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April 25, 2016

AnnDebra Diaz
Procurement Specialist II
City of Fort Lauderdale Procurement Services Division
100 N. Andrews Avenue, #619
Fort Lauderdale, Florida 33301

Re: Solicitation #565-11734 – Actuarial Services for Self-Funded Medical & Pharmacy Plans

Dear AnnDebra:

We appreciate the opportunity to submit our response to Solicitation 565-11734 - Actuarial Services for Self-Funded Medical & Pharmacy Plans for the City of Fort Lauderdale ("City"). CCRC Actuaries, LLC ("CCRC Actuaries") is highly qualified to perform the requested actuarial services due to our experience and knowledge in performing comprehensive actuarial analyses for public and private health insurance programs, our experience in providing actuarial and financial analyses to government entities, and our expertise in governmental and health care issues.

Since our formation in 2000, CCRC Actuaries' focus has been entirely on the actuarial issues in the financing of health care. We have served over 300 clients across the country including the Centers for Medicare and Medicaid Services, the Department of Defense and the states of Colorado and West Virginia. We are proud of and it is significant that each of these clients were previously served by international actuarial consulting firms and have made the decision that CCRC Actuaries will be their actuarial firm. Additionally, we have extensive experience providing testimony to the Executive and Legislative Branches of the state of West Virginia, as well as various Boards and Management Teams.

CCRC Actuaries has effectively analyzed and projected experience for the state of West Virginia's self-funded health insurance plans for the last twenty-five years. Dave Bond will serve as the lead actuary for this project. Having served clients in the insurance and healthcare industries for thirty-four years, Dave's comprehensive knowledge of the issues surrounding the financing of health care will prove invaluable to the City. Dave will also serve as the technical quality control manager on the engagement and will oversee all services provided to ensure client satisfaction.

CCRC has a dedicated group of individuals to provide you with the highest quality services. We believe that our industry credentials are second to none. Considering the experience and credentials of our team, we believe you'll find our fees very reasonable. Additionally, our extensive experience affords us the opportunity to bring ideas and best practices to the table as you continue to consider strategies to address health care financing.

We appreciate your consideration and look forward to the opportunity to work with the City of Fort Lauderdale Department of Human Resources, Employee Benefits Section. Should you have any questions or comments regarding our response, please do not hesitate to contact our offices.

Respectfully,



Dave Bond, F.S.A., M.A.A.A.
Managing Partner
dave.bond@ccrcactuaries.com



CCRC
Actuaries, LLC

Technical Proposal

Response to Solicitation 565-11734



Actuarial Services For Self-Funded Medical & Pharmacy Plans City of Fort Lauderdale

Authorized Representative:

Dave Bond, F.S.A., M.A.A.A., Managing Partner
CCRC Actuaries, LLC
415 Main Street, Reisterstown, Maryland 21136
dave.bond@ccrcactuaries.com
410-833-4220 / 410-833-4229 (fax)
Due Date: April 28, 2016 at 2:00 p.m.



City of Fort Lauderdale

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CCRC Actuaries, LLC (CCRC Actuaries) was founded by Dave Bond, F.S.A., M.A.A.A. and Brad Paulis, A.S.A., M.A.A.A. in December 2000. Since CCRC Actuaries' formation, our actuaries have worked with numerous public and private self-insured health insurance programs. The nucleus of the CCRC Actuaries staff was previously with the Baltimore Office for Health Care Actuarial Services of Ernst & Young, LLP (Ernst & Young). While at Ernst & Young, Dave Bond and Brad Paulis consulted with numerous health care organizations. In addition to the long term care entities which we currently have as clients, we have performed actuarial work for several federal and state entities, including the Centers for Medicare and Medicaid Services, the Department of Defense, and the states of West Virginia and Colorado, as well as, managed care and health insurance clients. CCRC Actuaries is proud of, and it is significant that each of these clients were previously served by international actuarial consulting firms and have made the decision that CCRC Actuaries will be their actuarial firm.

Offering a full complement of actuarial and insurance management consulting services, CCRC Actuaries' office is located at 415 Main Street, Reisterstown, Maryland. CCRC Actuaries currently staffs ten full time consultants, three of which are credentialed by the Society of Actuaries and the American Academy of Actuaries, and provides a comprehensive portfolio of health care actuarial services with our focus being health care issues and government programs. Additionally, we have extensive experience providing testimony to the Executive and Legislative Branches of the state of West Virginia, as well as, various client Boards and Management Teams.

Dave Bond, Managing Partner, will serve as the lead actuary for this project. Dave became a Member of the American Academy of Actuaries in 1985 and a Fellow of the Society of Actuaries in 1991. Additionally, Brad Paulis and Chris Borcik will assist in the analysis and delivery of the services requested in the Request for Proposal. Brad became a Member of the American Academy of Actuaries and an Associate of the Society of Actuaries in 2012. Chris became a Member of the American Academy of Actuaries in 2009 and a Fellow of the Society of Actuaries in 2011. All personnel assigned to this engagement will work from CCRC Actuaries' office located in Reisterstown, Maryland. Resumes for key staff are included in Section VI.

CCRC Actuaries has over 300 clients including the following major clients: United Mine Workers of America Health and Retirement Funds (UMWA), the West Virginia Public Employees Insurance Agency (WVPEIA), the West Virginia Retiree Health Benefit Trust (WVRHBT), the West Virginia Children's Health Insurance Program (WVCHIP), The Robert C. Byrd Health Policy Institute, and the West Virginia Department of Insurance. Additionally, CCRC Actuaries is the primary actuary for engagements with the Centers for Medicare and Medicaid Services (CMS) and the Department of Defense (DOD) through a subcontract with Kearney & Company, P.C.

CCRC Actuaries performs actuarial services on a national basis and is registered to conduct business in the states of Maryland and West Virginia. Should CCRC Actuaries win this contract, we will obtain our license in the state of Florida.

I. Executive Summary

Proposal - Key Elements

CCRC Actuaries has provided actuarial consulting services to the State of West Virginia's self-funded health insurance plans for the last twenty-six years. The scope of services outlined in this RFP mirror the actuarial consulting services we provide to the state of West Virginia. Having served clients in the insurance and healthcare industries for over 70 combined years, our comprehensive knowledge of the health insurance issues facing government programs will prove invaluable to the City of Fort Lauderdale.

Our actuarial services to the state of West Virginia have included financial projections, pricing of benefit options, evaluating the impact of fee schedule changes and contribution level changes, benefit design recommendations, projection of retiree liabilities and options, analysis of a state prescription drug initiative, evaluation of the selection impact and pricing issues of managed care options, claim liability projections and general advice and counsel to WVPEIA, the WVPEIA Finance Board, and the WVRHBT. On an annual basis this includes the development of actuarial assumptions to reflect the degree of demographic differences between the self-funded fee-for-service option and the managed care options. The actuarial value of each managed care plan's benefit design is benchmarked to the Preferred Provider Benefit (PPB) and the fee-for-service option. In addition, CCRC Actuaries is annually engaged to analyze the financial viability of managed care entities for WVPEIA and the WVRHBT. Further, at the request of management, CCRC Actuaries has testified at numerous public hearings and legislative meetings including preparation of fiscal notes for proposed legislation.

CCRC Actuaries is also responsible for providing quarterly updates to the Five Year Financial Plan. The Financial Reports include plan revenues and expenses based on projected enrollment, utilization and cost trends observed by the Plan and in the industry, and expected changes in provider reimbursement and benefit design. On an annual basis, CCRC Actuaries performs a detailed medical and prescription drug trend analysis at the beginning of the process of developing the annual revised Financial Plan in December. The medical trend analysis focuses on emerging utilization and unit cost trends for services provided in-state and out-of-state for approximately forty-five categories of inpatient, outpatient, physician and other services. The prescription drug trend analysis focuses on the emerging utilization and unit costs of both established drugs and new products on the market, including specialty drugs. Our analysis assists Management in developing changes in the prescription drug formulary to minimize plan costs while maintaining a highly medically effective formulary.

As part of the assignment, we have developed a methodology that allowed an analytical comparison of a state prescription drug initiative proposal based on WVPEIA and West Virginia Children's Health Insurance Program (WVCHIP) experience, including formulary and generic pricing adjustments. It is noteworthy that other participating prescription drug initiative states, represented by international actuarial and accounting firms, ultimately relied on our projections. Additionally, we identified a miscalculation in the development of managed care employee contribution rates that resulted in increased revenue to the State of West Virginia of approximately \$2.5 million in Fiscal Year 2003.

I. Executive Summary



In 2000, we were engaged as the actuarial consultants for RXIS, a multi-state prescription drug initiative that was led by the State of West Virginia. We also performed analysis of West Virginia's participation in the CMS RDS program and the MAPD Program.

Adding to our in-depth knowledge and understanding of the healthcare market, in 2012 CCRC Actuaries was engaged by The West Virginia Offices of the Insurance Commissioner (WVOIC) to perform various actuarial and economic analyses regarding The West Virginia Health Insurance Marketplace (The Marketplace) and the broader reforms associated with the Affordable Care Act (ACA). The analyses were performed to assist the WVOIC in evaluating the various issues presented in developing a health care exchange in the State of West Virginia under the ACA. These issues included analysis and projection of each material component of the ACA including a projection of the number of insureds, anticipated premium levels in the Marketplace and newly eligible groups under the ACA. CCRC Actuaries also completed an analysis to assist the WVOIC in determining the effect of the ACA on the public programs of Medicaid and the WVCHIP, and evaluate the projected population enrollment and financial impact of expanding Medicaid under the ACA. This analysis included a projection of the health care costs and insurance sources for the entire State of West Virginia both with and without implementation of the ACA, and with and without a Medicaid expansion. Our experience affords us the opportunity to bring ideas and best practices to the table as you continue to consider strategies to address the financing of health care.



II. Experience and Qualifications

Contact Information:

Dave Bond, Managing Partner

CCRC Actuaries, LLC

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Reisterstown, Maryland 21136

410-833-4220

410-833-4229 (fax)

dave.bond@ccrcactuaries.com

www.ccractuaries.com

CCRC Actuaries was founded by Dave Bond, F.S.A., M.A.A.A. and Brad Paulis, A.S.A., M.A.A.A. in December 2000 as a limited liability company. Offering a full complement of actuarial and insurance management consulting services, CCRC Actuaries' office is located at 415 Main Street, Reisterstown, Maryland. CCRC Actuaries currently staffs ten full time consultants, three of which are credentialed by the Society of Actuaries and the American Academy of Actuaries, and provides a comprehensive portfolio of health care actuarial services with our focus being health care issues and government programs.

Dave Bond of CCRC Actuaries has served as the lead actuary for WVPEIA since 1990, noting that this was originally through an Ernst & Young contract through 2000. From January 2001 to date, CCRC Actuaries has served as the actuaries for the plan. During the time from 1990 through 2016, the plans have gone from great financial difficulties to programs that are financially sound. Additionally, the state of West Virginia was the first state to provide Medicare coverage through the Medicare Advantage Prescription Drug program effective July 1, 2007. CCRC Actuaries assisted the management decision which ultimately resulted in the State of West Virginia saving approximately \$140,000,000.

Our actuarial services to WVPEIA have included financial projections, pricing of benefit options, evaluating the impact of fee schedule changes and contribution level changes, benefit design recommendations, projection of retiree liabilities and options, analysis of a state prescription drug initiative, evaluation of the selection impact and pricing issues of managed care options, claim liability projections and general advice and counsel to WVPEIA, the WVPEIA Finance Board, and the WVRHBT. On an annual basis this includes the development of actuarial assumptions to reflect the degree of demographic differences between the self-funded fee-for-service option and the managed care options. The actuarial value of each managed care plan's benefit design is benchmarked to the Preferred Provider Benefit (PPB) and the fee-for-service option. In addition, CCRC Actuaries is annually engaged to analyze the financial viability of managed care entities for WVPEIA and the WVRHBT. Further, at the request of management, CCRC Actuaries has testified at numerous public hearings and legislative meetings including preparation of fiscal notes for proposed legislation.

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II. Experience and Qualifications



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CCRC Actuaries has the capacity and resources available to perform the work described in the scope of services. The estimated timing of the project is described in Section III of our response. We will commit to completing the work in a mutually agreed upon timeframe. For a demonstration of our ability to meet budgetary requirements, please see the contract budgeted dollars versus actual dollars outlined in our references in Section IV.

II. Experience and Qualifications



Our consulting beliefs are formed around the concepts of teamwork, partnership, service, and quality. The project team will include three members of the Society of Actuaries. The strength and qualifications of our staff enable us to provide analysis that is both prompt and thorough. We strive to form partnerships with our clients. Our best actuarial estimates and recommendations can be delivered only through recognition of each client's unique situation. CCRC Actuaries understands that timeliness is essential to a successful assignment. We deliver quality, timely products as promised. We offer our clients superior service and quality, including state-of-the-art actuarial techniques.

Effective communication of our work is also a top priority at CCRC Actuaries. We know that even the best actuarial advice is useful only if it is presented clearly in a manner the audience can understand. We take pride in our ability to translate complex actuarial and econometric theories and jargon into verbiage and concepts that non-actuaries can easily identify with and understand.

Regarding our commitment to conservation, CCRC Actuaries recognizes that we are all citizens and caretakers of this planet. We take seriously our responsibility to help protect this incredible place we call home. CCRC Actuaries' commitment includes recycling, composting, using filtered drinking water, and participation in local charity and conservation efforts. We are committed to giving back in a profound way.

CCRC Actuaries are experts in health care financing and are uniquely qualified to perform actuarial service for the City of Fort Lauderdale's group health plan. It is our understanding that the City of Fort Lauderdale (City) requires actuarial consulting services for the City's self-funded Medical and Pharmacy Plans for the Department of Human Resources, Employee Benefits Section, with accumulated fund assets totaling over \$849 million dollars for over 5,000 worldwide employees, 2,000 pensioners and their dependents (over 11,000 covered lives) covering participants in all states domestically and internationally.

Actuarial Certification

CCRC Actuaries will meet with the City Management team and the claim file vendor(s) to obtain a detailed understanding of current benefits and to review and collect the data that we will need to complete the analyses. We will review the previous actuarial studies to further our understanding as necessary. CCRC Actuaries will review the data and provide feedback on any inconsistencies found and other areas that the data could be improved. We may request additional data in order to test previous assumptions or to produce new assumptions which will be based on plan experience.

Our overall approach to be employed will be based on the rating period as defined with the term of the agreement period. The three principal elements of the analysis will be changes in medical costs, changes in utilization patterns and any programmatic changes that would impact the delivery or coverage of benefits under the program. In the event that no adjustments are necessary, we would propose that the rates from the previous period would apply.

CCRC Actuaries will provide rate and other support services needed by the City operated BH-MCO. An actuarial certification of liabilities will be provided on a quarterly basis. As part of the budgeting function, an actuarially sound process for estimating and tracking incurred but not reported claims will be established. As part of the reserving methodology, annual reviews and reconciliations to assess its reserving methodology will be conducted and necessary adjustments will be made.

The Actuarial Certification that is required by the FLOIR is similar to the Actuarial Projections and certifications that CCRC Actuaries performs for our various health care clients. CCRC Actuaries will use our incurred claims and expense model to perform the required projections for the City. We understand that the annual certification should include a description of at least the following:

- a. The adequacy of contribution rates in meeting the level of benefits provided and the changes, if any, needed in the contribution rates to achieve or preserve a level of funding deemed adequate to enable payment of the benefit amounts provided under the plan and a valuation of present assets, based on statement value, and prospective assets and liabilities of the plan and the extent of any unfunded accrued liabilities.
- b. A plan to amortize any unfunded liabilities and a description of actions taken to reduce unfunded liabilities.
- c. A description and explanation of actuarial assumptions.
- d. A schedule illustrating the amortization of any unfunded liabilities.
- e. A comparative review illustrating the level of funds available to the plan from rates, investment income, and other sources realized over the period covered by the report with the assumptions used.

III. Approach to Scope of Work

- f. A statement by the actuary that the report is complete and accurate and that in the actuary's opinion the techniques and assumptions used are reasonable and meet the requirements and intent of this subsection.
- g. Other factors or statements as required by the office in order to determine the actuarial soundness of the plan.

Within the required projection, CCRC Actuaries believes that it would be best practice to perform claim projections by service and plan. This would allow the City to analyze each plan and assure that the rates charged are sufficient and appropriate. Other analysis may include claim analysis by each of the five coverage tiers, to identify any subsidies, intentional or not, that may exist in the premium structure.

Claim Reserve Liabilities

After completion of the actuarial certification and additional analysis, as needed, we will be well positioned to provide updated IBNR valuations on an ongoing basis. The steps involved in performing ongoing valuations will be similar to the steps described above. Following completion of the valuation, we will meet with the City Management to discuss results and follow with issuance of a formal valuation report.

CCRC Actuaries will perform a step by step analysis of the IBNR estimates for each plan and service category. The first step of our analysis is to calculate the IBNR for each of the medical, dental, vision, and prescription drug lines individually. We then combine the claims within each service category and calculate the IBNR for both the medical and prescription drug claims. Finally, the IBNR is calculated in total by combining all of the claims into one claim lag triangle. The results from the various calculations and methods are examined and tested before choosing the final estimate.

CCRC Actuaries will establish an adequate reserve for IBNR claims based on actuarial methodology that are in accordance with the Actuarial Standards of Practice. We will utilize the actuarial reserving methodology employed in our claim reserve model to estimate the IBNR for medical, dental, vision, and prescription drug claims. The analysis is based on enrollment data and monthly claims data from the City. The analysis is also based on monthly claim triangles sorted by incurred and paid months.

Our actuarial model utilizes the chain ladder method by calculating development factors and completion factors for historical months that allow claims for more recently incurred months with incomplete run out to be projected. This approach does not work well for the most recent months since the early duration partial payout is not a reliable base for projecting the ultimate payout. For these months, a completion factor estimate is calculated based on projected incurred claims.

In addition, a theoretical estimate is made by calculating incurred claims for the three, six and twelve month periods preceding the most recent months. The average estimate is projected forward for the recent months by applying various trend assumptions, claims backlog changes and seasonality factors. Finally, weighted averages of the completion factor estimate and the theoretical estimate are obtained by applying various credibility assumptions to each estimate.

Rate Renewals

CCRC Actuaries has provided rate renewal recommendations for our health plan clients. CCRC Actuaries will analyze the claims and rates for each plan and coverage tier to identify any inherent subsidies within the various groups. We will also discuss with the City strategic pricing that may be needed in order to achieve enrollment shifts, steerage, reduction in inter-plan subsidies, legislative requirements, or any other strategic goal.

Claim Forecasts and Trends

CCRC Actuaries will use incurred claim data to establish baseline forecasts and historical trends in claims. CCRC Actuaries will look at historical trends on a per-member per-month, incurred basis. Trends will be examined by each service category which are medical, drug, dental and vision. In addition, trends will be examined for each of the three medical plans offered. When analyzing trend, considerations will be made for design changes that have occurred, changes in the specific stop loss reinsurance, changes in networks that may have occurred, as well as seasonal factors. If the data is available, CCRC Actuaries will separate the total trend results into trend in utilization and cost per service. Trends will be analyzed over a 12-month, 24-month, and 36-month basis. Historical trends can be calculated for all years of data provided.

Future trend assumptions will be set with several considerations:

- a) Historical trends
- b) Future plan design changes
- c) Future network changes
- d) Future Pharmacy Benefit Manager contracts
- e) Other considerations from the City management team

Stop-Loss Coverage

In order to evaluate the current and future stop-loss coverage, CCRC Actuaries will need to analyze the historical data for each member, provided by the City management. Historical claims will be used to assess past stop-loss design and recoveries. Stochastic models may be used to communicate the average risk of the City, as well as confidence intervals around the average risk, and worst case scenarios. Future stop-loss attachment points will be recommended based on plan experience, budgeted insurance expenses, and overall risk tolerance of the City.

Affordable Care Act

In 2012 CCRC Actuaries was engaged by The West Virginia Offices of the Insurance Commissioner (WVOIC) to perform various actuarial and economic analyses regarding The West Virginia Health Insurance Marketplace (The Marketplace) and the broader reforms associated with the Affordable Care Act (ACA). The analyses were performed to assist the WVOIC in evaluating the various issues presented in developing a health care exchange in the State of West Virginia under the ACA. CCRC Actuaries has worked with a number of our clients concerning the impact of the ACA. Fees associated with the affordable care act are calculated and reported in our financial reports. Likewise, CCRC Actuaries will work with the City to assess the risk of having to pay the Excise Tax, starting in 2020.

III. Approach to Scope of Work

We will also make recommendations concerning how the City can avoid paying this tax, for as long as possible.

Legislative Changes

At the request of our client management teams, CCRC Actuaries has testified at numerous public hearings and legislative meetings including preparation of fiscal notes for proposed legislation. Should the City require an analysis due to legislative changes, CCRC Actuaries is fully qualified. Most legislative change cost analysis will require a set of data and numerous actuarial assumptions. CCRC Actuaries will document each piece of data used, and each assumption made, so that the cost analysis is fully transparent to the City and the Legislators.

Other Considerations

CCRC Actuaries currently has ten full time employees with a wide range in health care financing experience. Our director of information technology has over 25 years of experience working with an assortment of large databases and has the programming knowledge to convert data from a format the client is able to provide us, into a format that we are able to analyze and utilize in our actuarial models.

Additionally, CCRC Actuaries employees have been providing actuarial projections, cost impact of plan design changes, claims reserve estimates, employee contribution strategies and changes, tiered rating structures, migration and selection analysis, and employer funding strategies to our clients for over 25 years. Because of this and related experience, we are also able to assist in the technical components of RFPs by applying standard actuarial techniques to assess the value of proposals.

CCRC Actuaries will also be able to develop a ROI analysis of the health center operations by using a control group analysis within the employee population. When appropriate, we can also compare the employee and retiree population experience to our other clients.

Availability, Workload, and Technology

CCRC Actuaries' current workload conditions are such that the City's project will be a top priority. We will commit to completing the work in a mutually agreed upon timeframe. We have the ability to dynamically allocate resources to ensure meeting all timelines. Our technological capabilities are as follows:

- Each actuary has a new New Dell Inspiron 5759 Laptop
- Windows 10
- Multi-Device access to Email
- MS Word, Excel
- Multiple color printers
- Skype for video conferences for convenient conferences
- Telephone system
- Smart Phones
- GoToMeeting account for live teleconferences with computer display interaction

III. Approach to Scope of Work



A timeline identifying key phases of the contract are outlined below.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Prefield Work	1 Contract Award - July 1												
	2 Kick-off meeting to obtain detailed understanding of benefits / data request												
	3 Step by step data collection/ analyses/ testing												
Field Work	4 Quarterly Review of IENR						Quarterly Review of IENR			Quarterly Review of IENR			Quarterly Review of IENR
	5 Rate Analysis and Projections												
	6 Annual Actuarial Certifications												
	7 MCO Provider Contracting Assistance												
	8 Ad Hoc Consulting Upon Request												

* This timeline can be easily adapted to the timing requirements of the City of Fort Lauderdale

IV. References



West Virginia Public Employees Insurance Agency (WVPEIA)

Ted Cheatham, Executive Director

601 57th St., SE, Suite 2

Charleston, WV 25304

304-558-7850 x 52634

Ted.M.Cheatham@wv.gov

[2015 Contract – Budgeted \\$182,485/Actual \\$177,036](#)

Dave Bond of CCRC Actuaries has served as the lead actuary for WVPEIA since 1990, noting that this was originally through an Ernst & Young contract through 2000. From January 2001 to date, CCRC Actuaries has served as the actuaries for the plan. During the time from 1990 through 2016, the plans have gone from great financial difficulties to programs that are financially sound. Additionally, the state of West Virginia was the first state to provide Medicare coverage through the Medicare Advantage Prescription Drug program effective July 1, 2007. CCRC Actuaries assisted the management decision which ultimately resulted in the state of West Virginia saving approximately \$140,000,000.

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In 2000, we were engaged as the actuarial consultants for RXIS, a multi-state prescription drug initiative that was led by the state of West Virginia. Most recently we have performed analysis of West Virginia's participation in the CMS RDS program and the MAPD Program.

West Virginia Retiree Health Benefit Trust (WVRHBT)

Ted Cheatham, Executive Director

601 57th St., SE, Suite 2

Charleston, WV 25304

304-558-7850 x 52634

Ted.M.Cheatham@wv.gov

[2015 Contract – Budgeted \\$123,478/Actual \\$119,995](#)

The West Virginia Retiree Health Benefit Trust Fund was created by the West Virginia Legislature in 2006 in an effort to pre-fund retiree health care benefits. Prior to the creation of the Trust Fund, retiree health care expenditures and revenues were operated as a separate fund of WVPEIA. The Trust Fund provides health care coverage to approximately 42,000 retired employees and 20,000 eligible dependents, resulting in approximately 62,000 members. This further is divided up into approximately 8,000 Non-Medicare policies and 34,000 Medicare policies. CCRC Actuaries was appointed as the plan actuary in 2006 and continues to serve the Board in a consulting capacity. Dave Bond of CCRC Actuaries has been the lead actuary for the WVRHBT since its inception.

Our actuarial services to the Trust Fund include analysis of medical and prescription drug claim and capitation data, development of benefit structures, projection of baseline program costs, and financial projections for Medicare and Non-Medicare retirees. Under this contract, CCRC Actuaries has developed Governmental Accounting Standards Board (GASB) 43 and GASB 45 liabilities on multiple occasions as requested by the State based on current benefit structure and alternatives under consideration.

Both before and after the implementation of GASB 43 and 45, CCRC Actuaries has assisted the State in the evaluation of retiree health care liabilities based on the Sick and Annual Leave program and the subsidization of retiree health care. CCRC Actuaries was engaged to develop the Actuarial Accrued Liability (AAL), the Annual Required Contribution (ARC), the Annual Other Postemployment Benefits (OPEB) Cost, and the Net OPEB Obligation (NOO) for active employee and retiree health care and life insurance liabilities for Other Postemployment Benefits for the state of West Virginia's (the "State") defined benefit and defined contribution cost sharing multi-employer plans. The OPEB

for the WVRHBT includes subsidies for medical, prescription drug and life insurance benefits. These calculations include the OPEB liability of state agencies, state colleges and universities, West Virginia county school boards and non-state employers. This analysis has been performed in 2006 through 2015.

Governmental Accounting Standards Board 43 and 45 address the liabilities associated with the rising cost of health care. Health costs continue to grow faster than national income and, despite research indicating that the employees receive good value for the increased spending; it is questionable whether governments and private employers can continue to finance the current benefit levels. CCRC Actuaries has been performing GASB 43 and 45 OPEB valuations for the state of West Virginia's Retiree Health Benefit Trust since 2006. In that time period, we have assisted the state in reducing the Actuarial Liability from a projected \$9.4 Billion to \$3.7 Billion in 2015, through additional eligibility requirements and limits on the amount of subsidy each retiree can receive yearly. Numerous iterations and scenarios were calculated and presented to WVRHBT management, various West Virginia Governors, State Legislators and interested parties in order to find an agreeable solution to reducing the growing liability which will result in both adequate funding of the liability and acceptable benefit levels for retirees.

In addition to the retiree health care liability, CCRC Actuaries has performed multiple analyses of the liability of the Sick and Annual Leave (SAL) program, a subset of OPEB, offered to public employees of the State. The most recent valuation was as of June 30, 2014. OPEB plans are subject to compliance requirements as described in Statements 43 and 45 of the GASB. The SAL analysis was conducted for employees covered under the State's Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), Teachers' Defined Contribution Retirement System (TDC), Teachers' Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF), County Teachers (Plan C), Great West (Plan G), West Virginia Death, Disability and Retirement Fund (Plan A) and West Virginia State Police Retirement System (Plan B).

West Virginia Children's Health Insurance Program (CHIP)

Sharon Carte, Director

#2 Hale Street, Suite 101

Charleston, WV 25301

(304) 558-2732

Sharon.L.Carte@wv.gov

[2015 Contract – Budgeted \\$85,233/Actual \\$101,724 – included additional services requested by client.](#)

CCRC Actuaries was selected by the West Virginia CHIP management team and the West Virginia CHIP Board to replace the prior provider of actuarial services in 2000. We replaced a large international actuarial firm in providing actuarial services to the West Virginia CHIP program at significant professional fee savings over the prior vendor. The Board initially hired us on a temporary

basis and subsequently extended our involvement based on our command of the risk issues faced by the program.

Our involvement has included the development of program costs on an incurred basis for state reporting purposes and a cash basis for federal reporting purposes. We have been responsible for monthly claim reserve numbers to be reported to the Board. In addition, we have developed both the quarterly reports to the West Virginia Legislature, as mandated in the enabling legislation, as well as federal reporting requirements. Our analysis has included the monitoring and reporting of significant trend developments under the medical, dental and prescription drug benefit programs. Additionally, we developed an analysis on health care expenditures comparing Phase II children and Phase III, as well as expenditures by enrollment duration. We quantified the expected savings from both the implementation of a state prescription drug initiative and developed expected savings of the recently introduced three-tier formulary of the prescription drug program administered by Express Scripts.

Most recently we have completed and certified a proposed expansion of the program to CMS. Under this work we developed various benefit designs that resulted in expected costs for the Federal government, the State and the participants based on the request of the Board.

West Virginia Offices of the Insurance Commissioner

Jeremiah Samples, Director, Health Policy

1124 Smith Street

Charleston, WV 25301

(304) 558-6279 – Extension 1131

Jeremiah.Samples@wvinsurance.gov

[2012/2013 Contract – Budgeted \\$861,500/Actual \\$661,788](#)

CCRC Actuaries was engaged by the West Virginia Offices of the Insurance Commissioner (WVOIC) to perform various actuarial and economic analyses with regard to the West Virginia Health Insurance Marketplace (the Marketplace) and the broader reforms associated with the Affordable Care Act (ACA).

The analysis was performed to assist the WVOIC in evaluating the various issues presented in developing a health care exchange in the state of West Virginia under the ACA. These issues included analysis and projection of each material component of the ACA including a projection of the number of insureds and anticipated premium levels in the Marketplace.

CCRC Actuaries also completed analysis to assist the WVOIC in determining the effect of the ACA on the public programs of Medicaid and the West Virginia Children's Health Insurance Program (WVCHIP) and evaluate the projected population enrollment and financial impact of expanding Medicaid under the ACA. This analysis included a projection of the health care costs and insurance sources for the entire state of West Virginia both with and without implementation of the ACA and with and without a Medicaid expansion.

United Mine Workers of America Health Plans (UMWA)

IV. References



Mr. David Richards, Assistant Director
Managed Care Program and Development & Research
2121 K Street NW
Washington, DC 20037
(202) 521-2298
DRichards@UMWAFunds.org
[2015 Contract – Budgeted \\$129,348/Actual \\$129,348](#)

CCRC Actuaries has been engaged by the UMWA Health and Retirement Funds to provide actuarial services for the Combined Benefit Fund, the 1992 Benefit Fund and the 1993 Benefit Fund since 2001. These services include long-term actuarial projections for each fund, development of pre-funding premiums and, most recently, the impact of the Medicare Modernization Act under each of the available options for each fund.

The Combined Benefit Fund

CCRC Actuaries was engaged to perform the actuarial projection of long-term revenue and expenses for the Combined Benefit Fund. The Combined Benefit Fund provides primary health care benefits to retirees and survivors of UMWA. This fund is financed by various acts of Congress and by the coal industry. In fiscal year of 2015, The Combined Benefit Fund had annual revenue of \$168 million and approximately 15,000 members. The greatest concentrations of covered insureds are in West Virginia, Kentucky and Pennsylvania. The operation of the fund is governed by the provisions of the Coal Industry Retiree Health Benefit Act of 1992, and is the result of a merger of the 1950 UMWA Benefit Plan and the 1974 UMWA Benefit Plan. Covered benefits include primary health care benefits and death benefits. In 2016, health care benefits are projected to be 87% of plan costs, death benefits approximately 1% of plan costs and administrative expenses are approximately 12% of plan costs. Development of health care costs and death benefits required the construction of a demographic based model on the closed group of covered individuals based on expected mortality and morbidity. The Combined Benefit Fund Board required a ten year projection for its review and adoption of the projection.

1992 Benefit Plan, 1993 Benefit Plan, and Prefunded Plan

The UMWA Health and Retirement Plans engaged CCRC Actuaries in 2006 to perform similar analysis for the 1992 Benefit Plan Fund and the 1993 Benefit Plan Fund. Additionally, CCRC Actuaries began performing work for the Prefunded Benefit Plan in 2008. We have combined these three funds since they have the same Board of Directors, though each fund operates separately. The 1992 Benefit Plan Fund has approximately 7,000 covered individuals with annual expenditures of approximately \$86,000,000. The 1993 Benefit Plan Fund has approximately 11,000 covered individuals with annual expenditures of approximately \$110,000,000. The Prefunded Benefit Plan is small plan, with approximately forty covered individuals with annual expenditures of approximately \$570,000. These engagements include analysis of historical claim expenditures for medical and prescription drugs, analysis of past trends, projections of future trends and demographic transfers into and out of each program.

IV. Minority/Women Participation & Subcontractors



CCRC Actuaries is not a certified minority business enterprise as defined by the Florida Small and Minority Business Assistance Act of 1985, nor have we required the services of a subcontractor in the past. However, as a small firm with ten employees, we understand the challenges encountered by minority / women owned businesses in their endeavors to do business with governmental agencies.

With these challenges in mind, CCRC Actuaries regularly purchases office and computer supplies from a locally owned M/WBE, Rudolph's Office & Computer Supply. Additionally, CCRC Actuaries has employed minority employees for over fifteen years and continues to seek qualified minority employees for future hires.

Resumes for the key personnel assigned to this engagement are presented below.



Dave Bond, F.S.A., M.A.A.A.
Managing Partner

410-833-4220
dave.bond@ccrcactuaries.com
415 Main Street, Reisterstown, MD 21136

CAPABILITIES SUMMARY

Mr. Bond has over thirty-four years of experience with actuarial issues in the self-funded health and the commercial health insurance industries. He directs CCRC Actuaries' delivery of actuarial services and is recognized as an innovative professional who can plan and deliver effective strategies and bring key stakeholders together in the rapidly evolving health care market.

RELEVANT EXPERIENCE

WV Public Employees Insurance Agency / WV Retiree Health Benefit Trust, 1990 to 2016

CCRC Actuaries has served as the lead actuaries for the West Virginia Public Employees Insurance Agency (WVPEIA) and the West Virginia Retiree Health Benefit Trust (WVRHBT) since 1990, noting that this was originally through an Ernst & Young contract through 2000. During the time from 1990 through 2016, the plans have gone from great financial difficulties to programs that are financially sound.

As Managing Partner of CCRC Actuaries, Mr. Bond oversees the following responsibilities for the program:

- Development of benefit design recommendations including those required under the Mental Health Parity and Addiction Equity Act (MHPAEA) and all subsequent revisions.
- Development of financial projections.
- Development of pricing benefit options.
- Valuation of the impact of fee schedule changes and contribution level changes.
- Projection of retiree liabilities and options.
- Analysis of a state prescription drug initiative.
- Valuation of selection impact and pricing issues of managed care options.
- Development of claim liability projections.
- Development of monthly claim reserve numbers.
- Development of quarterly IBNR reporting for the Five Year Financial Plan.

Core Capabilities

- ✓ Health Care Strategic Planning & Policy Expert
- ✓ MHPAEA Analyses
- ✓ Market Research
- ✓ Preliminary Model / Demonstration Design
- ✓ Quantitative & Qualitative Analytical Methods
- ✓ Financial Impact Models
- ✓ Analyze ROI
- ✓ Product Development
- ✓ Financial Reporting

- Valuation of the impact of numerous state legislative decisions on the claim expense and budget of the state agencies.
- Strategies to monitor and report significant trend developments under the medical, dental and prescription drug benefit programs.
- Quantification of the expected savings from both the implementation of a state prescription drug initiative and developed expected savings of a recently introduced three tier formulary of the prescription drug program.

West Virginia Children's Health Insurance Program, 2000 to 2016

CCRC Actuaries were selected by the West Virginia CHIP management team and the West Virginia CHIP Board to replace the prior provider of actuarial services in 2000. We replaced a large international actuarial firm in providing professional actuarial services to the West Virginia CHIP program at significant professional fee savings over the prior vendor.

As Managing Partner of CCRC Actuaries, Mr. Bond oversees the following responsibilities for the program:

- Development of benefit design recommendations including those required under the Mental Health Parity and Addiction Equity Act (MHPAEA) and all subsequent revisions.
- Development of program costs on an incurred basis for state reporting and a cash basis for federal reporting purposes.
- Development of monthly claim reserve and claim projection methodologies.
- Development of the quarterly reports to the West Virginia Legislature, as mandated in the enabling act, as well as federal reporting requirements.
- Development of strategies to monitor and report significant trend developments under the medical, dental and prescription drug benefit programs.
- Quantification of the expected savings from both the implementation of a state prescription drug initiative and developed expected savings of a recently introduced three tier formulary of the prescription drug program.
- Most recently we have completed and certified a proposed expansion of the program to CMS. Under this work we developed various benefit designs that resulted in expected costs for the Federal government, the State and the participants based on the request of the Board.

Centers for Medicare & Medicaid Services / Subcontractor to Kearney & Company, 2009 to 2016

CCRC Actuaries was engaged by Kearney & Company to perform statistical analysis of Prescription Drug Event and MCO cost reports to CMS to determine compliance with CMS regulations. As Managing Partner, Mr. Bond was responsible for overseeing the statistical analyses completed by CCRC Actuaries. Variable sampling was utilized to extrapolate probe sample errors in claim payments to the entire population. Further, confidence intervals with 90% precision and 10% confidence were calculated for the extrapolated error to satisfy the CMS requirements in understanding the potential variability in the calculated probe sample error across the entire insured population.

West Virginia Offices of the Insurance Commissioner, 2012 to 2014

CCRC Actuaries was awarded the Actuarial Services and Economic Modeling Services contract by the West Virginia Insurance Commission to assist the state in establishing the West Virginia Health Insurance Exchange and in analyzing Medicaid Expansion under the Affordable Care Act (ACA).

Mr. Bond's primary role was to provide leadership and technical actuarial expertise and support as the state of West Virginia developed the West Virginia Health Insurance Exchange. He continues to provide technical support on the evaluation and monitoring activities of actuarial issues of the Exchange.

Education

- Bachelor of Science in Mathematics, Temple University, Philadelphia, Pennsylvania, 1980.
- Member of the American Academy of Actuaries, 1985
- Fellow of the Society of Actuaries, 1991

Level of Clearance Held and Date of Clearance

- DOD Secret / 2009



Bradley D. Paulis, A.S.A., F.C.A., M.A.A.A.
Partner

410-833-4220
brad.paulis@ccrcactuaries.com
415 Main Street, Reisterstown, MD 21136

CAPABILITIES SUMMARY

Mr. Paulis has over twenty-six years of experience in providing actuarial consulting services for the health care industry with an emphasis in governmental health care programs including CMS, DOD, CHIP and High Risk Pools. He manages the day to day operations of CCRC Actuaries and is recognized as an innovative professional who can plan and deliver effective strategies and bring key stakeholders together in the rapidly evolving health care market.

Core Capabilities

- ✓ Health Care & Policy Expert
- ✓ MHPAEA Analyses
- ✓ Market Research
- ✓ Preliminary Model / Demonstration Design
- ✓ Quantitative & Qualitative Analytical Methods
- ✓ Financial Impact Models
- ✓ Analyze ROI

RELEVANT EXPERIENCE

WV Public Employees Insurance Agency / WV Retiree Health Benefit Trust, 1990 to 2016

CCRC Actuaries has served as the lead actuaries for the West Virginia Public Employees Insurance Agency (WVPEIA) and the West Virginia Retiree Health Benefit Trust (WVRHBT) since 1990, noting that this was originally through an Ernst & Young contract through 2000. During the time from 1990 through 2016, the plans have gone from great financial difficulties to programs that are financially sound.

As Partner of CCRC Actuaries, Mr. Paulis' managed the following responsibilities for the program:

- Development of benefit design recommendations including those required under the Mental Health Parity and Addiction Equity Act (MHPAEA) and all subsequent revisions.
- Development of financial projections.
- Development of pricing benefit options.
- Valuation of the impact of fee schedule changes and contribution level changes.
- Projection of retiree liabilities and options.
- Analysis of a State prescription drug initiative.
- Valuation of the selection impact and pricing issues of managed care options.
- Development of claim liability projections.
- Development of monthly claim reserve numbers.
- Development of quarterly IBNR reporting for the Five Year Financial Plan.
- Valuation of the impact of numerous state legislative decisions on the claim expense and budget of the state agencies.
- Strategies to monitor and report significant trend developments under the medical, dental and prescription drug benefit programs.

- Quantification of the expected savings from both the implementation of a state prescription drug initiative and developed expected savings of a recently introduced three tier formulary of the prescription drug program.

West Virginia Children's Health Insurance Program, 2000 to 2016

CCRC Actuaries were selected by the West Virginia CHIP management team and the West Virginia CHIP Board to replace the prior provider of actuarial services in 2000. CCRC Actuaries replaced a large international actuarial firm in providing actuarial services to the West Virginia CHIP program at significant professional fee savings over the prior vendor.

As Partner of CCRC Actuaries, Mr. Paulis managed the following responsibilities for the program:

- Development of program costs on an incurred basis for state reporting and a cash basis for federal reporting purposes.
- Development of monthly claim reserve numbers.
- Development of benefit design recommendations including those required under the Mental Health Parity and Addiction Equity Act (MHPAEA) and all subsequent revisions.
- Development of the quarterly reports to the West Virginia Legislature, as mandated in the enabling act, as well as federal reporting requirements.
- Development of strategies to monitor and report significant trend developments under the medical, dental and prescription drug benefit programs.
- Quantification of the expected savings from both the implementation of a state prescription drug initiative and developed expected savings of a recently introduced three tier formulary of the prescription drug program.
- Most recently we have completed and certified a proposed expansion of the program to CMS. Under this work we developed various benefit designs that resulted in expected costs for the Federal government, the State and the participants based on the request of the Board.

Centers for Medicare & Medicaid Services / Subcontractor to Kearney & Company, 2009 to 2016

CCRC Actuaries was engaged by Kearney & Company to perform statistical analysis of Prescription Drug Event and MCO cost reports to CMS to determine compliance with CMS regulations. As Partner, Mr. Paulis was responsible for overseeing the statistical analyses completed by CCRC Actuaries. Variable sampling was utilized to extrapolate probe sample errors in claim payments to the entire population. Further, confidence intervals with 90% precision and 10% confidence were calculated for the extrapolated error to satisfy the CMS requirements in understanding the potential variability in the calculated probe sample error across the entire population.

West Virginia Offices of the Insurance Commissioner, 2012 to 2014

CCRC Actuaries was awarded the Actuarial Services and Economic Modeling Services contract by the West Virginia Insurance Commission to assist the state in establishing the West Virginia Health Insurance Exchange and in analyzing Medicaid Expansion under the Affordable Care Act (ACA).

Mr. Paulis' primary role was to complete market research and analyze the data to develop quantitative and qualitative analytical methods and financial models to assist the state of West Virginia in developing the West Virginia Health Insurance Exchange and Medicaid expansion in West Virginia.

He also provides technical support on the evaluation and monitoring activities of actuarial issues of the Exchange.

Education

- Bachelor of Science in Mathematics, Bucknell University, Lewisburg, Pennsylvania, 1989
- Masters of Science in Mathematics, Bucknell University, Lewisburg, Pennsylvania, 1989
- Member of the American Academy of Actuaries, 2012
- Associate of the Society of Actuaries, 2012
- Fellow of the Conference of Consulting Actuaries 2014

Level of Clearance Held and Date of Clearance

- DOD Secret / 2009



Christopher Borcik, F.S.A., F.C.A., M.A.A.A.
Senior Actuarial Consultant

410-833-4220
chris.borcik@ccrcactuaries.com
415 Main Street, Reisterstown, MD 21136

CAPABILITIES SUMMARY

Mr. Borcik has over ten years of experience in providing actuarial consulting services for the health care industry with an emphasis in governmental programs including WVPEIA, WVRHBT, CMS, DOD, CHIP and High Risk Pools. He manages a group of six actuarial consultants and is recognized as an innovative professional who can plan and deliver effective strategies and bring key stakeholders together in the rapidly evolving health care market.

Core Capabilities

- ✓ Health Care & Policy Expert
- ✓ MHPAEA Analyses
- ✓ Market Research
- ✓ Preliminary Model / Demonstration Design
- ✓ Quantitative & Qualitative Analytical Methods
- ✓ Financial Impact Models
- ✓ Analyze ROI
- ✓ Financial Reporting

RELEVANT EXPERIENCE

WV Public Employees Insurance Agency / WV Retiree Health Benefit Trust, 2005 to 2016

CCRC Actuaries has served as the lead actuaries for the West Virginia Public Employees Insurance Agency (WVPEIA) and the West Virginia Retiree Health Benefit Trust (WVRHBT) since 1990, noting that this was originally through an Ernst & Young contract through 2000. During the time from 1990 through 2016, the plans have gone from great financial difficulties to programs that are financially sound.

As Senior Actuarial Consultant of CCRC Actuaries, Mr. Borcik's assumed the following responsibilities for the program:

- Development of benefit design recommendations including those required under the Mental Health Parity and Addiction Equity Act (MHPAEA) and all subsequent revisions.
- Development of financial projections.
- Development of pricing benefit options.
- Valuation of the impact of fee schedule changes and contribution level changes.
- Projection of retiree liabilities and alternative scenarios in compliance with GASB 43 and 45.
- Analysis of a state prescription drug initiative.
- Valuation of the selection impact and pricing issues of managed care options.
- Development of claim liability projections.
- Development of monthly claim reserve numbers.
- Development of quarterly IBNR reporting for the Five Year Financial Plan.
- Valuation of the impact of numerous state legislative decisions on the claim expense and budget of the state agencies.

- Strategies to monitor and report significant trend developments under the medical, dental and prescription drug benefit programs.
- Quantification of the expected savings from both the implementation of a state prescription drug initiative and developed expected savings of a recently introduced three tier formulary of the prescription drug program.

West Virginia Children's Health Insurance Program, 2005 to 2016

CCRC Actuaries were selected by the West Virginia CHIP management team and the West Virginia CHIP Board to replace the prior provider of actuarial services in 2000. CCRC Actuaries replaced a large international actuarial firm in providing actuarial services to the West Virginia CHIP program at significant professional fee savings over the prior vendor.

As Senior Actuarial Consultant of CCRC Actuaries, Mr. Borcik assumed the following responsibilities for the program:

- Development of program costs on an incurred basis for state reporting and a cash basis for federal reporting purposes.
- Development of monthly claim reserve numbers.
- Development of the quarterly reports to the West Virginia Legislature, as mandated in the enabling act, as well as federal reporting requirements.
- Development of benefit design recommendations including those required under the Mental Health Parity and Addiction Equity Act (MHPAEA) and all subsequent revisions.
- Development of strategies to monitor and report significant trend developments under the medical, dental and prescription drug benefit programs.
- Quantification of the expected savings from both the implementation of a state prescription drug initiative and developed expected savings of a recently introduced three tier formulary of the prescription drug program.
- Most recently we have completed and certified a proposed expansion of the program to CMS. Under this work we developed various benefit designs that resulted in expected costs for the Federal government, the State and the participants based on the request of the Board.

Centers for Medicare & Medicaid Services / Subcontractor to Kearney & Company, 2009 to 2016

CCRC Actuaries was engaged by Kearney & Company to perform statistical analysis of Prescription Drug Event and MCO cost reports to CMS to determine compliance with CMS regulations. As Senior Actuarial Consultant, Mr. Borcik was responsible for managing the statistical analyses completed by CCRC Actuaries. Variable sampling was utilized to extrapolate probe sample errors in claim payments to the entire population. Further, confidence intervals with 90% precision and 10% confidence were calculated for the extrapolated error to satisfy the CMS requirements in understanding the potential variability in the calculated probe sample error across the entire insured population.

West Virginia Offices of the Insurance Commissioner, 2012 to 2014

CCRC Actuaries was awarded the Actuarial Services and Economic Modeling Services contract by the West Virginia Insurance Commission to assist the state in establishing the West Virginia Health Insurance Exchange and in analyzing Medicaid Expansion under the Affordable Care Act (ACA).



Mr. Borcik's primary role was to complete market research and analyze the data to develop quantitative and qualitative analytical methods and financial models to assist the state of West Virginia in developing the West Virginia Health Insurance Exchange and Medicaid expansion in West Virginia. He continues to provide technical support on the evaluation and monitoring activities of actuarial issues of the Exchange.

Education

- Bachelor of Arts in Mathematics, Gettysburg College, Gettysburg, Pennsylvania, 2005.
- Graduated Magna Cum Laude from Gettysburg College, 2005
- Member of the Phi Beta Kappa academic honors society, 2005
- Member of the American Academy of Actuaries, 2009
- Fellow of the Society of Actuaries, 2011
- Fellow of the Conference of Consulting Actuaries, 2014

Level of Clearance Held and Date of Clearance

- DoD Secret / 2009

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) CCRC Actuaries, LLC

Address: 415 Main Street

City: Reisterstown State: MD Zip: 21136

Telephone No. 410-833-4220 FAX No. 410-833-4229 Email: dave.bond@ccrcactuaries.com

Delivery: Calendar days after receipt of Purchase Order (**section 1.02 of General Conditions**): as agreed to by both parties

Payment Terms (**section 1.04 of General Conditions**): Net 45 days

Total Bid Discount (**section 1.05 of General Conditions**): N/A

Does your firm qualify for MBE or WBE status (**section 1.09 of General Conditions**): MBE N/A WBE N/A

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

<u>Addendum No.</u>	<u>Date Issued</u>	<u>Addendum No.</u>	<u>Date Issued</u>
<u>#1</u>	<u>4/14/2016</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></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 BIDSYNC you must also click the "Take Exception" button.**

Upon notification of award, our firm will complete all Florida license/registration requirements, business associate agreement, and obtain additional required insurance coverages.

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:

Dave Bond
Name (printed)



Signature

April 20, 2016
Date:

Managing Partner
Title

revised 04/10/15

SECTION 6 - COST PROPOSAL PAGE

Proposer Name: CCRC Actuaries, 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>260</u> /hr	=	\$ <u>28,600</u>

Submitted by:

Dave Bond
Name (printed)



Signature

April 20, 2016
Date

Managing Partner
Title

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.

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.

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).

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.

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 it's 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) _____ 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.
Business Name
- (2) _____ 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.
Business Name
- (3) _____ 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.
Business Name
- (4) _____ 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.
Business Name
- (5) _____ 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.
Business Name
- (6) _____ 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.
Business Name

BIDDER'S COMPANY: _____ CCRC Actuaries, LLC _____

AUTHORIZED COMPANY PERSON: _____ Dave Bond _____ April 20, 2016 _____
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:

 X Master Card

 X Visa Card

Company Name: CCRC Actuaries, LLC

Dave Bond
Name (printed)

Dave Bond
Signature

April 20, 2016
Date:

Managing Partner
Title



CCRC Actuaries, LLC



Insurance Proposal

Policy Term:
11/01/2015 – 11/01/2016

CCRC ACTUARIES, LLC

NAMED INSURED

CCRC Actuaries, LLC
Bond & Paulis Realty Group, LLC – *Building Owner*
Eugene Davis Bond, Jr. – *Auto and Excess Only*
Karen Bond – *Auto and Excess Only*

MAILING ADDRESS

415 Main Street
Reisterstown, MD 21136

LOCATION ADDRESS

415 Main Street
Reisterstown, MD 21136

CCRC ACTUARIES, LLC

PROPERTY

Insurer: The Hartford Insurance Group

BUILDING & CONTENTS

Coverage: "Special Causes" of Direct Physical Loss, subject to standard exclusions.

Limit of Liability: \$762,900 Building
\$215,300 Contents

Location: 415 Main Street
Reisterstown, MD 21136

Deductible: \$500

"Co-Insurance": N/A

Valuation: "Replacement Cost"

NOTE: "Flood" is not a covered cause of loss

CCRC ACTUARIES, LLC

ADDITIONAL COVERAGES

Insurer: The Hartford Insurance Group

Blanket Limit – \$350,000†

Accounts Receivable
Debris Removal
Temperature Change**

Computers and Media (including in Transit)
Personal Property of Others
Valuable Papers and Records

Description

Limit

Arson and Theft Reward	\$10,000*
Brands and Labels	Included in Contents
Building Glass	Included in Building
Building Limit – Automatic Increase – 8%	Included
Business Personal Property Limit – Seasonal Increase – 25%	Included
Claim Expenses	\$10,000
Computer Fraud	\$5,000
Contract Penalty	\$1,000
Data and Software	\$10,000
Debris Removal	25% of Loss + \$10,000
Definition of Premises	Within 1,000 feet
Employee Tools and Equipment	Included in Contents
Equipment Breakdown Coverage	Included***
Expediting Expenses	\$50,000***
Hazardous Substances	\$50,000***
Fine Arts	\$50,000***
Fire Department Service Charge	\$25,000*
Fire Extinguisher Recharge	Included*
Garages, Storage Buildings, and Other Appurtenant Structures	\$50,000
Business Personal Property in Appurtenant Structures	\$5,000
Glass Expenses	Included
Identity Recovery Coverage	
Case Management Services	Included*
Expense Reimbursement Coverage	\$15,000 Aggregate
Lost Wages and Child and Eldercare Expenses Sublimit	\$250 per Day up to \$5,000
Mental Health Counseling Sublimit	\$1,000
Laptop Computers – Worldwide Coverage	\$10,000
Lease Assessment	\$2,500
Leasehold Improvements	\$25,000***
Limited Coverage for Fungi, Wet Rot, Dry Rot, Bacteria, and Virus	\$50,000
Lock and Key Replacement	\$1,000*
Newly Acquired or Constructed Property	180 Days
Building	\$1,000,000
Contents	\$500,000

†The \$350,000 limit can be apportioned to one or any combination of the specified Property Coverages.

CCRC ACTUARIES, LLC

ADDITIONAL COVERAGES (Continued)

Insurer: The Hartford Insurance Group

<u>Description</u>	<u>Limit</u>
Off-Premises Utility Services – Direct Damage (including Overhead Transmission Lines)	\$25,000
Ordinance or Law	
Coverage A – Loss to Undamaged Portion of the Building	Included in Building***
Coverage B – Demolition Costs	\$50,000***
Coverage C – Increased Cost of Construction	\$50,000***
Tenant's Improvements and Betterments	\$25,000***
Outdoor Property	
Fences, Trees, Shrubs, or Plants (\$1,000 Maximum per Item)	\$25,000
Radio and Television Antennas (including Satellite Dishes)	\$2,000
Outdoor Signs	Full Value
Pairs or Sets	Included in Contents
Personal Effects	\$60,000
Pollutants and Contaminants Clean Up and Removal	\$15,000
Preservation of Property – 45 Days	Included*
Property at Other Premises	\$50,000
Property of Others in Your Care, Custody, or Control	Included in Contents
Property Off-Premises - Building	\$5,000
Property Off-Premises (including in Transit) – Contents	\$50,000
Salespersons' Samples	\$25,000
Sewer and Drain Back Up	Included in Property Limits
Sump Overflow or Sump Pump Failure	\$50,000
Tenant Building and Contents Coverage Required by Lease	\$20,000
Tenant Glass	\$25,000
Tenant Improvements and Betterments	Included in Contents
Theft Damage to Building	Included
Theft of Bullion, Gold, Silver, Platinum, and Other Precious Metals	\$25,000
Theft of Furs, Fur Garments, and Garments Trimmed with Fur	\$2,500
Theft of Jewelry, Watches, Watch Movements, Jewels, and Pearls	\$5,000
Theft of Patterns, Dies, Molds, and Forms	Included in Contents
Theft of Stamps, Tickets, and Letters of Credit	\$500
Transit Property in the Care of Carriers for Hire	\$25,000
Unauthorized Business Card Use	\$5,000
Water Damage, Other Liquid, Powder, or Molten Material Damage	Included

*No Deductible Applies

**\$100 Deductible Applies

***\$500 Deductible Applies

All Other Coverages are Subject to a \$250 Deductible

This list highlights important coverage features provided by your policy. Coverage may be included in the property limit, not an additional limit.

CCRC ACTUARIES, LLC

TIME ELEMENT

Insurer: The Hartford Insurance Group

BUSINESS INCOME & EXTRA EXPENSE

Coverage: Loss of Business Income and Extra Expense resulting from necessary or potential suspension of operation due to direct physical loss at insured location due to covered cause of loss.

Location: 415 Main Street
Reisterstown, MD 21136

Limit of Liability: 12 Months Actual Loss Sustained

“Co-Insurance”: N/A

Deductible: No Waiting Period

Additional Coverage:

Business Income from Dependent Properties	\$50,000*
Business Income and Extra Expense	
From Newly Acquired Locations	\$500,000 (180 Days)
Business Income Extension for Off-Premises	
Utility Services (including Overhead	
Transmission Lines)	\$50,000*
Business Income Extension for Websites	\$50,000 (7 Days)*
Civil Authority	30 Days**
Extended Business Income	120 Days
Limited Fungi, Wet Rot, Dry Rot, Bacteria	
or Virus Time Element Coverage	30 Days

*12-Hour Waiting Period

**72-Hour Waiting Period

NOTE: “Flood” is not a covered cause of loss

CCRC ACTUARIES, LLC

CRIME

Insurer: The Hartford Insurance Group

Coverage: “Employee Theft” \$225,000
Includes “ERISA”

“Forgery” \$50,000

“Money & Securities”
Inside Premises \$50,000
Outside Premises \$25,000

Location: 415 Main Street
Reisterstown, MD 21136

Deductible: \$100 – Employee Dishonesty
\$500 – Forgery and Money & Securities

Plan Name: CCRC Actuaries, LLC Safe Harbor 401(k) Plan

Coverage Form: “Loss Sustained”

CCRC ACTUARIES, LLC

COMMERCIAL GENERAL LIABILITY **Occurrence Form**

Insurer: The Hartford Insurance Group

Coverage: Third Party Liability, Bodily Injury & Property Damage

Limit of Liability:

"General Aggregate"	\$2,000,000
"Products/Completed Operations" Aggregate	\$2,000,000
"Personal and Advertising Injury"	\$1,000,000
Each "Occurrence"	\$1,000,000
"Fire Legal Liability"	\$ 300,000
"Medical Expenses" (any one person)	\$ 10,000
Employment Practices Liability	\$ 5,000/
Retro Date: 11/01/06 (Claims Made)	\$ 5,000

Broadening Coverages:

Additional Insured when Required by Written Contract,
Written Agreement, or Permit (including Vendors)
Blanket Contractual – Oral or Written
Bodily Injury or Property Damage due to Use of Reasonable Force
Bodily Injury Redefined to include Mental Anguish
Broad Form Personal and Advertising Injury – includes
Discrimination and Humiliation
Broad Form Property Damage
Host Liquor Law Liability
Incidental Medical Malpractice Liability
Independent Contractors
Knowledge of an Occurrence, Offense, Claim, or Suit
"Liberalization" Clause
Limited Worldwide Liability
Newly Acquired or Formed Organizations – 180 Days
Non-Owned Aircraft Chartered with Crew
Non-Owned Watercraft – under 51 feet
Primary and Non-Contributory when Required by Contract
Supplementary Payments
Up to \$1,000 for Bail Bonds
Up to \$500 per Day for Loss of Earnings
Unintentional Failure to Disclose Hazards
Waiver of Subrogation when Required by Written Contract,
Written Agreement, or Permit

Basis of Premium: Composite Rated Based on Property Values

Deductible: N/A

Subject to Standard Exclusions including Professional Liability

Note: This Commercial General Liability premium is not subject to adjustment by audit at the end of the policy term.

CCRC ACTUARIES, LLC

AUTOMOBILE

Insurer: The Hanover Insurance Group

Coverage: Third party liability and property damage. Also covers property damage to owned vehicles.

Limit of Liability:	Each Accident/Combined Single Limit	\$1,000,000
	Owned, "Hired & Non-Owned" Liability	\$1,000,000
	Uninsured/Underinsured Motorists Liability	\$1,000,000
	"Personal Injury Protection" (PIP)	\$2,500
	Medical Payments	\$2,000

Additional Coverages:

- Airbag Coverage
- Audio, Visual, and Data Electronic Equipment - \$500
- Blanket Waiver of Subrogation
- Broadened Named Insured
- Employees as Insureds
- Employee Hired Autos
- Expense of Returning a Stolen Auto
- Fellow Employee Exclusion Amended
- Glass Breakage Deductible Waived if Glass is Repaired
- Hired Auto – Worldwide Coverage up to 30 Days
- Hired Car Physical Damage - \$50,000 for 30 Days
- Includes Liability for Mobile Equipment
- Knowledge of Occurrence
- "Lease Gap Coverage"
- Loss of Use Expenses - \$20 per Day up to \$600
- Rental Reimbursement (any insured loss) - \$50 per Day for 60 Days (24-Hour Wait)
- Rental Expense for a Stolen Private Passenger Vehicle – \$50 per Day up to \$1,500 (24-Hour Wait)
- Resultant Mental Anguish
- Sign Coverage - \$2,000
- Supplementary Payments
 - a. Up to \$2,500 for Bail Bonds
 - b. Up to \$500 per Day for Loss of Earnings
- Unintentional Failure to Disclose Information

Deductible: Comprehensive - \$250
Collision - \$500

**"Drive Other Car"
Coverage For:** Eugene Davis Bond, Jr. and Karen Bond
Eugene Davis Bond, III
Samuel Buckey Bond
Brandon Dwight Copeland
Brad Paulis and Nancy Paulis
Elizabeth Spencer Bond
Scott Brinsfield Paulis
Benjamin Dennard Paulis

CCRC ACTUARIES, LLC

WORKERS' COMPENSATION

Insurer: The Hanover Insurance Group

Limits: Coverage A - "Workers' Compensation" – **Maryland** Statutory Benefits
Coverage B - "Employer's Liability"
"Bodily Injury by Accident" \$500,000 Each Accident
"Bodily Injury by Disease" \$500,000 Policy Limit
"Bodily Injury by Disease" \$500,000 Each Employee

Endorsements: Broad Form All States
Voluntary Compensation, including Expense to Repatriate Employees
Employer's Liability Stop Gap Coverage
Loss of Earnings
Unintentional Failure to Disclose Hazards

<u>Classification</u>	<u>Code</u>	<u>Payroll</u>	<u>Rate</u>	<u>Expiring Rate</u>	<u>Premium</u>
Clerical	8810	\$857,100	\$0.13	\$ 0.12	\$ 1,114
			Increased Limits		+ 75 \$ 1,189
Officer Payroll Limitations:			Expense Constant		+ 160 \$ 1,349
Minimum - \$52,000					
Maximum - \$208,000			Terrorism		+ 343 \$ 1,692

Note: Workers' Compensation premiums are subject to adjustment by audit at the end of the policy term.
Independent contractor's payroll may be added back via audit if certificates are not acquired.

CCRC ACTUARIES, LLC

EXCESS LIABILITY

Insurer: The Hartford Insurance Group

Coverage: Excess of underlying General Liability, Automobile Liability and Employer's Liability.

Limit of Liability: \$2,000,000 Each Occurrence
\$2,000,000 Aggregate

"Self-Insured Retention": \$10,000

Basis of Premium: Flat

Subject to standard exclusions including Professional Liability.

CCRC ACTUARIES, LLC

PROFESSIONAL LIABILITY **Claims Made Form**

Insurer: Evanston Insurance Company

Coverage: Coverage for claims arising from negligent acts, errors, omissions, or personal injuries* in the performance of professional services.

Services Covered: Actuarial Consulting Services

Limit of Liability: Per Claim Limit \$1,000,000
Aggregate Limit \$1,000,000

Deductible: \$2,500 per Claim - Includes Defense Expenses

Retro Date: 12/05/2003

Basis of Premium: \$1,950,000 Revenue (average over 4 years)

Enhancements:

1. Claims-Made policy rather than Claims-Made & Reported policy
2. Deductible Credit earned if:
 - a claim is settled prior to litigation, arbitration, mediation, or a court-mandated proceeding (deductible reduced by 75%)
 - a claim is settled at mediation (deductible is reduced by 50%)
3. \$25,000 additional limit for Disciplinary Proceeding Legal Fee and Legal Expense Reimbursement (no deductible)
4. \$500 per day up to \$15,000 additional limit for Loss of Earnings and Expense Reimbursement for all reasonable and necessary expenses incurred by an Insured at Evanston's request for attendance at any arbitration, mediation, deposition, hearing, or trial (no deductible)
5. \$15,000 additional limit for Electronic Media Liability coverage (no deductible)
6. \$5,000 additional limit for Subpoena/Record Request Assistance (no deductible)
7. Duty to Defend Policy

Extended Reporting Period: 12 Months for 100% of Annual Premium
24 Months for 150% of Annual Premium
36 Months for 200% of Annual Premium

Warranty: General Liability Policy must remain in force for this policy to respond

***Personal Injury Means:**

1. Libel, Slander or Defamation;
2. Invasion or infringement of the right of privacy or publicity;
3. Malicious prosecution or abuse of process; or
4. Humiliation or infliction of emotional distress

Committed in the performance of Professional Services

Bid #565-11734 - Actuarial Services for Self-Funded Medical & Pharmacy Plans



Q & A deadline: Apr 19, 2016 5:00:00 PM EDT

Ask a question

Print

2 Questions

0 Unanswered Questions

1. 565-11734 - Actuarial Services for Self-Funded Medical & Pharmacy Plans

1. Our firm is not currently licensed and registered to do business in Florida. Is it acceptable for our firm to register as a legal entity in the State of Florida upon notification of award?
2. Who is the incumbent actuarial firm?
3. How long has the incumbent actuarial firm held this contract?
4. What is the current hourly fee structure?
5. What was the total number of hours charged by the current actuarial firm in 2015?
6. What was the total amount of fees charged by the current actuarial firm in 2015?
7. What was the total amount of fees charged by the current actuarial firm for the three year period of 2013 through 2015?
8. What were the total number of hours and actuarial fees charged for Ad Hoc services in 2015?
9. How many meetings did the incumbent actuarial firm attend in 2015?
10. How many meetings did the incumbent actuarial firm attend during the three year period of 2013 through 2015? - Apr 12, 2016 3:18:58 PM EDT

Answer - Apr 13, 2016 3:26:02 PM EDT

1. Yes, you may register upon notification of award.
2. Wakely Consulting Group
3. 2 years (Current contract commenced 11/2014). Wakely has been the City's Actuary since the inception of the self-funded health plan in 2000.
4. \$350 per hour.
5. 69 hours
6. \$23,880
7. \$42,975
8. 0 hours / \$0
9. All meeting/discussions were via teleconference.
10. Same as Question #9.

2. 565-11734 - Actuarial Services for Self-Funded Medical & Pharmacy Plans

Please provide a Current Census. - Apr 14, 2016 12:08:35 PM EDT

Answer - Apr 14, 2016 3:56:15 PM EDT

A census has been included for review purposes only.

1

Results per page:

5



**RFP #745-11427
ATTACHMENT 4**

Questionnaire - Actuarial RFP

- 1) State the number of years Contractor's firm has been in existence, the number of years Contractor has provided the Scope of Services requested, the current number of actuaries in the organization, total number of employees, location of the office to service the City and the primary markets served**

CCRC Actuaries, LLC (CCRC Actuaries) was founded by Dave Bond, F.S.A., M.A.A.A. and Brad Paulis, A.S.A., M.A.A.A. in December 2000. Dave Bond and CCRC Actuaries has provided actuarial consulting services to the state of West Virginia self-funded health insurance plans for the last twenty-six years. The scope of services outlined in this RFP mirror the actuarial consulting services we provide to the state of West Virginia health and pharmacy plans.

CCRC Actuaries currently staffs ten full time consultants, three of which are credentialed by the Society of Actuaries and the American Academy of Actuaries and three actuarial consultants currently taking actuarial exams. Offering a full complement of actuarial and insurance management consulting services to federal and state entities, managed care and health insurance clients, and long term care entities on a national basis, CCRC Actuaries' offices are located at 415 Main Street, Reisterstown, Maryland.

- 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 areas addressed by the RFP Scope of Services will be brought to bear on the proposed work.**

Having served clients in the insurance and healthcare industries for over 70 combined years, our comprehensive knowledge of the health insurance issues facing government programs will prove invaluable to the City of Fort Lauderdale.

CCRC Actuaries has provided actuarial services mirroring those required under this RFP for governmental and private agency programs ranging in size from 300,000 covered lives to 7,000 covered lives.

- 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.**

Resumes are included in Section VI of our proposal response.

Dave Bond

Society of Actuaries: ID 109248

American Academy of Actuaries: ID 1184

Conference of Consulting Actuaries: ID 106471

Brad Paulis

Society of Actuaries: ID 213785

American Academy of Actuaries: ID 384274

Conference of Consulting Actuaries: ID 115432

Chris Borcik

Society of Actuaries: ID 276018

American Academy of Actuaries: ID 381931

Conference of Consulting Actuaries: ID 115243

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

Dave Bond, Managing Partner, will serve as the lead actuary for this project. Dave became a Member of the American Academy of Actuaries in 1985 and a Fellow of the Society of Actuaries in 1991. Additionally, Brad Paulis and Chris Borcik will assist in the analyses and delivery of the services requested in the Request for Proposal. Brad became a Member of the American Academy of Actuaries and an Associate of the Society of Actuaries in 2012. Chris became a Member of the American Academy of Actuaries in 2009 and a Fellow of the Society of Actuaries in 2011.

Having performed the actuarial work for the state of West Virginia self-funded health and pharmacy plans since 1990, Dave, Brad and Chris have over 70 combined years of experience in setting employee/employer contributions, contribution strategies, recommending plan design alternatives, and analyzing provide network discounts.

- 5) List the name of the principal actuary who will provide ongoing actuarial services to the County 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 sub-contracted please note this here and also complete Section: Sub-Contractors), length of employment as an actuary, professional credentials and affiliations.**

Dave Bond of CCRC Actuaries will serve as the lead actuary for this project. A copy of Dave's resume is included in Section VI.

- 6) Describe experience providing services requested including annual certification, rates renewal process for self-funded health/pharmacy plans, development of rate equivalents, rate projections, CDHP/HRA analysis, Return on Investment (ROI) for employer health and centers and the analysis of provider network discounts.**

Our actuarial services have included financial projections, pricing of benefit options, evaluating the impact of fee schedule changes and contribution level changes, benefit design recommendations, projection of retiree liabilities and options, analysis of a state prescription drug initiative, evaluation of the selection impact and pricing issues of managed care options, claim liability projections, expected rate of return of wellness initiatives and general advice and counsel to WVPEIA, the WVPEIA Finance Board, and the WVRHBT. On an annual basis this includes the development of actuarial assumptions to reflect the degree of demographic differences between the self-funded fee-for-service option and the managed care options. The actuarial value of each managed care plan's benefit design is benchmarked to the Preferred Provider Benefit (PPB) and the fee-for-service option. In addition, CCRC Actuaries is annually engaged to analyze the

financial viability of managed care entities for WVPEIA and the WVRHBT. Further, at the request of management, CCRC Actuaries has testified at numerous public hearings and legislative meetings including preparation of fiscal notes for proposed legislation.

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.

West Virginia Public Employees Insurance Agency (WVPEIA) - We have developed a methodology that allowed an analytical comparison of a state prescription drug initiative proposal based on WVPEIA experience, including formulary and generic pricing adjustments. It is noteworthy that other participating prescription drug initiative states, represented by international actuarial and accounting firms, ultimately relied on our projections. Additionally, we identified a miscalculation in the development of managed care employee contribution rates that resulted in increased revenue to the state of West Virginia of approximately \$2.5 million in Fiscal Year 2003.

West Virginia Retiree Health Benefit Trust (WVRHBT) - The state of West Virginia was the first state to provide Medicare coverage through the Medicare Advantage Prescription Drug program effective July 1, 2007. CCRC Actuaries assisted the management decision which ultimately resulted in the state of West Virginia saving approximately \$140,000,000.

West Virginia Children's Health Insurance Program (WVCHIP) - We have developed a methodology that allowed an analytical comparison of a state prescription drug initiative proposal based on WVCHIP experience, including formulary and generic pricing adjustments. It is noteworthy that other participating prescription drug initiative states, represented by international actuarial and accounting firms, ultimately relied on our projections.

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

415 Main Street, Reisterstown, Maryland 21136

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

CCRC Actuaries has periodically evaluated the expected rate of return of Wellness initiatives or even a maximum level of prescription drug trends. Depending on the contractual language, these agreements require an actuarial certification of appropriate levels of health care utilization, as defined by either paid claims, allowed claims or cost inflation. The calculation requires risk adjustment based on changes in both the size of the covered population, as well as the risk changes experienced in the population. Adjustments include changes in benefits such as copayments and deductibles, as well as any reimbursement changes approved by management.

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

CCRC Actuaries attends monthly WVPEIA Finance Board meetings to assist management with financial projections, pricing of benefit options, evaluating the impact of fee schedule changes and contribution level changes, benefit design recommendations, projection of retiree liabilities and options, analysis of a state prescription drug initiative, evaluation of the selection impact and pricing issues of managed care options, the impact in changes in deductibles, copayments, coinsurance and maximum out of pocket, claim liability projections and general advice and counsel to WVPEIA, the WVPEIA Finance Board, and the WVRHBT.

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

Yes, CCRC Actuaries has performed an actuarial attestation of a self-insured pharmacy plan for Medicare D subsidies. CCRC Actuaries currently performs yearly attestations for WVRHBT, UMW, and Pharma.

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

CCRC Actuaries has not interacted with FLOIR when it comes to filing for self-insured plans. However, CCRC Actuaries is qualified to issue a report to the FLOIR which contains, at a minimum, a description of:

- a. The adequacy of contribution rates in meeting the level of benefits provided and the changes, if any, needed in the contribution rates to achieve or preserve a level of funding deemed adequate to enable payment of the benefit amounts provided under the plan and a valuation of present assets, based on statement value, and prospective assets and liabilities of the plan and the extent of any unfunded accrued liabilities.
- b. A plan to amortize any unfunded liabilities and a description of actions taken to reduce unfunded liabilities.
- c. A description and explanation of actuarial assumptions.
- d. A schedule illustrating the amortization of any unfunded liabilities.
- e. A comparative review illustrating the level of funds available to the plan from rates, investment income, and other sources realized over the period covered by the report with the assumptions used.
- f. A statement by the actuary that the report is complete and accurate and that in the actuary's opinion the techniques and assumptions used are reasonable and meet the requirements and intent of this subsection.
- g. Other factors or statements as required by the office in order to determine the actuarial soundness of the plan.

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

Yes. CCRC Actuaries has worked with the state of West Virginia's various TPAs for claim and data analyses for over 26 years.

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

CCRC Actuaries, LLC establishes an adequate reserve for IBNR claims based on actuarial methodology. CCRC Actuaries would prefer to perform the analysis by service and plan, as well as on an aggregate basis. We utilized the actuarial reserving methodology employed in our claim reserve model to estimate the IBNR for medical, dental, vision and prescription drugs claims categories. The analysis is based on enrollment data and monthly claims data. The analysis is also based on monthly claim triangles sorted by incurred and paid months.

Our model begins using the chain ladder method by calculating development factors and completion factors for historical months that allow claims for more recent incurred months with incomplete run out to be projected. This approach does not work well for the more recent months since the early duration partial payout is not a reliable base for projecting the ultimate payout. For these months, a completion factor estimate was calculated based on projected incurred claims.

In addition, a theoretical estimates are made by calculating incurred claims for the three, six and twelve month periods preceding the most recent months. The average estimate is projected forward for the recent months by applying various trend assumptions, claims backlog changes and seasonality factors. Finally, weighted averages of the completion factor estimate and the theoretical estimate are obtained by applying various credibility assumptions to each estimate.

Other factors that are taken into account are changes in benefits between plan years, changes in enrollment, as well as large claim analysis and specific stop loss insurance.

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

CCRC Actuaries will look at historical trends on a per member per month, incurred basis. Trends will be examined by each service category which are medical, drug, dental and vision. In addition, trends will be examined for each of the three medical plans offered. When analyzing trend, considerations will be made for design changes that have occurred, changes in the specific stop loss reinsurance, changes in networks that may have occurred, as well as seasonal factors. If the data is available, CCRC Actuaries will separate the total trend results into trend in utilization and cost per service. Trends will be analyzed over a 12-month, 24-month, and 36-month basis. Historical trends can be calculated for all years of data provided.

Future trend assumptions will be set with several considerations:

- a) Historical trends
- b) Future plan design changes
- c) Future network changes
- d) Future Pharmacy Benefit Manager contracts
- e) Other considerations from the City of Fort Lauderdale management team

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

CCRC Actuaries has performed these evaluations for the State of West Virginia and our multiemployer trust client, UMWA. Issues analyzed include statewide patient-centered medical homes, e-prescribing pilot, electronic medical records pilot, assessment of the cost effectiveness and appropriate utilization of technology and procedures, budgeting process, implementation of preventive services, initiative to promote personal health responsibility, and initiative to promote end-of-life care.

17) Is your firm using any sub-contractors?

CCRC Actuaries does not currently have a need to utilize sub-contractors.

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

N/A

19) What are the scopes of services the sub-contractors will perform? How do you monitor quality and correctness?

N/A