

RESOLUTION NO. 2015-92

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR HEALTH INSURANCE BROKER OF RECORD SERVICES, WITH ALLEN ASSOCIATES, VINELAND, NJ.

WHEREAS, there exists a need for Insurance Broker/Consultant Services in connection with Health Insurance for the City of Vineland; and

WHEREAS, the City of Vineland has a need to acquire such services as a Non-Fair and Open Contract pursuant to N.J.S.A. 19:44A-20.5; and

WHEREAS, the current contract had to be renewed due to the fact that the fee agreement has changed per the agreement with Aetna Insurance, fee schedule attached; and

WHEREAS, it is considered to be in the best interest of the City of Vineland that Allen Associates, Vineland, NJ be re-appointed as Health Insurance Broker of Record for the City; and

WHEREAS, Allen Associates has completed and submitted a Business Entity Disclosure Certification for Non-Fair and Open Contract which certifies that Allen Associates has not made any reportable contributions to a political or candidate committee in the City of Vineland in the previous one year and that the contract will prohibit Allen Associates from making any reportable contributions through the term of the contract to a political or candidate committee in the City of Vineland; and

BE IT FURTHER RESOLVED that the Mayor and City Clerk are hereby authorized and directed to execute an Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Vineland as follows:

1. That Allen Associates, Vineland, NJ be appointed as Health Insurance Broker of Record for calendar year 2015, with option for renewal for one additional year period, said broker to be paid based on commission per agreement with Aetna Insurance.
2. That the Mayor and Clerk are hereby authorized and directed to execute a Non-Fair and Open Agreement pursuant to N.J.S.A. 19:44A-20.5, in a form to be approved by the City Solicitor, with Allen Associates, Vineland, NJ for Health Insurance Broker of Record for calendar year 2015, with option for renewal for one additional year period, said broker to be paid based on commission per agreement with Aetna Insurance.
3. That the Business Disclosure Entity Certification and the Political Contribution Disclosure Form be placed on file with the Resolution.
4. That a Notice of this action shall be printed once in the Daily Journal.

Adopted:

President of Council

ATTEST:

City Clerk

**REQUEST FOR RESOLUTION FOR CONTRACT AWARDS
UNDER 40A:11-5 EXCEPTIONS
(PROFESSIONAL SERVICES, EUS, SOFTWARE MAINTENANCE, ETC)**

2/11/15

(DATE)

1. Service (detailed description): Insurance Broker/Consultant Services

2. Amount to be Awarded: \$ _____

- Encumber Total Award
 Encumber by Supplemental Release

3. Amount Budgeted: \$ _____

4. Budgeted: By Ordinance No. _____
Or Grant: Title & Year _____

5. **Account Number to be Charged: _____

6. Contract Period: January 1, 2015-December 31, 2015

7. Date To Be Awarded: February 24, 2015

8. Recommended Vendor and Address: Allen Associates, 630 S. Brewster Road
Bldg.C, Vineland, NJ 08361

9. Justification for Vendor Recommendation:(attach additional information for Council review)
Current contract had to be re-newed due to fact that fee agreement has changed.
As broker, they are getting paid on commission for next 2 yr as agreed upon w/
Aetna. Allen Associates is our current broker and they have an excellent working
relationship with our current and retired employees.

- Non-Fair & Open (Pay-to-Play documents required)
 Fair & Open: How was RFP advertised? _____

10. Evaluation Performed by: Mayor/Asst. Business Adm

11. Approved by: Bob Dickenson, Asst. Business Adm.

12. Attachments:

- Awarding Proposal
 Other: _____

- Send copies to:
Purchasing Division
Business Administration

** If more than one account #, provide break down

**AGREEMENT
FOR
BROKER/CONSULTANT SERVICES**

This agreement ("Agreement") is made and entered into as of the 1st day of January, 2015 by and between Stanley H. Allen, Inc. t/a Allen Associates (hereinafter referred to as the "Provider"), a corporation organized under the laws of New Jersey and the **City of Vineland** (hereinafter referred to as the "City").

WHEREAS, the City is a body politic which operates the public schools for the **City of Vineland, Cumberland County, New Jersey**; and

WHEREAS, the Provider is authorized and duly licensed to render services described in Exhibit A of this Agreement; and

WHEREAS, the City desires to receive the services described in Exhibit A of this Agreement from the Provider; and

WHEREAS, the City desires that the Provider render the services as described in Exhibit A as allowed under law; and

WHEREAS, the City desires to issue a professional services agreement for health benefit broker/consultant services without competitive bidding, in accordance with N.J.A.C. 40A:11:-6.1(b) for Extraordinary Unspecified Services; and

NOW THEREFORE, for the reasons cited above, and in consideration of the mutual promises and covenants contained herein, the City and the Provider agree as follows:

1. Appointment of Provider.

- 1.1. The City appoints the Provider to render the services identified and described in Exhibit A, which is incorporated herein by reference as if set forth at length, and the Provider accepts the appointment to render the services identified and described in Exhibit A to the pupils of the City as provided for in Exhibit A.
- 1.2. The Provider's acceptance of its appointment from the City shall be exclusive to the Provider and shall be considered a material obligation under this Agreement, and a condition of or for each party's obligations of performance under this Agreement and the Provider may not subcontract or outsource its services.

2. **Services.**

2.1. Pursuant to this Agreement, the Provider shall provide the services identified and described in Exhibit A, which is incorporated herein by reference as if set forth at length.

3. **Compensation.**

3.1. Compensation shall be paid by the selected insurance carrier according to their compensation schedule. See Schedule B.

4. **Insurance.**

4.1. The Provider will obtain and maintain at its sole expense throughout the term of this Agreement a policy of Professional Liability Insurance and Commercial General Liability insurance in the amount of \$1 Million per claim/\$2 Million annual aggregate and ensure that it has reasonably sufficient insurance, including but not limited to Commercial General Liability, Worker's Compensation, and Property Insurance. The City may agree to waive only the Commercial General Liability Insurance and Property Insurance in the event that Provider performs services only at the City's own facilities.

4.2. The Provider will supply proof of such insurance coverage obtained, maintained or otherwise used to satisfy this provision of this Agreement to the City.

5. **Administrative Services.** The City will be responsible for the general administration of the services to be performed by the Provider.

6. **Term and Termination.**

6.1. This agreement shall commence as of January 1, 2015, and shall continue until December 31, 2015. _____ [Initial to indicate consent to term.].

6.2. Upon termination of this Agreement, each party shall be released from all obligations and liabilities to the other occurring or arising after the date of such termination, except with respect to those obligations which by their nature, or pursuant to this Agreement, are designed to survive termination; provided that no such termination will relieve either party from any amount due and owing hereunder at the event of default or upon notice of termination or relieve either party from any liability arising from any breach of this Agreement.

6.3. The parties agree to informally mediate any dispute under this Agreement and then either party may exercise any and all legal rights.

7. **Independent Contractor.** The parties shall operate at all times as independent contractors of each other. Except as provided for in or by this Agreement, neither party may act for the other party as its agent or to make commitments on behalf of the other party nor does this Agreement create a joint venture or a partnership.

8. **No Assignment.** Neither party shall assign the Agreement nor any payments due or to become due hereunder, without the consent of the other party.

9. Representations & Warranties.

9.1. In order to induce the Board to enter into this Agreement, the Provider represents and warrants to the City as follows:

9.1.1. That the Provider and/or its designees are licensed and possess valid and up to date certifications necessary to provide the services as described in Exhibit A.

10. Miscellaneous. This Agreement shall be governed and construed in accordance with the laws of the State of New Jersey. This Agreement shall be binding upon, and shall inure to the benefit of, the parties, their respective heirs, administrators, executors, successors and assigns. Neither the failure nor any delay on the part of either party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege. The provisions of this Agreement are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable in whole or in part by the invalidity or unenforceability of any other provision. This Agreement contains the entire understanding between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as herein contained. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing.

IN WITNESS WHEREOF, the parties hereto have executed this agreement under seal the day and year first above written. The signatures to this agreement have full authority and have executed this agreement after consultation with counsel of their choosing.

ATTEST:

STANLEY H. ALLEN, INC. T/A ALLEN ASSOCIATES

RICHARD S. ALLEN
PRESIDENT

CITY OF VINELAND

COUNCIL PRESIDENT

EXHIBIT A

Provider Services for The City of Vineland

All Broker / Consultant services for employee medical benefits to include:

- Assigned personnel – Richard S. Allen and Dina Murray (insurance license from State of NJ in Life & Health)
- Cost containment services and experience analysis
- Review of insurance contracts and benefit brochures
- Assistance with Federal and NJ State mandates for insurance issues
- Carrier correspondence
- Employer / Union contract negotiations assistance
- Attendance for Board or Finance Committee meetings when requested
- Solicitation of quotations as needed from various vendors to secure the best possible options / alternatives
- Complete health benefits transition tasks when necessary
- Claims mediation on behalf of individual subscribers
- Employee benefit meetings
- Staff communications
- Toll Free service number

Initial - City

Initial - AA

ROUTINE SERVICES

- A. Quotations are Offered Through Every Major Provider in the State - The ability to access virtually every viable carrier enables us to seek the best possible opportunities for each client we serve.
- B. Cost Containment - The routine data we construct regarding plan utilization and trends equips ALLEN ASSOCIATES to assist in keeping group costs down without compromising benefits.
- C. Experience Analysis - We offer claims vs. premium data, trend information, benefit design and cost spreadsheeting and estimated renewal increases mid-contract for budgeting purposes.
- D. Review of Marketplace and State and Federal Regulations - Our continual surveillance of these issues insures both the cost effectiveness of the programs we service and compliance to law.
- E. Routine Claims Mediation on Behalf of Individual Subscribers - One of the strengths of our organization is that we maintain a staff of Benefit Specialists who daily meet the needs of those individuals enrolled in our plans. Today's health care environment is complex and confusing. Our specialists routinely answer questions regarding benefit design and assist our subscribers in traversing the maze of managed care. Personalized service is available for your members.
- F. Toll-free 800# for Individual Subscribers - This is an ALLEN ASSOCIATES service hotline for subscriber support. This number is assigned strictly for health service issues.
- G. Benefit Awareness Seminars - When appropriate, ALLEN ASSOCIATES offers periodic awareness seminars to meet the education need of subscribers. These can be conducted both on and off site and are tailored to the client's requirements.
- H. Negotiations - When requested, ALLEN ASSOCIATES WILL assist during staff negotiations. We will offer benefit plan alternatives and subsequent detailed explanations throughout the process to maintain appropriate lines of communication.
- I. Web Site - ALLEN ASSOCIATES has a website that allows our clients to link to all the major carriers that maintain our business. In the very near future, ALLEN ASSOCIATES will be able to offer many online services for our employer groups. Administrative duties and tools, along with enrollment tasks and service issues, will be added directly through our website. Some of these features are not yet available due to HIPAA Compliance issues, others will come sooner. Announcements will be made when new services are added.

ALLEN ASSOCIATES BENEFIT SUPPORT

As mentioned earlier, ALLEN ASSOCIATES has a staff of fully trained benefit support personnel who daily assist subscribers. These specialists are available to all individual subscribers for the purposes of answering benefit design questions and mediating claim issues. These include, but are not limited to, plan explanations, claim tracking, provider/subscriber assistance, billing issues and follow-up.

ALLEN ASSOCIATES developed proprietary software which enables us to log and track service issues by individual, benefit type or group. Further, the detail and meticulous nature of this effort has resulted in hundreds of successful claims mediations on behalf of subscribers and increased plan knowledge of physicians and health care facilities.

Our specialists communicate on a daily basis with physicians, hospitals, out-patient facilities, dental offices, eye care specialists and pharmacies, as well as the appropriate insurance company departments.

COMMUNICATION

This area is quite broad in scope and cuts across many lines of responsibility. Some of these have been addressed in earlier sections, others will be covered later. The following list covers some miscellaneous communication concerns of most clients:

- A. Review of Benefit Booklets - ALLEN ASSOCIATES routinely involves itself in this process. We compare booklets to contracts, scrutinize these documents for accuracy and maintain a file of these records for each group.
- B. Review of Insurance Contracts - We do not rely on insurance providers for contract accuracy. Not only do we maintain these documents on file, but we check them for accuracy in advance of forwarding them to the group.

- C. Carrier Correspondence - ALLEN ASSOCIATES is in constant verbal and written communication with all the carriers it offers. In addition to other examples noted in the body of this proposal, we have included one example in particular which references not only our contact with the carrier, but also our direct involvement in retiree administration.
- D. Employee Benefit Updates - There are a couple of ways in which we handle this important issue on an on-going basis. First, we work with the Administrative Office to draft appropriate staff memos for any change notifications which become necessary.
- E. Subscriber Follow-Up - As detailed earlier, ALLEN ASSOCIATES provides extensive service assistance to its subscribers. But the issues are not merely buried in some computer file. We insure that every item is followed through to completion. Our Benefit Specialists document correspondence to both the carrier and individual subscribers.

HEALTH PLAN TRANSITION PROCEDURES

ALLEN ASSOCIATES has demonstrated its leadership in transitioning private and public sector employer groups from carrier to carrier. A meticulous approach to this effort enables us to methodically facilitate an otherwise cumbersome and potentially disruptive change. The following exhaustive procedure was developed to ensure a smooth and successful transition.

A. Pre-Enrollment

- 1. Pre-Enrollment meeting with Personnel Dept. & key employees.
 - a.) Introduction of *Allen Associates* and provider personnel to management.
 - b.) Establish action plan for transition logistics.
- 2. Processing the transition
 - a.) Assistance/guidance with all paperwork required to submit a timely resignation from the current plan.
 - b.) Secure all retiree & COBRA employee information from current plan and preparation and delivery of notification to these employees where needed.
 - c.) Preparation/completion of all provider group applications, contracts rate sheets, etc.
 - d.) Prepare employee announcements in advance of pre-enrollment meetings.
 - e.) Schedule employee meetings on worksites/designated locations.

B. Enrollment

- 1. Employees
 - a.) Distribute enrollment packets in advance to all eligible employees.
 - b.) Perform employee orientation meetings on worksite/designated locations.
 - c.) Perform follow up Q & A sessions at worksites.
 - d.) Perform enrollment meetings for retirees & COBRA employees, if needed.
 - e.) Assistance for employees with completion of applications wherever needed.
 - f.) Deliver completed applications to provider.

C. Post Enrollment

1. Finalizing transition process

- a.) Coordinate delivery of ID cards & literature/benefit information to each employee
- b.) Meeting with Finance Dept. personnel and Personnel Dept. regarding administrative procedures required by provider for group maintenance
- c.) Introduction of designated employer personnel to provider key service representatives for future routine service

D. Group Health Plan Maintenance

- 1. Establish routine service relationship with ALLEN ASSOCIATES & provider

- 2. Maintenance of special local service relationship with ALLEN ASSOCIATES

Throughout the transition process, ALLEN ASSOCIATES remains actively involved in all phases, from beginning to end. Under our experienced direction, we offer a burden-free move from one carrier to another, while giving the employees the security of our "hands on" personal service.

SCHEDULE B

This fee is calculated on the aggregate membership of the group for the lines of coverage specified as of January 1, 2015. The fee will be revised because of any material change in coverage within the Group.

Product	Fee
Medical (Aetna)	4%
Prescription (Benecard)	2.5%
Dental (Delta)	10% of the 1 st \$5,000 in premium, 4% for the next \$95,000 and 2% thereafter