



New York State Department of Civil Service  
Request for Proposals  
RFP # 20008BMC entitled,  
"Actuarial and Benefits Management Consulting Services"

Jonathan Nemeth  
Senior Vice President  
Aon Consulting, Inc.  
270 Davidson Avenue  
Somerset, NJ – 08873

Technical Proposal

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### **§4.03 TECHNICAL PROPOSAL**

**\*\*DO NOT INCLUDE ANY COST DATA IN THE TECHNICAL PROPOSAL\*\***

#### **SUBMISSION INSTRUCTIONS:**

The Offeror's Technical Proposal should contain responses to all of the following sections as set forth below (i.e., [§4.03.1](#) through [§4.03.6](#)) in the formats as specified and, as applicable, using the forms set forth in RFP, [Exhibit N](#) through [Exhibit R](#). The Offeror's Technical Proposal must be furnished in hard copy, with electronic version in Microsoft Word, Microsoft Excel, Microsoft Project, Visio or Adobe Acrobat, as applicable. In the event of a discrepancy, the hard copy shall govern.

The Technical Proposal should contain the following information, in the order enumerated below:

#### **§4.03.01 Organizational Overview**

The Offeror must possess the administrative and organizational capacity, experience and expertise to provide the required actuarial and benefits management consulting services; the administrative structure to oversee the billing, payment and processing of invoices to the Department for work performed under the contract; and experienced Information Technology ("IT") staff and related electronic systems to accommodate the Department's data analysis and reporting needs. To demonstrate that it meets or exceeds these requirements, at this part of its Technical Proposal, the Offeror should submit an Executive Summary that includes:

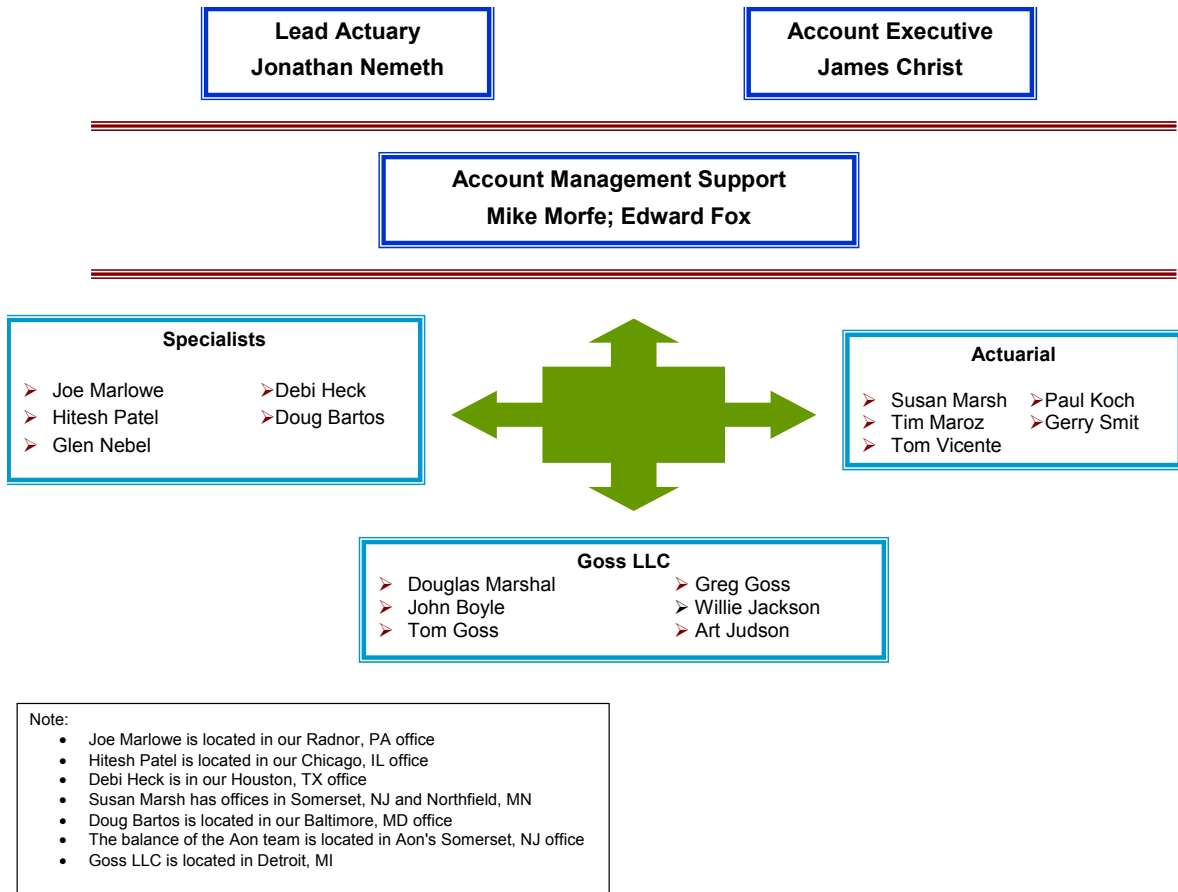
- (1) The name and address of the Offeror's main and branch offices and the name of the senior officer who will be responsible for this account;

Aon Consulting is headquartered in Chicago, Illinois. However, the primary consultants serving the Department of Civil Service would be located in Somerset, NJ. In addition, our partner in this proposal, the Goss Group LLC is located in Detroit, MI.

Based on the requirements of the ad-hoc services, Aon consultants from other offices across the country, including Chicago, IL; Radnor, PA; and Houston, TX may also be involved.

Jonathan Nemeth, FSA, will be the Senior Aon officer responsible for this account. Jim Christ and Ed Fox will be the officers with primary responsibility for account management and have much of the day to day interaction with the Department. Jim Christ will serve as the Aon Account Executive.

The organizational chart below outlines the structure of the account team proposed for the Department. We have separated it into categories with individuals listed in the Specialists box, as well as the Goss, LLC team, primarily involved with Task #4 services. The balance of the team would be heavily involved in the core services of Task #1, Task #2, and Task #3 and may also be involved in any Task #4 services.



2) **A concise description of the Offeror's understanding of the requirements presented in the RFP, the Department's needs, approach, and how the Offeror can assist the Department in accomplishing its objectives;**

Aon is excited about the possibility of working with the State of New York to manage its Employee Benefit Plans, covering almost 600,000 subscribers. The State is seeking an actuarial and benefits consultant for the following services:

- Task # 1 – Assistance in Rate Renewal negotiations
- Task #2 – Review and comment on carrier quarterly experience projections
- Task #3 – Perform GASB 45 valuations and,
- Task #4 – Ad-hoc consulting services in areas such as plan design, vendor selection services, regulatory and compliance, and health and wellness.



Aon Consulting is particularly well qualified to provide these services as we not only provide top-notch advice, but we are also very client oriented and responsive.

Our proposal provides considerable detail on our approach and methodology to addressing the State's consulting needs. We go beyond merely stating that we can provide a desired service; we summarize how we would conduct that project, including the tools and resources to be used – and why. We truly partner with our clients when we take on an assignment and our willingness to show our approach is reflective of that partnership mentality.

Aon Consulting is among the nation's top human resource consulting firms. We believe that a relationship with Aon can offer the State the Return on Investment that proves its human capital investments are sound and profitable. Aon has the expertise and resources to assist the State with the services outlined in this proposal.

The Aon consultants who would lead the projects have extensive experience working with public sector clients and in particular working with State Health Benefit Plans.

Aon's lead consultants who would be involved with the Department are very familiar with the State's needs as well as their objectives, as a result of working with the Department and the State in various capacities at various times through out their careers. In fact, in the past we have worked with the Department on these very assignments both as consultants and as a financial officer at one of your medical insurers.

The key strengths that differentiate Aon consulting in the benefits consulting marketplace are:

- Knowledge of the markets, on a nation-wide basis. We have access to Aon's entire array of expertise. Our information systems provide a strong communications network for all of our consultants to work together in support of clients.
- Our experience in consulting on local, state, regional, and national public sector employee health plans, as detailed in this proposal.
- Influence in the market and the respect of the insurance and benefits communities. Aon's size makes it a formidable presence in the market and a powerful advocate for our clients.
- Our Healthcare Database, described in this proposal, is unmatched in the industry. It is one of the many technical resources available to support both staff and clients.
- We understand the managed care industry and the internal and external influences that shape its future in both the near term and the long term. Aon's senior management holds regular meetings with health plan providers and other industry groups to provide feedback and stay apprised of developments.
- We are creative thought leaders in the health and welfare marketplace, constantly striving to address our clients' needs in a proactive manner.



Other key differentiators include:

- Our commitment to exceptional Account Management. Led by both Jim Christ and Ed Fox, who have extensive experience in the public sector, Aon will provide a team of highly-qualified consultants to deliver Health and Welfare consulting services to the State. They will have access to regional and national resources, including a network of other Aon colleagues experienced in consulting on public sector benefit plans.
- The benefits of Aon's market knowledge and presence in the Northeast area and nationally. We have a strong, presence in the region, with twelve office locations and approximately 850 employees, over 250 of which are in our health and welfare practice.
- Our in-depth knowledge of the managed care industry and our tools that effectively measure access, cost and quality.
- Aon's communication practice is fully integrated into our employee benefits consulting practice.

Our Vision, which supports our consultative approach, is outlined in the following:

- To provide truly integrated advice and counsel for our clients, backed by the ability to execute creative solutions to address their needs;
- To encourage entrepreneurial creativity and teamwork; implementing corporate and industry standards;
- To serve as advocates for our clients by seeking unforeseen opportunities and developing goal-oriented solutions;
- To offer seamless integration of services across organizational units and geographies for our clients, and
- To aggressively control costs and exercise a disciplined approach to shareholder investments.

In 2006, 2007, and 2008 Aon Consulting was named Best Employee Benefits Consulting Firm by the readers of Business Insurance. As noted in this article, Aon consulting is known for going above and beyond the call of duty.

Further, we are so confident that we can exceed your expectations for quality, accessibility and timeliness that we are willing to offer Performance Guarantees and put a substantial portion of our professional fees at risk.

We believe that you will find our proposal responsive to your needs and we look forward to reviewing it with you at your convenience. We look forward to working with the State in the years ahead.

- (2) A succinct statement outlining corporate/business history including a general mission statement, the overall number of employees per position, and other general information about the firm in support of the Offeror's representation that it has maintained an organization**



**capable of performing the work specified herein this RFP, in continuous operation for at least the past three (3) years and that it has provided services comparable to the Project Services outlined in this RFP continuously during said period for the benefit of, at a minimum, three (3) governmental organizations**

### About Aon Corporation

Headquartered in Chicago and incorporated in 1934, Aon Corporation is ranked as one of the top 250 US-based companies on the Fortune 500 list. Aon Corporation is a world leader in risk management, retail, reinsurance and wholesale brokerage, claims management, specialty services, and human capital consulting services. Our stock is listed on the New York, Chicago, and London Stock Exchanges (Symbol: AOC). A key advantage is our broad view of the insurance industry. Aon Corporation ([www.aon.com](http://www.aon.com)) is a holding company comprised of a family of insurance brokerage, consulting, and insurance underwriting subsidiaries.

### Key Highlights

- 500 offices;
- 120 countries and sovereignties;
- 37,000 employees;
- 2007 revenue of \$7.47 billion;
- Largest reinsurance broker;
- Largest captive insurance company merger;
- World's largest insurance brokerage company; and
- A global leader in:
  - Human capital consulting;
  - Insurance and reinsurance brokerage;
  - Outsourcing; and
  - Risk management

Recognizing specific client needs for advisory services in the human resource and benefits area, today, these services are provided through Aon Consulting Worldwide, the consulting arm of Aon Corporation.

Aon Consulting Worldwide, the human resources consulting and services arm of Aon Corporation, is comprised of 6,300 professionals serving 10,000 clients worldwide, operating in 98 countries with the ability to deliver solutions through other Aon offices in an additional 34 countries. Aon Consulting's 2007 revenue was \$1.35 billion. Aon Consulting offers services in the areas of Health Benefits, Retirement, Human Capital, Outsourcing, Compensation, and Financial Advisory and Litigation.

Aon Consulting's professionals possess extensive knowledge and experience in a variety of fields, including actuarial science, business, employee benefits, compensation, industrial psychology, organizational behavior, HR information technology, employment compliance, process improvement design, communication and leadership development. We also provide



specialized services for various industry sectors, including health care, technology, government, pharmaceuticals, retail, manufacturing, financial services and public sector.

Several key members of Aon's team are members of the Society of Actuaries and/or the American Academy of Actuaries, notably Jonathan Nemeth, Susan Marsh, Mike Morfe, Tom Vicente, Paul Koch and Tim Maroz. Additionally, the team will have access to other members of our national actuarial staff, which includes:

- 135 Fellow Society of Actuaries (FSA)
- 145 Associate Society of Actuaries (ASA)
- 155 Enrolled Actuaries (EA),

Our actuaries must meet stringent continuing education requirements; this is done through internal training and attendance at outside seminars such as the Enrolled Actuaries meeting. Analysts who are in the actuarial credentialing program take appropriate review courses and receive internal training.

In addition to our actuarial staff, Aon has a complete array of expert consultants with the following focus:

- Aon's Tax and ERISA consultants assist clients in evaluating tax and legislative issues.
- Aon has licensed Pharmacists on staff, many of whom have experience working for large PBMs.
- Aon has experts in data consolidation and analysis.
- Aon's team of claim auditors have extensive experience in working for and auditing large group vendors.
- Aon has a team of experts (some of whom are RNs) who focus on medical utilization and clinical reviews and analyses.
- Aon's health and welfare consultants who would be working with the State have extensive experience both working for large group insurers (in many arenas including underwriting, account management, claims administration, etc.) as well with large professional consulting firms.

The vast majority of Aon's staff also has at least one industry designation, such as CLU, ChFC, CFP, RFP, LUTC Fellow, CEBS, and/or RHU.

Our expertise helps companies of all sizes to attract and retain top talent and improve employee and business performance:

- **Employee Benefits:** Building benefits plans that attract and retain qualified employees
- **Compensation and Rewards:** Developing compensation strategies that motivate executives, salespeople, and employees to achieve specific performance objectives





- **Human Resources Outsourcing:** Solutions for creating strategies and policies, sourcing and selecting, leading and managing, rewarding and incenting, redeploying and retiring, and managing information
- **Communication Consulting:** Communications that support the company vision and align employee behavior with organizational objectives
- **Talent Selection and Development:** Helping organizations achieve their strategic goals by accelerating and improving the selection, onboarding, development, management and performance of employee and leadership talent
- **Business and Human Resources Alignment Strategies:** Our ultimate goal is to help organizations drive human resources into the core of their business so that people investments are valued, managed and measured as mission critical
- **Management Consulting:** Consulting initiatives that enhance business operations through process improvement, such as Six Sigma, and leadership, organization and human capital development

### Our Mission

Aon Consulting Worldwide is shaping the workplace of the future through benefits, talent management and rewards strategies and solutions.

We leverage our global network of offices, unmatched talent, innovation, thought leadership and operational excellence to deliver distinctive value to our clients.

**Mission Statement:** “To partner with our clients to bring distinctive value to their business and to bring uncommon insight and lasting solutions to the management of their risks”

We pursue this mission by:

- Anticipating the ever-changing needs of our clients and providing value through a breadth of products, services and resources specific to those needs
- Engaging a professional staff with deep industry and product knowledge supported by cutting-edge tools and technology
- Leveraging our global distribution network, transforming global expertise into local solutions

**Our commitments:** We offer our clients a commitment to quality – providing the highest standard in expert counsel and execution, innovative products and technology, and creative solutions and services. And we deliver on this commitment with the utmost in integrity and transparency.

We offer our employees a commitment to professional fulfillment – respecting diversity of thought and culture, promoting individual growth and development, and recognizing and rewarding outstanding achievement.



We offer our shareholders a commitment to continuously increasing return on investment – applying a disciplined approach to growth, investment decisions and expense control.

We offer our community a commitment to sharing our success – contributing our time, energy and resources to causes and organizations benefiting our neighbors, both local and global.

### Portfolio of Service offerings

Health & Benefits	Retirement	Communication, Talent & Rewards	Human Resource Outsourcing	Financial Advisory and Litigation Consulting	Radford and McLagan	Global Benefits
<ul style="list-style-type: none"> <li>Health &amp; Welfare</li> <li>Coalition purchasing group</li> <li>Consumer Driven Healthcare</li> <li>Data Analytics</li> <li>Elective Benefits</li> <li>Health Management</li> <li>Integrated Health &amp; Productivity</li> <li>Medical Claims Audit</li> <li>Medical Management Audits</li> <li>Medicare Part D</li> <li>Prescription Drug Benefits</li> <li>Retiree Medical</li> <li>Workforce Strategies</li> <li>Center for Predictive Data</li> </ul>	<ul style="list-style-type: none"> <li>Executive Benefits</li> <li>TAX and ERISA</li> <li>Investment Consulting</li> <li>Insurance Consulting</li> <li>Defined Benefit</li> <li>Defined Contribution</li> </ul>	<ul style="list-style-type: none"> <li>Benefacts</li> <li>Compensation Communication</li> <li>Health &amp; Benefits communication</li> <li>HR Communication</li> <li>Retirement Communication</li> <li>Employee and Recruitment Process Outsourcing</li> <li>Business &amp; HR Alignment strategies</li> <li>Leadership assessment and development</li> <li>Talent &amp; Performance management</li> <li>Workforce selection and assessment</li> <li>Workforce training and development</li> </ul>	<ul style="list-style-type: none"> <li>HR strategy development</li> <li>Job design and competency modeling</li> <li>Talent selection, assessment and recruitment support</li> <li>Performance management and leadership effectiveness</li> <li>Training &amp; development</li> <li>Employee benefits outsourcing</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Investigative Services</li> <li>Expert Advice</li> <li>Forensic Accounting</li> <li>IT Risk Consulting</li> <li>Litigation Consulting</li> </ul>	<ul style="list-style-type: none"> <li>Compensation surveys / benchmark</li> <li>Pay and productive studies</li> <li>Market share studies</li> <li>Expense benchmarks</li> <li>Compensation plan design</li> <li>Compensation advisory / counsel</li> </ul>	<ul style="list-style-type: none"> <li>Employee Benefits</li> <li>Coalition Purchasing</li> <li>Outsourcing</li> <li>Membership Group Purchasing Programs</li> <li>Voluntary Benefits Services</li> <li>Benefit Assessment Surveys</li> <li>Evaluation of Workforce Productivity</li> </ul>

### Goss, LLC

Goss, LLC is a formal partner of Aon Corporation Innovation Solutions, a subsidiary of Aon Corporation that actively seeks out high quality, professional minority owned enterprises as equal partners, to serve the consulting needs of our clients.

As a minority-owned enterprise, Goss LLC has secured minority business development council registration that qualifies users of its services for "minority content". Further, Goss LLC has direct contractual relationships with General Motors Corporation, Lear Corporation, Ford Motor Company and the Boeing Company. As a leading Midwest minority insurance agency and consulting firm, it provides employee benefits consulting and actuarial support as well as other consulting and insurance related services to its clients.

Aon has worked with numerous State governments and in particular, details on the consulting work we have done for New Jersey, Delaware and Virginia are in question #4.



- (4) A succinct statement explaining previous experience providing actuarial and benefits management consulting services to other governmental organizations administering health benefits programs and detail how that experience, in general and specifically in regard to the clients given as Client References in response to RFP, [§4.03.3](#) below, qualifies the Offeror and, if applicable, any subcontractors, to perform the required Project Services;**

Aon has a long-standing commitment to public-sector consulting. Several years ago, we formalized our public-sector practice – officially known as our Government Human Capital Services Group – by establishing separate practices to concentrate on State and Local Governments, as well as the Federal Government.

Aon Consulting has done consulting work for such employee welfare benefit plans as:

- State of New Jersey
- Pennsylvania Public School Employees Retirement System
- State of Delaware
- State of North Carolina
- Pennsylvania Employee Benefit Trust
- Commonwealth of Massachusetts
- Commonwealth of Virginia
- State of Georgia
- State of Maryland
- State of Nevada
- State of Oregon
- State of Tennessee

The work includes areas such as actuarial and underwriting (including GASB and Premium Rate Settings), and ad-hoc consulting which includes: vendor marketing, plan design and strategy development, collective bargaining assistance, claim and clinical audits, and general consulting.

In particular, Aon Consulting has worked extensively with the State of New Jersey, Delaware, and Virginia in many similar projects.

## New Jersey

Aon's Somerset office has been the health and welfare benefit and actuarial consultant for the State of New Jersey's health benefit plan since 2005. The State of New Jersey's health benefit plans (the New Jersey State Health Benefits Program or NJSHBP) cover approximately 800,000 State and Local Employees, Retirees, and their dependents with plan costs of approximately \$3.6 billion annually. As the consultant, Aon has been involved in many projects, including:



- **Premium Rate Settings:** Aon develops premium and budget rates for their self-insured medical and dental plans with separate rate breakouts by plan, type of employee (i.e., State, Local Educational, and Local Government) and employee category (i.e., Active and Retiree).
- **GASB 43 and 45 Valuations:** Aon has performed these valuations for the State.
- **Claim Audits:** Aon has completed claim audits of the States largest vendors.
- **Collective Bargaining Assistance:** Aon was intimately involved in working with the State to provide bargaining assistance, on an around-the-clock basis, as requested. We also developed a proprietary Bargaining Model tool that allows us to project plan costs, by Union for a myriad of medical and drug plan options. The State used this tool during negotiations to determine savings from plan changes.

## Delaware

Aon's Somerset office has also worked on consulting assignments for the State of Delaware. Delaware's health plans cover approximately 100,000 members with annual plan costs of approximately \$500 million.

The scope of services include:

- Vendor management, including contract negotiations
- Vendor bidding and procurement
- All phases of financial consulting:
  - quarterly reporting
  - annual budget projection
  - plan design and contribution modeling to meet budget
- Retiree medical consulting to reduce GASB 45 liability
- Disease management and wellness consulting

## Virginia

Virginia's health plans cover approximately 200,000 members and have annual plan costs of approximately \$800 million.

Aon has provided a complete range of actuarial and related services, including:

- Annual actuarial estimate of reserves
- Actuarial risk analysis of competing health plans
- GASB actuarial liability projections
- Medicare Part D attestations and consulting
- Development and maintenance of claims database, cost analysis and forecasting systems
- General consulting including plan design, effect of legislative proposals and study requests, among other projects



- Administrator audits and performance reviews
- Procurement assistance including RFP drafting and response evaluation
- Special actuarial and plan design projects required by Executive Order or Legislative Resolution

**(5) A concise description of the Contractor's full range benefits consulting services offering and experience addressing, at a minimum, the areas of:**

- **plan design consulting,**
- **consulting on selection of vendors,**
- **regulatory and compliance consulting,**
- **wellness programs, and**
- **disease management;**

[Plan Design Consulting](#)

Aon's Health and Benefits practice stands out in a crowded field. We have achieved an enviable track record in the design, implementation, administration and communications of all types of Health & Welfare plans:

- We rank among the top three H&W consulting practices in the country. This size gives us significant bench strength and the scale to support a robust set of specialized tools and services.
- Our size gives us powerful negotiating leverage with insurance companies. Our clients benefit from the significant volume of business we place with national, local and regional insurance companies.
- We have industry-leading technology for marketing all lines of coverage (including stop-loss) and electronic RFPs and RFIs and comprehensive information databases accessible to all our practitioners. Our Quick Quote platform for life and disability coverage is without peer.
- We are a leader in consumer driven health care consulting. We were the first consulting firm to sponsor a consumer driven health plan for our own employees and an early adopter to provide health coaching services.
- We offer several discounted benefit programs through our Coalition Purchasing Group. Coalition programs include pharmacy, dental, long term care, group legal, group auto/home and critical illness.
- We have a large and growing team providing health and productivity services critical to address the health and disability issues of aging Baby Boomer employees.
- We are a leader in providing voluntary benefit and special risk benefit services. We have a specialized team of practitioners that are experts on the unique characteristics of these programs.
- We are known for being nimble and among the first to adopt innovative solutions. As one example, Aon, working with our Aon Risk Services colleagues, can bring unprecedented medical cost management to workers' compensation programs.

In addition, Aon's databases and proprietary tools bring an unparalleled level of efficiency to our consulting services. Our database information is continually refreshed.



And every consultant has these tools and databases on their computers. Our leading health and welfare tools include:

- HEDIS profiles on more than 300 health plans.
- AonMed, AonCDH, and AonRx (proprietary actuarial modeling tools) for use in pricing plan design changes.
- Health plan service area databases that enable us match a client's employee residences to any health plan in the country.
- AonPredict to generate predictive modeling reports.
- CalcPro to estimate direct and worker productivity savings potential for disease management and health promotion and wellness.
- HealthLeaders/Interstudy market overviews containing powerful intelligence on dynamic health plan, hospital, and physician sectors in 75 metropolitan markets.
- GeoAccess tools for assessing network access and conducting network disruption studies.
- Best practices and peer review databases to share information and ensure quality client work.
- H&W discussion database granting each practitioner email access to the collective experience of 900+ H&W experts.
- Carrier financial information on hundreds of the nation's largest health and welfare carriers using AM Best information.
- Aon's Health Plan Network Discount database containing more than \$200 billion in paid hospital and professional services resulting in discount findings at the 3-digit zip code level.
- Semi-annual health care trend surveys. A copy of the most recent trend survey is included in the Appendix.

#### [Consulting on Selection of Vendors](#)

Aon Consulting assists our clients in evaluating and selecting the right partner for your program. Our experience with many carriers and our proprietary tools provides us with an unparalleled ability to review, assess and negotiate the best deal. Our high-level approach for this project is as follows:

##### *Step # 1: Program Strategy Development*

Aon has significant experience with strategy setting in companies of any size. Our methodology is different in that we use a “risk tolerance” model to establish the level of change required and to assess the degree of input that will be needed to ensure a successful program.



This step is a critical beginning to any long term project particularly if there will be a change made as significant as vendor replacement and plan design modifications. In our experience, it is important to clarify the benefit strategy and guiding principles that will be used to make decisions. Understanding your long term objectives will ensure that recommended changes will actually have an impact on the goals you want to achieve.

The steps we follow to developing a strategy are below:

- Discovery – we need to collect as much information on the existing environment as possible. This includes an inventory of current plan designs, financials, contribution strategy as well as information on the company culture and tolerance for change. Aon would have most, if not all of this information, as a result of work on the other tasks in this assignment.
- Strategy Meeting – we typically hold a half-day session with key stakeholders to discuss the current state, desired state and the gap. From this gap analysis, we build our objectives and goals for the new program. Guiding principles are important to ensure that any decisions made during the process are weighed against objectives so we don't deviate from our stated course.
- Project Plan – we develop the preliminary project plan, deliverables and timelines.

Aon will develop the detailed project plans with dates, deliverable and milestones but will need input from your organization to ensure that our direction meets your needs.

In our experience, the initial planning phase is the most time consuming stage of a project this size for the client. From there, the support declines and we will only need periodic status meetings to gather input and present information and reports.

### *Step # 2: Program Design Blueprint*

Once we have identified the goals and objectives of the program, we begin to model the proposed design. This step consists of several iterative exercises and will require input from your key stakeholders. It is important to have a blueprint of the program as we have defined in the “desired state” so that we can properly evaluate vendor capabilities for each component as well as ensure that we are meeting the stated goals of the program.

During this step, we also begin to craft the metrics we will use to evaluate program efficiency and delivery. The metrics are tied to the components of the program design. The steps for this exercise are:

- Preliminary financial projections – the cost of “doing nothing”, the potential savings of the new program and 3-5 year projections
- Winners/losers modeling – evaluation of impact to employees and identification of the employee experience in the program





Aon's proprietary tools, models and actuarial expertise make this step unique in that we can use proven methods to ensure that you see the total impact any recommended changes will have on your organization. We evaluate several dimensions including costs, potential savings, and employee expense and experience. Because we have developed robust tools, we can quickly and easily modify our models to give you different perspectives and we can access the best practices we've seen in the marketplace.

### *Step # 3: Vendor Selection Strategy*

Before we begin the vendor selection process, we will need to establish the selection criteria and agree on the scoring methodology to ensure that we select the right vendor. This step includes the following:

- Selection criteria – desired state program elements (must haves vs. nice to have)
- Scoring methodology – development of criteria for selection, prioritization and weighting of program elements (based on importance, cost, and impact)
- Development of selection scorecard

The Aon difference is in that we start with the end in mind. It's important to link the selection criteria to the overall program objectives we develop in step one, so we don't make vendor selection decisions on a single dimension (such as pricing) without taking into account employee experience and impact to the organization.

### *Step # 4: RFP Development and Process Management*

The development of the RFP is an important step. We need to ensure that the questions we ask align with our overall program objectives and design criteria. Aon has significant experience with the management of RFPs for all types of plans and programs. Our annual RFI database, a proprietary tool that we have developed, will serve as the central point of data for information on vendor capabilities in the market.

With our national access to thousands of plan designs and hundreds of plan options, we can ensure that the vendors you select are evaluated thoroughly to ensure that their offering best meets your expectations. Aon has an extensive presence throughout the country and our experience running RFP projects has provided us with unparalleled experience that helps our clients make the right decisions and avoid costly mistakes.

We begin by customizing our RFP template to ensure that your needs are met. Once we have the final questionnaire completed, we manage the marketing process with significant efficiency, ensuring that all questions and issues that arise are documented and responded to with speed and accuracy. We also ensure that all the data that is submitted in response to the RFP is consolidated, evaluated and interpreted in a concise and meaningful manner.





A well-developed RFP will provide more than information. It will become the basis for:

- Evaluating the financial aspects of each proposal
- Refining our assessment of each carrier's capabilities and expertise by utilizing the Aon Request for Information (RFI) database and electronic RFP tools
- Ascertaining the level of system and people support for the products
- Negotiating commitments on performance and cost

We will prepare the RFP to include:

- Carrier selection criteria
- A statement of your objectives and performance expectations
- All necessary census, experience and financial quotation worksheets
- A questionnaire addressing carrier capabilities

#### *Step # 5: Proposal Evaluation and Report Presentation*

We will compare and analyze all responses, focusing on financial issues as well as the non-financial, qualitative issues identifying the relative strengths and weaknesses each organization possesses in its ability to administer the new program.

During this step, we will work with the bidders to resolve any questions or discrepancies in their proposals. The end result of this step will be an analysis that compares each bidder in the following areas:

- Completeness, accuracy and thoroughness of the responses
- Network discount analysis
- Provider disruption
- Competitiveness of the financial quotations
- Responses to key questions

This same thorough approach is taken when evaluating PBMs or disease management vendors.

The advantage that Aon brings to the table is the wealth of data that we have collected with the hundreds of RFPs we manage annually on behalf of our clients. We don't just look at the responses we get during the process but actually consult with our industry leading experts to ensure that there aren't any hidden costs, missing program components or assertions in the responses that would result in making the wrong selection.

We can provide you with insight into the actual operation of these vendors and share client experiences so you know what to avoid and how to get the most from your new relationship. We can also ensure that the financial arrangement you receive is not only competitive but also an arrangement that will have bottom line impact to your organization.



### *Step # 6: Vendor Selection and Negotiation.*

Making the final selection decision can be difficult. You may have an existing relationship or no relationship at all with the prospective vendor. Many times, it's the qualitative criteria that differentiate one vendor from another. Aon's "footprint" in the market provides us with deep experience across many dimensions with vendors in the marketplace. We can provide an "insider" point of view of a vendor and draw upon our existing client relationships to supplement the information provided by the vendor.

From a logistical perspective, Aon can help with this process in the following ways:

- Facilitation of the finalist meetings – we can help plan and manage the finalist meetings ensuring that each vendor is given the same opportunity to bring their best offer to the table as well as having consistent Q&A so that you get a complete picture.
- Recommendation on vendor – our insight into the inner workings of the vendor marketplace can provide you with the advice you need to make your final decision. Where possible, we can help you conduct reference checks and make recommendations on clients to talk to that have experience working with the vendor you are considering.
- Contract review and negotiation – our experience with contract negotiation goes beyond the standard terms and conditions. We tap into our national Tax and ERISA practice to ensure that contract terms make sense from a compliance standpoint as well as a financial standpoint.

### **Vendor Selection Tools**

Our consultants have an industry-leading toolkit of health and welfare tools and databases at their fingertips to guide your program decisions. This toolkit offers an unmatched precision in selecting vendors that help make our client's strategy a success. We continually refresh our databases to bring an unparalleled level of efficiency to vendor identification and selection. Specific to client's project, we will employ competitive benchmarking to identify "best-in-class" vendors to maximize purchasing value.

### [Regulatory and Compliance Consulting](#)

As one of the largest risk management and consulting firms in the world, Aon has access to a vast array of resources and an extremely diverse knowledge base. The informational resources highlighted below allow Aon to provide the highest quality services to its clients. This list is by no means exhaustive, and we would welcome the chance to present a more detailed list to your team.

### **Our Legislative and Regulatory Activities**



Our Washington, DC office and National Tax & ERISA Practice monitors ongoing legislation and regulatory guidance. Aon takes a proactive role in influencing and shaping legislation that affects the human resources and financial arenas. Aon's senior professionals enjoy access to key policymakers in Washington and major state capitals. They routinely testify before Congress on regulatory issues, compliance issues and proposed regulations. We believe such leadership helps assure our clients' future growth and continued profitability, and helps protect the interest of the entire business community.

Aon endeavors to make its views and those of its clients known to governing bodies, both legislative and professional. Our firm is a founding member of the Employee Benefits Research Institute (EBRI). EBRI's findings, and the findings of studies commissioned by it, are published in book and brochure form, and are widely read in Congress and the industry.

#### Aon Representatives on Key Committees

In the legal profession, we are represented on the Employee Benefits Committee of the Tax Section of the American Bar Association and on the Pension Practitioners Ad Hoc Committee of the Assistant Commissioner for Exempt Organizations/Employee Plans. More specifically, Aon staff members provide formal written comments and oral testimony on specific pieces of legislation at Congressional hearings and DOL and Treasury regulatory hearings. Aon has attorneys and actuaries on staff whose primary responsibility is to maintain personal, informal day-to-day contacts with Congressional aides and DOL and Treasury staff members to point out problem areas and to help determine the government's thinking on specific rules. These professionals are uniquely qualified to determine state compliance with these rulings.

We also have representatives on the Board of the Association of Private Pension and Welfare Plans, the American Academy of Actuaries, the ERISA Industry Committee, and the Employers Council on Flexible Compensation. Our actuaries must meet stringent continuing education requirements; this is done through internal training and attendance at outside seminars such as the Enrolled Actuaries meeting. Analysts who are in the actuarial credentialing program take appropriate review courses and receive internal training.

#### Washington Liaison

Aon frequently attends important Washington legislative or regulatory hearings, but we also have an expanded network of representation through Aon's own liaison office, the law firm, and the Washington research service. A typical project would have a very short turnaround time and typically take less than 5 business days to complete. We regularly assist governmental employers, such as the North Carolina Teachers' and State Employees' Comprehensive Major Medical Plan, the State of Tennessee, the Commonwealth of Virginia, and the State of Maryland, among others with regulatory, legal and compliance issues



## Communicating Legislative Issues

“Aon Alert” which is published monthly and provided to our clients, highlights current issues in areas such as compensation, personnel practices, qualified plans, and welfare plans.

“Aon Update” analyzes a single topical issue and is published whenever an important topic, legislative action, or regulatory development warrants in-depth review and commentary. In addition to keeping clients current with late-breaking congressional activities, Aon publishes “Legislative Update” on an ad-hoc basis. For our employers with self-funded plans, our Aon Washington, DC office monitors ongoing legislation and regulatory guidance. Aon takes a proactive role in influencing and shaping legislation that affects the human resources and financial arenas. Aon’s senior professionals enjoy access to key policymakers in Washington, DC and major state capitols. They routinely testify before Congress on regulatory issues, compliance issues and proposed regulations. We believe such leadership helps assure our clients’ future growth and continued profitability, and helps protect the interest of the entire business community. Additionally, all Aon professionals receive an electronic copy of the “Daily Bulletin”, a publication prepared by our Research and Technical Services (RTS) group. This daily publication updates Aon professionals on late-breaking news regarding employee benefits.

In addition to the legal and government compliance expertise available locally, Aon Consulting’s National Tax & ERISA division provides our clients and consultants with accurate and timely information on developments and trends in employee benefits through its staff located in Newburyport, Massachusetts and Winston-Salem, North Carolina.

The following publications and compliance guides are available:

- Forum - Focuses on current issues and trends in US business;
- Forum Regulatory Development - Summarizes important pending and current legislation;
- Alert - Covers a single significant legislative or regulatory development in depth;
- Research Briefs - Provides monographs on specific trends or emerging trends affecting our clients;
- Fax Surveys - Polls and reports on employers’ views and practices regarding timely issues affecting employee benefits, change management, compensation, and human resources; and
- Compliance Guides - Analyzes then summarizes the requirements of relevant legislation through checklists, calendars, standard notices, and forms.

Aon also organizes various opportunities throughout the year for clients to learn about market trends, product enhancements and changing legislation. These opportunities vary from traditional mediums like seminars to more innovative mediums such as webcasts.



## Wellness Programs

Double-digit increases in health insurance premiums have caused many employers to begin considering the health status of their employees and how this impacts overall costs. There is no doubt that issues such as smoking or obesity considerably increases the average claim cost of an individual. The question remains- what is the best way for an employer to impact this problem without overstepping its bounds both legally and socially?

In an effort to contain rising health care costs and increase worker productivity and employee satisfaction, more and more employers are offering health promotion and wellness programs. Most of the leading causes of premature death can be linked to personal behaviors that can be modified to reduce risks and costs. A health promotion and wellness program, carefully designed to meet the unique characteristics of a specific workforce, can deliver significant reductions in medical care and the cost of human capital. Aon's Clinical Consulting Practice provides specialty services in the design, implementation and ongoing evaluation of health improvement and wellness programs. Rather than seek short-lived savings that can negatively affect employee relations, our consultants help employers to realize the short- and long-term pay offs for "investing" in the health and well being of employees and covered dependents.

The design of a successful health promotion/wellness program requires the ability to:

- Assess the targeted population by studying pertinent claims and demographic data
- Understand existing benefits and programs that impact the wellness initiative
- Be aware of health promotion and wellness components that may maximize objectives
- Design incentive arrangements to increase participation; and establish a framework that permits the tracking of outcomes.

Aon's Clinical consultants will work with client and the assigned H&W team to gain an in-depth understanding of your goals and objectives. In addition, information regarding your operations, service standards and benefits programs and policies will be compiled. Aon's experienced team will help client to define a successful outcome for your efforts, including:

- High participation rates;
- Improved health-related behaviors;
- Reduced prevalence of risk factors;
- Improved productivity;
- Lower absenteeism;
- Improved recruiting and retention of quality staff; and
- Improved employee morale.

## Disease Management

We use a disciplined, methodical approach to sourcing all services, including disease management services. Please keep in mind that we would generally give consideration to the disease management services offered by health plans along with disease management services offered by specialty firms.



During our strategy sessions, we will address specific considerations for the disease management program including, corporate culture, key stakeholders, employee demographics, communication channels, benefit plan design, and current disease management resources. Our clinical staff will analyze available healthcare and utilization data/reports to identify lifestyle behaviors, utilization patterns, chronic diseases, and specialty care conditions impacting clinical and financial outcomes.

We will work closely with vendors to secure all information needed to address your particular needs and expectations.

We can prepare a summary evaluation of all the disease management providers. While dozens of issues must be analyzed, we show below some key considerations that will be scrutinized:

- Customization: Clients the size of New York State demand flexible partners willing to modify programs to meet unique needs.
- Patient identification and stratification: Data warehouse expertise is crucial to high-level performance. Firms must be capable of stratifying patients by clinical condition using medical/surgical claims, prescription drug claims, and lab data.
- Clinical staff: Clinical staff determines the success or failure of the program. We examine clinical specialization, staff contingency plans to accommodate future growth, and training.
- Expert systems: Effective programs utilize computer software to guide clinicians in providing patient interactions and capturing and analyzing patient profiles.
- Enrollment: Current disease management enrollment gives insight into where the firm lies on its maturation scale.
- Outcomes: Clients deserve rigorous evaluative reports showing clinical quality improvement, patient satisfaction, and cost savings.
- Patient/family interaction: Scientifically based "self-management" techniques can improve patient behavioral change. Patient partnering and empowerment is essential. Family members can be used as supportive pillars and motivators.
- Contact frequency: Frequently, the critical determining factor in overall success rests with the ability to strike a rapport with the patient and motivate him/her to assume responsibility for personal health.
- Patient education: Vendor should provide a range of information modules that address basic needs and those of the sophisticated consumer.
- Disease Management Fees: It is important to evaluate fees by type of program and disease management interventions.
- Performance Guarantees: Performance guarantees that to ensure clinical, financial and satisfaction outcomes.
- Reporting: Comprehensive reporting is necessary to ensure program effectiveness and to evaluate outcomes. Reporting should include: participation, engagement, activity, risk stratification, functional level, clinical measures, satisfaction, and financial outcomes.





- (6) A description of the activities the Offeror is proposing to undertake to begin or, in the case of the incumbent contractor should they choose to submit a Proposal, continue serving the Department as a client on June 1, 2009.**

Immediately upon being selected as the consultant to the Department, Aon would commence the transition period. Aon would first meet with the Department to confirm the contract requirements and key dates. Aon would then develop a transition work-plan with key dates and milestones between the selection date (which is expected to be in late February) and the official start date of June 1, 2009. The work-plan would include the following steps:

- Gather all vendor and client contact information from the Department
- Gather and review all recent relevant prior consultant reports and data
- Develop a data request letter, if necessary, and send it to both the State and the vendors
- Meet with the vendors to discuss the data needs and Aon's transition plan
- Receive and verify the clarity and accuracy of the data received from the Department and vendors

With Aon starting this process before the contract effective date (and with no charge to the State), we would ensure that we would have all the data and resources so that we could hit the ground running on the contract effective date of June 1, 2009.

- (7) An explanation as to how the Offeror is proposing to will handle administrative responsibilities such as the billing and invoicing of charges for services to the Department, including a description of how the Offeror will ensure only accurate and complete billing of charges are submitted to the Department**

Each Aon Consulting employee tracks the time spent working on client projects using our Time & Expense system. We record time in 15 minute increments to separate billing codes for different client projects. We have our time charged on a monthly basis.

An invoice is generated out of our time and expense system and the account manager reviews the time charges for accuracy. The account manager will prepare a letter to the client detailing the services that are being billed in this monthly invoice.

We will work with the State to determine the most appropriate format for the invoices so the documentation will meet your requirements.

- (8) A description of the qualifications and experience of staff assigned to provide IT services in support of the Project Management Team's delivery of the required services and how they will interface with the Project Management Team to complete assignments and reports; and**

Aon's Health & Benefits and Retirement practice organizations possess an embedded, thoroughly integrated and dedicated programming and data analysis team of IT professionals. This data-knowledgeable team of professionals mutually support the other Aon knowledge



expert consultant staff working with very large clients such as the State of NY. Aon's proposed team members for the State of NY routinely handle files that range in size up through the double digit gigabyte size.

Besides being skilled in IT, Aon's programmers and analysts are knowledgeable in the nuances of health & benefits – a quality assurance, early anomaly noticing, and error avoidance capability.

The programming team is skilled in data handling, data screening, data warehousing, data analysis, and data prediction. The team possesses the valuation and planning experience to easily adapt to The State of New York's needs. The programming team works hand-in-glove with the Project Management Team. Together these people have the expertise to assist in designing, quality cost effective plans that maintain past promises, are attractive to retain talented workers, and minimize future liabilities.

Aon's team is led by an IT professional with more than 20 years of experience in the benefits field.

**(9) An overview of the Offeror's IT system and programming capabilities and its capacity to accept data from and exchange data with the Department and Empire Plan carriers, including a description of security measures used to ensure privacy and confidentiality of data is maintained.**

Aon Consulting has been involved in numerous technology implementations with clients that have benefit and retirement plans that range in size from under 100 participants to a million participants.

To meet the evolving needs of different sized and oriented plan sponsors, Aon's IT architecture has been designed to achieve maximum flexibility and reliability in a secure environment. In implementing this design, Aon uses a distributed processing architecture with both local and remote data servers and data processing centers. A comprehensive broad band data network links Aon's more than 50 major Health & Benefits organization offices.

To maximize flexibility and to insure state of the art capability, Aon constantly works with suppliers to provide leading edge hardware, software, and human resources responsive to rapidly changing data processing loads and requirements.

Aon has 24/7/365 IT infrastructure monitoring. As an enhancement to the typical distributed processing environment, Aon's IT support model is primarily based on centralized remote control. The advantage of this centralized monitoring is that, upon the event of problem identification, rapid action can be taken.

Aon ensures that each client team has the technical skills and knowledge needed to provide the service and its method of working ensures that each member of staff has the opportunity





to use and build on these skills. This creates an all-round skill base and gives staff greater variety in their work. Aon has found that this has the added effect of improving staff motivation and reducing staff turnover.

Aon has implemented a corporate wide system of virus and content controls and we use antivirus software that is automatically refreshed. Further controls are provided for the corporate messaging environment including AV and content filtering. Aon has also partnered with Postini to provide anti-SPAM services with additional antivirus controls that have helped to reduce the volume of mail traffic by up to 40%. Internet access is filtered and monitored.

Having experienced a major business disrupting event when its office in the New York City World Trade Center disappeared on September 11, 2001 disaster, Aon is familiar with the need for disaster recovery plans. Aon's Health & Benefits organization operates from more than 50 offices. These offices provide reciprocal support for relocation of key staff in response to situations that might restrict use of normal office facilities.

Aon's disaster recovery plan includes procedures to prevent serious problems and to handle recovery of systems and data in case of emergency. Aon periodically tests the automated procedures by simulating a system recovery. This helps us verify our recovery procedures and keeps the integrated and remote IT support team trained.

All of Aon Consulting's data are copied to tape on a weekly, monthly, quarterly and annual basis. These tapes are kept off-site and rotated periodically. Weekly backup tapes are reused after five weeks, monthly tapes after four months, and quarterly and annual tapes are kept indefinitely. The most current are kept off-site, but older versions are moved back on-site and are immediately available. We make a backup copy of each company's data after the annual update of employee information. For internal use, we keep additional temporary or permanent backup copies of data for selected companies for special reasons. Data may be reloaded from any of these backup copies with a delay of no more than one business day (or only one to two hours in an emergency.)

Aon has formal policies and standards for the classification and protection of proprietary and sensitive data. These provide for strong encryption of data at rest and when being transmitted. Aon has formal remote access standards.

Access to Aon systems via the internet, where the systems provides for internet access, is subject to significant invasion software and reporting of all incidents to our IT Security Services team.

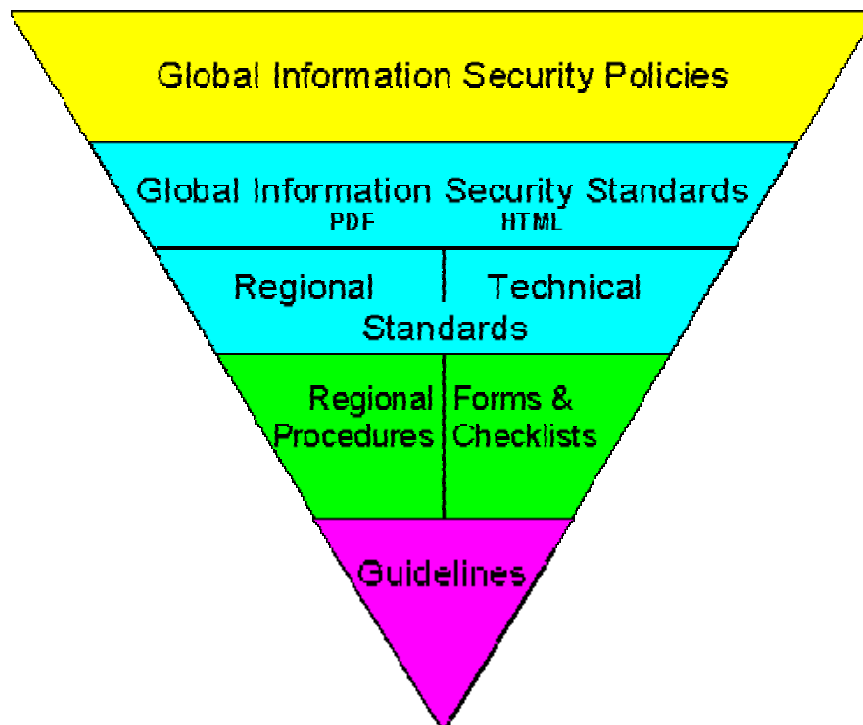
All staff are required to certify compliance with the Aon Code of Business Conduct, which includes explicit references to security policy available for review on the company intranet. This includes a Security Awareness Training standard that addresses required training for new hires and ongoing training. There is also a Security Awareness section on the security intranet that provides ongoing information and which is supplemented through ongoing messages on the company intranet home page and email distributions.



Aon has a comprehensive set of Network Security Perimeter Standards. Aon has its security and network vendor(s) implement these standards in concert with internal and site-specific standards that are reviewed annually under SAS70. The Network Security Perimeter Standards include monthly vulnerability scans on all externally facing devices. Denial of service and other invasive tests are not allowed and any such traffic is treated as a live threat.

Stringent physical security measures exist at Aon's premises. These include a staffed reception, security personnel and key-card entry system. Aon employees adhere to a comprehensive Physical Security Standard. Implementation of specific physical security measures varies by Aon office location subject to policies of building owners and managers.

Aon's IT security policies follow a hierarchical design as identified by the following graphic:



In addition, as of April 21, 2005, to the extent legally required by HIPAA, Aon Consulting has fully complied with the rules governing administrative, physical and technical safeguards to ensure the security of electronic Protected Health Information (e-PHI), as outlined in Health Insurance Reform: Security Standards; Final Rule, 45 CFR Parts 160, 162 and 164.

Finally, other than as necessary to provide contracted services, Aon Consulting does not share client data with any third parties. In no event do we sell or plan to sell any client data to any third party for any reason.

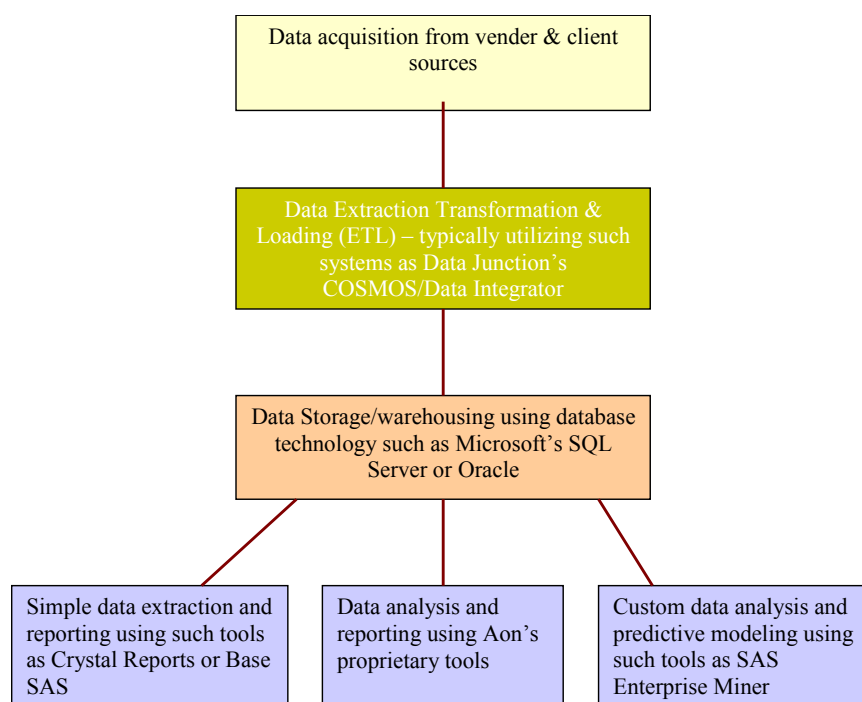
Aon's information security policies ensure the secure exchange of data through the usage of Postini for e-mail encryption and MOVEit for secure file transfer using AES encryption.



## Data Warehousing

Aon has two IT system models within which it would handle data such as that anticipated from the State of New York and its carriers and vendors.

The first data processing model is Aon's custom system. This system is used for large clients who desire flexibility and capabilities extending beyond Aon's existing offerings. This model has been employed by Aon for the State of New Jersey Project and, would most be used for the State of New York. The custom system is broadly based on the following system paradigm:



The second data processing model is Aon's ACclaim system. ACclaim is a comprehensive database management and reporting tool that produces annual and quarterly reports to help employers monitor their health care plans and make informed proactive decisions. Aon developed ACclaim using its vast experience in monitoring health care plans and through key financial utilization and analytical reports developed for Aon clients. ACclaim was developed by actuaries and clinicians who share the vision of a clear, concise, and insightful management/consulting tool for health care data. The tool compiles detailed claims, utilization, diagnostic, and administrative costs for each health care program into one global data warehouse. It then links claims information, enrollment data, claim expenses, reinsurance recoveries, fixed expenses, variable expenses, budgeting rates, contribution rates, and other key data utilization components. ACclaim is one common database that can house all of a



client's pertinent health care information. Aon clients utilize Aon's consulting expertise and the ACclaim data management and reporting tools to help consolidate and collect medical health care data across all self-insured plans, and in some instances fully-insured plans. The ACclaim's analytic platform, delivered by Urx, combines multi-dimensional "cube" database technology with a flexible reporting environment. For example, clients can view admissions by diagnosis and hospital in a specified business unit. There are more than 30 dimensions available in ACclaim. ACclaim incorporates "train of thought" on-line analytics. We can discuss this capability more with the Department at your request.



#### **§4.03.2 Key Subcontractors**

At this part of its Technical Proposal, the Offeror must identify all key subcontractors, if any, that the Offeror will be subcontracting with to provide Project Services. For each key subcontractor identified, the Offeror should complete and submit RFP, [Exhibit N](#), entitled "[Key Subcontractors](#)" and indicate whether or not, as of the date of the Offeror's Proposal, a subcontract has been executed between the Offeror and the key subcontractor for services to be provided by such subcontractor relating to the RFP.

If the Offeror will not be subcontracting with any key subcontractor(s) to provide Project Services, the Offeror should provide a statement to that affect at this part of its Technical Proposal.

Aon will not utilize a subcontractor for this RFP. However, as appropriate, Aon will partner with Goss, LLC a minority owned HR/benefits consulting firm for certain Task #4 projects.

**EXHIBIT N Key Subcontractors**(Link [§4.03.2](#))**Exhibit N – Page 1 of 1**

<b>INSTRUCTION: Prepare this form for each Key Subcontractor</b>	
<b>Offeror's Name:</b>	Aon Consulting
<b>The Offeror:</b> <input type="checkbox"/> is <input checked="" type="checkbox"/> is not proposing to utilize the services of a subcontractor(s) to provide Project Services	
<b>Subcontractor's Legal Name:</b>	
<b>Business Address:</b>	
<b>Subcontractor's Legal Form:</b>	<input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other _____
<b>As of the date of the Offeror's Proposal, a subcontract</b> <input type="checkbox"/> has <input type="checkbox"/> has not been executed between the Offeror and the subcontractor(s) for services to be provided by such subcontractor(s) relating to the Project.	
In the space provided below, describe the Subcontractor's role(s) and responsibilities regarding Project Services to be provided by the subcontractor:	
<b>Relationship between Offeror and Subcontractor for Current Engagements:</b> (Complete items 1 through 5 for each client engagement identified)	
1. Client:	
2. Client Reference Name and Phone #	
3. Project Title:	
4. Project Start Date:	
5. In the space provided below, Project Status:	
6. In the space provided below, describe the roles and responsibilities of the Offeror and subcontractor in regard to the project identified in 3, above:	



**§4.03.3 Client References**

At this part of its Technical Proposal, the Offeror should provide information which demonstrates that the Offeror has provided actuarial and benefit consulting services similar in scope to those as set forth in the RFP. To this end, Offeror should provide information regarding three (3) current and/or prior clients ("Client Reference"). Client References should reflect the Offeror's ability to provide the services as required in the RFP. For each Client Reference provided, the Offeror should complete and submit RFP, [Exhibit O](#) entitled "[Client References](#)". (Note: For each Client Reference, the Offeror shall be solely responsible for providing contact names and phone numbers that are readily available to be contacted by the State.)

See attached Exhibits O, as required.

**Exhibit O Client References**(Link [§4.03.3](#))**Exhibit O – Page 1 of 1**

Client Reference #: \_\_\_\_\_ 1 \_\_\_\_\_

Project Reference Name: \_\_\_\_\_ Health Benefits Consultant Services for the State of New Jersey \_\_\_\_\_

<b>Name of the Client for whom actuarial and benefit consulting services are/were Performed:</b>	State of New Jersey Division of Pension and Benefits
<b>Client Contact Information:</b>	
<b>Contact's Name:</b>	Florence Sheppard
<b>Contact's Title:</b>	Deputy Director
<b>Phone Number:</b>	609-292-3728
<b>Email Address:</b>	<a href="mailto:florence.sheppard@treas.state.nj.us">florence.sheppard@treas.state.nj.us</a>
<p><b>Services Rendered Description:</b> In the space provided below, the Offeror should describe the nature of the services in satisfaction of the requirements in RFP, <a href="#">§4.03.3</a> demonstrating that the Offeror has provided actuarial and benefit consulting services similar in scope to those as set forth in the RFP. .</p> <p>New Jersey, Aon's Somerset office has been the health and welfare benefit and actuarial consultant for the State of New Jersey's health benefit plan since 2005. The State of New Jersey's health benefit plans (the New Jersey State Health Benefits Program or NJSHBP) cover approximately 800,000 State and Local Employees, Retirees, and their dependents with plan costs of approximately \$3.6 billion annually. As the consultant, Aon has been involved in many projects, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• <b>Premium Rate Settings:</b> Aon develops premium and budget rates for their self-insured medical and dental plans with separate rate breakouts by plan, type of employee (i.e., State, Local Educational, and Local Government) and employee category (i.e., Active and Retiree).</li> <li>• <b>GASB 43 and 45 Valuations:</b> Aon has performed these valuations for the State.</li> <li>• <b>Vendor Selection:</b> Aon conducted a medical plan vendor search precipitated by the collective bargaining process that resulted in significant savings</li> <li>• <b>Claim Audits:</b> Aon has completed claim audits of the States largest vendors.</li> <li>• <b>Collective Bargaining Assistance:</b> Aon was intimately involved in working with the State to provide bargaining assistance, on an around-the-clock basis, as requested. We also developed a proprietary Bargaining Model tool that allows us to project plan costs, by Union for a myriad of medical and drug plan options. The State used this tool during negotiations to determine savings from plan changes.</li> </ul>	



**Exhibit O Client References**(Link [§4.03.3](#))**Exhibit O – Page 1 of 1**Client Reference #: 2Project Reference Name: State of Delaware

<b>Name of the Client for whom actuarial and benefit consulting services are/were Performed:</b>	State of Delaware
<b>Client Contact Information:</b>	
<b>Contact's Name:</b>	Brenda Lakeman
<b>Contact's Title:</b>	Director, Statewide Benefits, OMB
<b>Phone Number:</b>	302-739-8331
<b>Email Address:</b>	<a href="mailto:Brenda.Lakeman@state.de.us">Brenda.Lakeman@state.de.us</a>
<b>Services Rendered Description:</b> In the space provided below, the Offeror should describe the nature of the services in satisfaction of the requirements in RFP, <a href="#">§4.03.3</a> demonstrating that the Offeror has provided actuarial and benefit consulting services similar in scope to those as set forth in the RFP. .	
<p>The Delaware health plans cover approximately 100,000 members and have annual plan costs of approximately \$500 million. Aon's consulting services for Delaware have included:</p> <ul style="list-style-type: none"> <li>• Vendor management, including contract negotiations</li> <li>• Vendor bidding and procurement</li> <li>• All phases of financial consulting: <ul style="list-style-type: none"> <li>– quarterly reporting</li> <li>– annual budget projection</li> <li>– plan design and contribution modeling to meet budget</li> </ul> </li> <li>• Retiree medical consulting to reduce GASB 45 liability</li> <li>• Disease management and wellness consulting</li> </ul>	

**Exhibit O Client References**(Link [§4.03.3](#))**Exhibit O – Page 1 of 1**Client Reference #: 3Project Reference Name: Commonwealth of Virginia

<b>Name of the Client for whom actuarial and benefit consulting services are/were Performed:</b>	Commonwealth of Virginia
<b>Client Contact Information:</b>	
<b>Contact's Name:</b>	Mary P. Habel
<b>Contact's Title:</b>	Director of State and Local Health Benefits Programs
<b>Phone Number:</b>	804-371-7931
<b>Email Address:</b>	<a href="mailto:Mary.habel@dhrm.virginia.gov">Mary.habel@dhrm.virginia.gov</a>
<b>Services Rendered Description:</b> In the space provided below, the Offeror should describe the nature of the services in satisfaction of the requirements in RFP, <a href="#">§4.03.3</a> demonstrating that the Offeror has provided actuarial and benefit consulting services similar in scope to those as set forth in the RFP. .	
<p>Virginia's health plans cover approximately 200,000 members and have an annual plan cost of approximately \$800 million. Aon Consulting has performed a complete range of actuarial and related consulting services, including:</p> <ul style="list-style-type: none"> <li>• Annual actuarial estimate of reserves</li> <li>• Actuarial risk analysis of competing health plans</li> <li>• GASB actuarial liability projections</li> <li>• Medicare Part D attestations and consulting</li> <li>• Development and maintenance of claims database, cost analysis and forecasting systems</li> <li>• General consulting including plan design, effect of legislative proposals and study requests, etc.</li> <li>• Administrator audits and performance reviews</li> <li>• Procurement assistance including RFP drafting and response evaluation</li> <li>• Special actuarial and plan design projects as may be required by Executive Order or Legislative Resolution</li> </ul>	



#### **§4.03.4 Project Management Team**

The Department expects the Contractor to: 1) have a knowledgeable, experienced project management team in place that has the responsibility, authority and integrity to administer, manage and oversee all aspects of the required Project Services during entire term of the Contract, 2) designate a single account executive that would be accountable to the Department and responsible for ensuring that the needs of the Department are met, 3) be able to maintain and adjust staffing patterns at appropriate levels to provide services as requested by the Department, 4) ensure that all activities associated with Tasks 1, 2, 3, and 4, as applicable will be overseen by an individual certified as a Fellow in the Society of Actuaries ("FSA"), 5) notify the Department in writing of changes in key personnel, and 6) notify the Department of any actual or anticipated events impacting the delivery of Project Services and present options available to minimize or eliminate the impact of those events on the delivery of Project Services. At this part of its Technical Proposal, the Offeror should complete and submit RFP, [Exhibit P](#) entitled, "[Project Team Roster](#)" listing the Offeror's proposed key project management team members, and including subcontractor provided key staff, if any. The Offeror should also complete and submit, RFP, [Exhibit Q](#) entitled, "[Biographical Sketch Form](#)" for each proposed key project team member listed in the [Project Team Roster](#). (Note: Where individuals are not named, the Offeror should include, as a separate attachment to the roster, a description of the qualifications of the individual(s) that the Offeror would seek to fill the position(s).) In addition, the Offeror should also provide an organizational chart for the Project Management Team.

The Aon consultants listed in Exhibit P will provide the State with an experienced team who are very capable of providing the services detailed in the RFP. Jim Christ will serve as the Aon Account Executive and will be supported by Ed Fox to insure that Aon consultants are available to the Department as needed and that requested services are provided on a timely basis. Actuarial control and review will be provided by Jonathan Nemeth, FSA who will serve as the senior officer for this account and by Mike Morfe, ASA and Susan Marsh, FSA.

**EXHIBIT P Project Team Roster**

(Link §4.03.4)

**Exhibit P – Page 1 of 1**

<b>Project Team Member's Name <sup>1</sup></b>	<b>Position Title</b>	<b>Subcontractor (Y/N)</b>	<b>Employer</b>
Jonathan Nemeth, FSA	Principal	N	Aon Consulting
Michael Morfe, ASA	Principal	N	Aon Consulting
Edward Fox	Principal	N	Aon Consulting
Joe Marlowe	Principal	N	Aon Consulting
Tom Vicente, FSA	Principal	N	Aon Consulting
Susan Marsh, FSA	Lead Consultant	N	Aon Consulting
James Christ, CEBS	Lead Consultant	N	Aon Consulting
Paul Koch, FSA	Lead Consultant	N	Aon Consulting
Hitesh Patel	Lead Consultant	N	Aon Consulting
Glen Nebel, JD	Lead Consultant	N	Aon Consulting
Tim Maroz, ASA	Consultant	N	Aon Consulting
Debi Heck	Consultant	N	Aon Consulting
Gerry Smit	Consultant	N	Aon Consulting
Doug Bartos	Consultant	N	Aon Consulting
Douglas Marshall, PhD	Principal	Vendor Partner	Goss, LLC
John Boyle	Principal	Partnering with Goss	JP Boyle International
Tom Goss	Principal	Vendor Partner	Goss, LLC
Greg Goss	Principal	Vendor Partner	Goss, LLC
Willie Jackson	Lead Consultant	Vendor Partner	Goss, LLC
Art Judson	Lead Consultant	Vendor Partner	Goss, LLC

**NOTE:**

<sup>1</sup> Employers are required by Federal law to verify that all employees are legally entitled to work in the United States. Accordingly, DCS reserves the right to request legally mandated employer-held documentation attesting to the same for each individual assigned work under the Contract. In accord with such laws, DCS does not discriminate against individuals on the basis of national origin or citizenship.

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Jonathan Nemeth		
<b>Job Title:</b>	Senior Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
Jonathan is an FSA and will serve as the lead actuary on this assignment. Jonathan will be responsible for overseeing all technical and actuarial aspects of Tasks #1, #2 and #4 as necessary. We anticipate Jonathan will spend approximately 5% of his time on this project, with significantly more at certain times of the year and as required by ad-hoc projects. For Task #1 and Task #2, Susan Marsh will report to Jonathan on actuarial aspects of the assignment.			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
State University of New York at Albany	Bachelor of Sciences	1982	Mathematics
<b>CERTIFICATIONS:</b>			
Fellow of the Society of Actuaries Member of the American Academy of Actuaries Fellow of the Conference of Consulting Actuaries			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	Senior Vice President	1988 to Current	
Empire Blue Cross and Blue Shield	Consulting Actuary	1985 to 1988	
New York State Insurance Department	Consulting Actuary	1982 to 1985	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
Jonathan is Aon's Chief Actuary for Health & Welfare benefits. He has over 25 years of experience working on large complicated employers' benefit programs. His areas of expertise span medical, dental, vision, life and disability insurance for both active and retired employees. He has worked with employers with large unionized populations, including conducting face to face negotiations. He has also provided expert witness advice and testimony for law firms and employers.			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> John Hickey			
<b>Phone:</b> 908.582.4754			
<b>Name:</b> Kathy Stevens			
<b>Phone:</b> 504.576.4933			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Michael Morfe		
<b>Job Title:</b>	Senior Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Mike will be the lead consultant on Task #3, GASB 45 valuation. In addition, he may be utilized for certain ad-hoc assignments under Task #4. His role will be primarily oversight of Task #3. Paul Koch will report to Mike for Task #3. We would expect that overall Mike would spend 5% of his time on Task #3 services.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
University of Delaware	BA AS	1980	mathematics
<b>CERTIFICATIONS:</b>			
Associate of the Society of Actuaries; Fellow of the Conference of Consulting Actuaries; Member, American Academy of Actuaries			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	Senior Vice President	2004 to present	
Mercer Human Resource Consulting	Principal	1996 to 2004	
Price Waterhouse	Senior Manager	1992 to 1996	
A Foster Higgins & co	Senior Manager	1988 to 1992	
Touche Ross & co	Senior Manager	1984 to 1988	
Milliman	Actuarial Consultant	1980 to 1984	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Mike is the lead GASB 45 consultant on the State of NJ, Commonwealth of Massachusetts, and more than a dozen independent cities, counties, authorities and school districts. In addition he is the lead consultant on a consortium of approximately 100 cities and towns currently in process for GASB 45 valuations in the State of NJ.</b>			
<b>Mike is the Medicare Part D attesting actuary for the State of NJ and over two dozen other enterprises, and is the Subject Matter Expert for retiree medical consulting for Aon Consulting (US) on health and benefit matters. He has published a number of articles on retiree medical, GASB and Medicare Part D.</b>			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> John.Megariotis			
<b>Phone:</b> (609) 292 3674			
<b>Name:</b> Brenda.Lakeman			
<b>Phone:</b> (302) 739-8331			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Edward Fox		
<b>Job Title:</b>	Senior Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Ed will work with the Account Management team on this project. In particular, he will serve as Jim Christ's back-up on the Account Executive role. His primary role will be that of senior adviser and he will oversee much of the consulting work. We estimate he will spend approximately 5% of his time on this assignment.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Washington & Jefferson College, PA	BA	1967	English
<b>CERTIFICATIONS:</b>			
Licensed for Life/Health in New Jersey			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	Senior Vice President	2000 to Present	
Actuarial Sciences Assoc. (acquired by Aon)	Director, Health Consulting	1994 to 2000	
Buck Consulting	Principal	1988 to 1994	
Mercer/Meidinger/Hansen	Consultant	1985 to 1988	
Prudential Insurance Company	Director, Healthcare Management	1967 to 1985	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Ed has over 40 years of experience in the group health and welfare benefits area, with particular emphasis on health care issues. His experience includes over 6 years in the development and management of managed-care delivery systems and an equal amount of time in industry and government relations and health policy. At Aon, he provides consulting advice on employee health benefits, specializing in plan design, funding, implementation, and administration of employee benefit programs. Ed has directed group health and welfare consulting assignments for a wide variety of clients in both the public and private sector, including some of the nation's largest corporations. His public sector experience includes assignments for:</b>			
<ul style="list-style-type: none"> <li>▪ The City and State of New York</li> <li>▪ Pennsylvania Public School Employees' Retirement System</li> <li>▪ State of New Jersey</li> </ul>			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Florence Sheppard			
<b>Phone:</b> 609-292-3728			
<b>Name:</b> Thomas Jecklin			
<b>Phone:</b> 309-766-5536			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Joseph Marlowe		
<b>Job Title:</b>	Senior Vice President and National Leader on Health & Productivity		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>As Aon's Health and Productivity Leader, Joe would be involved in relevant Task #4 projects, primarily from an subject matter expert perspective.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
The University of Michigan, Master of Public Health, 1977	Master of Public Health	1977	Health Planning
London School of Economics and Political Science	Master of Science	1976	Demography
University of Connecticut	Bachelor of Arts	1973	Political Science
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT: (Start with most recent)</b>			
Employer	Title	Dates From – To	
Aon Consulting	Senior Vice President	1990 to Current	
Managed Health Care Services	Vice President	1985 to 1990	
The Hartford Insurance Group	Director, Health Care	1982 to 1985	
Health Systems Agency, Hartford, CT	Associate Executive Director	1978 to 1982	
<b>PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)</b>			
<b>Joe oversees the firms' consulting services for population health management including disease management and health promotion/ wellness and lost time consulting. He is an expert in managed care network development and management, onsite health center consulting, disease management, and health promotion/ wellness.</b>			
<b>REFERENCES: (Provide and the Name and Phone Number of two references)</b>			
<b>Name:</b> James Stark			
<b>Phone:</b> 415.710.7747			
<b>Name:</b> Paul Chicos			
<b>Phone:</b> 215.371.5121			



**Exhibit Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Tom Vicente		
<b>Job Title:</b>	Senior Vice President, Consulting Actuary		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Tom will work closely with Mike Morfe and Paul Koch on the Task# 3 services and will serve as a subject matter expert in this area.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Drexel University	BS	1987	Mathematics
<b>CERTIFICATIONS:</b>			
Fellow of the Society of Actuaries; Member of the American Academy of Actuaries; and Enrolled Actuary.			
<b>PROFESSIONAL EMPLOYMENT: (Start with most recent)</b>			
Employer	Title	Dates From – To	
Aon Consulting	SVP	1987 to current	
<b>PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)</b>			
Tom is an actuary performing funding, accounting, plan design and termination valuations for numerous complex Public and Private Sector pension and OPEB programs. He led Aon's initiative to provide services to allow public sector employers to comply with GASB 45 and 43 and authored a white paper on GASB 45 compliance and requirements. He has worked on the State of NJ and MA actuarial valuations for OPEB programs and has consulted on the pricing of pension and OPEB benefits for union negotiations for a large city pension system. Tom is a frequent speaker on Public Sector OPEB and Pension issues at SALGBA, NASACT and the National League of Cities.			
<b>REFERENCES: (Provide and the Name and Phone Number of two references)</b>			
<b>Name:</b> Eric Berman			
<b>Phone:</b> 617-973-2602			
<b>Name:</b> Tawnya Grace			
<b>Phone:</b> 845-291-0162			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Susan D. Marsh		
<b>Job Title:</b>	Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
Susan will serve as the Lead Actuary for Tasks # 1 and # 2, and Task # 4 as necessary. Susan will be both responsible for the work and oversee the data programmers and junior actuarial staff on completing these assignments and will report to Jonathan Nemeth. Overall, we expect Susan would spend approximately 5% of her time on Tasks # 1 and # 2.			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Oberlin College	B.A.	1975	Math major
Temple University	N/A	N/A	Actuarial Science
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	Vice President	1996 to present	
Phoenix Home Life	Associate Actuary	1983 to 1995	
Penn Mutual Life Insurance Company	Assistant Actuary	1980 to 1983	
Philadelphia Life Insurance Company	Actuarial Student	1976 to 1980	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
Susan is the chief actuary for the State of New Jersey employee/ retiree benefits plan and responsible for setting premiums, reserves, projecting future costs, and various ad hoc requests including financial analysis of the recent RFP for medical and prescription drug vendors. In addition, Susan has done financial analysis, reserve setting, benefit pricing for AT&T, Lucent, and several other large national employers while at Aon. While at Phoenix Home Life, Susan was responsible for the rate manual, the renewal rate formula, and setting reserves for group medical plans.			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Florence Sheppard			
<b>Phone:</b> 609-292-3728			
<b>Name:</b> Nancy Ronaghan			
<b>Phone:</b> 609-292-8234			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	James A. Christ		
<b>Job Title:</b>	Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Lead Consultant/Account Executive		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<p><b>Jim will act as the Account Executive for the State of New York. In that role, he will be the primary contact of the Department, and will oversee, and consult as required on all of the tasks included in the proposal. Jim will work closely with Ed Fox in this role and in addition, to the extent Goss, LLC, our minority partner in the project is involved in the Task # 4 services, Jim will be the primary contact with them. Overall, we expect Jim would spend approximately 10% of his time on the defined services in this proposal. At certain times of the year, and if required by Task # 4 services, the time spent could be significantly higher.</b></p>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Cornell University, Ithaca, NY	BA	1983	Physics
<b>CERTIFICATIONS:</b>			
Certified Employee Benefits Specialist, Licensed life and health insurance broker in states of NJ, NY and others			
<b>PROFESSIONAL EMPLOYMENT: (Start with most recent)</b>			
Employer	Title	Dates From – To	
Aon Consulting	Vice President	2006 to Present	
Empire Blue Cross Blue Shield	Vice President	1998 to 2005	
Buck Consultants	Benefit Consultant	1987 to 1998	
Noble Lowndes Becker	Consultant	1986 to 1987	
Prudential Insurance Co.	Group Underwriter	1983 to 1986	
<b>PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)</b>			
<p><b>Jim experience is split equally between working with clients on the benefit consulting side and working with them in the underwriting department of prominent group health insurers. Jim has directed or contributed to group health and welfare assignments for a wide variety of clients, including the States of New York and New Jersey, the Pennsylvania Public School Employees' Retirement System, and the Diocese of Rockville Centre. Prior to joining Aon in 2006, Mr. Christ was Vice President of Underwriting at Empire Blue Cross Blue Shield where he was responsible for the financial performance of the National Accounts market segment, as well as the NYSHIP program with Empire. He also previously was a benefit consultant with another major professional consulting firm and in that capacity was a consultant to the State of New York.</b></p>			
<b>REFERENCES: (Provide and the Name and Phone Number of two references)</b>			
<b>Name:</b> Florence Sheppard			
<b>Phone:</b> 609-292-3728			
<b>Name:</b> Cynthia Villegas			
<b>Phone:</b> 201-287-4205			

**Exhibit Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q– Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Paul Koch		
<b>Job Title:</b>	Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
Paul will be the Lead valuation actuary for Task #3, GASB 45 valuation, and report to Mike Morfe. In addition to being responsible for the work he will also be responsible for overseeing the programmers and junior actuarial staff for Task #3. We anticipate he would spend approximately 5% of his time on this assignment.			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Bucknell University	BS	1994	Mathematics
<b>CERTIFICATIONS:</b>			
Fellow of the Society of Actuaries; Member of the American Academy of Actuaries; Enrolled Actuary			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	Vice President	2000 to Present	
ASA (acquired by Aon in 2000)	Senior Actuary	1994 to 2000	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
Paul is the lead GASB 45 valuation actuary on more than a dozen independent cities, counties and authorities, as well as a consortium of approximately 100 cities and towns currently in process for GASB 45 valuations in the state of NJ. He manages actuarial staff responsible for retiree medical valuations, plan design and pricing, and Medicare Part D attestations.			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> James V. Maturo			
<b>Phone:</b> (315) 435-2130			
<b>Name:</b> Elizabeth Enserro Salvatori			
<b>Phone:</b> (716) 816-3545			

**EXHIBIT Q Biographical Sketch Form**

(Link §4.03.4)

**Exhibit Q– Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Hitesh Patel		
<b>Job Title:</b>	Vice President, National Pharmacy Practice leader		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Hitesh will be involved in all aspects of the pharmacy benefit management, including benefit design, vendor management, vendor procurement and audits as required. For this project, Hitesh will be accountable to Jim Christ.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
University of London	B Pharm	1980	Pharmacy
Long Island University	B Sc	1984	Pharmacy
Northwestern University	MM	1989	Health Mgmt and Finance
<b>CERTIFICATIONS:</b>			
Registered Pharmacist (RPh)			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon	Vice President	2007 to Present	
SXC Health Solutions	Vice President Clinical Services	2004 to 2007	
Caremark	Director Analytics/Outcomes	1995 to 2004	
Rush North Shore Hospital	Assistant Director	1989 to 1995	
Loretto Hospital	Assistant Director	1984 to 1989	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Hitesh has over 25 years of work experience as a pharmacist and has an excellent business acumen. The combination of clinical and business experience makes him a unique individual to help clients manage their pharmacy benefits. He has worked at 2 large PBMs in various roles for over 12 years, and understands all aspects of claims processing, data management and clinical issues.</b>			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Shawn Atin			
<b>Phone:</b> (951) 955-3557			
<b>Name:</b> Roger Wilson			
<b>Phone:</b> 402-471-1638			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Glen C. Nebel		
<b>Job Title:</b>	Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Glen will serve as the lead regulatory and compliance consultant on this project. Glen will report through Jim Christ on work, as necessary.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Tusculum College (Greeneville, TN)	B.S.	1984	Business Admin.
Mercer University (Macon, GA)	J.D.	1988	Law
Mercer University (Macon, GA)	M.B.A.	1990	Finance
<b>CERTIFICATIONS:</b>			
New Jersey and Georgia Bars			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	Vice President	2000 to Present	
Actuarial Sciences Associates Inc. (ASA)	Attorney	1990 to 2000	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Glen has over 18 years experience in employee benefits matters with a particular emphasis on health and welfare issues such as cafeteria plans, changes in status, flexible spending account arrangements, Medicare, COBRA, HIPAA portability, summary plan descriptions, mandated state disability benefit laws, vendor contracts, plan drafting, qualified domestic relations orders and qualified medical child support orders. He has also assisted clients in the public sector on health and welfare issues, for example, the Pennsylvania Public School Employees Retirement System.</b>			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Judy Kramer			
<b>Phone:</b> (908) 532-1990			
<b>Name:</b> Catherine Angell			
<b>Phone:</b> (214) 757-3169			

**Exhibit Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Tim Maroz		
<b>Job Title:</b>	Assistant Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
Tim will work closely with the actuarial and account management team on all tasks in this proposal. He will report to Susan Marsh for Tasks # 1 and # 2 and Paul Koch for Task #3. We anticipate he would spend approximately 10% of his time on this project. Tim would be responsible, with the other actuarial staff, for performing the work.			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Lafayette College, Easton, PA	Bachelor of Arts, summa cum laude	2002	Economics and Business
<b>CERTIFICATIONS:</b>			
Fellow of the Conference of Consulting Actuaries; Associate of the Society of Actuaries; Member of the American Academy of Actuaries			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	Assistant Vice President	2002 to Present	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
Tim's relevant experience includes premium/ contribution rate development for self-insured medical/ Rx plans, development of claim costs and trends for GASB45/ FAS106/ FAS112 valuations, STD/ LTD pricing and reserving, Medicare Part D strategy and financial analyses including actuarial equivalence attestations, IBNR reserve development, assistance with bargaining negotiations & agreement implementation, and retiree medical redesign. He performed this type of work for numerous public and private sector clients including State of New Jersey, Allegheny County Schools Health Insurance Consortium, Commonwealth of Massachusetts, County of Riverside, Alcatel-Lucent, Avaya, Southern California Edison, Entergy, Sierra Pacific Resources, Alpha Natural Resources, White & Case, Sun Products, Lehman Brothers, COTY, and Jersey City Incinerator Authority.			
<b>REFERENCES:</b> (Provide the Name and Phone Number of two references)			
<b>Name:</b> Helen H. Myers			
<b>Phone:</b> 212-819-7661			
<b>Name:</b> Raj. S. Vasan			
<b>Phone:</b> 201-432-4645, ext. 613			

**EXHIBIT Q Biographical Sketch Form**

(Link §4.03.4)

**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Debi Heck		
<b>Job Title:</b>	National Wellness Practice Leader		
<b>Position Title per RFP, §4.04– Assumption 6</b>	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>As Aon's National Wellness Practice Leader, Debi would be involved in Task#4 projects as required and would report to Jim Christ.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Ball State University	MA	1995	Wellness Management
University of Northern Iowa	BA	1990	Community Health Education
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon Consulting	AVP – Wellness Practice Lead	2008 to Present	
Matria Healthcare (now Alere)	VP Wellness	2003 to 2008	
St. Luke's Episcopal Hospital	Dir Wellness	2001 to 2003	
Health Media	Sales Director	2000 to 2001	
Staywell Health Management	Senior Director	1995 to 2000	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Debi has developed, implemented, and managed health management programs for many large employer groups, including private and public entities, from an onsite &amp; from a remote standpoint. She is currently developing a large mid-western states' integrated health management program.</b>			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Lee Dukes			
<b>Phone:</b> 317-874-3800			
<b>Name:</b> Scott Thompson			
<b>Phone:</b> 888.827.4434 x201			



**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Gerry Smit		
<b>Job Title:</b>	Assistant Vice President		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Gerry will serve as the lead programmer and perform data manipulation work for this assignment and will report to Susan Marsh and Paul Koch. We estimate that Gerry will spend approximately 10% of his time on this project.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Columbia University	BS & MS	1972. 1973	Oper Research
Fairleigh Dickinson University	MBA	1974	Finance
Seton Hall University	JD	1987	Law
<b>CERTIFICATIONS:</b>			
Stevens Tech – Masters Certificate – Project Management			
AT&T School of Business – Numerous Certificates – IT & data networking			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Aon	Assistant VP	2008 to Present	
Gerry Smit Consulting Services	CEO	2004 to 2008	
AT&T	Various: Programmer through Division Manager	1984 to 2004	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Gerry is responsible for medical claims processing for numerous clients; NJ GASB analyses; SAS database development; transaction data processing, &amp; data analyses; data junction ETL administration; and MS SQL Server 2005 system administration.</b>			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Joseph McGarry			
<b>Phone:</b> 732-356-8583			
<b>Name:</b> David Kring			
<b>Phone:</b> 908-526-1200, ext 8354			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Douglas J. Bartos		
<b>Job Title:</b>	Assistant Vice President		
<b>Position Title per RFP, Error! Reference source not found. – Assumption 6</b>	Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Doug would be involved in Task# 4 projects as required, and would report to Jim Christ.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Towson University	BA	1977	Business Admin- Finance
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT: (Start with most recent)</b>			
Employer	Title	Dates From – To	
Aon Consulting	Assistant Vice President	1998 to Present	
Williams, Thacher and Rand	Benefits Consultant	1988 to 1998	
Blue Cross Blue Shield	Underwriter, Information Systems	1980 to 1988	
<b>PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)</b>			
<b>Doug is an Assistant Vice President in the Baltimore, MD office of Aon Consulting. He recently joined the Aon Center for Predictive Data with responsibilities that include managing new client implementations of ACclaim historical data from the initial data acquisition through account team training; acting as an interface with health insurance carriers to facilitate the efficient transfer of data to our systems; troubleshooting data issues; and facilitating training with the account teams. He has worked as a benefits consultant specializing in financial projections and renewals and earlier he had specialized in Health and Benefit data operations, which included developing systems for Intranet based benefits enrollment as well as other benefits related software and hardware applications.</b>			
<b>REFERENCES: (Provide and the Name and Phone Number of two references)</b>			
<b>Name:</b> Matthew Quade			
<b>Phone:</b> 202-862-5325			
<b>Name:</b> William Kost			
<b>Phone:</b> 202-512-1801 X30407			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Douglas Marshall		
<b>Job Title:</b>	Senior Advisor, Goss, LLC		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Douglas will serve as a subject matter expert and principal on appropriate Task# 4 services.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Denison University	BA	1965	Liberal Arts
University of Michigan	MA	1967	History
University of Michigan	PhD	1976	History
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Goss LLC	Senior Advisor	2008 to Present	
Blitz & Associates	Principal	2000 to 2008	
General Motors Corporation	Program Manager/Director	1985 to 1989	
Campbell-Ewald Advertising	Research Director	1983 to 1984	
University of Michigan	Assoc. Prof/Assoc. Curator	1970 to 1982	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Healthcare-Related Project Management: EDS-swipe card ID, scheduling; Karmanos Cancer Institute at Detroit Medical Center-management of experimental cancer treatment technologies (Adjunct Professor, Wayne State Medical School); CEO-GM/ Chrysler-funded cancer study at Detroit Medical Center on automotive plant cancers and patient outcomes/cost reductions; GM vendor healthcare cancer treatment initiatives-investigation, measurement of disease incidence, and cost/ benefit studies in treatment procedures.</b>			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> F. Stewart De Beuicker			
<b>Phone:</b> 215-545-2950			
<b>Name:</b> Duncan Campbell			
<b>Phone:</b> 517-719-4391			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	John L. Boyle II		
<b>Job Title:</b>	Senior Advisor, Goss, LLC		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>John, working with the Goss group, will serve as a principal and subject matter expert on relevant Task# 4 projects.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Wharton, University of PA	MS	1971	Options Research
Georgia State University	MAS	1969	Actuarial Science
Georgia State University	BBA	1967	Actuarial Science
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT: (Start with most recent)</b>			
Employer	Title	Dates From – To	
J.L. Boyle International	CEO	1981 to Present	
Gallup-Silkworth Company	CFO	1978 to 1981	
Ford Motor Company	Various	1971 to 1978	
University of Pennsylvania	Vice Dean of Student Affairs	1970 to 1971	
Wharton School of Business	Instructor-Statistics	1969 to 1970	
<b>PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)</b>			
<ul style="list-style-type: none"> <li>• <b>Manager of Actuarial Department at Ford Motor Company</b></li> <li>• <b>Funding Detroit Retiree Healthcare and Pension Benefits</b></li> <li>• <b>Funding Washtenaw County (MI) Retiree Medical Benefit Trust</b></li> <li>• <b>Benchmarking Assessment for the City of Ferndale</b></li> </ul>			
<b>REFERENCES: (Provide and the Name and Phone Number of two references)</b>			
<b>Name:</b> Joseph Harris			
<b>Phone:</b> 313-224-3491			
<b>Name:</b> Peter Ballios			
<b>Phone:</b> 734-222-6711			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Tom A. Goss		
<b>Job Title:</b>	Chairman, Goss, LLC		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Tom will work with Aon on relevant Task#4 projects and would primarily provide executive oversight</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
University of Michigan	BS	1968	Education
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT: (Start with most recent)</b>			
Employer	Title	Dates From – To	
Goss LLC/ The Goss Group, Inc.	Chairman	2001 to Present	
University of Michigan	Athletic Director	1997 to 2000	
PIA Merchandising	President, COO	1993 to 1997	
Shasta of National Beverages	Executive VP & General Mgr	1987 to 1993	
<b>PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)</b>			
<b>Project Management: managed U.S. insurance authorities for major London-owned insurance brokerage providing accident/ health insurance to retail insurance agents seeking insurance for their clients; developed actuarially-driven automotive product liability/ warranty expense insurance program for GM in conjunction with Marsh &amp; Mercer Consulting; currently marketing an exclusive, actuarially-driven pharmacy benefit management audit system for major public entities and private sector employers; managed for the Detroit Public School System a TPA vendor's workers compensation claims system; project-managed insurance department consolidation of a major chemical company merger between Crompton Corporation &amp; Great Lakes Chemical Co. (\$5B revenues) (now Chemtura Corporation).</b>			
<b>REFERENCES: (Provide and the Name and Phone Number of two references)</b>			
<b>Name:</b> Jerry McCuish			
<b>Phone:</b> 248-615-2311			
<b>Name:</b> Sidney Taylor			
<b>Phone:</b> 586-573-3600			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Gregory F. Goss		
<b>Job Title:</b>	President & CEO, Goss, LLC		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Principal		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Greg will work with Aon on relevant Task# 4 projects and would primarily provide project oversight.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
University of Michigan	BS	1984	Education
Tucks Business School Dartmouth University	Executive Education	2005	Business
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Goss LLC/The Goss Group, Inc.	President/CEO	2001 to Present	
The Goss Group Inc.	President/CEO	1995 to Present	
Cambridge Underwriters	Vice President	1990 to 1995	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Project Management:</b> managed U.S. insurance authorities for major London-owned insurance brokerage providing accident/ health insurance to retail insurance agents seeking insurance for their clients; developed actuarially-driven automotive product liability/ warranty expense insurance program for GM in conjunction with Marsh & Mercer Consulting; currently marketing an exclusive, actuarially-driven pharmacy benefit management audit system for major public entities and private sector employers; managed for the Detroit Public School System a TPA vendor's workers compensation claims system; project-managed creation of a copywrited secondary school district sports risk management program.			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Robert De Wolf			
<b>Phone:</b> 734-944-9760			
<b>Name:</b> James Stapleton			
<b>Phone:</b> 734-944-9760			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Willie F. Jackson		
<b>Job Title:</b>	Director of Finance, Goss, LLC		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Willie will work on relevant Task# 4 assignments and would primarily be responsible for performing assigned ad hoc project tasks</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
Walsh College-Troy, MI	MS	2007	Finance
Eastern MI University-Ypsilanti, MI	BBA	1998	Finance
<b>CERTIFICATIONS:</b>			
<b>PROFESSIONAL EMPLOYMENT: (Start with most recent)</b>			
Employer	Title	Dates From – To	
The Goss Group Inc.	Director of Finance	2004 to Present	
JFM Advisor, LLC	Founder	2001 to 2004	
Educational Technologies Inc./LJPR	Various	1999 to 2001	
Coca Cola Enterprise	Analyst	1998 to 1999	
<b>PROFESSIONAL EXPERIENCE: (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)</b>			
<b>Employee benefit plan design and implementation: employee educational and communication program, pharmaceutical auditor program. Project management: managed Ford Motor Company/ UAW employee personal finance education programs that included retirement planning, estate planning, 401k retirement plans and pension benefits. Designed &amp; implemented comprehensive employee benefit program transition from full-funding to self-insurance; administered pharmacy benefit management audit programs</b>			
<b>REFERENCES: (Provide and the Name and Phone Number of two references)</b>			
<b>Name:</b> Demerius Ware			
<b>Phone:</b> 248-739-1101			
<b>Name:</b> Robert Crane			
<b>Phone:</b> 734-502-5611			

**EXHIBIT Q Biographical Sketch Form**(Link [§4.03.4](#))**Exhibit Q – Page 1 of 1**

**INSTRUCTION:** Prepare this form for each **key** staff individual, including subcontractor provided **key** staff, if any.

<b>Name:</b>	Arthur E. Judson		
<b>Job Title:</b>	Senior Vice President, Goss, LLC		
<b>Position Title per RFP, §4.04 – Assumption 6</b>	Lead Consultant		
In the space provided below describe the individual's proposed role and responsibilities under the Contract. Indicate whether or not the individual will be responsible for overseeing or performing the work and for which task(s). The Offeror must include the percentage of time dedicated to the Project and reporting relationships:			
<b>Art will work closely with Aon on relevant Task# 4 projects and will be the account management liaison from Goss.</b>			
<b>EDUCATION:</b>			
Institution & Location	Degree	Year Conferred	Discipline
U.S. Military Academy, West Point, NY	B.S.	1960	Engineering
<b>CERTIFICATIONS:</b>			
Insurance: ARM, CPCU, CIC, AAI, AU, ASLI, AIS, API, AIC, ACS, ARM-P, AMIM, L.I.C.			
<b>PROFESSIONAL EMPLOYMENT:</b> (Start with most recent)			
Employer	Title	Dates From – To	
Goss LLC/The Goss Group	Senior Vice President	2001 to Present	
Bosquett & Company	Vice President – Commercial	1995 to 2001	
Michigan Municipal League	Account Executive	1995 to 1995	
Cambridge Underwriters	Account Executive	1990 to 1995	
Burns & Wilcox	Branch Manager	1988 to 1990	
<b>PROFESSIONAL EXPERIENCE:</b> (Include only that experience which is significant and relevant to the individual's performance of Project Services to the Department program)			
<b>Project Management:</b> managed U.S. insurance authorities for major London-owned insurance brokerage providing accident/ health insurance to retail insurance agents seeking insurance for their clients; developed actuarially-driven automotive product liability/ warranty expense insurance program for GM in conjunction with Marsh & Mercer Consulting; currently marketing an exclusive, actuarially-driven pharmacy benefit management audit system for major public entities and private sector employers; managed for the Detroit Public School System a TPA vendor's workers compensation claims system; project-managed the copywrite process for the proprietary Goss Sports Risk Management Program for Secondary Schools.			
<b>REFERENCES:</b> (Provide and the Name and Phone Number of two references)			
<b>Name:</b> Doug Thompson			
<b>Phone:</b> 248-386-8737			
<b>Name:</b> Michael Adkins			
<b>Phone:</b> 248-952-6003			





Further, at this section of its Technical Proposal, the Offeror should also provide:

1. **a description of how the Offeror proposes that the Project Management Team will:**
  - i. **successfully handle the four (4) tasks (including an indication of the percentage of time, by team member, dedicated to the project and a task(s),**
  - ii. **manage the Department' account; and**
  - iii. **interface with the Department in its delivery of Project Services;**

One of Aon's key differentiators is our commitment to exceptional Account Management led by Jim Christ and Ed Fox who both have extensive expertise in the public sector. We will work with the Department to successfully handle the four key tasks. The Department will have access to Jim, who will serve as the Aon Account Executive on this project, on a extensive basis (including sharing of cell phone numbers) and Aon will answer all phone calls within 24 hours. Jim will be the primary contact with the Department on all phases of this assignment and will manage a team of highly qualified consultants (both from Aon and from Goss as necessary) to deliver consulting services to the State. He will have access to regional and national resources, including a network of other Aon and Goss colleagues experienced in the public sector market.

The account management team will be led by Jim and Ed. The State will also have access to Jonathan Nemeth, FSA, MAAA, Susan Marsh, FSA, and Mike Morfe, ASA, MAAA on technical and other aspects of our work.

2. **a description of the process by which the Offeror proposes to provide notification to the Department of actual or anticipated events impacting the delivery of Project Services and the presentation of options available to minimize or eliminate the impact of those events on the delivery of Project Services;**

While we do not anticipate issues related to the timely delivery of services, Aon would immediately notify the State as to any issues that arise. At that time, we would fully disclose the reason for the problem (for example, vendors providing data late, or incorrect data provided by vendors) and propose alternative solutions, as necessary. For example, if the latest quarter of data is flawed, we may mutually decide to use the older data instead, with appropriate assumptions, to ensure the timely delivery of services.

3. **a description of how the Offeror proposes to provide additional resources 1) from within the organization, and/or 2) from a third party should the need arise to provide Task #1, #2 and #3 Project Services, as well as Task #4 services in the areas of**

- o plan design consulting,
- o consulting on selection of vendors,
- o regulatory and compliance consulting,
- o wellness programs, and
- o disease management;



Based on Aon's deep and experienced talent pool, and complemented by Goss, LLC who we expect will work with us and lead certain Task # 4 services, we do not anticipate the need for any additional resources. However, to the extent that becomes necessary, Aon will identify and recommend other firms to the Department to assist us in providing all of the required services.

- 4. for those positions for which an individual(s) has not been named at time of Proposal submission, a description of how the Offeror proposes to recruit the person(s) ultimately selected to fill the position.**

There are no team members for this proposal who have not been named, or are not a current Aon employee or affiliated with Goss, LLC, our partner in this proposal.

- 5. a description of how the Offeror proposes to recruit replacement personnel, should, during the term of the Contract, one or more Project Management Team members leave and a description of the steps that will be taken to ensure the continuity of Project Management Team members from year to year.**

Aon has low turnover, especially at the senior level. However, Aon is always recruiting industry leaders to assist us with our work. In the event a key New York team member were to leave Aon during the term of our contract, Aon would provide written notice of the change and identify appropriate internal candidates with similar experience and skill sets to fill the role.

Aon would discuss and present the replacement candidate to the State to ensure a proper fit with the Department.



#### **§4.03.5 Project Services**

At this part of its Technical Proposal, the Offeror should provide the information requested below as regards the Offeror's proposed approaches to deliver Project Service as described in RFP, [3.01](#).

##### **Task #1 – Premium Rate Renewals**

In regard to Task #1, at this part of its Technical Proposal, provide the information sought in A and B, below.

##### **A. Task #1 Work Plan:**

Submit a work plan which outlines the proposed process to be followed in order to deliver Task #1 Project Services as set forth in RFP, [3.01.1](#). The outline should include a detailed description of the steps, factors, required staff resources (number of individuals per title and total number of hours per title) using the Position Titles set forth in RFP, [4.04](#) – Assumption 6 needed to successfully complete the Task. (Note: The projected total number of hours per Position Title per year as set forth in the Offeror's work plan must match the total number of hours per Position Title per year as set forth in the Offeror's [Exhibit S](#), Form S-1 submission.) The Offeror should explain any added assumptions, including justification of those assumptions. Include a timeline (based on number of Business Days) of the major milestones and interim activities for completion of the Task and related activities (e.g. attendance at meetings with the Carriers).

Each year, the Department negotiates Empire Plan premium rates with the four (4) Empire Plan carriers. These rates are subject to the approval by the New York State Division of Budget ("DOB").

The premium rate analysis to be performed by Aon will focus primarily on each Carrier's projected aggregate experience and the justification provided by the Carriers to support their trend projections and rate requests. As part of this task, the Contractor will also evaluate the costs and/or savings associated with any Plan revisions, if applicable.

##### **Step # 1 – Submit Work Plan**

This process will start on or about June 1<sup>st</sup> of every year with a detailed work plan submitted every year to the Department prior to July 1<sup>st</sup>.

##### **Step # 2 – Develop Independent Premium Rate Requirements**

After submission of the work plan on July 1<sup>st</sup>, Aon will begin developing the independent premium rate estimates. This process will include the following steps:

- Review and assess claims and other relevant data provided by both the State and its vendors



- Work with vendors directly, if necessary, to obtain accurate and complete data
- Develop claims lag analysis based on data provided by the vendors, and using appropriate actuarial completion factors
- Independently develop projected paid and incurred claims based on data provided and Aon's analysis
- Evaluate enrollment (actual and projected), trend factors (national and local), vendors network discounts, administrative expenses, extraordinary liabilities or recoveries (actual and projected), appropriate margin levels, deficit recovery (if any) requirements, and other factors which materially impact appropriate rate projections and rate setting
- Evaluate plan financial position (surplus/deficit) based on revenue and cost projections developed
- Develop Aon's independent premium rate requirement estimates for each of the four carriers which will be delivered to the Department not later than August 31<sup>st</sup>

#### Step # 3 – Review Carrier Rate Renewal Requests

On the same date Aon delivers our independent premium rate requirement estimates, the four Empire plan carriers do the same. Upon receipt, Aon will perform the following services:

- Review all components of the carrier rate submission and identify issues and questions for discussion with the Department
- Approximately 1 to 2 weeks after the carrier rate renewals have been submitted, Aon and the Department meet with the carriers to review their rate requests
- Immediately following these meetings, Aon provides verbal (and if required written) comments to the Department on the rate requests
- Aon supports the Department in the rate negotiations with the carriers, including meetings with the Department and the carriers as necessary
- These steps are typically completed by the end of September

#### Step # 4 –Present results to the Joint Labor Management Committee (JLMC) and provide Final Report

- In early October, the Department and Aon brief the JLMC on the rate proposals
- Approximately one week later, Aon submits its final written rate recommendation to the Department. This report may include comparative analysis with other large employers
- The balance of the process which includes submission of final rates, their approval, and the enrollment period, is not handled by the consultant



Task # 1 – Rate Renewal Report Timeline\*

	Business Days Required for Task*
<b>Step # 1 - Submit Work Plan</b>	
· Complete work plan and submit to Department by July 1st	15
<b>Step # 2 - Develop Independent Rate Requirement Report</b>	
· Aon obtains updated claim and enrollment information from carriers by July 15th	10
· Aon resolves any open data issues with carriers by July 22nd	5
· Develop current year incurred claims adjusted for plan changes, if any, by August 5th based on historical and projected completion factors for each carrier	10
· Develop projected future trend rate by August 12th based on (a) historical data, (b) data proved by the carriers, and (c) Aon's knowledge and database of similar carriers and plans	5
· Develop reasonable margin levels and appropriate deficit recovery if any by August 14th	2
· Develop appropriate retention levels by August 19th based on (a) historical data, (b) changes in services provided, if any, (c) Aon's knowledge of the marketplace	3
· Develop rate actions by carrier by August 21st	2
· Complete written analysis of report by August 26th	3
· Submit Independent Premium Requirement document to the Department by August 31st	1
<b>Step # 3 - Review Carrier Rate Renewal Request</b>	
· Aon reviews Carrier rate reports by September 4th (assumes carrier reports provided by August 31st)	4
· The Department and Aon meet with Carriers to discuss rate renewal requests by September 11th	2
· Aon provides verbal comments to Department on Carrier renewals by September 18th	3
· Aon supports the Department in rate renewal negotiations with Carriers by September 25th	5
<b>Step # 4 - Present results to Joint Labor Management Committee and provide Final Report</b>	
· Department and Aon meet the JLMC on the Carrier renewals by October 2nd	1
· Aon provides final rate renewal report to the Department by October 9th	5
· Final Rates presented by the Department Budget and open enrollment (These steps handled by the Department)	

\* The Aon timeline for Task # 1 starts on or about June 1st of each year. The illustrative timeline above is based on dates in 2009.



<b>Personnel and Total Hours for Task # 1</b>			
<b><u>Title</u></b>	<b><u>Anticipated Number of Personnel</u></b>	<b><u># of Hours for Year 1</u></b>	<b><u>Total Hours for Years 2 through 7</u></b>
Principal	2	35	30
Lead Consultant	2	70	55
Consultant	2	80	70
Analyst	2	135	90
Administrative Assistant	1	5	5
<b>Total</b>	<b>9</b>	<b>325</b>	<b>250</b>

In addition, the Offerors should:

- 1) **describe the steps the Offeror will take to ensure that due dates and deadlines for Task #1 are met, and**

Aon's focus on client and project management along with developing a detailed work plan with steps and milestones ensures that due dates and deadlines are met.

Aon will meet the time frames, deadlines and due dates for all steps and processes involved in Task #1. Aon has worked with large governmental charts in the past in meeting similar timeframes. In addition, Jim Christ as the Aon Account Executive will be intimately involved in the work and will provide weekly updates to the Department on the status of the work to ensure deadlines are met.

- 2) **describe the quality assurance process used to ensure Task #1 reports, documents and services are complete, accurate and of the quality required by the Department.**

All work produced by Aon is first checked and then peer reviewed. The Peer Review procedure is completed by a consultant who reviews the final product and the process and assumptions utilized in producing the final product. Peer Review checks for clarity of presentation, reasonability of final results, appropriateness and reasonableness of the assumptions involved, and sufficiency of scope and detail in the analysis and presentation.



As an additional step to assure the quality of our final reports, we plan to send the Department a preliminary report about a week before the final report is due. We will ask the Department to review the Preliminary report to make sure that it meets their expectations.

**The proposed work plan shall serve as the basis upon which the Contractor is to propose its Task #1 Not-to-Exceed Amount as set forth in the Offeror's Financial Proposal.**

**B. Task #1 Deliverables:**

**Prepare a comprehensive outline of the information to be provided in satisfaction of the following deliverables, for each of the Empire Plan Carriers, with justification for inclusion of each of the subject areas:**

- (a) "Benefits Management Consultant Independent Experience Projections and Premium Requirements", and**
- (b) "Benefits Management Consultant Final Report and Recommendations".**

During the process associated with Task # 1, Aon will focus on what historically has been the primary focus of the Department during the rate setting process:

- Aon will press the carriers on outlining the rationale for future trend as well as explain the components behind historical trend
- Aon will bring to the table our experience in the marketplace as well as our knowledge of what is occurring with our other clients to "check" the carrier estimates
- The development of appropriate incurred claim levels as well as appropriate reserve levels
  - Because these plans are insured, the carriers have a legitimate concern about appropriate reserve levels. However, Aon will press the carriers so that they do not apply undue conservatism to these reserves.
- Reasonable and appropriate administrative expenses, and risk charges (i.e., retention)
  - Aon will work with the Department so that retention levels are reasonable and reflective of the market as well as the carriers' administrative requirements and risk levels.

Aon's initial and final rate renewal reports will include the following sections for each of the four carriers:

- Executive summary
- Historical overview
- Analysis of historical trends and recommendations for rating trends



- Financial Projections
- Development of rate renewal and required premium rates
- Presentation of Premium Rates

**A. Task #2 Work Plan:**

Submit a work plan which outlines the proposed process to be followed in order to deliver Task #2 Project Services as set forth in RFP, [3.01.0](#). The outline should include a detailed description of the steps, factors, required staff resources (number of individuals per title and total number of hours per title) using the Position Titles set forth in RFP, [4.04](#) – Assumption 6 needed to successfully complete the Task. (Note: The projected total number of hours per Position Title per year as set forth in the Offeror's work plan must match the total number of hours per Position Title per year as set forth in the Offeror's [Exhibit S](#), Form S-2 submission.) The Offeror should explain any added assumptions, including justification of those assumptions. Include a timeline (based on number of Business Days) of the major milestones and interim activities for completion of the Task and related activities.

**Step #1 – Data Gathering**

Aon would receive and process reports and data files from both the Carriers and the Department. The RFP lists various reports provided by the 4 Empire Plan Carriers which we will use in our analysis of NYSHIP experience. It is not clear from the summary tables the amount of claim detail that each carrier will provide, however Aon would expect to receive a quarterly claim data file from each carrier which would include details for each claim processed. Aon will provide the Carriers with detailed file specifications and would expect to receive the claim files as well as accurate data dictionaries.

In addition to data from the Carriers, Aon would also need a census file from the Department. The census file should include information about all NYSHIP members such as Benefit Option, employee age, employee coverage (single/family), employee group (Participating Agency, Participating Employer, Student Employee Health Plan), and employee status (Active, Early Retiree, Medicare Retiree). In addition, the first quarter census file should also include both the current Benefit Option and the Benefit Option from the prior year.

The consulting hour estimates included in our proposal assume that these files will be delivered according to our file specifications the Departments timeline, and that the data dictionaries will be up-to-date and provide the necessary documentation to perform analysis on the various data elements.

**Step #2 – Trend Analysis**

In order to analyze historical trend patterns, we need to also review various changes that have an impact on claim cost increases:





### Open Enrollment Results (First Quarter Report only)

NYSHIP offers State employees a choice of the Empire Plan or one of several HMOs. In addition, Participating Agencies may offer their employees a choice of HMOs in addition to the NYSHIP Empire Plan. Employees will choose the plan which best meets their needs based on its perceived value and perceived cost to the employee, factoring in other variables such as name recognition and reputation, and network adequacy. The result of employee choice can impact the cost of the different plan options, so the first step for the first quarter report of each calendar year will be to analyze the result of the Benefits Options Transfer Period. The focus of this analysis will be to identify any large shifts in enrollment between benefit plans, coverage tiers (Single versus Family), employee groups (Active versus Early Retiree versus Medicare Retiree) and to estimate the impact of this on claim costs.

### Enrollment Analysis

Changes in enrollment can also occur as a result of NY State employment decisions (hiring freeze, early retirement option, new state programs, etc) or as a result of changes in NYSHIP participating employers. The Enrollment Analysis will compare current quarter enrollment with prior quarter's, both in terms of aggregate numbers of covered lives, as well as average age, geographic location, and family status. Based on input from the Department on any anticipated employment/retiree changes and on historical patterns, we will also use this exhibit to project enrollment for the remainder of the current calendar year and for the subsequent calendar year.

### Incurred Claim Factors

The Aon analysis will use incurred claims estimates since using incurred claims filters out any payment systems issues, and allows the actuary to isolate the value of enrollment changes due to the Benefit Option Transfer Period or other significant events. Aon will use the Paid Claims by Month of Incurred reports to calculate appropriate claim lag factors for each incurred month. The lag factors will be applied to paid claims to develop incurred claims. This analysis will be performed separately for each of the 4 carriers, as well as for Actives, Early Retirees, and Medicare Retirees, since each of these groups may have different claim lag patterns.

### Incurred Claims Per Member

Incurred claims for each month through the end of the current quarter will be developed by applying the Incurred Claim Factor to paid claims for each incurred month. This calculation will be done separately for each of the 4 carriers, as well as for different employee/retiree groups. Annual Incurred Claims per Member will be calculated for the most recent two to three years of experience.

### Increase in Incurred Claims per Member

The increase in incurred Claims per Member for each year will be normalized for any items which would have impacted trend (enrollment changes, benefit changes, carrier changes, etc) to develop historical NYSHIP trends. The trend normalization factors will be reviewed and



revised with each quarter report. Aon will review the Carrier Quarterly Experience Reports to help identify factors which may impact both historical and future trends.

The trend analysis will be completed for each of the 4 carriers, as well as for different employee/retiree groups. If any of the groups are small enough to be impacted by a single very large shock claim (e.g., the SEHP), we will include pooling of shock claims in our analysis.

### **Step #3 - Develop Current Year Experience**

Current Year Experience requires projections of aggregate Current Year expenses for incurred claims, administrative expenses, and premiums:

#### Current Year Incurred Claims

For the 4<sup>th</sup> quarter report, we will apply the incurred claim factors to paid claims to developed Calendar Year incurred claims. For the 1<sup>st</sup> quarter report, we will apply incurred claim factors to paid claims to develop 1<sup>st</sup> quarter incurred claims. Incurred claims for the remainder of the calendar year will be calculated by taking the most recent 12 months of incurred claims per member per month (PMPM), adjusting for any benefit changes or demographic changes, and trending to each month of the remainder of the calendar year. The trended claims PMPM will be multiplied by our enrollment projections to calculate aggregate claims. This calculation will be done separately for each of the 4 carriers, as well as for different employee/retiree groups.

The trends used to project PMPM claims will be developed in the Trend Analysis Report (see Step #2 above).

#### Administrative Expenses

In formulating rates, non-claim expenses for the rating period must be added to the expected claims to make appropriate provision for all revenue required in the rating period. Non-claim expenses will consist of at least the following:

- Administrative expenses for the claim payment carriers
- Fulfillment and other non-claim payment expenses not covered above
- Any surplus management additions or subtractions

#### Current Year Aggregate Premiums

Aggregate premiums will be developed for the current year by multiplying the current year premium tables by the current year enrollment developed Step #1 above.

### **Step # 4 - Project Rates for Subsequent Year**

Incurred Claims per member will be projected using the following factors:

- Expected Claim trend (developed in the Trend Analysis Exhibit)



- NYSHIP anticipated changes that impact claim costs (developed in the Trend Analysis Exhibit)
- Anticipated Benefit changes (based on input from the Department)
- Any items identified in the Assessment of Current Year Experience that are expected to impact subsequent year claim costs.

Administrative Costs per member will be projected by increasing the current year administrative costs per member and increasing it for any expected changes in non-claim expense. This increase will reflect anticipated administrative cost increases provided by the carriers and can be expected to be much lower than claim trends.

The sum of projected claims and administrative costs per member will be compared to the current year premium rates per member to determine the premium increase necessary to cover projected expenses. The required increase will be further adjusted to reflect any margins or deficit recovery amounts that may be necessary based on NYSHIP prior experience and carrier requirements.

#### **Step #5 – Review Carrier Reports**

Aon would compare our projections and trend analyses to those in the Carrier Reports, and would work with the vendors to understand the differences. We would adjust our projections to reflect any new information uncovered in this process.

#### **Step #6 – Produce Quarterly Reports**

A week before the due date, Aon will send the Department a draft report for their review. We will make modifications as necessary based on feed-back from the Department.



## Task #2 – Quarterly Report Timeline

Work Plan Steps	Business Days Required for Task
<b>Step # 1 - Data gathering</b>	
NYSHIP sends enrollment data to Aon and Carriers send claim data and data dictionaries to Aon*	
Aon processes data and performs reasonability test on the data	3
<b>Step # 2 - Trend Analysis</b>	3
Open Enrollment Results analysis (First Quarter only)	
Enrollment Analysis	
Incurred claim factor development	
Historical increases in claims per Member	
Projected increases in claims per Member	
<b>Step # 3 - Develop Current Year Experience</b>	2
Project current year claims	
Project current year administrative expenses	
Compare loss ratio with Renewal Report loss ratios	
<b>Step # 4 - Project Rates for Subsequent Year</b>	3
Project incurred claims	
Project administrative expenses and surplus/margins	
Compare projected costs to current year premiums	
Compare projected premiums with Renewal Report projections	
<b>Step # 5 -Review Carrier Reports</b>	6
Compare Carrier and Aon projections	
Reconcile differences	
Adjust Aon projections as necessary	
<b>Step # 6 - Final Report</b>	
Submit preliminary report to the Department	1
Receive feedback from Department	2
Edit as necessary and submit final report**	1

\* Assumes Aon would receive this data 15 calendar days after the close of the quarter

\*\* Aon would submit the final report to the Department within 45 calendar days from the end of the quarter



Personnel and Total Hours for Task # 2				
<b>Title</b>	<b><u>Anticipated Number of Personnel</u></b>	<b><u># of Hours - 1<sup>st</sup> Report</u></b>	<b><u># of Hours - 2<sup>nd</sup> Report</u></b>	<b><u># of Hours - 3<sup>rd</sup> to 14<sup>th</sup> Report</u></b>
Principal	2	25	20	20
Lead Consultant	2	35	30	25
Consultant	2	50	45	35
Analyst	2	85	70	65
Administrative Assistant	1	3	3	3
<b>Total</b>	<b>9</b>	<b>198</b>	<b>168</b>	<b>148</b>



In addition, the Offerors should:

- 1) **describe the steps the Offeror will take to ensure that due dates and deadlines for Task #2 are met, and**

Aon's focus on client and project management along with developing a detailed work plan with steps and milestones, ensures that due dates and deadlines are met.

- 2) **describe the quality assurance process used to ensure Task #2 reports, documents and services are complete, accurate and of the quality required by the Department.**

All work produced by Aon is first checked and then peer reviewed. The Peer Review procedure is completed by a consultant who reviews the final product and the process and assumptions utilized in producing the final product. Peer Review checks for clarity of presentation, reasonability of final results, appropriateness and reasonableness of the assumptions involved, and sufficiency of scope and detail in the analysis and presentation.

As an additional step to assure the quality of our final reports, we plan to send the Department a preliminary report about a week before the final report is due. We will ask the Department to review the Preliminary report to make sure that it meets their expectations.

**The proposed work plan shall serve as the basis upon which the Contractor is to propose its Task #2 Not-to-Exceed Amount as set forth in the Offeror's Financial Proposal.**

**B. Task #2 Deliverables:**

**Provide a comprehensive outline of the information to be provided in the "Benefits Management Consultant Review of Empire Plan Carriers' Quarterly Reports" for each of the Empire Plan carriers, and a justification for inclusion of each of the subject areas.**

The following describes sections of the report that Aon would produce.

**Trend Analysis**

The Trend Analysis Report will compare NYSHIP historical trends with industry norms to develop an assumption of future NYSHIP trends compared to industry trend expectations. Aon will develop two sets of trend factors. The first set will reflect the underlying claim trends and will vary based on type of claim: hospital, medical, prescription drugs, and mental health/ substance abuse. The second set of projection factors will be NYSHIP specific and will reflect anticipated changes due to NYSHIP factors such as enrollment changes or NYSHIP patterns identified by the carriers in their Experience Reports.

**Assessment of Current Year Experience**

Using the projected claims, administrative expenses, and aggregate premiums developed in Step #3, we will calculate the current year loss ratio and compare it to the ratios projected in the renewal report. To the extent that the current year loss ratios differ from



the loss ratios projected in the renewal report, we will review different carrier reports, as well as NYSHIP claim experience to identify factors that have impacted the current year loss ratios. This will identify such factors and describe their anticipated impact on NYSHIP experience

#### Projected Rates for Subsequent Years

This report will compare Renewal Report projections with the quarterly projections developed in Step 4 for expected claims, administrative expenses, margins and deficit recovery amounts. Any significant differences from the Renewal Report will be identified and quantified.

#### Task #3 – GASB 45 Valuation

**In regard to Task #3, at this part of its Technical Proposal, provide the information sought in A through D, below.**

##### A. GASB 45 Prior Experience:

**Describe the Offeror's prior experience in providing GASB 45 valuation and reporting services for other governmental organizations. The Offeror should demonstrate their understanding of the scope and purpose of the project in their response.**

The valuation of OPEB liabilities became a core part of our service in 1985, shortly after the Financial Accounting Standards Board (FASB) issued Statement No. 81, which was its first official pronouncement dedicated to accounting requirements for post-retirement health care and life insurance benefits. When FASB Statement No. 106 replaced Statement No. 81 in 1990, the volume of our actuarial OPEB work increased substantially. It has increased again over the last five years as public entities have begun grappling with similar issues under GASB Statement Nos. 43 and 45.

Among our governmental clients for GASB OPEB valuations are:

1. State of New Jersey
2. Commonwealth of Massachusetts
3. Commonwealth of Virginia
4. State of Nevada
5. State of Hawaii
6. State of Oklahoma
7. State of North Carolina
8. State of Louisiana
9. Onondaga County New York
10. Buffalo Public Schools
11. Baltimore Public Schools System
12. County of Morris, New Jersey
13. City of Syracuse, New York
14. City of Houston, Texas
15. City of Hartford, Connecticut



16. National Railroad Passenger Authority (AMTRAK)
17. City of Baltimore
18. University of Washington
19. United States Postal Service
20. City of Long Beach
21. City of Scottsdale
22. Phoenix Transit
23. Monmouth County, New Jersey
24. Burlington County, New Jersey
25. New Jersey Turnpike Authority

Performing the valuations for a significant number of states, counties, cities, authorities and school systems, including one of the largest valuations in the country (New Jersey, with over 500,000 active and retired participants covering multiple pension plans) demonstrates our expertise and experience. We are well-qualified to assist the NYSHIP with their valuation process.

#### ***Scope of Services – First Valuation***

Aon Consulting is prepared to provide the following actuarial services. We expect this scope of services to fully meet your needs. The first Valuation to be performed under the Agreement (“2010 Valuation”) shall be as of April 1, 2010 for employers’ Financial Statement as follows:

Employer	Financial Statements for the year ending
NYS (excluding all of SUNY)	3/31/2012
SUNY Campus	6/30/2011
SUNY Stony Brook Hosp	6/30/2011
SUNY Brooklyn Hosp	6/30/2011
SUNY Syracuse Hosp	6/30/2011
SUNY Construction Fund	3/31/2011

- An actuarial valuation providing information needed for the NYSHIP to comply with Governmental Accounting Standards Board Accounting Standard 45 (GASB 45) related to "other post employment benefits" (OPEB).
  - ▶ An actuarial valuation of benefits, including:
    - Present Value of Future Benefits;
    - Actuarial Accrued Liability;
    - Plan Assets (if any) and Unfunded Actuarial Accrual Liability (UAAL);
    - Normal Cost
  - ▶ GASB 45 accounting information and a draft footnote, including but not limited to:





- Plan description including name of the plan, name of administering entity and identification as a single-employer plan.
- A brief description of the types of benefits and the NYSHIP under which benefit provisions are established or may be amended.
- The required contribution rate of the NYSHIP in accordance with the funding policy, in dollars and as a percentage of current year covered payroll. If the rate differs significantly from the ARC, Aon will disclose how the rate is determined (currently financed on a pay-as-you-go basis).
- For the current year, annual OPEB cost and the dollar amount of contributions made. Aon will also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and adjustments to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.
- For the current year and each of the two preceding years, annual OPEB cost, percentage of annual OPEB cost contributed that year, and net OPEB obligation at the end of the year.
- Information about the funded status of the plan, as of the most recent valuation date, including the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total funded actuarial liability, the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability to annual covered payroll.
- Disclosure of information about actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plans is based, including:
  - Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
  - Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the NYSHIP and plan members to that point.
  - Disclosure that actuarial calculations reflect a long-term perspective.
  - Disclosures including: the actuarial cost method; the methods used to determine the actuarial value of assets; assumptions with respect to the inflation rate, investment rate, post-retirement benefit increases, projected salary increases and the healthcare cost trend rate.
  - The amortization method and the amortization period for the most recent actuarial valuation and whether the period is closed or open.
  - For the most recent actuarial valuation and the two preceding valuations present factors that significantly affect the identification of trends in the amounts reported.



- ▶ The actuarial valuation will be completed for the NYSHIP and a separate report prepared for each SUNY enterprise. Our workplan contemplates that all enterprises will use identical assumptions and have identical reports generated for their financial statement inclusion.

**B. Task #3 Work Plan:**

Submit two work plans which outline the proposed process to be followed in order to deliver Task #3 Project Services as set forth in RFP, [3.01.3](#). The first work plan should clearly identify the steps related to the actuarial valuation component of the Task (i.e., Valuation) and the second work plan should clearly identify the steps related to the annual trending component (i.e., Year Two Roll Forward). The outline(s) should include a detailed description of the steps, factors, required staff resources (number of individuals per title and total number of hours per title) using the Position Titles set forth in RFP, [4.04](#) – Assumption 6 needed to successfully complete the Task. (Note: The projected total number of hours per Position Title per year as set forth in the Offeror's work plan must match the total number of hours per Position Title per year as set forth in the Offeror's [Exhibit S](#), Form S-3 submission.) The Offeror should explain any added assumptions, including justification of those assumptions. Include a projected timeline (based on number of Business Days) of the major milestones and interim activities for completion of the Task and related activities.

*Work Plan and Timeline – First Valuation*

Aon Consulting will perform an actuarial evaluation of the NYSHIP's post employment benefit obligations, other than pension plans, suitable for inclusion in the NYSHIP's annual financial report as prepared in accordance with Generally Accepted Accounting Principles (GAAP). Our valuation will be performed by, and under the supervision of, certified actuaries and comply with requirements of GASB 45. The appropriate methodologies will be chosen and assumptions developed in consultation with the NYSHIP.

We have provided the NYSHIP a narrative and timeline as to how we would accomplish the scope of work.

*Step # 1 – Planning Meeting with the NYSHIP*

At the beginning of the project, Aon will meet with representatives of the NYSHIP to achieve several important objectives, including:

- Discussion of the high-level project plan for the entire project (as contained in the RFP).
- Introduction of key team members.
- Clarifications of plan provisions, including eligibility requirements, benefit options, retiree contribution levels, etc.
- Discussion and selection of the actuarial cost methods, which will be used to calculate the OPEB obligations and annual required contribution amounts.
- Discussion of the transference of employee claim data; clarification of the format and content of data to be transferred.
- Clarification of expectations regarding project scope, deliverables, and any special needs.



This initial meeting is an excellent opportunity to secure a mutual understanding of the key steps in the valuation process, and the way Aon and the NYSHIP will work together to achieve the NYSHIP's objectives.

*Step # 2 – Employee Data Collection, Review and Analysis*

The accuracy of employee data is very important because valuation results are only as reliable as the underlying data. Aon will load the employee data provided by the NYSHIP into our proprietary OPEB valuation system. We will review the data for reasonableness and compare it with expectations regarding numbers of employees and key demographic characteristics. This includes employee data on all current retirees, beneficiaries, and active employees who may eventually become eligible for OPEB benefits. We will ask questions, as appropriate, regarding data that appears to be missing, inconsistent, unexpected, or questionable. The NYSHIP will provide corrections, confirmations, or clarifications as appropriate, and Aon will incorporate any indicated changes.

*Step # 3 – Claims Data Collection, Review and Analysis*

Aon will use the information as appropriate for retirees to develop claims costs for the valuation. As a result of the claim cost development process, Aon will obtain age-specific benefit plan claim costs. We will review these costs for internal consistency and against external benchmarks for reasonableness.

*Step # 4 – Valuation Processing*

Aon will determine the NYSHIP's OPEB obligation by projecting the expected claims costs that will be incurred in the future years for current retirees, beneficiaries, and active employees who are expected to eventually become eligible for OPEB benefits. This determination will be completed using our proprietary actuarial valuation system, AonVal®. It will reflect the NYSHIP's specific plan provisions, employee data, claims experience, and the actuarial assumptions that are agreed to during the step 1 of the project.

After the OPEB obligations are determined as of the current valuation date, Aon will determine annual required contribution amounts and other amounts required in accordance with GASB 45.

*Step # 5 – Report Preparation*

We will prepare a report for the NYSHIP that will include but is not limited to:

**Timeline** We have summarized the tasks referred in our GASB 45 engagement schedule to be as follows. We expect this timeline will meet your timing requirements.



<b>Step # 1 Planning Meeting with NY SHIP</b>	<b>Deliverables</b>	<b>Business Days Required for All Services in the Step</b>
<ul style="list-style-type: none"> <li>• Aon sends data request</li> <li>• NYSHIP sends data</li> <li>• Initial Planning Meeting</li> </ul>	<ul style="list-style-type: none"> <li>▪ Aon's data request</li> <li>▪ NYSHIP data</li> </ul>	2
<b>Step # 2 Employee Data Collection, Review and Analysis</b>		
<ul style="list-style-type: none"> <li>▪ Review employee data, and other required information, including report outline.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project Plan</li> <li>▪ Methods &amp; Assumptions</li> <li>▪ Data files and report questions</li> </ul>	5
<b>Step # 3 Claims Data Collection, Review and Analysis</b>		
<ul style="list-style-type: none"> <li>▪ Aon loads and edits employee data</li> <li>▪ Aon reviews plan provisions</li> <li>▪ Aon analyzes claims data</li> <li>▪ Aon programs the NYSHIP's plan provisions into its valuation system</li> <li>▪ NYSHIP clarifies all questions regarding plan provisions, retiree contribution levels, etc.</li> <li>▪ Aon finalizes employee data</li> <li>▪ Aon finalizes claims data analysis</li> <li>▪ NYSHIP sends answers to all employee and claims data questions</li> <li>▪ Aon tests valuation system</li> <li>▪ Aon reviews new employee data and makes appropriate adjustments</li> <li>▪ Aon finalizes calculation of baseline per capita claims</li> <li>▪ Aon finishes preliminary testing of valuation system</li> <li>▪ Aon loads new employee data and creates first full valuation runs</li> <li>▪ Aon reviews initial results and makes adjustments as appropriate</li> <li>▪ Aon begins drafting report</li> <li>▪ Aon determines appropriate costing method</li> </ul>	<ul style="list-style-type: none"> <li>▪ Questions about employee data</li> <li>▪ Questions about claims data</li> <li>▪ Questions about plan provisions and other non-data assumptions</li> <li>▪ Summary of baseline per capita claims</li> <li>▪ Summary of employee counts</li> </ul>	10
<b>Step # 4 Valuation Processing</b>		
<ul style="list-style-type: none"> <li>▪ Aon calculates annual required contributions, with and without pre-funding</li> <li>▪ Department provides any final guidance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Summary of estimated annual required contribution amounts</li> </ul>	20
<b>Step # 5 Report Preparation</b>		
<ul style="list-style-type: none"> <li>▪ Aon finalizes calculations and drafts report</li> <li>▪ Aon finalizes report</li> <li>▪ Meetings to discuss report, valuation results, pre-funding options, key observations, etc.</li> </ul>	<ul style="list-style-type: none"> <li>▪ OPEB Report</li> </ul>	20



From start to finish, we anticipate this process would take approximately twelve weeks.

We have prepared the timeline above to be variable after receipt of census data. We would hope to have the initial meeting in May. We understand that the Assumptions Report is due by June 15<sup>th</sup>, pursuant to this requirement restated below.

**Prior to the production of the Valuation Report, produce, by June 15 of the Valuation year, a report that presents the actuarial assumptions the Contractor will use for the Valuation along with the rationale for those assumptions (“NYS/SUNY Actuarial Assumptions Report”). The NYS/SUNY Actuarial Assumptions Report associated with the 2010 Valuation is due not later than June 15, 2010**

### ***Scope of Services – Roll-forward Valuation***

In order to complete the roll-forward valuation by May 31, 2011 (and during subsequent roll-forward years) we will need to start promptly on or around April 1, 2011.

The key steps in our roll-forward valuation are:

- Confirming no significant changes in population, or if significant changes, how the State will want to deal with those changes
- Gathering any other relevant data (e.g. asset values, benefit payments)
- Capturing changes in plan design and contributions for current and future retirees
- Applying the appropriate amortization method and calculating amortization amounts
- Perform roll forward calculation and finishing schedules
- Produce report

Therefore, we confirm that we will fully comply with the roll-forward requirements set forth below.

In the year following a Valuation, produce, by May 31 of that year, a “Year Two Roll Forward” report that:

- (a) includes an exhibit which updates the net OPEB obligation as reported in the prior year’s valuation report (net OPEB revised based on actual fiscal year employer contributions, data provided to the Contractor by the Department),
- (b) includes an exhibit that presents the calculation of the Annual Required Contribution of the year following the valuation (the prior year calculations are trended forward one year),
- (c) includes an exhibit which presents the development of the Annual OPEB Cost as well as projections of the net OPEB Obligation for Year Two.



The timing of the various reports are summarized below.

	<b><i>Due Date</i></b>	<b><i>Deliverable During Contract Year</i></b>
<i>2010 Valuation Report</i>	<i>10/31/2010</i>	<i>Year 2</i>
<i>2011 Year Two Roll Forward Report</i>	<i>5/31/2011</i>	<i>Year 2</i>
<i>2012 Valuation Report</i>	<i>10/31/2012</i>	<i>Year 4</i>
<i>2013 Year Two Roll Forward Report</i>	<i>5/31/2013</i>	<i>Year 4</i>
<i>2014 Valuation Report (possible)</i>	<i>10/31/2014</i>	<i>Year 6</i>
<i>2015 Year Two Roll Forward Report (possible)</i>	<i>5/31/2015</i>	<i>Year 6</i>

### ***Out Year Workplans, Timelines and Reports***

We confirm timelines and deliverables for out-year reports will be substantially similar to the workplans, timelines and deliverables detailed above for years one and two of the valuation cycle, as set forth in your requirements detailed below.

***During the term of the Contract, the Contractor shall perform, at a minimum, two (2) Valuations and two (2) Year Two Roll Forwards, and may be required to perform a third Valuation and third Year Two Roll Forward, if the Contract is extended in accordance with the schedule set forth in the table (The three (3) Valuations and thee (3) Year Two Roll Forwards are identified by their associated report names).***

**In addition, the Offerors should:**

- 1) describe the steps the Offeror will take to ensure that due dates and deadlines for Task #3 are met, and**

Aon's focus on client and project management along with developing a detailed work plan with steps and milestones, ensures that due dates and deadlines are met.

- 2) describe the quality assurance process used to ensure Task #3 reports, documents and services are complete, accurate and of the quality required by the Department.**

All work produced by Aon is first checked and then peer reviewed. The Peer Review procedure is completed by a consultant who reviews the final product and the process and assumptions utilized in producing the final product. Peer Review checks for clarity of presentation, reasonability of final results, appropriateness and reasonableness of the assumptions involved, and sufficiency of scope and detail in the analysis and presentation.



As an additional step to assure the quality of our final reports, we plan to send the Department a preliminary report about a week before the final report is due. We will ask the Department to review the Preliminary report to make sure that it meets their expectations.

**Given the variability of tasks which may be required from year to year and the effort required due to factors outside the Parties immediate control, on an annual basis, the Parties will, using the Contractor's work plan(s) as a template and the Contractor's Fixed Hourly Rates as set forth in its Financial Proposal, negotiate Task #3 task order work plans detailing the projected effort, deliverables and a Total Projected Cost amount to undertake and complete the task.**

**C. NYS/SUNY Deliverables:**

**The Offeror must provide a comprehensive outline of the information to be provided in the "New York State/State University of New York GASB 45 Postemployment Healthcare Benefits Actuarial Valuation" report, including an explanation of each of the subject areas to be included in the document.**

We have prepared reports for states, counties, and other various enterprises for GASB 43 and 45 implementation. We will review the NYSHIP prior report and be prepared to discuss our outline at the initial meeting described above in our workplan.

**D. PE/PA Deliverables:**

**The Offeror should confirm its ability to produce a modified version of the NYS/SUNY actuarial valuation report as required for distribution to NYSHIP PEs and PAs.**

We have prepared reports similar to the PA/PEs report required as the final deliverable. We have received the PA/PE report from various enterprises when answering their RFPs, so we are well acquainted with this document. We want to confirm that we can provide the PA and PE reports as described below by November 15<sup>th</sup>.

**Provide two (2) reports by November 15th of the Valuation year, that present the actuarial assumptions used for the State's Valuation, one for distribution to PEs ("PE Actuarial Assumptions Report") and the other to PAs ("PA Actuarial Assumptions Report"), to provide assistance in performing their GASB 45. The two reports associated with the 2010 Valuation are due no later than November 15, 2010.**

**Ad Hoc Task #3 (GASB 45 Related) requirements**

**Provide Task #3 related support to the Department, on an as needed basis, in areas including, but not limited to, assisting the Department in:**

- (a) Responding to requests for information from DOB and/or OSC;**
- (b) Preparation for legislative testimony; and**





**(c) Responding to questions on completed valuation(s) posed by auditors contracted to audit the State's financial records.**

We confirm we are available and capable of performing the ad hoc requirements detailed above but have not prepared any fixed cost quotations related thereto.

Total Hours for Task # 3				
<u>Title</u>	<u>Anticipated Number of Personnel</u>	<u># of Hours – 2010, 2012, &amp; 2014 Valuation Reports</u>	<u># of Hours – 2011 Year Two Roll Forward Report</u>	<u># of Hours – 2013 and 2015 Year Two Roll Forward Reports</u>
Principal	1	25	10	9
Lead Consultant	1	50	10	10
Consultant	2	90	40	40
Analyst	2	190	40	40
Administrative Assistant	2	40	30	30
<b>Total</b>	<b>8</b>	<b>395</b>	<b>130</b>	<b>129</b>

**Task #4 – Ad Hoc Consulting Services**

In regard to Task #4, at this part of its Technical Proposal, provide the information sought in A, B and C, below.

**A. General:**

**Offerors should:**

- 1) **detail the proposed process by which the Offeror will plan, complete and report back to the Department on Ad Hoc projects;**

As ad-hoc projects emerge, Aon will scope out the project plan, outlining required data, as well as timing and projected fees and report back to the Department. To the extent the project will last more than approximately two weeks, we will provide the Department with periodic progress reports.

- 2) **describe the steps the Offeror will take to ensure that due dates and deadlines for the required ad hoc deliverables are met, including how the Offeror will ensure that this process meets the time constraints and specialized needs of the Department, and**





Aon's focus on client and project management along with developing a detailed work plan with steps and milestones, ensures that due dates and deadlines are met.

- 3) **describe the quality assurance process used to ensure requested Ad Hoc reports, documents and services are complete, accurate and of the quality required by the Department.**

All work produced by Aon is first checked and then peer reviewed. The Peer Review procedure is completed by a consultant who reviews the final product and the process and assumptions utilized in producing the final product. Peer Review checks for clarity of presentation, reasonability of final results, appropriateness and reasonableness of the assumptions involved, and sufficiency of scope and detail in the analysis and presentation.

As an additional step to assure the quality of our final reports, we plan to send the Department a preliminary report about a week before the final report is due. We will ask the Department to review the Preliminary report to make sure that it meets their expectations.

**Given the variability of tasks/effort and resources from one Ad Hoc Project to another, on a Ad Hoc Project-to-Ad Hoc Project basis, the Parties will, depending upon the breadth and scope of services sought or the nature and or duration of a given Ad Hoc task to be undertaken, either pay the Contractor for the required Ad Hoc services on a time and material basis based on the Fixed Hourly Rates as set forth in the Contractor's Financial Proposal for actual hours worked or negotiate either an Ad Hoc Project Not-To-Exceed Total Cost or an Ad Hoc Project Total Projected Cost amount to undertake and complete each Ad Hoc Project. The negotiated amount will be based on the Contractor's proposed Ad Hoc Project work plan, as approved by the Department, and the Contractor's Fixed Hourly Rates as set forth in its Financial Proposal.**

**B. Prior Ad Hoc Projects:**

**Provide information regarding three prior ad hoc projects undertaken by the Offeror for a client(s). (The ad hoc projects provided can not be for ad hoc projects undertaken for the benefit of the Department, DOB and/or GOER.) One of each of the following types of ad hoc projects should to be provided:**

1. **one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were not of an exigent nature to the client; and**
2. **one of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.**

**The Offeror should complete and submit [Exhibit R](#) entitled "[Project Abstract](#)" for each of the three examples providing, at a minimum, the following:**

1. **A description of the ad hoc project;**
2. **The name of the client for whom the undertaking was performed;**
3. **The name, title, telephone number and e-mail address of a contact at the client (For each client, the Offeror shall be solely responsible for providing contact names and phone numbers that are readily available to be contacted by the State);**
4. **The reasons why the analysis needed to be performed was required to be comprehensive in nature, or not;**



5. A explanation of what caused the undertaking to be exigent, or not;
6. The resources used to undertake the project (number and titles of analysts and man-hours expended per title) – (Note: the Offeror should use the Positions Titles set forth in RFP, [4.04](#) – Assumption 6, below);
7. The project's timeline to complete the project, at a minimum, provided start and end dates;
8. A description of any change orders issued in regard to the project;
9. An explanation of any modifications/corrections required to secure clients approval of the final deliverable;
10. The initial projected cost of the project and the final cost of the project with an explanation as to any variance in the two amounts; and
11. A copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissable.

Project # 1 Benefit Model and Project # 2 Integrated Health Management Strategy are examples of Aon Consulting assignments relevant here. Project # 3 Retiree VEBA Trust Funding Options is an example of a project conducted by the Goss team and lead by John Boyle of Goss LLC.



## Exhibit R Project Abstract

(Link [§4.03.5](#))

Exhibit R – Page 1 of 3

Sample # \_\_\_\_\_ 1 \_\_\_\_\_

<b>Project Title:</b>	<b>Benefit Model</b>
Indicate which type of sample this project represents:	<input checked="" type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were of an exigent nature to the client.  <input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were <u>not</u> of an exigent nature to the client.  <input type="checkbox"/> one of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.
<b>Name of the Client for whom services were performed:</b>	Division of Pensions and Benefits, State of New Jersey
<b>Client Contact Information:</b>	
<b>Contact's Name:</b>	Florence Sheppard
<b>Contact's Title:</b>	Deputy Director, Division of Pensions and Benefits
<b>Phone Number:</b>	609-292-3728
<b>Email Address:</b>	<a href="mailto:Florence.Sheppard@treas.state.nj.us">Florence.Sheppard@treas.state.nj.us</a>
<b>Project Description:</b> The Offeror should submit specific details concerning the project identified in satisfaction of the requirements in RFP, <b>4.03.5</b> . The required information should be provided as an attachment to this Abstract Form. Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Project Description – Project Title <u>Benefit Model</u> ". (see attached)	
<b>Comprehensive Status:</b> In the space provided below or as an attachment to this Abstract Form, indicate the reasons why the analysis needed to be performed was required to be comprehensive in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Comprehensive Status")	
<b>The analysis of benefit options needed to be comprehensive so that the State negotiators could see the impact of various benefit alternatives before negotiations began. This enabled them to consider a wide array of benefit changes and then select those that they believed would be most acceptable to both the State and the unions. As detailed in the Project Description, the model permitted the negotiators to compare the costs of different types of changes (e.g. wage increases versus benefit changes) both before and during the union negotiations.</b>	

Sample # \_\_\_\_\_ 1 \_\_\_\_\_

Project Title:	Benefit Model
<b>Resources:</b> In the space provided below or as an attachment to this Abstract Form, detail the resources used to undertake the project (number and titles of analysts and man-hours expended per title) - (Note: the titles to be used must be the Positions Titles set forth in RFP, <b>4.04</b> – Assumption 6.) (If provided as an attachment, Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Resources”)	
Principal	54
Lead Consultant	166
Consultant	115
Analyst	164
Administrative Assistant	8
Total	507
<b>Timeline:</b> In the space provided below or as an attachment to this Abstract Form, detail the timeline (start and end dates at a minimum must be provided) to undertake and complete the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Timeline”)	
<b>This project was completed in September-December 2006, using the following schedule:</b>  <b>Week 1 – client and internal meetings to set model parameters</b> <b>Week 2 – develop data specifications for cost projections if no changes</b> <b>Week 3 – develop model specifications for various parameter options</b> <b>Week 4 – building the model and checking base data and projections</b> <b>Week 5 – building the model and developing assumptions for cost projections (with and without changes)</b> <b>Week 6 – review assumptions with client and adjust as requested</b> <b>Week 7 – checking model</b> <b>Week 8 – present model to client</b> <b>Weeks 9 – 11 – testing model and developing option tables for Union Negotiators</b> <b>Weeks 12 – 18 – union negotiations</b>	
<b>Change Orders:</b> In the space provided below or as an attachment to this Abstract Form, provide a description of any change orders issued in regard to the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Change Orders”)	
<b>As detailed in the timeline for the previous questions, we met several times with the client during the development of the model. In Week 6, we reviewed our assumptions and made adjustments to them based on input from the client. In Week 8, we made adjustments to the model based on feed-back from the client after it was presented. During Weeks 9-11, further adjustments were made as we worked with the State to look at their various option proposals.</b>	
<b>Modifications/Corrections:</b> In the space provided below or as an attachment to this Abstract Form, provide an explanation of any modifications/corrections required to secure the client's approval of the final deliverable(s). (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Modifications/Corrections”)	
<b>As detailed in the prior question, we made changes during the development of the model in response to feedback from the client. Once the model was completed, there were no further changes or modifications.</b>	

Sample #: \_\_\_\_\_ 1 \_\_\_\_\_

Project Title:	Benefit Model
<b>Cost:</b> In the space provided below or as an attachment to this Abstract Form, indicate the initial projected cost of the project and the final cost of the project. Provide an explanation as to any variance in the two amounts. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Cost")	
<b>Initial Projected Cost: Not Provided</b> <b>Final Cost: \$130,000</b> <b>Explanation of Variance: N/A</b>	
<b>Sample Deliverable:</b> As a separate attachment to this Abstract Form, provide a copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissible. If it is not permissible to release, indicate why and provide a general description of the final deliverable(s). Include the Sample # and Project Title on the attachment and entitle the document as "Sample Deliverable". <b>See following table</b>	

**Project Description – Project Title: Benefit Model**

The Division of Pensions and Benefits for the New Jersey State Health Benefits Plan asked for our assistance in preparing for negotiations with various employee unions. We developed a model which could be used to project expected cost for an array of benefits and compensation, and compare those costs to the current benefit costs if there were no changes. The model used historical claim, enrollment, and salaries to develop costs under the current benefit plans, and then applied various adjustments to projected expected costs under different scenarios. The model was created specifically for the State of New Jersey employee benefit plans and had the ability to adjust for the following:

- Different medical plan parameters (copays, deductibles, coinsurance, coordination of benefits provisions),
- Different types of combinations of medical plan offerings (PPO, POS, HMO, HDHP, Indemnity)
- Different prescription drug plan parameters (copays, mandatory generic and mail)
- Different dental plan parameters (copays, deductibles, inflator adjustments)
- Different levels of employee contributions (based on plan cost, based on salary, fixed employer contribution)
- Compensation (% increase in pay, number of vacation and sick days)
- Employee group (different unions, salaried state workers, non union hourly workers)

Once the model was developed, it was used to develop tables of benefit options for the initial union discussions. Then during the actual negotiations, the model was used to calculate the expected costs for specific changes that were being considered.

The actual output from the model included pages which listed the following information:

- Medical benefit parameters
- Prescription drug benefit parameters
- Dental benefit parameters
- Employee contribution formulas
- Employee salary increases
- Unions selected
- Fiscal and Calendar Year summaries of projected costs and savings for 5 years.

Since the model is owned by our client, the actual output pages are proprietary. The table below shows a portion of the final report which was sent to the client with projected savings and were based on changes that were negotiated with the unions. Although the model was capable of many more permutations than those listed below, this table reflects the key parameters that changed as a result of union negotiations (the actual dollar amounts are proprietary and therefore not included here).

**SHBP Projected CY2008 Savings (in millions)**

	<b>Total</b>	<b>Union A</b>	<b>Union B</b>	<b>Union C</b>	<b>All Others</b>
<b>Replace Plans A and B with Plan C</b>					
Move Plan A to Plan C	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Move Plan B to Plan C	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>Rx Changes</b>					
Increase copays from --- to ---	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>Medical Co-pay</b>					
Increase copays from --- to ---	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>Total Medical Benefit Changes</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
Reduce number of medical carriers from XX to YY	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Reduce number of dental carriers from XX to YY	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>Total Vendor Consolidation Savings</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
<b>Savings from Contribution Changes</b>					
New employee contribution formula	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Current employee contribution formula	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
Savings from new formula	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>Total Contribution Savings</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>
<b>Grand total Savings</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>	<b>\$ 0.0</b>

**EXHIBIT R Project Abstract**(Link [0](#))**Exhibit R — Page 1 of 3**Sample # 2

<b>Project Title:</b>	Integrated Health Management Strategy
Indicate which type of sample this project represents:	<input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were of an exigent nature to the client. <input checked="" type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were <u>not</u> of an exigent nature to the client. <input type="checkbox"/> one of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.
<b>Name of the Client for whom services were performed:</b>	Pennsylvania Employee Benefit Trust Fund (PEBTF)
<b>Client Contact Information:</b>	
<b>Contact's Name:</b>	Kathryn M. Farley
<b>Contact's Title:</b>	Executive Director
<b>Phone Number:</b>	717-565-7215
<b>Email Address:</b>	<a href="mailto:kfarley@pebtf.org">kfarley@pebtf.org</a>
<b>Project Description:</b> The Offeror should submit specific details concerning the project identified in satisfaction of the requirements in RFP, §4.03.5. The required information should be provided as an attachment to this Abstract Form. Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Project Description – Project Title Integrated Health Management Strategy".	
<p><b>The client was interested in developing an integrated health management strategy to reduce healthcare costs that included population-based data analytics, sophisticated program design, innovative and coordinated wellness and disease management vendors, and robust and timely reporting (including ROI).</b></p> <p><b>Aon developed a comprehensive health and productivity strategy, performed a detailed data evaluation and marketed and implemented the wellness/disease management program to achieve the client's objectives.</b></p>	



## Exhibit R — Page 2 of 3

Sample # 2

**Comprehensive Status:** In the space provided below or as an attachment to this Abstract Form, indicate the reasons why the analysis needed to be performed was required to be comprehensive in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Comprehensive Status”)

**The project entailed the development of a comprehensive strategy, with the following components:**

- Conducted a strategic review of the client’s plans
- Worked with multiple stakeholders including PEBTF Executive Director and Task Force comprised of union and management Trustees
- Evaluated the claims experience of the population to identify prevalent high cost conditions and drilled deeper to risk stratify the population into 3 groups (healthy, at-risk, chronic). Aon regularly tracks and reports on the claims experience of the stratified groups.
- Marketed the wellness/disease management program, which included RFP creation, vendor marketing, response analysis, and vendor scoring and selection (including finalist meetings and site visits)
- Program implementation
- Established an evaluation process for disease management programs with appropriate clinical metrics to measure program performance, as well as long-term goals for population health improvement.

**Exigency:** In the space provided below or as an attachment to this Abstract Form, provide an explanation of what caused the undertaking to be exigent in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Exigency”)

**The project was integral but not exigent in nature.**

**Resources:** In the space provided below or as an attachment to this Abstract Form, detail the resources used to undertake the project (number and titles of analysts and man-hours expended per title) - (Note: the titles to be used must be the Positions Titles set forth in RFP, Error! Reference source not found. – Assumption 6.) (If provided as an attachment, Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Resources”)

- Principal/Lead Consultant – 85 hours
- Consultants – 309 hours
- Analysts – 334 hours
- Administrative Assistants – 40 hours

**Timeline:** In the space provided below or as an attachment to this Abstract Form, detail the timeline (start and end dates at a minimum must be provided) to undertake and complete the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as “Timeline”)

Month	Task
April 2007	Draft, revise and finalize RFP at the direction of the Task Force
May	RFP released and vendor questions addressed
June	RFP responses analyzed, financial and qualitative analysis reports prepared
July	Presentation to Task Force
August	Finalist interviews and site visits conducted
September	Final bids and ROI guarantees due
October	Selection of vendor and approval by Board of Trustees
November	Final pricing sign off, performance guarantee and contract draft review and revisions
January 2008	Implementation date

Sample # 2

<b>Project Title:</b>	Integrated Health Management Strategy
<b>Change Orders:</b> In the space provided below or as an attachment to this Abstract Form, provide a description of any change orders issued in regard to the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Change Orders")	
None	
<b>Modifications/Corrections:</b> In the space provided below or as an attachment to this Abstract Form, provide an explanation of any modifications/corrections required to secure the client's approval of the final deliverable(s). (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Modifications/Corrections")	
There were modifications to performance guarantees, contract provisions and final rates at the direction of the Task Force	
<b>Cost:</b> In the space provided below or as an attachment to this Abstract Form, indicate the initial projected cost of the project and the final cost of the project. Provide an explanation as to any variance in the two amounts. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Cost")	
<b>Initial Projected Cost:</b> Not permissible to provide dollar amount  <b>Final Cost:</b> Did not go over budget  <b>Explanation of Variance:</b>	
<b>Sample Deliverable:</b> As a separate attachment to this Abstract Form, provide a copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissible. If it is not permissible to release, indicate why and provide a general description of the final deliverable(s). Include the Sample # and Project Title on the attachment and entitle the document as "Sample Deliverable".	
<p><b>While Aon cannot share copies of the final deliverable(s), we have provided below a summary of project results.</b></p> <ul style="list-style-type: none"> <li>▪ Client selected a vendor that delivers both the wellness and DM program in an integrated manner</li> <li>▪ A comprehensive reporting and tracking of member engagement/participation and contribution waiver incentive administration was implemented</li> <li>▪ The program provides ROI/saving calculation that meets DMAA criteria</li> <li>▪ Aon negotiated improved performance guarantees meeting utilization, financial, clinical and administrative metrics with fees at risk for metrics most important to the client</li> <li>▪ The program produces savings of approximately \$5 million/year in fees</li> <li>▪ The program has received positive reviews from employees and the Governor</li> </ul>	



**EXHIBIT R Project Abstract**

(Link §4.03.5)

**Exhibit R – Page 1 of 2**

Sample # 3

<b>Project Title:</b>	Washtenaw County (Michigan) Retiree Medical Benefit (VEBA) Trust Funding Options
Indicate which type of sample this project represents:	<input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were of an exigent nature to the client. <input type="checkbox"/> one of which, in the opinion of the Offeror required a comprehensive analysis of an issue(s), and the results of the analysis were <u>not</u> of an exigent nature to the client. <input checked="" type="checkbox"/> one of which, in the opinion of the Offeror, the analysis required was of a limited nature, and the results of the analysis were of an exigent nature to the client.
<b>Name of the Client for whom services were performed:</b>	Washtenaw County
<b>Client Contact Information:</b>	
<b>Contact's Name:</b>	Peter Ballios
<b>Contact's Title:</b>	Finance Director
<b>Phone Number:</b>	734-222-6711
<b>Email Address:</b>	<a href="mailto:balliosp@ewashtenaw.org">balliosp@ewashtenaw.org</a>
<b>Project Description:</b> The Offeror should submit specific details concerning the project identified in satisfaction of the requirements in RFP, §4.03.5. The required information should be provided as an attachment to this Abstract Form. Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Project Description – Project Title "Washtenaw County (Michigan) Retiree Medical Benefit (VEBA) Trust Funding Options".	
<b>Project to investigate and recommend options for funding "Other Post Employment Benefits" for Washtenaw County (Michigan) retiree medical plan.</b>	
<b>Comprehensive Status:</b> In the space provided below or as an attachment to this Abstract Form, indicate the reasons why the analysis needed to be performed was required to be comprehensive in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Comprehensive Status")	
<b>The project was necessary and comprehensive in nature as Washtenaw County faced significant, mounting unfunded retiree health care costs.</b>	
<b>Exigency:</b> In the space provided below or as an attachment to this Abstract Form, provide an explanation of what caused the undertaking to be exigent in nature, or not. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Exigency")	
<b>Urgency was required since potential structural deficit continued to mount.</b>	
<b>Resources:</b> In the space provided below or as an attachment to this Abstract Form, detail the resources used to undertake the project (number and titles of analysts and man-hours expended per title) - (Note: the titles to be used must be the Positions Titles set forth in RFP, §4.04 Assumption 6.) (If provided as an attachment, Include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Resources")	
2 Principals – 199 hours 1 Consultant – 17 hours, 1 Analyst – 11 hours	



Sample#: 3

<b>Project Title:</b>	Washtenaw County (Michigan) Retiree Medical Benefit (VEBA) Trust Funding Options
<b>Timeline:</b> In the space provided below or as an attachment to this Abstract Form, detail the timeline (start and end dates at a minimum must be provided) to undertake and complete the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Timeline")	
Start date 6/16/2008 Completion Date 7/3/2008 Follow-up 9/10/2008	
<b>Change Orders:</b> In the space provided below or as an attachment to this Abstract Form, provide a description of any change orders issued in regard to the project. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Change Orders")	
None	
<b>Modifications/Corrections:</b> In the space provided below or as an attachment to this Abstract Form, provide an explanation of any modifications/corrections required to secure the client's approval of the final deliverable(s). (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Modifications/Corrections")	
None	
<b>Cost:</b> In the space provided below or as an attachment to this Abstract Form, indicate the initial projected cost of the project and the final cost of the project. Provide an explanation as to any variance in the two amounts. (If provided as an attachment, include the Sample # and Project Title on the attachment and entitle the document or that section of the document containing the required information as "Cost")	
Initial Projected Cost: Time & Materials  Final Cost: \$57,530.99  Explanation of Variance: N/A	
<b>Sample Deliverable:</b> As a separate attachment to this Abstract Form, provide a copy of the final deliverable(s) (e.g., report or documentation) resultant from the project, if permissible. If it is not permissible to release, indicate why and provide a general description of the final deliverable(s). Include the Sample # and Project Title on the attachment and entitle the document as "Sample Deliverable". See attached Appendix # 1 – Washtenaw County VEBA Trust	



**C. Sample Ad Hoc Task:**

Provide the information sought in Items #1 and #2 regarding the following Sample Task. (Note: Item #2 also contains additional requirements as regards the Oral Presentation to be conducted by the Offeror.)

**Sample Task:**

The Contractor has been requested to provide a briefing to the Joint Labor Management Committee on a Smoking Cessation Program. As part its briefing, the Department requires that the Contractor:

1. Explain what a Smoking Cessation Program (SCP) is;
2. Provide recommendations for designing the benefit structure of a SCP, various optional components and their strengths/weaknesses; and
3. Identify and describe various methodologies and approaches that could be used to determine the cost effectiveness of the recommended SCP Program. The descriptions should address the Who, What, When, Where and How aspects of each methodology/approach, as well as its advantages and disadvantages.

**Item #1 Position Paper:**

Prepare a position paper that provides, at a summary level – preferably in bulleted format, the information sought in 1 through 3 above. The position paper should be no more than two pages long, not including a separate Cover sheet that Offerors may, but are not required to provide.

Smoking Cessation position paper on the following pages



A smoking cessation program is an intervention designed to assist individuals with efforts to stop tobacco use that includes all or a combination of the following components: screening for tobacco dependency, educational resources, interactive behavioral counseling (group, face-to-face, telephonic, interactive online, self-directed online, or paper) and pharmacotherapy.

Providing smoking cessation coverage and/or behavioral interventions has considerable benefits, such as improving health and increasing productivity. By providing comprehensive covered benefits and tools for cessation support, along with instituting work-place policies that reinforce the desired behaviors, organizations will increase quit attempts, reduce tobacco usage and ultimately decrease healthcare costs.

National research highlights (recapped from National Business Group on Health, A Purchaser's Guide to Clinical Preventive Services) regarding cost benefits of smoking cessation programs include:

- The average cost of an employer based comprehensive tobacco cessation program, excluding pharmacotherapy, for all employees ranges from 10 cents to 40 cents per member, per month
- Smokers have approximately \$1,850 in excess medical expenses each year due to smoking and smoking-related illnesses
- Reduced productivity due to smoking and smoking-related illnesses has been found to cost approximately \$1,897 per smoking employee and smokers tend to have 2 – 4 more sick days/year than non-smokers
- The cost, to employers, of implementing a program equalizes at 3 years and begins to save healthcare dollars at 5 years. Note: this does not include the considerable savings associated with improved productivity for former smokers

**Smoking Cessation Program – Critical Components:**

Tobacco Screening: Performed via the provider or a self-reported health assessment. Effective screenings lead to the identification of those ready to quit and the development of a specific cessation plan. The 5 components of a successful screening include:

- a) Ask about tobacco use
- b) Advice to quit
- c) Assess willingness to quit
- d) Assist through quit plan/date
- e) Arrange for assistance (counseling & medication)

Comprehensive Counseling & Education: A critical component is the adherence to cessation and it is recommended that each participant be allowed a minimum of 2 courses of 4 – 6 thirty minute sessions. This allows for set-backs and/or for support longer after one has quit. Effective counseling has proven to double the success of quitting. Educational resources are critical for additional self-directed support.

Pharmaceutical Assistance: Coverage, in full or with reduced copayments, for all first-line FDA approved nicotine replacement products (patches, lozenges, gum, inhalers and nasal sprays) or pharmaceutical therapies (Wellbutrin, Zyban and Chantix) should be built into the program. Adherence to the Public Health Service guidelines for each medication type should be built into the plan. The use of pharmacotherapy has been proven to double quit rates.



Smoking Cessation Program (SCP) Components – Initiatives for Consideration			
	SCP (Light)	SCP (Moderate)	SCP (Best in Class)
<b>Benefit Structure</b>			
	Educational resources & tools	Provider based services, covered through the medical benefit for pharmaceutical coverage & counseling sessions (Co-pays or deductibles can be minimized or eliminated)	Specialty vendor program via health management initiative
<b>Strengths</b>			
	<ul style="list-style-type: none"> <li>Participants can access information at anytime</li> <li>Builds/encourages consumerism message</li> <li>Minimal or no cost; part of health management consumer portal or through nationally recognized organizations (i.e. American Lung Association)</li> <li>Best for motivated, self-directed individuals</li> </ul>	<ul style="list-style-type: none"> <li>Participant can access care when they are ready or want to</li> <li>Participant can choose their preferred physician/provider</li> <li>Encourages patient/provider relations and provides opportunity for other tobacco related screenings/preventive care to be addressed</li> <li>Strong consumerism message of taking charge of one's health</li> <li>Organization has no additional line-item cost built into medical plan budget</li> </ul>	<ul style="list-style-type: none"> <li>Work-based program provides easy access</li> <li>Participant "invited" to programs if found to be at risk from self-reported information (HRA) or can self-refer</li> <li>Environmental (smoke-free workplace) and social support provided that promote desired behaviors</li> <li>Specialty vendors typically provide proven, quality programs, ensuring higher success rates</li> <li>Program cost can be built in across all eligible members or based on a per enrolled structure, allowing for creative budgeting if necessary</li> <li>Vendor will track program participation and quit rates, allowing for consistent and integrated reporting of program success</li> </ul>
<b>Weaknesses</b>			
	<ul style="list-style-type: none"> <li>Studies demonstrate that smoking cessation programs limited to education have low success rates</li> <li>No direct way of engaging or encouraging smoking to get involved in the program</li> <li>No verifiable way of tracking utilization or success rates</li> </ul>	<ul style="list-style-type: none"> <li>Participant has to be covered on the medical plan to access the resource</li> <li>Smoker has to be pro-active in seeking cessation treatment</li> <li>Not part of "work based program", minimal environmental and social support</li> <li>Most physicians do not provide multi-session counseling, but encourage "free" educational/self-directed programs, decreasing successful quit rates</li> <li>Engagement only tracked through claims, success rates not tracked; inability to determine cost effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Expenses vary based on program design and resources included within design (i.e. nicotine replacement)</li> <li>Pharmaceuticals not usually part of program, requiring participant to work through their physician if they need a prescription</li> <li>Many programs are very turn-key in nature with limited enrollment opportunities and meager engagement sustainability</li> </ul>
<b>Cost Effectiveness</b>			
The direct correlation of cost to benefit for a smoking cessation program is difficult to track and monitor. The best methodology is to track cost spent and extrapolate savings based on quit rate. There are national statistics that can be applied to show cost savings based on sustained cessation rates. Exact ROI would require in-depth claims analysis and monitoring for an extended period of time			
	<ul style="list-style-type: none"> <li>Self-reported quit rates could be collected and savings extrapolated from published statistics</li> </ul>	<ul style="list-style-type: none"> <li>Track participation and cost via medical and Rx claims and/or self-reporting</li> <li>Self-reported quit rates could be collected and savings extrapolated from claim experience data</li> </ul>	<ul style="list-style-type: none"> <li>Vendor would track participation and quit rates</li> <li>Vendor would provide ROI</li> </ul>



**Item #2 Oral Presentation:**

At the Oral Presentation, the Offeror will be expected to give the aforementioned briefing to a group of evaluators (acting as the members of the Joint Labor Management Committee), during which the Offeror will be expected to present, amplify and expound upon the information, findings and recommendations contained in the Offeror's Sample Task position paper submitted in response to item #1.

At this section of its Technical Proposal, Offerors should submit the Power Point presentation slides that the Offeror will use in its presentation. At the Oral Presentation, Offerors will be expected to bring all equipment it intends to use in delivering its presentation (e.g., personal computer and/or audio/visual equipment) as such equipment will not be provided by the Department, however, a podium, chairs, tables, screen and a marker board will be available for the Offeror's use.

Offerors are advised that Offeror's presentation component of the Oral Presentation shall not exceed thirty (30) minutes in duration. Questions asked by Department staff after the Offeror has completed its verbal presentation may extend this timeframe. The Oral Presentation may not be used by an Offeror to modify its Proposal.

The presentation that the Aon team would give at the finalist interview on Smoking Cessation can be found in Appendix 2.





#### §4.03.6 **Performance Guarantees**

Offerors' proposed performance guarantee responses including penalty fee amounts to be put at risk for non-performance are not considered to be cost information and therefore should be stated in the Offeror's Technical Proposal. At this part of its Technical Proposal, the Offeror must state its agreement to the following minimum guarantees and propose amounts, expressed as either a fixed per day dollar or a fixed percent per day amount to be put at risk for failure to meet guarantees.

##### a. Turnaround Time Guarantees

**Task #1 - Premium Rate Renewals:** State your willingness to guarantee that the Contractor will support the Department during the Premium Renewal Negotiation Process and that the two required reports and other Task #1 deliverables will be provided in accordance with the requirements set forth in RFP, [§3.01.1](#) provided that the required electronic data is received by the Contractor from all Carriers by July 15th of each renewal cycle and the Carrier renewals are received by no later than the first week in September. If the Contractor does not receive the data and/or renewals by the specified dates, different due dates shall be agreed upon in writing by the Parties and guaranteed by the Contractor. The Offeror must propose a penalty for failure to meet the above guarantee and the guarantee must be proposed in the following format:

*"For each twenty-four (24) hour period, or part thereof, that a Task #1 report or final deliverable is not provided to the Department by the report(s)/deliverable(s)' due date, the Contractor shall pay the Department **\$3,000** per day, until such time that the report(s)/deliverable(s) is provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #1 activity."*

**Task #2 – Quarterly Analysis:** State your willingness to guarantee that Quarterly Contractor Commentary Reports will be provided in accordance with the requirements set forth in RFP, [§3.01.2](#), not later than forty-five (45) calendar days from the end of the quarter under review, provided that the required electronic data is received by the Contractor from all Carriers within 15 days of the close of the quarter, and the Carrier reports within 23 days of the close of the quarter. If the Contractor does not receive the data and/or Carrier reports by the specified dates, the due date shall be extended by one day for each day the data and/or Carrier reports are late. The Offeror must propose a penalty for failure to meet the above guarantee and the guaranteed must be proposed in the following format:

*"For each twenty-four (24) hour period, or part thereof, beyond a given Quarterly Contractor Commentary Reports' due date that the final Quarterly Contractor Commentary Reports is not provided to the Department by the Contractor, the Contractor shall pay the Department **\$2,000** per day, until such time as the required final Quarterly Contractor Commentary Reports are provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #2 activity."*



**Task #3 – GASB 45 Valuation:** State your willingness to guarantee that GASB 45 valuation services and the five (5) required reports will be provided in accordance with the requirement set forth in RFP, [§3.01.3](#) and that other specified deliverables as requested by the Department in fulfillment of GASB obligations will be provided in accordance with due dates specified in the annual Task #3 task order negotiated by the Parties, as may be amended by a

Department approved Change Order Request(s). The Offeror must propose a penalty for failure to meet the above guarantee and the guaranteed must be proposed in the following format:

*“For each twenty-four (24) hour period, or part thereof, beyond the due date for a given Task #3 report, as specified in the annual Task #3 task order negotiated by the Parties, as may be amended by a Department approved Change Order Request, is not provided to the Department by the Contractor, the Contractor shall pay the Department 2 percent of the negotiated Task #3 task order Total Project Cost amount, until such time as the report(s) is/are provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #3 activity.”*

**Task #4 – Ad Hoc Consulting Services:** State your willingness to guarantee that, in accordance with the requirements of RFP, [§](#)analysis provided for a given Ad Hoc Project will be 1) based on the most current information available, 2) comprehensive, and 3) actuarially sound and reasonable, and that an Ad Hoc Project’s final deliverables will be provided to the Department not later than the due date agreed upon by the Department and the Contractor for a given Ad Hoc final deliverable. The Offeror must propose a penalty for failure to meet the above guarantee when the Not – To-Exceed Total Cost of a given Ad Hoc project is equal to or greater than fifty thousand dollars (\$50,000) and the guaranteed must be proposed in the following format:

*“As regards Ad Hoc projects whose Not-To-Exceed Total Cost is equal to or greater than fifty thousand dollars (\$50,000), for each twenty-four (24) hour period, or part thereof, beyond the due date for the Ad Hoc Project’s report or final deliverable, as negotiated by the Parties on a case-by-case basis, that the report/deliverable is not provided to the Department by the Contractor, the Contractor shall pay the Department 3 percent of the Task #4 Ad Hoc Not-To-Exceed Total Cost amount, until such time as the report(s)/deliverable(s) is provided to the Department. The aggregate total penalty amount shall not exceed the actual cost incurred by the Contractor in its performance of the associated Task #4 Ad Hoc project.”*

Please note that all PGs are based on the assumption that vendor data provided is both timely and accurate.