

The City of New York (City) acting through New York City Mayor's Office of Labor Relations (OLR) in cooperation with the Municipal Labor Committee (MLC) is issuing a Request for Information (RFI) to understand qualified organizations' capabilities to provide a comprehensive, cost-effective employee health benefit program. This RFI seeks information from a wide range of organizations. Interested qualified firms may submit responses to this RFI to the City and the MLC. This program will have a target effective date of January 1, 2024.

ISSUANCE AND INTENT

Respondents to this RFI should not anticipate award of a contract; this is an information gathering process only. This RFI is for planning purposes only and should not be interpreted as a solicitation for bids/proposals on the part of the City or the MLC

KEY DATES

The table below lists the key dates and timeline that parties must consider in the preparation of responses to this RFI. If the City finds it necessary to revise these dates, an addendum or updated RFI will be posted to the OLR website (see link below):

EVENT DATE AND TIME

RFI Release: June 16, 2022

To download a copy of the RFI or applicable addendum, please register online at:
<http://www1.nyc.gov/site/olr/about/about-rfp.page>.

RFI Response Submission Date: July 14, 2022

AGENCY CONTACT PERSON

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All communications shall be made in writing via electronic mail utilizing the address provided above.

RESERVED RIGHTS

The City reserves the right to:

- Revise any dates provided within the RFI;
- Seek clarifications and revisions of responses;
- Consider and utilize or reject any ideas submitted in the responses; and
- Request to meet with interested parties.

COSTS ASSOCIATED WITH PREPARATION OF RFI RESPONSE

The City shall not be liable for the costs incurred by an interested or affected party in preparing or submitting a response to this RFI.

DISCLOSURE OF RFI RESPONSES

All responses may be disclosed or used by City to the extent permitted by law. The City may disclose a response to any person for the purposes of research and planning, or for any other lawful purpose. All responses will become City agency records, which will be available to the public in accordance with the Freedom of Information Law (FOIL). Any portion of the response that an interested party believes constitutes proprietary information entitled to confidential handling as an exception to the Freedom of Information Law must be clearly and specifically designated in the response. If the City agrees with the proprietary claim, the designated portion of the response will be withheld from public disclosure unless required to be disclosed by applicable law or court order. Blanket assertions of proprietary material will not be accepted, and failure to specifically designate proprietary material may be deemed a waiver of any right to confidential handling of such material

BACKGROUND

The City currently provides health benefits for about 1.25 million employees, retirees, and dependents through multiple programs from which its members choose. The most predominant medical program for actives and pre-Medicare retirees¹ has about 750,000 members in a single PPO plan. Another 250,000 members are enrolled in HMOs and other smaller, fully insured arrangements. With respect to prescription drug benefits, the City directly provides coverage only for injectable and chemotherapy drugs. Preventive drugs mandated by the ACA are covered by the PPO plan. All other prescription drug coverage, as well as other welfare benefits such as dental, vision and disability, if any, is provided by individual union welfare programs that are funded by the City but operated independently. The PPO program facility (Hospital inpatient and outpatient) and professional (physician, lab, radiology, urgent care, and any other non-hospital based care) benefits are delivered through a bifurcated program (two different vendors). The prescription drug benefits are provided by multiple vendors via a combination of union welfare funds, carrier optional riders, and a consolidated Specialty drug carve out (PICA). Care management is provided primarily by the carrier that provides facility coverage; however certain chronic condition management programs are provided by the carrier that provides medical coverage.

The benefit designs have remained relatively untouched for years, with some limited changes in cost sharing in recent years. The program funding mechanisms are either fully insured or minimum premium, resulting in less flexibility on design. Finally, there have been limited innovative financial or design strategies implemented, nor have the care coordination and management programs been as successful as desired. Details can be found at [healthbenefitshome \(nyc.gov\)](http://healthbenefitshome.nyc.gov)

The City and unions seek a partner with which to redesign the PPO to provide a state of the art, cost-effective, member-focused program that is worthy of the greatest city in the world. Our joint goal of the redesign is to reduce the cost of delivering healthcare by at least 10% while continuing to provide efficient, high-quality healthcare to all City employees and pre-Medicare retirees without significant increases in member out-of-pocket cost. This RFI requests information from interested, qualified entities to determine whether creative ideas and better delivery strategy can be achieved.

¹ About 1 million non-Medicare lives

QUESTIONNAIRE

Background

1. Organization name
2. Years in business
3. Lines of business – health (e.g. individual market, Medicaid, Medicare, ACA Exchange, Group, Rx. Medical, etc.)
4. Number of commercial lives covered
5. Number of commercial lives covered under group plans
6. Number of employer-sponsored health plan clients
7. Number of employer-sponsored health plan clients with over 500,000 members
8. Number of commercial lives covered in the 10 counties of Downstate New York

Business Strategy

1. Provide a brief overview of your mission statement, business strategy and how you fit into the health care delivery landscape.
2. What do you see as your top growth area over the next few years?
3. Briefly describe the top three things that *currently* set you apart from the rest of the health care delivery field
4. Briefly describe the top three things that *you are developing in the next two years that you expect* to set you apart from the rest of the health care delivery field
5. Concisely describe your corporate structure, various businesses, brands and holdings to clearly delineate the parts of your business that would play a role in delivering services to City members.

Innovation

1. Based on the City and unions' goals to deliver a high quality, cost effective health program, how would you advise the City and unions to approach benefit design? Benefit delivery?
2. How would you define a high quality program?
3. How would you define a cost-effective program?
4. Provide specific examples of program designs that demonstrate how you have worked with a plan sponsor to deliver an innovative, cost effective benefit program.
5. What constraints could the City/unions require that would impact/limit your ability to successfully support a new program? What other barriers concern you?
6. Describe the value gained/lost by including Pharmacy benefits within your program, vs. having them carved out to a third party/parties.
7. Describe opportunities to incorporate digital therapeutics and other telemedicine approaches into your program and specify the ways in which these programs would impact members.
8. Describe mechanisms and opportunities your company uses to incorporate value-based designs and contracting into your approach to health plan cost management.

Available tools

1. High performing/preferred networks
 - a. Define High Performing Network, and describe how the quality of the networks you offer are measured to ensure this high quality is delivered.
 - b. Do you offer high performing/ preferred networks? In what geographic areas?

- c. How do you determine which providers fit on which network tier?
 - d. How do you exclude providers from the network entirely, and if so, how do you manage emergency services and related pricing?
 - e. What in your experience has been the member cost differential between tiers required to deliver meaningful savings? Assuming that differential, what savings should be expected?
 - f. How do you manage behavioral health in a tiered/preferred network?
 - g. What in your experience has been the most meaningful member cost differential between preferred providers and other facilities to deliver meaningful savings? Assuming that differential, what savings should be expected?
 - h. What in your experience is the minimum cost differential required to drive utilization to your tiered/preferred network?
2. Provider Contracting
- a. How do you approach provider contracting, particularly in the New York City market? How does your current contractual pricing with key providers compare to your competitors?
 - b. What risk sharing arrangements are built into your provider contracting agreements to ensure that high quality care will be delivered? To what degree are the providers at risk, and what proof do you have that these arrangements are effective in bringing about a higher quality of care?
 - c. What leverage do you believe the City's approximately 1 million members might bring to your contracting process, and how would you reflect that in doing business with us (from a pricing perspective)?
 - d. Are there any facilities in New York City you currently do not or will not do business with? Why?
 - e. Are there any facilities for which you are constrained contractually from innovative arrangements? If so, please advise how you would approach such facilities based on the needs and interests of the City?
 - f. Are there any facilities for which you are constrained contractually from performing claims and/or clinical audits on behalf of your clients?
3. Accountable Care Organizations (ACO)/Attributed models
- a. Do you utilize ACOs or similar direct to provider contracting? If so,
 - b. Describe your current model(s) and locations that they serve
 - c. How do you attribute members?
 - d. How (at a high level) are the ACOs contracted from the payment/financial incentive basis?
 - e. What are the key challenges to successful ACO programs?
 - f. How have member health outcomes been impacted in your ACO programs?
 - g. What kind of savings could/should be expected?
4. Centers of Excellence (COE) programs
- a. Do you offer COEs? If so for which services? In what geographic areas?
 - b. Does your program arrange for the logistics and cover the cost of transportation to and from the COEs?
 - c. How do you select COEs? How do you review ongoing status?
 - d. How do measure performance of COEs?
 - e. Do any of your plans offer COEs as the only access to those services? If so, what levels of savings are expected?
 - f. How do you compensate non-COE for COE services?

- g. What in your experience has been the most meaningful member cost differential between COEs and other facilities to deliver meaningful savings? Assuming that differential, what savings should be expected?
 - h. What in your experience is the minimum cost differential required to drive utilization to your COEs?
- 5. Care management programs
 - a. Do you offer internal care management programs? If so, list the types of programs you offer (including disease-specific programs)?
 - b. Do you subcontract for any care management programs? If so, describe types of programs and vendors utilized.
 - c. What is your philosophy around care management?
 - d. How do you engage members? What percent engagement do you achieve for case management? For Clients where you find outreach to membership challenging, what types of innovative approaches have you used to ensure the contact information is correct, the outreach occurs, and the members understands and appreciates the programs being offered?
 - e. For your utilization management (UM) programs, what percent of services are denied under programs?
 - f. What is the overall savings impact from your care and utilization management programs, and what drives higher savings?
- 6. Behavioral Health/Substance Use Disorder (BH/SUD) programs
 - a. Do you offer your own BH/SUD network and programs? If so, list the types of programs you offer?
 - b. Do you subcontract for any BH/SUD networks? programs? Digital Point Solutions? If so, describe types and vendors utilized. Also, will you be willing to contract with/subcontract with point solutions that you do not currently, as desired or needed by the City?
 - c. How many BH/SUD providers do you have in your networks? How do you manage demand? Quality?
 - d. How do you manage out of network services and providers?
 - e. How do you coordinate BH/SUD services with the other medical practices?
 - f. How will you work with the City's Employee Assistance Program? Describe any comparable experience.
- 7. Pharmacy management programs – The City and MLC currently provide pharmacy benefits via several sources, with injectable and chemotherapy agents being covered for all members under the PICA plan, and coverage for the remaining drugs provided by Union Welfare Funds or Medical Plan Riders, as appropriate. The City and MLC wish to gather information about alternative arrangements and opportunities that may be available.
 - a. Do you own your own Pharmacy Benefit Manager (PBM)? If not, who do you use?
 - b. How do you coordinate data flow and care management information between facilities, professionals and your PBM?
 - c. What are the critical integration factors to best coordinate medical and prescription drug programs? Provide examples of successful processes.
 - d. Describe your channel management programs for drugs that can be delivered in an outpatient setting.
 - e. Do you have a specialty drug management program? An external specialty drug vendor? What programs and strategies have you found effective to manage specialty costs? Provide examples.

- f. Have you used 340B programs to manage cost? If so, please provide examples including classes or individual drugs delivered through 340B and how you have managed the related services.
 - g. Do you currently offer a pharmacy purchasing coalition? If so
 - i. Describe the advantages of your purchasing coalition
 - ii. Does your coalition accommodate different benefit designs? Different formularies?
 - iii. What lessons have you learned through development of your coalition?
 - iv.
8. Plan Design – *in responding to the questions below, please keep in mind the City’s goal of minimizing cost-shifting to members, both in terms of out-of-pocket expenses and payroll contributions.*
- a. While plan design is set by the City and its unions, have you been involved in any innovative plan designs, cost sharing strategies or incentives that would be of interest to the City and unions?
 - b. What has been your experience with programs that allow a buy up to access a wider network or additional services?
9. Funding/Cost Management
- a. The City currently uses a minimum premium funding arrangement for the PPO. What would you expect the savings to be if the program were moved to a self-insured arrangement? Provide the components of the savings.
 - b. What downside protection might you be willing to offer the City to offset negative claims experience?
 - c. Do you provide trend guarantees/caps? Describe the programs you might offer the City?
 - d. Do you provide other performance guarantees on program financials? Describe.
 - e. What risk are you willing to take on in managing the care of this population? What types of risk sharing arrangements might you offer?

Strategy/Other

1. Based on the information provided in this RFI and your responses to the questions above, provide a strawman plan design that you would recommend the City and MLC consider in order to reach their goals of efficient, high-quality healthcare to all City employees and pre-Medicare retirees, without significant increases in member out-of-pocket costs, while maintaining a variety of plan options to meet the various needs of the enrolled population.
2. What programs might you offer to the City that we have not requested information about? Please provide details.
3. Of the programs we outlined above, how would you rank their potential effectiveness? What concerns would you share with the City in utilizing any of the programs?
4. How do you utilize data to best manage your care delivery, especially with multiple vendors?
5. Please provide any brief closing comments for the City’s consideration.

RFI SUBMISSION REQUIREMENTS

Please submit responses to each question in a secure password-protected electronic format (MS Word) to the Agency Contact Person listed above by the specified and time listed in the Key Dates section. Provide any supplemental materials and additional details separately.

All responses should be ordered in a manner that clearly reflects the Topics and Questions, as applicable. Responses are not limited in page length, however, please do not submit any marketing materials, except where applicable.

COVER LETTER

Each submission shall include a cover letter identifying the following information:

- Submitter's Name
- Contact Name and Title
- Contact Telephone Number
- Contact Electronic Mail Address
- Mailing Address