigna, United Concordia, EyeMed, Hartford, and United Healthcare. Additionally, it is likely that we have direct business with many of the potential providers.
10	If applicable, does your parent firm receive any	See Above, Question #9.

	benefit or monetary compensation from any current or potential providers for the City of Tempe?	
11	Identify any potential conflicts of interest that may exist based on your association with current or potential providers	We not anticipate any potential conflicts of interest. We are a privately held company with no ownership of either an insurance company or administrator. Additionally, we follow a strict Code of Ethics as follows: Hays Companies expects all employees to exercise the highest standards of honesty, integrity and fairness in business practice and the conduct of Hays Companies' affairs. It is important that we represent the interests of our clients in a sound, reliable and trustworthy fashion. In addition, all officers, directors and employees of Hays Companies must fully comply with all applicable laws and regulations, and also with the Hays Companies Ethics Policy.
	a If conflicts exist, explain how you can insure your un-biased help to the City	NA
12	Do you agree to the Terms and Conditions of this RFP?	Yes
	a If No, explain	
13	List three (3) governmental or large corporate references for which you currently provide similar services. <ul style="list-style-type: none"> • Firm Name • Contact Name • Phone Number • Years service provided 	<p>Provide Reference Information Below</p> <p>City of Scottsdale (Arizona) Lauran Bebee, Benefits Manager 480/312-2746 lbeebe@scottsdaleaz.gov 3 years</p> <p>City of Peoria (Arizona) Nancy Fantasia or Bobbie Kimelton 623/773-7554 (Nancy); 623/773-7624 (Bobbie) nancy.fantasia@peoriaaz.gov; bobbie.kimelton@peoriaaz.gov 3+ years</p> <p>LifeLock (Arizona) Natalie Dopp, VP of HR 480/457-5343 natalie.dopp@lifelock.com 2 years (Natalie Dopp has been a client for 9+ years including her previous employer)</p>

Pricing Section

“Return this Section with your Response”

Please See Revised Pricing Sheet – Addendum No. 1

The City will evaluate two optional pricing scenarios. The review committee will evaluate all options and pick the plan that is most advantageous to the City.

