	SOLICITATION ADDENDUM NO. 1 RFP 19-27 COBRA ADMINISTRATIVE SERVICES	CITY OF GLENDALE Procurement Division 5850 W. Glendale Avenue Suite 317 Glendale, AZ 85301 Phone: (623) 930-2866
	Page 1 of 3 Solicitation Due Date: March 12, 2019 2:00 P.M. (Local Time)	

The following questions have been received for the above solicitation and addressed in this Addendum No. 1 for Request for Proposal No. 19-27:

QUESTIONS:

- 1) On page 3 it indicates “**1,721 Participants**”, are these total benefit eligible employees or total employees enrolled in COBRA eligible plans? If total enrolled participants, could you please indicate the total number of Benefit Eligible employees?

ANSWER: Total number of benefit eligible employees

- 2) Who is the currently administering COBRA for the City, how long have they been administering COBRA and why is the City going out to RFP at this time (e.g. statutory requirement, service issues, better pricing, etc)?


ANSWER: Sterling

- 3) If service issues, please describe what type of service issues and/or what the City would like to see improved.

ANSWER: Not applicable to this solicitation.

- 4) If COBRA is being outsourced, what is the current pricing structure, e.g. Per Employee Per Month or Activity (\$X per letter or notice)?

COBRA ADMINISTRATION SERVICES (PEPM)		6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
COBRA Initial notice to each newly covered employee		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
COBRA Election Notice and Mailing		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Standard COBRA Correspondence (insufficient premium, early termination, annual rate change letters, etc.)		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Coupon Mailing/Billing Statements		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Premium Collection		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Monthly Reporting		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Fees (Specify)	Standard Cobra Services	\$6,885.00	\$6,885.00	\$6,885.00	\$6,885.00	\$6,885.00
Other Fees (Specify)	Carrier Notifications (Flat Annual Fee)	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Other Fees (Specify)	Carrier Payments (Flat Annual Fee)	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
TOTAL Annual FEE		\$7,185.00	\$7,185.00	\$7,185.00	\$7,185.00	\$7,185.00

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5) Does the City currently have a designated Account Manager assigned for HR support or a general call center team?

ANSWER: Yes.

6) “Notification to current enrollers of Vendor Change (introductory letters).” To use common vernacular, should we assume these to be the “COBRA Participant Takeover Letter” and should we assume the quantity of 30, as the current number of COBRA participants?

ANSWER: Yes.

7) COBRA Qualifying Event notifications (20). Should we assume the City averages 20 terminations per month?

ANSWER: Yes.

8) Newly Covered Notification letters (25). Should we assume the City averages 25 new hires per month?

ANSWER: Yes.

9) Please describe “Rush Letters”

ANSWER: When we receive terminations that have been processed late and we need to rush the cobra notification out.

10) Please describe the difference between Rate Change Notification Fees and Annual Open Enrollment Notification and Changes.

ANSWER: No Difference

11) How many pages and inserts are typically provided to COBRA participants in their Annual Open Enrollment materials. Does the City desire any special customization, such as logo being added, etc?


ANSWER: 5 to 10 / no customization.

12) Please provide the average number of:

- a. Terminations per month **ANSWER:** 20 average
- b. New hires per month **ANSWER:** 20 average
- c. Number of qualifying events per month **ANSWER:** 5 average
- d. Number of individuals enrolled in COBRA per month **ANSWER:** 5 average

13) Page 3, Scope, mentions retirees. Is the City also requested retiree billing administration?

ANSWER: No.

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14) Is the EAP mentioned on page 4 a separate COBRA plan; or is this part of the medical plan?

ANSWER: Separate

15) Please clearly define the City’s expectation for the tasks requested under “HIPAA Privacy Act – The contractor must perform all HIPAA privacy compliance tasks and include the cost in the administration fees proposed to the City.” How does this relate to COBRA administration?

ANSWER: Refer to the attached Business Associate Agreement

16) We would like to request a waiver of #34, page 7.

ANSWER: Not applicable at this time.

All other solicitation provisions, terms and conditions and scope of work shall remain the same. Offerors must acknowledge receipt and acceptance by returning this addendum with their proposal.

Name of Company: _____

Address: _____

Authorized Signature: _____

Print Name and Title: _____

BUSINESS ASSOCIATE AGREEMENT

This Agreement is made and entered into this ___day of _____, 200___, by and between _____ (“Business Associate”) and the City of Glendale, (“Covered Entity”) and constitutes an addendum to _____[Name of Agreement]_____ dated _____ between the parties hereto (the “Base Agreement”).

For valuable consideration, the receipt of which is hereby acknowledged, and intending to establish a business associate relationship under 45 CFR §164, the parties hereby agree as follows:

I. Definitions

- A. “CFR” means the Code of Federal Regulations. A reference to a CFR section means that section as amended from time to time; provided that if future amendments change the designation of a section referred to herein, or transfer a substantive regulatory provision referred to herein to a different section, the section references herein shall be deemed to be amended accordingly.
- B. “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 CFR §164.501 and shall include a group of records that is: (i) the enrollment, payment, claims adjudication and case or medical management record systems maintained by or for Covered Entity by Business Associate or (2) used, in whole or in part, by or for Covered Entity to make decisions about Individuals.
- C. “Electronic Protected Health Information” (EPHI) shall have the same meaning as the term “electronic protected health information” in 45 CFR §160.103, limited to the information received from or created on behalf of Covered Entity by Business Associate.
- D. “Individual” shall have the same meaning as the term “individual” in 45 CFR §160.103, and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).
- E. “Privacy Rule” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR parts 160 and 164, subparts A and E.
- F. “Protected Health Information” (PHI) shall have the same meaning as the term “protected health information” in 45 CFR §160.103, limited to the information received from or created on behalf of Covered Entity by Business Associate.
- G. “Required by law” shall have the same meaning as the term “required by law” in 45 CFR §164.501.

- H. "Security Incident" shall have the same meanings as the term "security incident" in 45 CFR §164.304.
- I. "Security Rule" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR parts 160 and 164, subparts A and C.

II. Obligations of Business Associate

- A. Business Associate agrees not to use or disclose Protected Health Information other than as permitted or required by this Agreement or as required by law.
- B. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement. Business Associate shall implement administrative, physical, and technical safeguards (including written policies and procedures) that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that it creates, receives, maintains, or transmits on behalf of the Covered Entity as required by the Security Rule.
- C. Business Associate agrees to report to Covered Entity any use or disclosure of Protected Health Information other than as provided for by this Agreement within a reasonable time after Business Associate has actual knowledge of such use or disclosure. Business Associate shall report to the Covered Entity all Security Incidents of which it becomes aware.
- D. Business Associate agrees to include in its agreement with any agent or subcontractor to whom it provides Protected Health Information, including EPHI, conditions with respect to such information that are at least as restrictive as those that apply through this Agreement to Business Associate.
- E. If Business Associate maintains Protected Health Information in a Designated Record Set, Business Associate agrees to make available to Covered Entity, within a reasonable time, such information as Covered Entity may require to fulfill Covered Entity's obligations to respond to a request for access to Protected Health Information as provided under 45 CFR §164.524 or to respond to a request to amend Protected Health Information as required under 45 CFR §164.526. Business Associate shall refer to Covered Entity all such requests, which Business Associate may receive from Individuals. If Covered Entity requests Business Associate to amend Protected Health Information in Business Associate's possession in order to comply with 45 CFR §164.526, Business Associate shall effectuate such amendments no later than the date they are required to be made by 45 CFR §164.526; provided that if Business Associate receives such a request from Covered Entity less than ten (10) business days prior to such date, Business Associate will effectuate such amendments as soon as is reasonably practicable.

- F. If applicable, Business Associate agrees to provide to Covered Entity within a reasonable time such information necessary to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures as provided under 45 CFR §164.528. Business Associate shall refer to Covered Entity all such requests that Business Associate may receive from Individuals.
- G. Upon reasonable notice, Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the U.S. Secretary of Health and Human Services, or an officer or employee of that Department to whom relevant authority has been delegated, at Covered Entity's expense in a reasonable time and manner, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

III. Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Agreement, Business Associate may:

- A. Use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of Covered Entity, as specified in the Base Agreement, if such use or disclosure of Protected Health Information would not violate the Privacy Rule if done by the Covered Entity.
- B. Disclose Protected Health Information for the proper management and administration of Business Associate or to fulfill any present or future legal responsibilities of Business Associate, provided that such disclosure is either Required by Law or Business Associate obtains reasonable assurances from any person to whom Protected Health Information is disclosed that such person will: (i) keep such information confidential, (ii) use or further disclose such information only for the purpose for which it was disclosed to such person or as Required by Law, and (iii) notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- C. Use Protected Health Information to provide data aggregation services relating to the health care operations of the Covered Entity, as provided in 45 CFR §164.501.

IV. Obligations of Covered Entity

- A. Covered Entity shall notify Business Associate of any facts or circumstances that affect Business Associate's use or disclosure of Protected Health Information. Such facts and circumstances include, but are not limited to: (i) any limitation or change in Covered Entity's notice of privacy practices, (ii) any changes in, or withdrawal of, an authorization provided to Covered Entity by an Individual pursuant to 45 CFR §164.508; and (iii) any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR §164.522.
- B. Covered Entity warrants that it will not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule or is not otherwise authorized or permitted under this [the] Agreement.

V. Effective Date; Termination

- A. The effective date of this Agreement shall be the date this Agreement is signed by both parties.
- B. This Agreement shall terminate on the date Business Associate ceases to be obligated to perform the functions, activities, and services described in Article III, Section A. Either party may terminate this Agreement in the event of a material breach by the other party of any provision contained in Sections II through IV above.
- C. Upon termination of this Agreement, Business Associate will return to Covered Entity, or if return is not feasible, destroy, any and all Protected Health Information that it created or received on behalf of Covered Entity and retain no copies thereof. If the return or destruction of the Protected Health Information is determined by Business Associate not to be feasible, or if Business Associate is required by law to retain such information or copies thereof, Business Associate will maintain the Protected Health Information for the period of time required under applicable law, or in accordance with Business Associate's internal record retention schedule as in effect from time to time, whichever is longer, after which time Business Associate shall return or destroy the Protected Health Information.
- D. Business Associate's obligations under Sections II and III above shall survive the termination of this Agreement with respect to any Protected Health Information so long as it remains in the possession of Business Associate.

VI. Other Provisions

- A. Each party agrees to defend, indemnify and hold harmless the other party, its affiliates and each of their respective directors, officers, employees, agents or assigns from and against any and all actions, causes of action, claims, suits and demands whatsoever, and from all damages, liabilities, costs, charges, debts, fines, government investigations, proceedings, and expenses whatsoever (including reasonable attorneys' fees and expenses related to any litigation or other defense of any claims), which may be asserted or for which they may now or hereafter become subject arising in connection with (i) any misrepresentation, breach of warranty or non-fulfillment of any undertaking on the part of the party under this Agreement; and (ii) any claims, demands, awards, judgments, actions, and proceedings made by any person or organization arising out of or in any way connected with the party's performance under this Agreement.

- B. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

- C. The parties agree that this Business Associate Agreement supplements the Base Agreement between the parties and agree that the terms and conditions thereof are hereby incorporated by reference herein and made a part of hereof to the maximum extent permitted by law. In the event of conflict between the Base Agreement and this Business Associate Agreement, the terms of the Base Agreement shall control unless otherwise prohibited.

In witness whereof, this Agreement has been signed and delivered as of the date first set forth above.

The City of Glendale

by _____
[Insert name of signer and title]

by _____
[Insert name of signer and title]