



SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

Updated 2/22/2023

REQUEST FOR PROPOSALS FOR Actuarial and Consulting Services for the San Francisco Health Service System

RFPQHSS2023.F2

CONTACT: Michael Visconti, michael.visconti@sfgov.org, (628) 652-4645

- **Appendix A: Scope of Services**
- **Appendix B: Calculation of Charges**
- **Appendix C – 1: City and County of San Francisco Professional Services Terms, Conditions and Insurance Requirements** (available in Microsoft Word format with Tracked Changes Locked at <https://sfhss.org/RFPs>; see RFP Section 3.2.8.)
- **Appendix C – 2: City and County of San Francisco Business Associates Agreement** (available in Microsoft Word format with Tracked Changes Locked at <https://sfhss.org/RFPs>; see RFP Section 3.2.8.)
- **Appendix D: Performance Guarantees** (see RFP Section 3.2.8.)
- **Appendix E: Contractor RFP Response** (*pending*)

**Appendix A
Scope of Services**

Table of Contents

DESCRIPTION:	SECTION:
Core Services	I.
Actuarial Services	I. A.
Healthcare Trust Fund Consulting Services	I. B.
Auditing Services and Schedule	I. C.
Federal, State, Local Statutory and Regulatory Compliance	I. D.
Healthcare and Benefits Research, Consulting, Procurement and Advisory Services	I. E.
General Services and As-Needed Services	I. F.
Weekly Account Management Meetings	I. G.
Health Service Board Meetings	I. H.
Print Materials	I. I.
Reports	I. J.
Assessment of Third-Party Services and Providers Capabilities	II.
Voluntary Benefits Administration Consulting	II. A.
Health Care and Dependent Care FSA Administration Consulting	II. B.
COBRA and AB528 Administration Consulting	II. C.
Rates and Benefits Calendar	III.
Services Provided by Attorneys	IV.
Department Liaison	V.
Location of Work	VI.
Principal Contact(s), Project Management and Key Staff	VII.

The Services under this Agreement shall consist of the following Services:

I. Core Services.

"Core Services" shall include all professional actuarial, financial or benefits expertise, analysis and counseling required by the San Francisco Health Service System (SFHSS) of [] ("Contractor"), at SFHSS' sole discretion and in the normal and regular course of its operations, including, but not limited to the services, tools, measures and methodologies outlined in Appendix [] ("Contractor RFP Response").

Without limiting the scope of the foregoing, "Services" shall include (without limitation):

A. ACTUARIAL SERVICES

Actuarial Services will be directly supervised by an approved actuary (i) with at least seven (7) years of experience with health benefit services for public-sector employees, (ii) who carries the designation of a Fellow in the Society of Actuaries (FSA) or the designation of Associate in the Society of Actuaries (ASA)¹, or who meets the American Academy of Actuaries qualification standards to be a FSA², (iii) has at least seven (7) years of experience providing testimony to legislative or administrative bodies, and (iv) is capable of discussing actuarial theory, actuarial assumptions and the basis thereof, and general accounting and actuarial subject matter, in a language easily understood by professionals without actuarial and/or accounting experience and/or education.³

1. ANNUAL RATE CALCULATION FOR MEDICAL AND DENTAL PLANS

a. CALCULATE ANNUAL RATES AND CONTRIBUTIONS

Calculate annual rates for the medical plans, dental plans, vision plans, and any new plans proposed or adopted by SFHSS, in accordance with currently adopted policies and other policies to be adopted from time to time by the Health Service Board (Board or HSB). Currently adopted policies include, but are not limited to, the following:

- Contingency Reserve Policy and Methodology
- HSB Governance Manual
- Incurred But Not Reported (IBNR) Reserve Policy and Methodology
- Self-Funded Plans' Stabilization Policy
- Self-Funded Plans' Contingency Policy
- SFHSS Strategic Plan(s), as applicable
- HSB Education Policy

b. CONDUCT RETROSPECTIVE RATE REVIEW

Conduct retrospective rate review and analysis as part of the annual rate-setting process. Where appropriate, review vendor underwriting assumptions and rate setting methodology and participate in vendor renewal discussions.

¹ <https://www.soa.org/education/exam-req/edu-asa-req/>

² <https://www.soa.org/education/exam-req/edu-fsa-req/>

³ A Chartered Enterprise Risk Analyst (CERA) designation (alone) is insufficient. A designation of MAAA (Member of the American Academy of Actuaries) (alone) is also insufficient.

c. ACCOUNTABLE CARE ORGANIZATION (“ACO”) SUPPORT AND MANAGEMENT

Work with SFHSS and applicable health plans surrounding the impact of ACO targets and their integration with self-insured rate setting. Additionally, Contractor will assist in the negotiations with health plans and ACO partners, ACO targets, monitoring, detailed review, and triage of ACO reporting and metric to ensure accuracy, and providing validation of ACO metrics, reconciliation, and reports.

d. EVALUATION OF BENEFIT PRODUCT OPTIONS

Review, evaluate, recommend, and present benefit product options upon request of SFHSS or Board. Review and evaluation should include, but not be limited to, the following: full comparison to existing benefits, comparison to benefits of similarly-situated employers, comparison and disclosure of value to the participating employers and SFHSS Members, balancing of employer and employee share of cost to available benefits, solvency and scale of the organizations that offer the benefits, and the long-term viability of the benefit offering.

e. CALCULATION OF CONTRIBUTION ALLOCATION

Calculate contribution amounts for participating employers and SFHSS Members, in accordance with policies currently adopted by the Board and other policies to be adopted from time to time by the Board.

f. ADDITIONAL RATE AND CONTRIBUTION SERVICES

- Calculate 10-County Survey amount in coordination with SFHSS.
- Provide stop-loss recommendations for self-funded plans.
- Calculate Administrative Services Only (ASO) fees and components thereof.
- Provide benchmarking for medical, dental and vision plans and copays.
- Negotiate benefit plan renewals including rates and contributions.
- Negotiate competitive rates with outside vendors.
- Review, adhere to, and update (as needed), the Rates and Benefits Calendar (Sec. III. “Rates and Benefits Calendar”).
- Conduct retrospective rate review and analysis of claims experience as part of the annual rate-setting process.
- Review vendor underwriting assumptions and rate setting methodology, inclusive of the evaluation of risk-scoring, and participate in the associated vendor renewal discussions.

2. CALCULATION OF RESERVES FOR ALL SELF-INSURED AND FLEX-FUNDED PLANS

Calculate reserves, including but not limited to Contingency, IBNR and Stabilization Reserves, for all self-insured, self-funded, and flex-funded plans, including, but not limited to, medical PPO self-insured plan(s), medical HMO flex-funded plan(s), and dental DPO self-insured plan(s), in accordance with currently adopted and other policies to be adopted from time to time by the Board.

3. CONSULTATION SERVICES TO THE HEALTH SERVICE SYSTEM BOARD AND THE SAN FRANCISCO HEALTH SERVICE SYSTEM WITH RESPECT TO SETTING THE POLICIES FOR RATE SETTING AND RESERVE SETTING PROCESS

a. REVIEW AND EVALUATE EXISTING HEALTHCARE TRUST FUND POLICIES

Review and evaluate the existing Healthcare Trust Fund “Self-Funded Plans Funding Policy”, “Contingency Policy”, the “Stabilization Policy” and any other HSB policy that is, or has been, implemented for rate setting and reserve setting process. Contractor will evaluate and propose new policies based on industry trends, best practices, and the SFHSS Member population. At the request of SFHSS, Contractor will prepare and present such policies to SFHSS and the Board for review and adoption.

b. REVIEW CURRENT BENEFIT DESIGN AND MAKE RECOMMENDATIONS

Review current benefit designs and make recommendations that represent innovation, high-quality, and industry best practices for Board consideration.

c. NEGOTIATE ALL VENDOR RATES

Negotiate competitive rates, inclusive of interim rates, on behalf of the Board with all vendors. Include SFHSS management team in strategy discussions and implementation processes.

4. FINANCIAL MODELING

Conduct financial modeling of plans, benefits or proposals such as the evaluation of financial impact of potential plan design changes and impacts of existing or proposed taxes, fees, or other charges that may impact the cost of healthcare.

5. CONTRIBUTION MODELING

Development of modeling and reporting for alternative contribution scenarios to address future costs/expenses and the rising cost of health care. As request by

SFHSS and the Board, development of modeling and reporting for periodic contribution subsidies from the Trust Fund, which may function to reduce both employer and SFHSS member contribution expense.

6. ALL PAYER CLAIMS DATABASE

Contractor shall be furnished access to the SFHSS All Payer Claims Database. Contractor shall provide subject-matter experts (SME) which are specialized in health data analytics, through All Payer Claims Database vendor (or another similar data analytics and support service provider), to review the content of the All Payers Claims Database and provide recommendations on meaningful metrics which would best support SFHSS initiatives, using the data that is currently being reported by other vendors. The Contractor SME's will function as resources to troubleshoot and explain data anomalies and provide guidance on best practices for extracting meaningful data.

Contractor shall support the expansion of data reporting to SFHSS in accordance with the SFHSS Standards and Express Dashboard and the Population Health Measurement Plan (as presented to the Board on December 8, 2022, available at <https://sfhss.org/board-meeting/2022-12-08t210000>) or any successor plan(s) and program(s) and in alignment with regional and national partners, including, but not limited to, the Purchasers Business Group on Health (PBGH) California Quality Collaborative (CQC), the Integrated Healthcare Association (IHA) Align, Measure Perform (AMP) program, the Centers for Medicare and Medicaid Services (CMS), the California Department of Managed Healthcare (DMHC), and the PBGH Advanced Primary Care Initiative (APCI) in California⁴.

7. ACTUARIAL PRESENTATIONS

a. LOCATION OF PRESENTATIONS.

Presentations to SFHSS Staff will generally occur, in-person, at the SFHSS Office located at 1145 Market Street, San Francisco, California, 94103. SFHSS, in its sole discretion, may elect to have meetings, in part or whole, conducted via teleconference or video conference, as deemed appropriate by SFHSS.

⁴ As of the date of this RFP, SFHSS is a participant in the PGBH California APCI pilot project.

Presentations to Board will generally occur, in-person and open to the public⁵, at San Francisco City Hall, located at 1 Dr Carlton B. Goodlett Pl, San Francisco, California 94102. The City and County of San Francisco or the Board may elect to have meetings, in part or in whole, conducted via teleconference or video conference, as deemed appropriate by The City, the Board and/or SFHSS.

b. PRESENTATION OF ANNUAL RATE RENEWAL RESULTS

Contractor shall be responsible for the presentation of the results of the annual rate and renewal process, which shall include, but not be limited to, the results of rate calculations including the retrospective analysis of historical rates and experience of the City's self-insured medical and dental plans, appropriateness and competitiveness of the benefit designs, stabilization for the self-insured plans, and the maintenance of Trust Fund contingency margin per the Board-approved contingency policy.

When presenting rate renewals, Contract shall include the following: assumptions and methodologies, highlighted explanations and reasoning for, and expected impact of, changes from previous rate renewals in plain language using PowerPoint or a similar presentation tool(s) or software, as deemed acceptable by SFHSS.

c. PRESENTATION OF POLICY RECOMMENDATIONS AND IMPACTS

Contractor shall present policy recommendation and impacts of those recommendations, if enacted, to include, but not be limited to, advice and recommendations to the Board and SFHSS staff with respect to setting policies (existing and new) and addressing issues and providing recommendations to support long-term and short-term cost savings while ensuring regulatory and legislative compliance.

d. PRESENT ON DELIVERY SYSTEMS, CLINICAL AND PHARMACY ANALYSES

Contractor shall review and analyze data, make recommendations, and present those recommendations, as requested by SFHSS or the Board, on delivery systems and alternatives, and clinical and pharmacy trends, including but not limited to, (i) complementary, integrated and/or alternative health care delivery models, (ii) rebates, (iii) specialty pharmacy, (iv) cost reduction and transparency, (v) opioid

⁵ Meetings are held publicly with the exception of any closed-sessions, as determined by, and in accordance with, Board rules and the San Francisco Administrative Code.

use, (vi) non-opioid pain management, (vii) primary care, (viii) behavioral health, and (ix) any industry best practices.

e. OTHER ACTUARIAL PRESENTATIONS

Contractor shall prepare and present other actuarial presentations as requested by SFHSS or the Board.

B. HEALTHCARE TRUST FUND CONSULTING SERVICES

Contractor shall perform professional actuarial, financial, and benefits consulting analysis and provide recommendations for the SFHSS Trust in accordance with the American Academy of Actuaries accepted actuarial practices, calculate reserves for medical PPO self-insured plan(s) and dental DPO self-insured plan(s), calculate and report on reserves for IBNR, claims stabilization, and contingency for self-funded and flex-funded plans, provide assistance with annual external audits, assist SFHSS in preparation of annual financial statements and provide required documents to external auditor(s) including, but not limited to, minimum contingency reserve recommendations, the flex-funded employee medical and pharmacy estimated reserve, and estimated IBNR reserve, in addition to the following:

1. STRATEGIC CONSULTING AND THE SFHSS STRATEGIC PLAN

Contractor shall identify implications and develop strategic solutions to address costs/savings of the City's health and benefit plans.

Contractor will provide ongoing support for the SFHSS strategic plan including status of and methods for advancing the goals of the SFHSS strategic plan and associated initiatives and efforts.

As of January 2023, the most-current strategic plan can be found at:

<https://sfhss.org/sfhss-strategic-plan-2023-2025>.

Notice to RFP Respondents: A recent example of an event designed to advance the SFHSS strategic plan was the SFHSS Mental Health Forum held in December 2022. For the Mental Health Forum, the SFHSS actuary and consultant (Aon) provided the following services:

- Identification of current organizational mental health strengths and opportunities,
- Development of the method and format for the live collaborative all-day mental health forum including multiple stakeholders from the City, SFHSS health plans and partners, and third-party service providers,

- Full facilitation of the live forum including Contractor staff members and subject-matter experts,
- Development of a written post-forum review, including key findings, gap analysis and next steps, and
- Overall project management of the development, administration and presentation of findings for the forum.

2. REVIEW AND ANALYSIS OF SFHSS PLANS AND BENEFITS

Contractor shall conduct all necessary and requested review and analysis of SFHSS plans and benefits to assist in implementing or assessing the effectiveness of policies adopted by the Board from time to time.

3. HEALTH SERVICE BOARD MEETINGS AND PRESENTATIONS

Contractor shall attend and present at meetings of the Board, including presenting SFHSS specific reports and health and benefits industry updates, as needed or as requested by SFHSS.

Presentations and handouts in the form of Microsoft PowerPoint slides shall be created in a format suitable for live presentation at the Board and posting to the SFHSS' website and should be understandable to the public and reflect plain language to the greatest extent possible and consistent with applicable City and County of San Francisco accessibility standards.⁶

Presentation slides, together with any other materials, must be submitted to the SFHSS Executive Director for review at least two weeks prior to the scheduled Board meeting unless otherwise approved in writing by SFHSS.

4. REPORTING AND ANALYSIS OF SFHSS PLANS AND BENEFITS

Contractor shall develop reports and other tools that assist the Board and SFHSS staff with monitoring and assessing current benefit plans, programs, plan and member experience, and cash-flow (as applicable), including reports consolidating information separately available from individual plans and vendors. Contractor shall monitor monthly expenses associated with providing services from all existing SFHSS plans and vendors, and provide cost-saving, and/or business process refinement recommendations, where applicable.

⁶ As of the date of this RFP, SFHSS is in the process of meeting the City's Digital Accessibility and Inclusion Standard, available at <https://sf.gov/reports/november-2021/digital-accessibility-and-inclusion-standard>.

5. GENERAL ADVICE, GUIDANCE AND VENDOR MANAGEMENT

Contractor shall provide notice and advice regarding industry best practices, trends, benchmarking, and developments, including recommendations for changes to benefit design, contracting language, required reporting, performance metrics, member-facing plan documents and Board policies. Contractor shall assist with evaluating the performance of plans and vendors, including, but not limited to, performance guarantees, key performance indicators and metrics, the development and review thereof, and vendor comparative diagnostic metrics. This may also include the evaluation of new benefit offerings and providing clinical analysis.

6. OTHER CONSULTING SERVICES AS-NEEDED

Contractor shall provide other consulting services necessary to SFHSS and the Board or that is associated with identified core services.

C. AUDITING SERVICES AND SCHEDULE

1. AS-REQUESTED VENDOR CLAIMS AND PERFORMANCE AUDITS

- a. Contractor shall conduct clinical and claims auditing and reporting, and present findings on claims and performance audits, (including but not limited to statistical claims review, claims processing, staffing assessments, claims appeals, non-Medicare claims experience) of third-party administrators and other vendors.
- b. Contractor shall conduct as-requested auditing of met and unmet metrics associated with contracted health, dental and vision care plan vendor performance guarantees.
- c. Contractor shall conduct comprehensive assessments of claim handling and payments, plan management, and customer service.
- d. Contractor shall conduct stop-loss evaluation and provide recommendations, including an assessment of reinsurance for self-funded plan(s).

Contractor shall support medical plan audits.

2. AS-REQUESTED VENDOR CLINICAL AUDITS

Contractor shall conduct and present finding on clinical audit in areas such as utilization management, case management and disease management/specialty care, to establish baseline performance goals and control costs.

3. ASSISTANCE WITH ANNUAL TRUST FUND AUDIT AND FINANCIAL STATEMENT.

Contractor shall provide required documentation on the reserve calculations, lag triangles, and other required attestations as well as working with actuaries of external auditor(s).

4. SFHSS AUDIT POLICY

Contractor shall support required and periodic operational, performance and compliance audits in accordance with the SFHSS Audit Policy, as approved by the Board, and in alignment with the annual audit schedule, as developed by the SFHSS.

Contractor shall develop the scope of work for any required or periodic audit, consistent with available funding and the Board/ City-approved SFHSS budget. Any scopes of work shall be submitted for review and approval by the SFHSS Executive Director prior to work being performed.

- a. *Audit Scope.* Prior to conducting any audit, an Audit Scope shall be submitted to SFHSS for review and approval which will include, but is not limited to, the following: a detailed description of the scope and subject matter of the audit, required information, audit methodology and proposed schedule, including but not limited to the estimated hourly time commitments of assigned audit staff.
- b. *Reporting.* SFHSS shall review a draft audit report of all audit results, as well as the evaluation phase of an audit (“Fieldwork”), questions and concerns, and corrective action plans. Upon finalization of the review of the audit report by the SFHSS, the Executive Director shall review the and approve a final audit report (“Audit Report”).
- c. *Presentation.* The Executive Director and/or Contractor may present Audit Reports to the Board. As applicable, the Executive Director may distribute Audit Reports to Board-approved entities and/or post Audit Reports publicly to the SFHSS website or other entities, in accordance with applicable laws, rules and regulations.
- d. *Audit Documentation.* All documentation from Fieldwork, draft Audit Reports, and Audit Reports themselves, shall be the property of the City and retained according to the policies and procedures of the City’s Office of the Controller and the Board.
- e. *Future Audits, Audit Schedule Development and Audit Policy Recommendations.* Contractor shall support the development of the annual audit schedule and provide recommendations for additions and/or modifications to the Audit Policy as well as the list of required and periodic audits.

f. *Audit and Reporting Schedule.* For the 2022 plan year (January 1, 2022 – December 31, 2022), the SFHSS audit schedule is as follows along with additional reporting services and requirements:

<u>Title:</u>	<u>Frequency:</u>	<u>Brief Description:</u>
PCI DSS risk assessment	Annually	Done via vendor TTX engages.
Domestic Partner Imputed Income Certification	Annually	Audit to verify current status of Domestic Partnership of SFHSS members through filed IRS Tax forms.
Financial Statements Audit	Annually	Audit of Financial Statements
Dependent Eligibility Verification	Annually	Audit to verify eligibility of Dependents of SFHSS members, in accordance with SFHSS Member Rules. (https://sfhss.org/san-francisco-health-service-system-member-rules)
Cybersecurity Risk Assessment	Annually	Internal evaluation of controls performed against current NIST Standards.
Compliance with IRS regulatory filing	Annually	Review / Confirmation that regulatory filing for tax year was completed: PCORI 1095 1099
Medical Loss Ratio (MLR) Report to CMS	Annually	As-needed support for SFHSS in reporting of the proportion of premium revenues spent on clinical services and quality improvement.
Medicare Part D Creditable/Non-	Annually	As-needed support for SFHSS in identifying and providing notice of creditable or non-creditable coverage to all

Creditable Coverage Notice		SFHSS Medicare-eligible employees or covered dependents prior to Part D enrollment period.
FSA Balance Notification	Annually	As-needed support for SFHSS in meeting the California annual notification requirements for deadline to withdraw FSA funds (AB-1554).
Confirmation of Benefit Information for 1099-MISC	Annually	As-needed support for SFHSS in meeting the requirement to provide 1099-MISC to enrolled members.
Confirmation of Benefit Information for W2	Annually	As-needed support for SFHSS in meeting the PPACA/IRS requirements to calculate and report the cost of coverage under an employer-sponsored group health plan for employee W2s.
Compliance with HIPAA Requirements	Monthly/Semi-annual	Audit of administrative requirements: - Semi-annual review of PeopleSoft access - Monthly review of door access security - Semi-annual review of handling of PHI

f.g. Additional Audits, Evaluations and Assessments. The following is a summary of certain additional audits that have been performed between 2020 and 2022. Similar audit may be performed between July 2023 and June 2026.

- High-value/high-cost claims audits and evaluation of medical management programs (SFHSS HMO plans);
- Anti-fraud, waste and abuse (FWA) audits on processed HMO and PPO claims to identify inappropriate utilization issues, including controlled substance abuse, eligibility sharing, dispense-as-written analysis, compound claims, and billing irregularities;
- Pharmacy Benefit Manager (PBM) manufacturer payment audits;
- Audit and assessment of SFHSS health plan offerings and compliance with the Mental Health Parity and Equity Act of 2008 (MHPAEA);

- Federal Mental Health Parity Compliance Audit [2020]
- Anti-Fraud, Waste and Abuse Audit [2020, United Healthcare (UHC), BSC); and
- Operational assessment and medical claim systems testing for HMO plans selected as a result of the 2020 request for proposals for health plans for the 2022 plan year.

5. OTHER AS-NEEDED AUDITING SERVICES

Contractor may be required to perform other as-needed auditing services which may include, but is not limited to, SFHSS- or Board-requested audits of City eligibility, health plan medical group claims or expense, claims and operational audits, pharmacy cost audits, audits of pre-Medicare retiree plans and utilization, or other administrative or Health Trust expense.

D. FEDERAL, STATE, LOCAL STATUTORY AND REGULATORY COMPLIANCE

1. STATUTORY & REGULATORY CONSULTING

Contractor shall identify implications and develop strategies to respond to City, Board and SFHSS statutory and regulatory compliance and reporting requirements at the Local, State and Federal level. Contractor shall propose, for review, and discussion, and upon approval by SFHSS, develop, long-term and short-term proposals for compliance and in cases of projected financial impact, financial modeling.

2. GENERAL COMPLIANCE CONSULTING

On an ongoing and routine basis, Contractor shall report and advise on Local, State, and Federal, statutory and regulatory proposals. Contractor shall provide SFHSS with strategies to implement required or beneficial changes to all impacted policies, plans, products, and/or City departments and agencies, as applicable.

3. ADDITIONAL COMPLIANCE CONSULTING SERVICES

- a. Contractor shall provide creditable/non-creditable annual disclosure to Centers for Medicare and Medicaid Services (CMS).

- b. Contractor shall provide compliance support for IRS 1095-B and 1095-C minimum essential coverage reporting due to employees.
- c. Contractor shall provide quality control and review of rates and benefits and other related rates and benefits subjects as they arise.
- d. Contractor shall collaborate with SFHSS leadership and provide SFHSS health and benefit plan renewal letters and confirmation letters.
- e. Contractor shall provide and present letters including but not limited to the annual rates and benefits letter to San Francisco Board of Supervisors from SFHSS and the Board.
- f. Contractor shall calculate and confirm Medicare Part D creditability for all health plans with prescription drug coverage.
- g. Contractor shall provide weekly updates on new, expiring, pending or potential compliance, legislative and/or regulatory requirements, health and benefit industry trends, and local, state and federal legislative and regulatory trends and developments.

E. HEALTHCARE AND BENEFITS RESEARCH, CONSULTING, PROCUREMENT AND ADVISORY SERVICES

1. Contractor shall appraise, evaluate, update, and, if deemed necessary by SFHSS and the Board, research and present to SFHSS and the Board, current, pending, proposed, and forecasted legislation, regulations, codes, agency actions, industry trends and developments, including long-term and short-term cost-saving measures, as they relate to SFHSS and SFHSS plans and benefits.
2. Contractor shall update SFHSS on federal and state requirements for plan materials and membership rules to ensure current and future legislative and regulatory compliance.
3. Contractor shall recommend high-value benefit design changes that represent innovation and reflect best practices in the medical, vision, dental, and related benefit industries.
4. Contractor shall schedule and lead annual planning meetings and *ad-hoc* meetings as determined by SFHSS.

5. Contractor shall schedule and attend utilization and *ad-hoc* meeting with SFHSS vendors as determined by SFHSS.

F. GENERAL SERVICES AND AS-NEEDED SERVICES

1. INVOICING

- a. *Monthly Invoicing.* Contractor shall prepare a detailed monthly invoice for SFHSS, including, but not limited to, a breakdown by service category, project and/or assignment, including task(s) performed, hours utilized by assigned contractor staff.
- b. *Annual Budget.* Prior to each fiscal year (July – June), Contractor shall prepare a proposed annual budget for services. Contractor shall provide quarterly reporting and any necessary tracking and revisions sufficient to permit SFHSS staff to adequately predict, monitor and control costs.

2. CONDUCT VENDOR RFP PROCESS

As-requested, Contractor shall assist SFHSS in competitive selection process and exploratory processes (*e.g.*, formal Requests for Information or RFIs) including, but not limited to, drafting the proposal request, scope of work, minimum and desired qualifications, and scoring and evaluation criteria, as well as coordinating the response to formal questions, the collection and review of proposals, summarizing vendor submissions, and developing presentations for the evaluation panel, SFHSS and/or the Board.

3. UNION NEGOTIATION SUPPORT

As requested by SFHSS, and absent any conflicts of interest as determined by SFHSS and the City, Contractor shall participate in and provide advice to City negotiators during negotiations and discussions with labor organizations representing various subsets of the SFHSS Member population.

4. GENERAL SUPPORT AROUND TRANSITION OF WORK PRODUCTS

Contractor shall provide support to SFHSS in areas of transitioning Core Services responsibilities from the Contractor to one or more parties delegated by SFHSS. Transition of work product includes, but is not limited to, any specifications used to develop work product, policy and procedure documentation, work-flow diagrams, and a presentation of these materials and their uses.

5. TRANSITION PLAN

Contractor shall create, and update, at the request of SFHSS, a comprehensive plan for the transition of actuarial and consulting services to an incoming actuarial firm. Contractor shall provide administrative, project management and actuarial support to implement and execute the transition of actuarial and consulting services to an incoming actuarial firm, as required by SFHSS, including but not limited to:

- Providing historical information, reports and supporting work product;
- Providing vendor contact information, vendor-generated reports, contractual agreements, memoranda of understanding, or informal agreements, plan documents, performance guarantees and supporting metrics, analysis and history; and
- Coordinating and collaborating with incoming actuary and consultant(s) regarding historical approach to Services and methodologies.

Contractor shall not be required to disclose proprietary and/or confidential trade secrets and/or intellectual property (collectively “Confidential Information”) in so far as the Confidential Information is not the property of SFHSS pursuant to this Agreement.

6. ADDITIONAL PROJECT SERVICES

“Additional Project Services” shall mean any reports, studies, evaluations, surveys comparisons, analyses or other services that are requested by SFHSS or the Board as they relate to, support, or advance Core Services.

7. SPECIAL PROJECTS

Special Projects shall mean other services that are requested by SFHSS, in its sole discretion, outside the scope of Core Services but necessary for the operations, future planning or compliance of SFHSS, the Board and/or the City.

Special Projects shall be mutually agreed upon between the Contractor and SFHSS, prior to initiating work and/or invoicing, and shall be the subject of an appendix to this Agreement.

Costs for Special Projects shall be subject to Appendix B, (Calculation of Charges) in so far as the Special Project is performed by or under the director of the Key Staff, supporting staff members and/or subject-matter experts (SMEs) listed therein.

G. WEEKLY ACCOUNT MANAGEMENT MEETINGS

Contractor shall schedule, coordinate and lead account management meetings on a weekly basis and/or as required by SFHSS. Weekly account management meeting will generally occur, in-person, at the SFHSS Offices located at 1145 Market Street, San Francisco, California, 94103. SFHSS, in its sole discretion, may elect to have the meeting, in part or whole, conducted via teleconference or video conference.

H. HEALTH SERVICE BOARD MEETINGS

In addition to Actuarial Presentations to the Board, described above, Contractor will attend and prepare oral and written presentations for all regular and special meetings of the Board, as required by SFHSS and the Board.

Regular meetings of the HSB are typically scheduled for the second Thursday of each month however, additional meetings, as required or requested by SFHSS or the Board may occur at other times with at least ten (10) days notice.

The regularly monthly meeting of the HSB may be suspended with prior written notice by the Board.

In addition, certain meetings of the Board may be designated for educational purposes and presentations to be conducted in whole or in part by Contractor at the request of SFHSS and the Board on pre-determined topics.

Presentations to Board will generally occur, in-person and open to the public, at San Francisco City Hall, located at 1 Dr Carlton B. Goodlett Pl, San Francisco, California 94102. The City and County of San Francisco or the Board may elect to have meetings, in part or in whole, conducted via teleconference or video conference, as deemed appropriate by The City, the Board and/or SFHSS.

I. PRINT MATERIALS

All written material and work product, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible and conform to the San Francisco Resource Conservation Ordinance (<https://sfenvironment.org/policy/chapter-5-resource-conservation-ordinance>).

J. REPORTS

As part of the Core Services, Contractor shall submit written reports as requested by SFHSS. Formatting for the content of such reports shall be determined by SFHSS.

The timely submission of all reports is a necessary and material term and condition of this Agreement.

II. Assessment of Third-Party Services and Providers.

Notice to RFP Respondents: As part of this RFP response, Respondents are asked to provide any relevant supplemental information, experience and/or capabilities in evaluating, assessing, and/or procuring, directly providing, and/or subcontracting to provide, the Services and Third-Party Service Providers identified in this Section II. Please limit your response to relevant experience and/or capabilities. SFHSS will not award any Third-Party Services or services currently provided by Third-Party Service Providers as a result of this RFP.

As requested by SFHSS, Contractor shall perform a periodic assessment of certain benefit providers and third-party service providers currently under contract with SFHSS and/or the City or which may be procured by the SFHSS and/or the City in the future. The assessment may include recommendations of alternative means of obtaining one or more third-party services, assessments of the capabilities of one or more third-party service providers, third-party service provider compliance, and/or alternative means or methods of meeting the needs of SFHSS and the SFHSS Member population.

"Third-Party Services" shall include the following services provided by the below-listed vendors for SFHSS and SFHSS Members.

A. Voluntary Benefits Administration Consulting

As requested by SFHSS, Contractor shall evaluate and provide recommendations regarding the voluntary benefits available to SFHSS Members and SFHSS voluntary benefits administrator.

Notice to RFP Respondents: As part of your response to the RFP, please evaluate the current state of SFHSS voluntary benefits and your proposed course of action for future plan years (2023, 2024, 2025), which includes but is not limited to: new voluntary insurance options which may be popular, innovative, and/or useful, guaranteed issue options for all insurance lines, competitive best in class pricing and pricing guarantees, use of third-party administrators or insurance brokers to maintain agreements/insurance contracts for voluntary insurance policies, and providing a voluntary benefit exchange with a dedicated service center to assist City employees with enrollment, navigating elected benefits, and other issues relating to triage of voluntary benefits. A summary of SFHSS' history with the services and current state are provided for reference.

HISTORY AND CURRENT STATE:

In addition to a broad offering of pre-tax health, dental, and vision benefits, SFHSS also makes available post-tax voluntary benefits to City employees. SFHSS currently offers, through a third-party administrator, a suite of voluntary benefits which includes: Identify theft Protection (Allstate), Supplemental Group Term Life Insurance (The Hartford), Lifetime Benefit Term Insurance with Accelerated Death Benefit for Long-Term Care (Chubb), Pre-Paid Legal Assistance (Legal Shield), Supplemental Short-term disability (Manhattan Life), Voluntary Long-term Disability (The Hartford), Accident Insurance (MetLife), Critical Illness Insurance (MetLife), and Pet Insurance (Pets Best).

The current enrollment counts for these voluntary benefits plans is as follows:

- **Identify theft Protection (Allstate)**
 - Enrollment as of 01/01/2023: 636 Participants
- **Supplemental Group Term Life Insurance (The Hartford)**
 - Enrollment as of 01/01/2023: 4,064 Participants
- **Lifetime Benefit Term Insurance with Accelerated Death Benefit for Long-Term Care (Chubb)**
 - Enrollment as of 01/01/2023: 64 Participants
- **Legal Assistance (Legal Shield)**
 - Enrollment as of 01/01/2023: 1,112 Participants
- **Supplemental Short-term disability (Manhattan Life)**
 - Enrollment as of 01/01/2023: 1,113 Participants
- **Voluntary Long Term Disability (The Hartford):**
 - Enrollment as of 01/01/2023: 22 Participants
- **Accident Insurance (MetLife)**
 - Enrollment as of 01/01/2023: 1,575 Participants
- **Critical Illness Insurance (MetLife)**
 - Enrollment as of 01/01/2023: 2,085 Participants
- **Pet Insurance (Pets Best)**
 - Enrollment as of 01/01/2023: 832 Participants

In addition to the participants listed above, there are an additional 269 participants who remain on the benefits, which are no longer available to new enrollments

effective 01/01/2023. These plans which are no longer electable consist of universal life, cancer, accident, heart and stroke, long-term care, and short term disability policies.

B. Health Care and Dependent Care FSA Administration Consulting

As-requested by SFHSS, Contractor shall evaluate the current Healthcare and Dependent Care Flexible Spending Account (“FSA”) administration services for the City’s employees. FSA administration for the City includes all facets of administration, including eligibility, compliance (including non-discrimination testing), claims review and payment, customer service, employee communications, account management, and reporting.

Notice to RFP Respondents: As part of your response to the RFP, please evaluate the current state of SFHSS Health Care and Dependent Care flexible spending accounts and your proposed course of action for future plan years (2023, 2024, 2025). A summary of SFHSS’ history with the services and current state are provided for reference.

HISTORY AND CURRENT STATE:

Currently, SFHSS has a direct contract for FSA administration services with a third-party administrator, which has been in place since 2015. SFHSS offers the FSA employees of all Participating Employers, except for employees of the San Francisco Community College District and San Francisco Unified School District. Based on the most recent Census Data, 33,621 employees would be eligible to enroll in an FSA provided through SFHSS.

As SFHSS does not offer any HSA or HRA options, the FSA has remained to be popular with City employees, which 26% of eligible City employees have elected SFHSS offered FSAs.

Enrollment in SFHSS offered FSAs has continued to increase, as follows:

- **2020**
 - Health Care FSA: 6,395 Participants
 - Dependent Care FSA: 1,497 Participants
- **2021**
 - Health Care FSA: 6,084 Participants
 - Dependent Care FSA: 904 Participants
- **2022**

- Health Care FSA: 6,606 Participants
- Dependent Care FSA: 1,291 Participants
- **2023**
 - Health Care FSA: 7,377 Participants
 - Dependent Care FSA: 1,506 Participants

Information on the maximum contributions, run-out periods, carryover, administration and claims for the Healthcare FSA can be found within Appendix B (Health Care Flexible Spending Account Benefit Component) of the San Francisco Health Service System Section 125 Cafeteria Plan document, located at <https://sfhss.org/san-francisco-health-service-system-member-rules>. Information on the maximum contributions, administration, and claims for the Dependent Care FSA can be found within Appendix C (Dependent Care Flexible Spending Account Benefit Component) of the San Francisco Health Service System Section 125 Cafeteria Plan document, located at <https://sfhss.org/san-francisco-health-service-system-member-rules>.

C. COBRA and AB528 Administration Consulting

As- requested, Contractor shall evaluate COBRA services for the City’s employees and their dependents enrolled in SFHSS health, dental and vision plans, and AB528 administration services for San Francisco Community college retirees and their spouses/domestic partners. COBRA and AB528 administration for the City includes all facets of administration, including distribution of material and required notices, compliance, customer service, account management, and reporting.

Notice to RFP Respondents: As part of your response to the RFP, please, please evaluate the current state of SFHSS COBRA and AB528 administration and your proposed course of action for future plan years (2023, 2024, 2025). A summary of SFHSS’ history with the services and current state are provided for reference.

HISTORY AND CURRENT STATE, COBRA AND AB528:

Currently, SFHSS has a direct contract for COBRA and AB528 administration services with a third-party administrator, which has been in place since 2015. The total population enrolled in SFHSS Benefits, who may be eligible to receive these services exceeds 88,000⁷ employees.

⁷ <https://sfhss.org/resource/2022-sfhss-demographic-report>

The volume of COBRA notices over the past two years is as follows:

- 2021 New Hire/Initial Notice: 3,407
- 2021 Qualifying Life Event Notices: 4,417
- 2022 New Hire/Initial Notices: 4,514
- 2022 Qualifying Live Event Notices: 4,889

The count of AB528 continuants for the past two years is as follows:

- 2021 AB528 Continuant Count: 9
- 2022 AB528 Continuant Count: 8

III. Rates and Benefits Calendar.

The Rates and Benefits Calendar for Plan Year 2023 as of June 3, 2022 and is provided here for reference.⁸ The annual rates and benefits calendar and is modified by SFHSS in collaboration with Contractor as necessary for each plan year:

Meeting Date	Topics to be Addressed or Outcomes to be Achieved
December 9, 2021	Black-out Notice – Rates and Benefits (December 2022 – June/July 2023)
January 13, 2022	<p><i>Discussion:</i></p> <p style="text-align: center;">Present Rates and Benefits Calendar for Plan Year 2023</p> <p><i>Action:</i></p> <p style="text-align: center;">Approve the June 30, 2021 Incurred But Not Reported (IBNR) Reserve and Contingency Reserve Amounts for Self-Funded and Flex-Funded Health Plans</p>
February 10, 2022	<p><i>Discussion:</i></p> <p style="text-align: center;">Present Rates and Benefits Calendar for Plan Year 2023</p> <p style="text-align: center;">Enrollee Demographics for Plan Year 2022</p> <p><i>Action:</i></p> <p style="text-align: center;">Review and Approve The Hartford Fully Insured 2023 Rates and Contributions (Life Insurance, Accidental Death & Dismemberment, and Long-Term Disability Plans)</p>

⁸ Available at <https://sfhss.org/board-annual-rates-and-benefits-cycle#tab-27202>; see also the Rates and Benefits Calendar for Plan Year 2022 at <https://sfhss.org/resource/rates-and-benefits-calendar-plan-year-2022>.

Meeting Date	Topics to be Addressed or Outcomes to be Achieved
February 24, 2022	<i>This supplemental as-needed meeting of the Health Service Board for annual rates and benefits discussion and action items as not required for CY2022.</i>
March 10, 2022	<p><i>Discussion:</i></p> <p>Present Rates and Benefits Calendar for Plan Year 2023</p> <p><i>Action:</i></p> <p>Review and Approve 10-County Survey Results; Review Blue Shield of California Flex-Funded Non-Medicare HMO Plans 2021 Claims and Utilization Experience and Approve the Use of One-Third of the Stabilization Reserve Surplus as of December 31, 2021; Review Delta Dental of California (Delta Dental) Self-Funded Active Employee PPO Plan 2021 Claims & Utilization Experience and Approve One-Time Suspension of the Stabilization Policy and Approve the Use of One-Half of the Stabilization Reserve Surplus as of December 31, 2021.</p>
March 24, 2022	<i>This supplemental as-needed meeting of the Health Service Board for annual rates and benefits discussion and action items as not required for CY2022.</i>
April 14, 2022	<p><i>Discussions:</i></p> <p>Present Rates and Benefits Calendar for Plan Year 2023; Review Kaiser Permanente Active Employee and Early Retiree HMO Plan 2021 Claims and Utilization Experience</p> <p><i>Actions:</i></p> <p>Review Self-Funded Non-Medicare PPO Plan 2021 Claims and Utilization Experience and Approve the Use of One-Third of the Stabilization Reserve Deficit as of December 31, 2021; Review and Approve VSP Vision Fully Insured 2023 Rates and Contributions; Review and Approve Retiree 2023 Dental Rates and Contributions for Fully Insured Plans (Delta Dental PPO Plan, DeltaCare USA HMO Plan, UnitedHealthcare (UHC) HMO Plan).</p>
April 28, 2022	<i>This supplemental as-needed meeting of the Health Service Board was required for CY2022.</i>

Meeting Date	Topics to be Addressed or Outcomes to be Achieved
	Health Service Board Strategic Planning Special Meeting
May 12, 2022	<p>Discussions:</p> <p>Health Plan 2023 Rate Summary-Active Employee/Early Retiree Health Plans;</p> <p><i>Actions:</i></p> <p>Review and Approve Blue Shield of California Medical/Rx Flex-Funded Non- Medicare HMO Plans 2023 Rates and Contributions;</p> <p>Review and Approve Health Net CanopyCare Medical/Rx Flex-Funded Non- Medicare HMO Plan 2023 Rates and Contributions;</p> <p>Review and Approve Blue Shield of California PPO-Accolade Medical/Rx Self- Funded Non-Medicare 2023 Rates and Contributions;</p> <p>Review and Approve Kaiser Permanente (California) Fully Insured Non- Medicare Medical/Rx 2023 Rates and Contributions;</p> <p>Review and Approve Active Employee 2023 Dental Rates for Self-Funded Delta Dental PPO Plan, Fully Insured DeltaCare USA HMO Plan, and Fully Insured UnitedHealthcare (UHC) HMO Plan.</p>
May 26, 2022	<i>This supplemental as-needed meeting of the Health Service Board for annual rates and benefits discussion and action items as not required for CY2022.</i>
June 9, 2022	<p><i>Discussions:</i></p> <p>Health Plan 2023 Rate Summary—Medicare Retiree and Kaiser Multi-Region Retiree Health Plans</p> <p><i>Actions:</i></p> <p>Review and Approve Kaiser Permanente Multi-Region Retiree HMO Plans Fully Insured 2023 Rates and Contributions;</p> <p>Review and Approve Kaiser Permanente Senior Advantage (California) Fully Insured Medicare Retiree 2023 Rates and Contributions;</p> <p>Review and Approve UnitedHealthcare (UHC) Medicare Advantage PPO Fully Insured Medicare Retiree 2023 Rates and Contributions.</p>

Meeting Date	Topics to be Addressed or Outcomes to be Achieved
June 16 or 23, 2022	<i>This supplemental as-needed meeting of the Health Service Board for annual rates and benefits discussion and action items as not required for CY2022.</i>
June 21, 2022	Rate and Benefits package introduced to BOS by SFHSS and assigned to BOS Budget and Finance Committee. Contractor availability as-needed by SFHSS.
July 13, 2022	BOS Budget and Finance Committee review of rates package. Contractor availability as-needed by SFHSS.
July 19, 2022	First reading by full BOS. Contractor availability as-needed by SFHSS.
July 26, 2022	Second reading by full BOS. Contractor availability as-needed by SFHSS.

IV. Services Provided by Attorneys.

Any Contractor services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the Office of the San Francisco City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

V. Department Liaison.

In performing the Services provided for in this Agreement, Contractor’s primary contact with the San Francisco Health Service System will be the SFHSS Executive Director or authorized designee(s) as established by the SFHSS Executive Director.

VI. Location of Work.

A. Primary Office Locations

Contractor will be providing Services from the following locations:

Primary Office Location: [City, State]

Additional Office Locations: [City, State]

Location of Subject-Matter Experts: [City, State]

B. Requirement for Approval of Services Outside the Continental United States

Any services provided outside of the continental United State must be approved in writing by SFHSS and in advance of any work being performed and may require review and approval by the City and County of San Francisco Department of Technology Chief Information Officer (DT-CIO). DT-CIO approval or a waiver of this requirement cannot be guaranteed by SFHSS or the City.

VII. Principal Contact(s), Project Management and Key Staff.

A. Principal Contacts and Key Staff:

1. Principal Contact:

[Name]

[Title]

[Number of years with organization]

[Primary office location City, State]

[email address]

2. Supervising Actuary:

[Name]

[Title]

[Number of years with organization]

[Professional designations, memberships or associations, if any]

[Primary office location City, State]

[email address]

3. Additional Supporting or Consulting Actuary(ies) to SFHSS including Supervising Actuary(ies):

[Name(s)]

[Title(s)]

[Number(s) of years with organization]

[Professional designations, memberships or associations, if any]

[Primary office location(s) City, State]

[email address(es)]

4. Primary Subject-Matter Experts:

[Area(s) of Expertise]

[Name(s)]

[Title(s)]

[Number(s) of years with organization]

[Professional designations, memberships or associations, if any]

[Primary office location(s) City, State]

[email address(es)]

5. Project Manager:

Contractor will provide a project manager who will be responsible for tracking scheduling and both internal and external deadlines including, but not limited to, regulatory filing and reporting deadlines, meeting project delivery dates, and coordinating with SFHSS and the Executive Director on all Core Services and Special Projects. Project Manager shall support, track, maintain and administer the following:

- Open items log with responsible party, due date and priority
- Annual project plan detailed by month, category, activity and owner/responsible party(ies)
- Annual renewal tracking log
- Detailed Board agenda items, organized by month/meeting
- Board educational forum and topics (routinely held in November each year)
- Tracking of mid and long-term projects
- Weekly account management meetings and special/*ad hoc* meetings
- Coordination, facilitation and delivery of monthly Board presentations, Board meetings and post-Board meeting/debriefs with SFHSS
- Monthly, quarterly and annual plan/carrier meetings, including renewal, utilization, clinical and performance standard meetings
- Quarterly SFHSS and ACO collaboration meetings
- Ongoing meetings and calls related to each functional area including financials, compliance and legislative, vendor management, implementation and other ad-hoc needs
- SFHSS project management documentation and memorialization of information about key stakeholders, scope(s) of services, communication plan(s), quality management plan(s), scheduling of activities, contract and billing processes, vendor expectations and contacts
- Contractor staffing, contact information, and calendar
- Onboarding and offboarding of Contractor staff, personnel, subcontractors and consultants

6. Consent to Reassign Personnel:

Contractor shall not reassign personnel assigned to the contract, including but not limited to the Principal Contact, Supervising Actuary and Consulting Actuary and Key Staff identified in Appendix A and Appendix [] (Contractor RFP Response), during the term of the Agreement without prior notification to SFHSS and the Board. If Contractor personnel is unable to perform duties due to illness, resignation, or other factors beyond Contractor's control, Contractor shall make every reasonable effort to provide suitable substitute personnel for review and approval by SFHSS.

7. Substitute Personnel:

Contractor shall coordinate with SFHSS regarding the selection of Substitute Personnel including, but not limited to in-person interviews with proposed Substitute Personnel. Substitute Personnel shall not automatically receive the hourly rate of the individual or position being replaced. SFHSS and Contractor shall negotiate the hourly rate of any substitute personnel into the contract. The hourly rate negotiated shall depend, in part, upon the experience and individual skills of the proposed substitute personnel. The negotiated rate cannot exceed the hourly rate stated in the contract.

8. Removal of Personnel:

SFHSS reserves the right to request Contractor personnel be removed from performing any services upon written notice to the Contactor including, but not limited to, for actual or perceived conflict(s) of interest, or failure to meet the needs of SFHSS or the Board. If Contractor personnel is removed, Contractor shall assign Substitute Personnel.

The remainder of this page intentionally left blank

Appendix B Calculation of Charges

Notice to RFP Respondents: Please reference RFP section 3.2.7.

1. **Fees.** The services described in Appendix A will be billed and invoiced on an hourly rate basis, determined by the Contractor staffing levels and associated hourly fees along with the number of hours spent on each task. Detailed backup documentation on staff member, task and hours must be provided with the invoices and the City will not pay if the documentation is not provided.
2. **Actual Costs.** Actual and incurred professional service costs will be billable to the City, payable as specified in Section 3.3 of the Agreement (Compensation). Payments for services will be paid on a “not-to-exceed” basis. "Not-to-exceed" means that the Contractor shall perform its obligations under the Agreement for the amounts listed in Table 2, even if it is required to expend more than the projected hours and/or maximum costs listed in Table 2. Payments for services will be based on actual hours. In the event that actual and incurred costs are lower for professional services, the City will only pay based upon submitted lower actual and incurred costs.
3. **Hourly Rates.** Hourly rates noted in Table 1 (Hourly Rates) are guaranteed for the period July 1, 2023 through June 30, 2028.
4. **Not-to-Exceed Cost.** The \$_____ Agreement amount set forth in Section 3.3 (Compensation) is allocated and described in Table 2 (Listed Annual Costs). The listed annual costs in Table 2 are the maximum amounts the City will pay the Contractor for services performed for the described time periods and/or tasks indicated in Table 2.
5. **Extension of Services upon Contract Expiration.** In connection with the expiration of the term of an Agreement with the City, Contractor shall assist in and cooperate with, in all reasonable respects, the transition of services, including services then being performed, or services Contractor is obligated to performed, so as to cause and support an orderly transition of services to the incoming actuarial and health benefit consulting firm.

The remainder of this page intentionally left blank

Table 1- Hourly Rates

Notice to RFP Respondents: Please reference RFP section 3.2.7.

Staffing Level	Team Role	Team Member	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28
<i>e.g. actuarial, non-actuarial, subject-matter expert + area(s) of expertise, admin. support, SVP, third-party consultant + company, etc.</i>	<i>E.g. actuary, analyst, RX SME, etc.</i>	Last, First	\$	\$	\$	\$	\$

Table 2 – Listed Annual Costs

Notice to RFP Respondents: Please reference RFP section 3.2.7.

<i>Services [SOW Section]</i>	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	Total:
Core Services [Sec. I]	\$	\$	\$	\$	\$	\$
Any Applicable Special Projects, Third-Party Services (if provided by Contractor or through a partnership) [Sec. II]	\$	\$	\$	\$	\$	\$

[This area intentionally left blank]

Appendix C – 1

City and County of San Francisco Professional Services Terms, Conditions and Insurance Requirements

Notice to RFP Respondents: Pursuant to RFP section 3.2.8, Respondents are required to review and response to the required City and County of San Francisco form of agreement which has been posted to <https://sfhss.org/RFPs> in Microsoft Word format with tracked changes locked for reference and comment by Respondents to this RFP.

Appendix C - 2
City and County of San Francisco Business Associate Agreement

Notice to RFP Respondents: Pursuant to RFP section 3.2.8, Respondents are required to review and response to the required City and County of San Francisco business associated agreement (BAA) which has been posted to <https://sfhss.org/RFPs> in Microsoft Word format with tracked changes locked for reference and comment by Respondents to this RFP.

Appendix D Performance Guarantees

Notice to RFP Respondents: Pursuant to RFP section 3.2.8, Respondents are required to submit proposed Performance Guarantees. The following is a sample of the contract language that may be applicable to professional services performance guarantees for SFHSS Contractors.

- 1. Periodic Review.** Contractor's performance will be reviewed quarterly by SFHSS. Because changes may occur during the fiscal year that can impact priorities, Contractor and SFHSS will reserve the right to discuss appropriate corrective action to meet performance expectations.
- 2. Fees at Risk.** Contractor will place _____ percent (___%) of its annual fees at risk. The _____ percent (___%) at-risk is allocated in accordance with Table 1. Each performance category has a maximum aggregate annual penalty of between ___% and ___% with a ___% maximum aggregate penalty per year.
- 3. Conditions.** Performance guarantees will be subject to the following conditions:
 - a.** The final determination as to whether Contractor has met these performance guarantees will be made solely by SFHSS.
 - b.** The at-risk fees will be paid in the form of adjustments to the following fiscal year's fees as a credit to the first month(s) invoice(s), as applicable.
 - c.** Any negative invoice amounts will be carried forward.
 - d.** For penalties only, Contractor will not be penalized for failure to meet a performance goal if such failure was caused in whole or in part by events outside of Contractor's reasonable control. The determination as to whether the failure to meet a performance goal was the direct result of events outside of Contractor's control will be made solely by SFHSS.

The remainder of this page intentionally left blank

Table 1:

Performance Measures	Penalty Threshold	Measurement Period	Penalty (% of fees and aggregate maximum)
<i>Deliverables and Timeliness</i>			
1.			
2.			
<i>Return on Value/Annual Rates and Benefits</i>			
3.			
4.			
<i>Compliance, Procurement and Contracting</i>			
5.			

Appendix E
Contractor RFP Response

(TBD, SFHSS will include the selected Respondent's RFP proposal, dated on or before March 28, 2023, as an appendix to the agreement resulting from this RFP)

This page intentionally left blank