

Solicitation 565-11734

ACTUARIAL SERVICES for SELF-FUNDED MEDICAL & PHARMACY PLANS

**PROPOSER - WAKELY CONSULTING GROUP
17757 US HIGHWAY 19N, SUITE 310
CLEARWATER, FLORIDA 33764
727-508-9858**

April 28, 2016

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Executive Summary

Wakely Consulting Group (Wakely) was formed as a spin-off of Wakely and Associates in 1999. Wakely and Associates had been a long-standing actuarial consulting firm (since 1966) and was the largest actuarial consulting firm with its main office in Florida.

Wakely has approximately 30 credentialed actuaries in offices in Clearwater, Denver, Louisville, and Minneapolis. Wakely has approximately 65 total associates in all its offices. Wakely is an actuarial consulting firm, owned by five principals who are credentialed actuaries and who work for the firm full-time. We concentrate on actuarial issues for health plans and those who provide health plans in the Medicare, Medicaid, and Commercial markets. This includes employer plan filings under Florida Statute 112.08. We believe we have completed more such filings than any other firm. Wakely has no other owners or contracted business partners.

All work for the City of Fort Lauderdale will be performed by the main office in Clearwater. The lead actuary for the City will be Alison Pool, Senior Consulting Actuary. Alison has over 20 years of experience with employer groups filing for compliance under FS112.08. She will be supported by Jackson Hall, Senior Actuarial Analyst and Colin Williams, Actuarial Analyst. Providing peer review will be Brian Weible, Director.

The following is a summary of the actuarial consulting services required for The City of Fort Lauderdale (the City)' Self-Funded Health Plan:

- ◆ For the Self-Insured Health Plan (the Plan), the City is seeking a qualified vendor to provide actuarial, financial and consulting services including rate adequacy for the self-funded health plan. The vendor will be required to prepare an actuarial review, analysis and certification of reserves for the self-funded health plan. The plan report will include, at a minimum, the following:
- ◆ Review the health plan for actuarial soundness annually as required by Florida Statute 112.08;
 - Complete and file the documents required by F.S. 112.08
- ◆ Provide an annual review of the plan that includes but is not limited to:
 - Review the rate structure of the plan (prior to open enrollment for communication to employees)
 - Benefit reviews – including impact of changes
 - Provide contributions by tiers and contribution source (employer, employee, retiree, etc.) in sufficient time for communication to employees and open enrollment
- ◆ Prepare for and attend strategic meetings with senior management as requested
- ◆ Assist in the development of RFPs for the self-funded plan including development of methods for accurate comparison of responding networks (for verification of discounts)
- ◆ Analyze claims and utilization for the purpose of identifying ROI (specifically for health centers) including the impact on the health plan;

Wakely Consulting Group routinely provides health care projections (scenario analysis), reserve fund estimates and determination of outstanding medical liabilities (IBNR) for our clients.



Wakely provides similar services for about 50 self-funded government health programs under Florida Statute 112.08 each year, as well as for commercial employers not covered by F.S. 112.08. Wakely will keep the City informed of the effects of the Affordable Care Act on the Plan.

Using statistical tools and various modeling techniques, we are able to help our clients see the risks involved in their programs and make sure they have set aside an appropriate amount of assets to cover both anticipated and unanticipated future obligations and to assure financial solvency.

Our consultants who specialize in this type of analysis have been performing these services for over 20 years. Because of the large number of self-funded health programs that we analyze of this nature every year, we have developed proprietary software that allows us to quickly and efficiently get to the key items above — expense projections, reserve balances, IBNR estimates, rate projections, and network comparisons.

Experience and Qualifications

Wakely Consulting Group routinely provides health care projections (scenario analysis), reserve fund estimates and determination of outstanding medical liabilities (IBNR) for our clients. Wakely provides similar services for about 50 self-funded government health programs under Florida Statute 112.08 each year, as well as for commercial employers not covered by F.S. 112.08.

Using statistical tools and various modeling techniques, we are able to help our clients see the risks involved in their programs and make sure they have set aside an appropriate amount of assets to cover both anticipated and unanticipated future obligations and to assure financial solvency.

Our consultants who specialize in this type of analysis have been performing these services for over 20 years. Because of the large number of self-funded health programs that we analyze of this nature every year, we have developed proprietary software that allows us to quickly and efficiently get to the key items above — expense projections, reserve balances, IBNR estimates and rate projections.

As a mid-sized actuarial firm specializing in health care, Wakely Consulting Group has the depth to stay on top of developments in the health care industry yet remain agile enough to adjust as changes require. Although the actuary with the most experience with employer plans will be leading the City's projects, having several credentialed actuaries able to step in if needed allows Wakely to meet deadlines consistently. Project turnaround time has never been an issue.

In 2015 ownership of the company changed with four existing directors of the company buying out the shares of Mr. Brian Weible (resulting in five partners). Mr Weible remains with the company as a director. There has been no impact on the operations of the company and no further changes are anticipated. Wakely is registered as an LLC in Florida.

Approach to Scope of Work

The following is our understanding of the consulting services for The City of Fort Lauderdale (the City)' Self-Funded Health Plan:

- ◆ For the Self-Insured Health Plan (the Plan), the City is seeking a qualified vendor to provide actuarial, financial and consulting services including rate adequacy for the self-funded health plan. The vendor will be required to prepare an actuarial review, analysis and certification of reserves for the self-funded health plan. The plan report will include, at a minimum, the following:
 - ◆ Review the health plan for actuarial soundness annually as required by Florida Statute 112.08;
 - Provide a statement of the adequacy of assets;
 - In the event liabilities of the Plan are not fully supported by assets, provide a plan to amortize such liabilities;
 - Validation of methods and standards used in the actuarial study;
 - Statement of actuarial soundness as appropriate to the funding levels and anticipated operating results;
 - Verify that the Plan has met all requirements of the Office of Insurance Regulation (OIR) for the filing of a self-funded plan under FS112.08;
 - Complete and file the documents required by F.S. 112.08;
 - Provide final report documenting filing and providing work papers.
 - ◆ Provide an annual review of the plan that includes but is not limited to:
 - Claim liability estimates as requested including loss adjustment expense (LAE) and adjusted for the time value of money;
 - Review the adequacy of contribution rates in relation to all expenses of the Plan;
 - Review the rate structure of the plan no fewer than 120 days prior to open enrollment;
 - In considering the rate structure of the plan, consider the following (at a minimum):
 - Cost impact of plan changes (actuarial review of benefits)
 - Propose and review proposed benefit changes and provide studies as to the impact to contribution rates
 - Prepare tiers for employer and employee funding rates
 - Consider the impact to different employee groups (as defined by the City)
 - Consider movement among plans
 - Prepare migration / selection reports
 - ◆ Prepare for and attend strategic meetings with senior management as requested.
 - ◆ Evaluate the reasonableness of the stop-loss coverage pricing and make a recommendation on the attachment point;
 - ◆ Assist in the development of RFPs for the self-funded plan including but not limited to:
 - Perform re-pricing analyses of hospital and physician provider claim to determine discounts;
 - Analyze claims and utilization for the purpose of identifying ROI (specifically for health centers) including the impact on the health plan.

Wakely Consulting Group routinely provides health care projections (scenario analysis), reserve fund estimates, rate reviews, and determination of outstanding medical liabilities (IBNR) for our clients. Wakely provides similar services for about 50 self-funded government health programs under Florida Statute 112.08 each year, as well as for commercial employers not covered by F.S. 112.08. Wakely will keep the City informed of the effects of the Affordable Care Act on the Plan.

Using statistical tools and various modeling techniques, we are able to help our clients see the risks involved in their programs and make sure they have set aside an appropriate amount of assets to cover both anticipated and unanticipated future obligations and to assure financial solvency.

Using the City's detail data, we are able to provide the City with quick reviews of employee groups, plans, and even services if requested. Using the City's data and comparing with industry data provides unique views of the City's plan that aid in the quick decisions needed for the City's population. The City's data will be used to provide forecasts of expected claims and to develop trends. As appropriate, we will compare the City's trends to industry to aid in determining what is going better (or worse) in the City's plan compared to industry. This type of analysis provides information to the City on programs that should be continued, discontinued as well as initiatives that may be tried in the future.

As part of our claim liability process, we regularly review prior estimates to verify methods are handling the City's data appropriately. At times, differences in claim processing at the TPA or changes in benefits will require an adjustment in methodologies. Our frequent review of past performance helps us to refine our processes specifically for the City's plan.

Similar reviews to projected claim forecasts (as well as rates) also provide insight in to the trends being used. To review claim projections, we use an actual to expected method (comparing what actually happened to our forecast) to review the past projections. Similar methods are used for medical and pharmacy forecasting and reviews.

Internal models based on employer group data are used as the basis for benefit adjustments. Our models are frequently updated to represent typical utilization and costs for employer groups. With detail data from the City, we are able to consider the differences in the City's utilization and costs and the industry model. Combining the information from the two sources provides an accurate view of the impact of changes to the City's plans.

Contribution rates from the City and employees may be adjusted in several ways. The distribution among the plans offered by the City, relationships between tiers as well as the split between the City and employee. Our models allow for variations and adjusting the various sources of income to verify the expected revenue. As part of the model, we consider the impact to enrollment (plan and tiers) when plans are changed. Essentially, reflecting the expected migration between plans and/or tiers will be considered to get the most accurate view of projected revenue.

The development of employee contributions is typically impacted by Union contracts. Based on

guidance from the City, within the parameters of the Union contracts we will aid in the adjustment to employee contributions and communicate the impact to the plan revenues.

Historically, Wakely has aided the City during RFPs for administrator services by being a third party to collect, aggregate, and report results from the detail provided by RFP responders as the basis for network comparisons. The result is an objective view of each responder's discount based on the City's utilization patterns. This method provides an unbiased estimation of the discount that the City would reasonably expect to experience from the responder's network. As part of this responsibility, we respond to all concerns from responders to make sure the RFP process remains professional and accurate.

As in the past, we are always available to the City as a participant in meetings via teleconference. If onsite meetings are needed, we will certainly discuss the needs and cost effective ways to schedule those meetings as well.

We note that as health care actuaries we stay in touch with changes in the health care landscape. We are glad to continue to make sure the City stays on top of changes along with us. As part of that commitment, legislative changes that impact the City's plan will be on our list to be incorporated in any work with the City's plan.

Our consultants who specialize in these types of analyses have been performing these services for over 20 years. Because of the large number of self-funded health programs that we analyze of this nature every year, we have developed proprietary software that allows us to quickly and efficiently get to the key items above

For this RFP, we have not included a signed copy of the City's BAA but are glad to provide at the conclusion if Wakely is selected.

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References

City of Sunrise

Contact:

Mr. Bill Mason
Risk Manager, Risk Management Division
10770 W. Oakland Park Blvd., 3rd Floor
Sunrise, FL 33351
Phone: 954-572-2496
Email: bmason@sunrisefl.gov

Contract annual total approximately \$23,000

- ◆ Review the health plan for actuarial soundness annually as required by Florida Statute 112.08;
- ◆ Completed and filed the documents required by F.S. 112.08;
- ◆ Provided a statement of the adequacy of assets;
- ◆ Statement of actuarial soundness as appropriate to the funding levels and anticipated operating results;
 - ◆ Verify that the Plan has met all requirements of the Office of Insurance Regulation (OIR) for the filing of a self-funded plan under FS112.08
- ◆ Reviewed the adequacy of contribution rates in relation to all expenses of the Plan;
 - Provide contribution recommendations
- ◆ Assisted in the development of RFPs for the self-funded plan including but not limited to:
 - Perform re-pricing analyses of hospital and physician provider claim to determine discounts;

City of Sarasota

Contact:

Ms. Stacie Mason
HR Director
Suite 204, 111 S. Orange Ave.
Sarasota, FL 34236
Phone: 941-951-3634
Email: Stacie.Mason@sarasotagov.com

Annual total approximately \$12,000

- ◆ Reviewed the health plan for actuarial soundness annually as required by Florida Statute 112.08;
 - ◆ Completed and filed the documents required by F.S. 112.08;
 - ◆ Provided a statement of the adequacy of assets;
 - ◆ Validation of methods and standards used in the actuarial study;
 - ◆ Statement of actuarial soundness as appropriate to the funding levels and anticipated operating results;
 - ◆ Verify that the Plan has met all requirements of the Office of Insurance Regulation (OIR) for the filing of a self-funded plan under FS112.08
- ◆ Reviewed the adequacy of contribution rates in relation to all expenses of the Plan
 - Provided contribution recommendations;

Polk County School District

Contact:

Ms. Joy Myers
Director - Risk Management and Insurance
School Board of Polk County
1915 S. Floral Avenue
Bartow, FL 33830
Phone: 863-519-3852
Email: Joy.Myers@polk-fl.net

Annual total approximately: \$13,000

- ◆ Reviewed the health plan for actuarial soundness annually as required by Florida Statute 112.08;
 - ◆ Completed and file the documents required by F.S. 112.08;
 - ◆ Provided a statement of the adequacy of assets;
 - ◆ Validation of methods and standards used in the actuarial study;
 - ◆ Statement of actuarial soundness as appropriate to the funding levels and anticipated operating results;
 - ◆ Verify that the Plan has met all requirements of the Office of Insurance Regulation (OIR) for the filing of a self-funded plan under FS112.08
- ◆ Reviewed the adequacy of contribution rates in relation to all expenses of the Plan
 - Provided contribution recommendations;

Minority/Women (M/WBE) Participation

Not certified M/WBE at this time

Subcontractors

Wakely will not be using subcontractors.

Required Forms

BID/PROPOSAL CERTIFICATION

Please Note: All fields below must be completed. If the field does not apply to you, please note N/A in that field.

If you are a foreign corporation, you may be required to obtain a certificate of authority from the department of state, in accordance with Florida Statute §607.1501 (visit <http://www.dos.state.fl.us/>).

Company: (Legal Registration) Wakely Consulting Group, LLC

Address: 17752 US Highway 19 N, Suite 310

City: Clearwater State: FL Zip: 33764

Telephone No. 727-259-7469 FAX No. 727-507-9658 Email: alisonp@wakely.com

Delivery: Calendar days after receipt of Purchase Order (section 1.02 of General Conditions): 11

Payment Terms (section 1.04 of General Conditions): 11

Total Bid Discount (section 1.05 of General Conditions): NA

Does your firm qualify for MBE or WBE status (section 1.09 of General Conditions): NA MBE _____ WBE _____

ADDENDUM ACKNOWLEDGEMENT - Proposer acknowledges that the following addenda have been received and are included in the proposal:

Addendum No.	Date Issued	Addendum No.	Date Issued
<u>#1</u>	<u>April 14, 2016</u>	_____	_____
_____	_____	_____	_____

VARIANCES: If you take exception or have variances to any term, condition, specification, scope of service, or requirement in this competitive solicitation you must specify such exception or variance in the space provided below or reference in the space provided below all variances contained on other pages within your response. Additional pages may be attached if necessary. No exceptions or variances will be deemed to be part of the response submitted unless such is listed and contained in the space provided below. The City does not, by virtue of submitting a variance, necessarily accept any variances. If no statement is contained in the below space, it is hereby implied that your response is in full compliance with this competitive solicitation. If you do not have variances, simply mark N/A. **If submitting your response electronically through BIDSYN you must also click the "Take Exception" button.**

The below signatory hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the bid/proposal. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the City and such acceptance covers all terms, conditions, and specifications of this bid/proposal. The below signatory also hereby agrees, by virtue of submitting or attempting to submit a response, that in no event shall the City's liability for respondent's direct, indirect, incidental, consequential, special or exemplary damages, expenses, or lost profits arising out of this competitive solicitation process, including but not limited to public advertisement, bid conferences, site visits, evaluations, oral presentations, or award proceedings exceed the amount of Five Hundred Dollars (\$500.00). This limitation shall not apply to claims arising under any provision of indemnification or the City's protest ordinance contained in this competitive solicitation.

Submitted by:

Alison L. Pool
Name (printed)

April 26, 2016
Date:

Alison L. Pool
Signature

Senior Consulting Actuary
Title

revised 04/10/15

SECTION 6 - COST PROPOSAL PAGE

Proposer Name: Wakely Consulting Group, LLC

Proposer agrees to supply the services at the prices bid below in accordance with the terms, conditions and specifications contained in this RFP.

Cost to the City: Proposer must quote firm, fixed, costs for all services identified in this request for proposal. These firm fixed costs for the project include any costs for travel and miscellaneous expenses. No other costs will be accepted.

Description	Estimated Annual Quantity	Firm, Fixed Hourly Rate	Total
Actuary*	110 hours	x \$ <u>360</u> /hr	= \$ <u>39,600</u>

Submitted by:

Alison L. Pool
Name (printed)

Alison L. Pool
Signature

April 26, 2016
Date

Senior Consulting Actuary
Title

Please note, \$360/hr represents the hourly rate for senior consulting actuary and director. Analysts will be billed at a lower rate resulting in total billings to the City lower than represented above.

NON-COLLUSION STATEMENT:

By signing this offer, the vendor/contractor certifies that this offer is made independently and *free* from collusion. Vendor shall disclose below any City of Fort Lauderdale, FL officer or employee, or any relative of any such officer or employee who is an officer or director of, or has a material interest in, the vendor's business, who is in a position to influence this procurement.

Any City of Fort Lauderdale, FL officer or employee who has any input into the writing of specifications or requirements, solicitation of offers, decision to award, evaluation of offers, or any other activity pertinent to this procurement is presumed, for purposes hereof, to be in a position to influence this procurement.

For purposes hereof, a person has a material interest if they directly or indirectly own more than 5 percent of the total assets or capital stock of any business entity, or if they otherwise stand to personally gain if the contract is awarded to this vendor.

In accordance with City of Fort Lauderdale, FL Policy and Standards Manual, 6.10.8.3,

3.3. City employees may not contract with the City through any corporation or business entity in which they or their immediate family members hold a controlling financial interest (e.g. ownership of five (5) percent or more).

3.4. Immediate family members (spouse, parents and children) are also prohibited from contracting with the City subject to the same general rules.

Failure of a vendor to disclose any relationship described herein shall be reason for debarment in accordance with the provisions of the City Procurement Code.

<u>NAME</u>	<u>RELATIONSHIPS</u>
NA	

In the event the vendor does not indicate any names, the City shall interpret this to mean that the vendor has indicated that no such relationships exist.

LOCAL BUSINESS PREFERENCE CERTIFICATION STATEMENT

The Business identified below certifies that it qualifies for the local BUSINESS preference classification as indicated herein, and further certifies and agrees that it will re-affirm its local preference classification annually no later than thirty (30) calendar days prior to the anniversary of the date of a contract awarded pursuant to this ITB. Violation of the foregoing provision may result in contract termination.

- (1) _____
Business Name
- is a **Class A** Business as defined in City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. A copy of the City of Fort Lauderdale current year Business Tax Receipt and a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.
- (2) _____
Business Name
- is a **Class B** Business as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. A copy of the Business Tax Receipt or a complete list of full-time employees and evidence of their addresses shall be provided within 10 calendar days of a formal request by the City.
- (3) _____
Business Name
- is a **Class C** Business as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. A copy of the Broward County Business Tax Receipt shall be provided within 10 calendar days of a formal request by the City.
- (4) _____
Business Name
- requests a **Conditional Class A** classification as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.
- (5) _____
Business Name
- requests a **Conditional Class B** classification as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. Written certification of intent shall be provided within 10 calendar days of a formal request by the City.
- (6) Wakely Consulting Group
Business Name
- is considered a **Class D** Business as defined in the City of Fort Lauderdale Ordinance No. C-12-04, Sec.2-199.2. and does not qualify for Local Preference consideration.

BIDDER'S COMPANY: Wakely Consulting Group

AUTHORIZED COMPANY PERSON: Alon L. Pool [Signature] 4/20/16
NAME SIGNATURE DATE

CONTRACT PAYMENT METHOD BY P-CARD

THIS FORM MUST BY SUBMITTED WITH YOUR RESPONSE

The City of Fort Lauderdale has implemented a Procurement Card (P-Card) program which changes how payments are remitted to its vendors. The City has transitioned from traditional paper checks to payment by credit card via MasterCard or Visa. This allows you as a vendor of the City of Fort Lauderdale to receive your payment fast and safely. No more waiting for checks to be printed and mailed.

Payments will be made utilizing the City's P-Card (MasterCard or Visa). Accordingly, firms must presently have the ability to accept credit card payment or take whatever steps necessary to implement acceptance of a credit card before the commencement of a contract.

Please indicate which credit card payment you prefer:

_____ MasterCard

_____ Visa Card

Company Name: Wakely Consulting Group, LLC

Name (printed)

Signature

Date:

Title

Currently, Wakely does not accept credit cards. If chosen, we will discuss the process with the City.

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/19/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Bouchard Insurance (CLW) 101 N Starcrest Dr. Clearwater, FL 33765 727 447-6481	CONTACT NAME:		
	PHONE (A/C, No, Ext): 727 447-6481	FAX (A/C, No): 727 449-1267	
	E-MAIL ADDRESS: cclerts@bouchardinsurance.com		
INSURED Actuarial Holdings, LLC Wakely Consulting Group, LLC 17757 US 19 N Ste. 310 Clearwater, FL 33764	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Ohio Security Insurance Co		24082
	INSURER B : Ohio Casualty Insurance Co		24074
	INSURER C : Evanston Insurance Company		35378
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	Y Y	BLS55494599	04/01/2016	04/01/2017	EACH OCCURRENCE \$1,000,000
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	Y Y	BLS55976842(CO)	04/01/2016	04/01/2017	DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC					
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		BAS55494599	04/01/2016	04/01/2017	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$10000		USO55494599	04/01/2016	04/01/2017	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input type="checkbox"/> Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N/A				WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
C	Professional Liab		EO863106	04/01/2016	04/01/2017	\$5,000,000/\$5,000,000
C	Cyber Liabil		DB502794	04/01/2016	04/01/2017	\$5,000,000/\$5,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

(See Attached Descriptions)

CERTIFICATE HOLDER

CANCELLATION

CITY OF FORT LAUDERDALE
PROCUREMENT SERVICES DEPT
100 N ANDREWS AVE STE 619
FT LAUDERDALE, FL 33301-0000

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

IRA

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DESCRIPTIONS (Continued from Page 1)

NOTICE:

Bouchard Insurance is required to comply with the licensing agreement we hold with ACORD. ACORD, in conjunction with the Department of Insurance, creates and enforces the rules and regulations pertaining to proper use of the Certificate of Liability Insurance form.

We are required to mark a Y next to the line of business in which the Additional Insured or Waiver of Subrogation coverage applies. According to ACORD, the Description of Operations section must be limited to describing information necessary to identify the operations, locations and vehicles for which the certificate was issued. Please note the Description of Operations section of the Certificate cannot be used to add additional information except as just described. Marking a Y next to the line of business adequately documents coverage. Equally important, it satisfies the rules and regulations governing the proper use of the Certificate of Liability Insurance form.

Certificate is a reflection of the current coverages provided for the insured. Limits and coverages are afforded to the certificate holder only if required by written contract.

BUSINESS TAX RECEIPT

City of Largo

2015 - 2016

FILE # 2016013628

DBA: WAKELY CONSULTING GROUP INC

Physical Address, Owner, Phone

Business Name & Mailing Address

WAKELY CONSULTING GROUP INC

17757 US HIGHWAY 19 N #310
CLEARWATER, FL 33764-6559

17757 US HIGHWAY 19 N 310
LARGO, FL 33760-

JULIA LAMBERT
727-507-9858

Business Description:

HEALTHCARE ACTUARIAL SERVICES

<u>Classification</u>	<u>NAICS No.</u>	<u>Qty.</u>	<u>Amount</u>
Business Services, Nec	7389	4700	\$206.00
FIRE LOW-RISK INSPECTION FEE	FDLRIF	206	\$20.60

Engaging in any business occupation is subject to zoning restrictions. The collection of this Business Tax/Administrative Service Charge does not authorize the holder to operate in violation of any City ordinance, law or regulation. Each holder is solely responsible for notifying the Community Development Department, in writing, of any change in status, location or ownership. Renewal notices will be sent to the last known address and owner of record. Issuance is in no way intended as an approval or disapproval of the holders competence or skill.

This Business Tax Receipt expires 30 September 2016. Penalties are provided by F.S. 205 if not renewed before 1 October 2016. Additional penalties of up to \$250 may apply if not renewed by 31 December 2016.

**THIS IS NOT A BILL NO REFUNDS
POST IN A CONSPICUOUS PLACE**

CDPR3026.RPT

CAM #16-0605

Exhibit 4

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Questionnaire - Actuarial RFP

1. State the number of years Contractor's firm has been in existence, the number of years Contractor has provided the services requested, the current number of actuaries, total number of employees and the primary markets served.

Wakely Consulting Group (Wakely) was formed 17 years ago, April 1, 1999, as a spinoff of Wakely & Associates, which had been formed in 1966.

Some of the current associates have been performing the services requested for more than twenty years.

Wakely has approximately 30 credentialed actuaries in offices in Clearwater (12), Denver, and Minneapolis. Wakely has approximately 65 total associates in all its offices.

Wakely works only in the health insurance field, serving employers with self-funded health plans, HMOs, and insurance companies.

2. Describe the firm, including the size and range of services performed. Particular emphasis should be given as to how the firm-wide experience and expertise in the area addressed by the RFP Scope of Services will be brought to bear on the proposed work.

Wakely is an actuarial consulting firm owned by five principals who are credentialed actuaries and who work for the firm full-time. We concentrate on actuarial issues for health plans and those who provide health plans in the Medicare, Medicaid, and Commercial markets. This includes employer plan filings under Florida Statute 112.08. We believe we have completed more such filings than any other firm.

Additionally, we perform commercial rate filings, including federal filings under the Affordable Care Act, and certification of bids for Medicare Advantage plans. We have certified filings for Medicaid plans in Florida and other states. We also perform attestations and account management for employers who are participating in the Retiree Drug Subsidy program.

3. Describe and include documentation of any relevant licenses and/or certifications held by the Contractor or actuary to be assigned to the City's projects.

Services provided under the contract will be performed by credentialed actuaries who are members of the Society of Actuaries and the American Academy of Actuaries. Some of the work will be performed by analysts with appropriate experience with college degrees in actuarial science, under supervision of credentialed actuaries.

A listing of our staff, locations, and professional designations can be found at:

<https://www.wakely.com/actuaries/>

or by going to <http://www.soa.org/> and searching the membership directory for Wakely Consulting Group.



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4. Describe the key personnel assigned to the City's projects, specifically experience in providing self-funded health related services including setting employee/employer contributions, contribution strategies, recommending plan design alternatives, and analyzing provider network discounts.

The key person assigned to the project will be Alison L. Pool, ASA, MAAA, who has been performing such services for over 20 years for employer groups (public entities as well as private employers) and for the City of Fort Lauderdale since the inception of the self-funded health plan.

Providing support will be Jackson Hall, Senior Actuarial Analyst. Since beginning with Wakely in 2014 he has worked with employer plans for compliance of F.S.112.08 as well as private employer plans.

Employer plan responsibilities include claim liability estimates, recommending contribution levels for employers and employees (based on employee groups as defined by the employer), reviewing benefits, recommending changes to benefits, providing cost impact of design alternatives, reviewing the impact of clinics and/or wellness initiatives, and determining the impact to claim costs of different provider networks (considering discount differences as well as the impact to utilization patterns).

5. List the name of the principal actuary who will provide ongoing actuarial service to the City under this contract. For this individual provide the following: resume, description of actuarial experience, education, length of employment at your firm or length of contract to provide services to your firm, (if subcontracted, please note this here and also complete section: Sub-contractors), length of employment as an actuary professional credentials and affiliation.

The principal actuary assigned to the project will be Alison L. Pool, ASA, MAAA. Her resume is included as an Exhibit at the end of this attachment. She has worked with Wakely Consulting Group since its inception in 1999 and was with Wakely and Associates from 1996 to 1999. She has worked as an actuary for more than 25 years. Her resume provides more detail of her actuarial experience and education.

In addition, Brian Weible, F.S.A., M.A.A.A. will be providing peer review. His resume is included as well.

6. Describe experience providing services requested including annual certification, development of rate equivalents, rate projections, CDHP/HRA analysis, analysis of ROI for employee health center and the analysis of provider network discounts.

Wakely has been providing services for F.S. 112.08 certifications for nearly 20 years and has performed several analyses for the government employers and other self-funded employers, regarding the development of rate equivalents and rate projections (contribution estimates) including the impact of varying provider network discounts, benefit changes, and the impact of adding health centers. The funding of an HRA and the liability involved with the HRA is a regular part of

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analysis that we provide to many employers. In addition, we have worked with employer groups to measure the impact of different provider networks.

Developing an appropriate ROI for an employee health center is a multi-step process. Health center analysis involves different methods depending on the data available. If detail data is provided, a first year look at the ROI is primarily the impact to office visits. If enough historical data is provided, considering the office visits over the most recent 24 months and the movement of expected office visits (i.e. the office visits that would have happened regardless of the health center existence, those are moved office visits) versus persons who have not seen a provider (these are new office visits that may not have happened without the health center). Reviewing the difference between these two groups allows a refinement to the ROI. Following the new visits provides additional information on the future costs that may have been avoided. Although the plan may see an uptick in costs due to the new visits leading to treatment, the long term goal is to avoid the higher cost issues.

So, on a simple level, a quick ROI may be developed based primarily on the movement of office visits. However, a missed component will be an estimate of the saved costs. Developing the second piece depends on the data available for analysis.

7. Provide narratives of specific projects you have completed regarding the services requested including recommendations that have been accepted by your clients. Place emphasis on annual rate renewals, modeling contribution strategy and plan design changes.

The analyses described are used as tools in the decision making process. Rather than specific recommendations, we provide data to help the client.

Rate equivalents and rate projections are routinely provided to clients. In the case of clients with multiple employee groups, such as union groups, we have provided analyses of rates and contribution options as well as benefit alternatives that may be relied upon in negotiations. At times, we have been present for negotiations as support personnel providing quick turnaround for the impact of benefit changes/contribution options.

8. State the location of the office from which the actuary's work will be performed.

All services will be provided from the Clearwater, Florida office.

9. Describe any experience working with employer health and wellness centers and analyzing ROI.

Our analysis of a health center includes reviewing the office visit shift from private providers to the health center. For a self-funded plan, the cost savings may be realized when the higher cost office visit is replaced by the fixed cost health center.

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In addition, potential savings from 1st visits, resulting diagnoses and savings due to immediate intervention have been estimated. Further ROI may be realized from the impact of drugs dispensed from the health center.

Please see our response to #6 for more details.

10. Describe any experience modeling plan designs and cost impact at onsite meetings.

At the request of different employer groups, we have visited and provided immediate results as to the impact of changes to benefits. In the case of clients with multiple employee groups, such as union groups, we have provided analyses of rates and contribution options as well as benefit alternatives that may be relied upon in negotiations. At times, we have been present for negotiations as support personnel providing quick turnaround for the impact of benefit changes/contribution options.

11. Has your firm performed an actuarial attestation of self-insured pharmacy plan for Medicare D subsidies? Describe your firm's experience with preparing attestation for Medicare D employer credit.

Wakely provides attestations for employer groups participating in the Retiree Drug Subsidy (RDS). For 2015, Wakely handled participation in RDS from the application process through the cost reporting (including the required actuarial attestations) for about 10 employer groups. IN addition, Wakely provided the annual attestation for Medicare Part D for approximately 25 groups as well as for employer policies sold by health plans.

12. Describe your firm's experience with annual Florida Office of Insurance Regulation (FLOIR) filing for self-insured plans.

Wakely has been providing services for F.S. 112.08 certifications for nearly 20 years. Annually, Wakely handles filing under F.S.112.08 for approximately 50 government employer groups.

13. Does your firm have experience working with third party claims or data analysis vendor? If yes, in what capacity?

Wakely regularly works with a national third party administrator to validate its processes. As part of the relationship, Wakely has access to the data to build models and estimate trends and other typical data analysis. In addition, Wakely receives data from TPAs as a part of analysis of employer specific reviews.

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14. To perform actuarial services on a self-insured plan, describe your methodology for projecting reserve levels.

For projecting the claim liability estimate, methodology is a combination of a development method blended with a projection method for the most recent incurred months. The methodology is consistent with Actuarial Standard of Practice #5, as promulgated by the Actuarial Standards Board of the American Academy of Actuaries and is the methodology used for all our other F.S. 112.08 filings and our work on year-end actuarial opinions for HMOs and insurance companies.

For determining the plan surplus (that is in addition to the liability), we consider the OIR's safe-harbor of 60-days of claims as a starting point. Since the 60-days of claims does not work for all employers, we work with the employer group to determine the most appropriate level. The surplus should be greater than \$0 and be defensible to the Office of Insurance Regulation.

15. Describe your approach and methodology for the evaluation of historical trend factors and development of trend assumptions for future claims projections.

For a group of 1,000 or more contracts, we believe the experience should be credible. We review the relationship between costs on a Per Employee Per Month (PEPM) basis or Per Member Per Month (PMPM) basis if there have been significant shifts in enrollment. We compare the most recent data to 12-months prior to get an estimate of annual trends. We look at monthly trends to determine the patterns to aid in the trend assumptions for future claims. As a final review, we compare results to industry trends as a reality check. As the group's trends divert from industry trends, we want to be able to explain or justify. We will use the group's trends unless there is a reason to doubt credibility or of changes in plans than cannot be accounted for are skewing results.

16. Describe your firm's expertise in monitoring, evaluating, and determining ROI for wellness and disease management programs.

Our analysis of a health center includes reviewing the office visit shift from private providers to the health center. For a self-funded plan, the cost savings may be realized when the higher cost office visit is replaced by the fixed cost health center. In addition, potential savings from 1st visits, resulting diagnoses and savings due to immediate intervention have been estimated. Further ROI may be realized from the impact of drugs dispensed from the health center.

Please see our response to #6 for more details.

17. Is your firm using any subcontractors?

Wakely will not be using subcontractors.

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18. If so, please list the name of any subcontractor to be used to provide services to the City and detail their experience and credentials. List why you have selected this sub-contractor.

Wakely will not be using subcontractors.

19. What are the scopes of services the subcontractors will perform? How will you monitor quality and correctness?

Wakely will not be using subcontractors.

Resumes



Alison L. Pool, ASA, MAAA

17757 US Highway 19 North, Suite 310, Clearwater, FL 33764
AlisonP@wakely.com • 727.259.7469

PROFESSIONAL EXPERIENCE

Wakely Consulting Group

Clearwater, FL

Senior Consulting Actuary

4/1999 - present

- Manages the preparation of state requirements and actuarial certification of approximately 50 self-funded employer health plans. In addition to filing requirements, the annual review of each employer group includes the following minimum requirements:
 - Outstanding claim liability estimate
 - Contribution Rate Determinations
 - Three-year projections of plan operations
 - Benefit reviews and adjustments as appropriate
 - Wellness Center/Clinic Reviews (ROI)
 - CDHP/HRA impact analysis
- Provides support for Request for Proposal (RFP) process for self-funded health plans including but not limited to:
 - Provider network analyses
 - Projected claim comparisons
 - Expense projections
- Leads a team in the development of risk adjustment modeling for new processes initiated by the Center for Medicare and Medicaid Services (CMS) for Medicare Advantage (MA) plans
- Manages Medicare Advantage Bid Clients
 - Analyzed Medicare revenue, expenses, and benefit packages in several service areas
 - Developed and certified Medicare bids for 3 regional HMO organizations in Florida and Puerto Rico. Developed HMO, PPO, EGWP and Part D bids
- Manages the Plan Benefit Package (PBP) development for approximately 8 Medicare Advantage Plans
- Other actuarial support for Medicare Advantage plans
 - Quarterly liability estimates
 - Risk score analysis and review
 - Claim projections
- Florida Medicaid – Provided actuarial support through the Invitation to Negotiate (ITN) process
- Rate reviews and rate setting for Multiple Employer Welfare Arrangements (MEWAs)

**Wakely and Associates, Inc.**

Clearwater, FL
Consulting Actuary
2/1996-3/1999

- Provided actuarial support to HealthPlan Services, Inc.
 - Claim liability estimates
 - Rate Reviews
 - Data validation
- Worked with the development, sales, and implementation of proprietary rate renewal software
- Developed book of business of self-funded employer groups
- Commercial HMO rate filings – small group and large group

Dun and Bradstreet Plan Services / HealthPlan Services, Inc.

Tampa, FL
Assistant Actuary
7/1986-2/1996

- Forecasted revenue and claim amounts up to five years in the future for Small Group Multiple Employer Trust (METs)
- Built pricing projection models
- Developed rate adequacy models for companies participating in the METs
- Performed regular valuation and financial reporting for health clients

Blue Cross Blue Shield of Alabama

Birmingham, AL
Actuarial Analyst
1983-1986

- Estimated incurred but not reported (IBNR) claim levels and set appropriate reserve amounts
- Developed IBNR models for use by the actuarial team
- Developed internal model used by underwriting division to estimate the impact of benefit adjustments.

EDUCATION

M.S. studies, Statistics, University of South Florida
B.S. Mathematics, Birmingham-Southern College

PROFESSIONAL DESIGNATIONS

Associate, Society of Actuaries (ASA)
Member, American Academy of Actuaries (MAAA)

Brian Weible FSA, MAAA
Principal

Current Responsibility

Mr. Weible is a Principal and penultimate President of Wakely Consulting Group. He joined the firm in 1997 and has worked as a health actuary for over 20 years.

Experience

Prior to joining Wakely Consulting Group, Mr. Weible was chief actuary and underwriting manager for a HMO offering commercial and government (Medicare/Medicaid) plans as well as piloting a 24-hour health/workers' compensation insurance product. Prior positions include work as a consultant for a large Florida-based health insurance and managed care actuarial consulting firm and positions with a multi-state indemnity carrier offering fully insured and self-funded accident and health products.

Mr. Weible's areas of specialization include the following:

- Medicaid managed care rate development
- Managed care pricing and analysis (HMO, PPO, EPO, PHO)
- Risk sharing arrangements (capitations, withholds, joint ventures, provider fee schedules)
- Point-of-Service plan development and HMO/Insurer contract development
- Pro Forma and Business Plan review and certification
- Claim Reserve analysis
- Premium/Deficiency Reserve analysis
- Medicare Advantage and Part D bids development and certification
- Self-Funded employer funding/contribution rate development
- Provider fee schedule analysis
- Rate manual development and review (health, dental, prescription drug)
- Underwriting and Experience Rating of group products
- Merger and Acquisition Analysis
- Expert Witness and Litigation Support

Publications & Presentations

Mr. Weible offers professional advice and opinion to many periodicals including several industry and business journals regarding actuarial and related insurance and benefit issues. Mr. Weible most recently authored Chapter 6 "The Impact of the Medical Loss Ratio Regulation on Medicare Advantage Plans" of *A Practical Guide to Federal Medical Loss Ratio Requirements*, published by Atlantic Information Services, Inc. He is a frequent speaker at industry and professional seminars.

Professional Designations

- Fellow, Society of Actuaries
- Member, American Academy of Actuaries

Education

BA, Mathematics, Missouri University