

**ISSUING DEPARTMENT INPUT DOCUMENT**  
**CONTRACT/PROJECT MEASURE ANALYSIS AND RECOMMENDATION**

New   
  OTR   
  Sole Source   
  Bid Waiver   
  Emergency   
 Previous Contract/Project No. BW9990-0/22  
Contract  
 Re-Bid   
  Other – Access of Other Entity Contract   
 LIVING WAGE APPLIES:  YES  NO  
 Requisition No./Project No.: RFP-02012   
 TERM OF CONTRACT 3 YEAR(S) WITH      YEAR(S) OTR

Requisition /Project Title: Third Party Administrator for Flexible Spending Accounts

Description: The County, as represented by the Human Resources (HR) Department, is soliciting proposals for the provision of a FSA Program, including Health and Dependent Care account administration, non-discrimination testing, and the development and maintenance of the Cafeteria/

Issuing Department: ISD   
 Contact Person: Jonathan Desverguñat   
 Phone: 305-375-5312  
 Estimate Cost: 240,000.00  
 Funding Source:   
 GENERAL        
 FEDERAL        
 OTHER X

**ANALYSIS**

<b>Commodity Codes:</b>	<u>91869</u>	<u>94842</u>	<u>    </u>	<u>    </u>	<u>    </u>
Contract/Project History of previous purchases three (3) years Check here <input type="checkbox"/> if this is a new contract/purchase with no previous history.					
	<b><u>EXISTING</u></b>	<b><u>2<sup>ND</sup> YEAR</u></b>	<b><u>3<sup>RD</sup> YEAR</u></b>		
<b>Contractor:</b>	<u>AxisPlus Benefits</u>	<u>    </u>	<u>    </u>		
<b>Small Business Enterprise:</b>	<u>    </u>	<u>    </u>	<u>    </u>		
<b>Contract Value:</b>	<u>\$233,428.00</u>	<u>    </u>	<u>    </u>		
<b>Comments:</b>	<u>    </u>				

Continued on another page (s):     YES     NO

**RECOMMENDATIONS**

	Set-Aside	Subcontractor Goal	Bid Preference	Selection Factor
<b>SBE</b>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>

Basis of Recommendation:     

Signed: Jonathan Desverguñat   
 Date sent to SBD: 8/25/2021  
 Date returned to SPD:

## 2.0 SCOPE OF SERVICES

### 2.1 Background

The County, as represented by the Human Resources (HR) Department, is soliciting proposals for the provision of a FSA Program, including Health and Dependent Care account administration, non-discrimination testing, and the development and maintenance of the Cafeteria/Section 125 plan document in compliance with the IRS rules. The purpose of this RFP is to select and contract with a third party administrator offering Flexible Spending Account Program.

The County wants to evaluate the current marketplace for FSA (Health and Dependent Care) services and select a Proposer that is “best in class” and competitive in terms of services, technology, size, and fees. The County is also interested in offering a debit card for direct payment of eligible expenses from a participant’s account without having to submit a claim form for reimbursement.

The County provides an expansive range of employee benefits to approximately 26,000 employees, and their dependents throughout South Florida. Please refer to the Miami-Dade County Employee Census Data (**Attachment 1**), provided as an Excel file containing the demographic data of eligible employees. Benefit plans include group medical, dental, vision, term life, disability, legal and flexible spending accounts. For more information about specific plan provisions and benefits provided by the County, please see **Attachment 2** for plan descriptions and other documents.

Additional services are outlined on this RFP, which include the administration of Health Savings Account, Direct Billing - Leave of Absence (LOA) Administration, Retiree Administration and Billing Services and Employee Benefit Statements, should the County decide to adopt such programs. These services will not be part of the evaluation criteria and are just for informational purposes only.

### 2.2 Preferred Qualification Requirement

The preferred requirement for this Solicitation is that the selected Proposer shall be licensed by the State of Florida, Office of Insurance Regulation.

### 2.3 Description of Current Section 125 Cafeteria Benefits (Pre-Tax), FSA Plan Participation

#### a) Current Section 125 Cafeteria Benefits (Pre-Tax)

The County currently offers eligible employees, and their dependents, the following:

Plan Type	Plan Description	Plan Providers	Plan Payment
Medical	One (1) self-funded Point of Service (POS) Plan	AvMed, Inc.	County pays 84% of the cost for the “employee only” coverage
	Four (4) self-funded Health Maintenance Organization (HMO) with High and Low Options	AvMed, Inc.	The County pays 100% of the “employee only” cost for three (3) of the HMOs
Dental	One (1) Dental Preferred Provider Organization (DPPO) (Standard & Enriched)	Delta Dental Insurance Company	County pays 100% of the cost for the standard “employee only” coverage
	One (1) Dental Health Maintenance Organizations (DHMO)	Delta Dental Insurance Company	County pays 100% of the cost for the standard “employee only” coverage
Vision	One (1) vision plan (Optix Vision Plan)	MetLife Vision	100% paid for by the employee
Flexible Spending Accounts	Health Care Flexible Spending Account (HCFSA) Dependent Care Flexible Spending Account (DCFSA)	AxisPlus Benefits	100% paid for by the employee

Any full-time employee who has completed 60 days of employment is eligible for benefits. Part-time employees who consistently work at least 60 hours bi-weekly and have completed 60 days of active employment are also eligible for benefits. Coverage is effective the first day of the month following or coincident to the completion of the 60-day eligibility period.

#### b) Plan Participation

The current FSA program, administered by AxisPlus Benefits, offers a flexible medical reimbursement account and a dependent reimbursement account including a two-and-one-half-month grace period. Currently there are a total of 1920 participants, of which 1880 are enrolled in the HCFSA only, 138 in the DCFSA option, and 94 participants enrolled in both plans. Employees currently enroll online using the County’s employee self-service system for benefits elections either as a new employee or during annual open enrollment. Information is transferred into the HR payroll system. The current minimum contribution is \$10 bi-weekly for each account enrolled. The County intends to maintain the current minimum. However, the County reserves the right to change the bi-weekly minimum and annual maximum contributions for any Plan year (January 1 – December 31). The current amount for administrative fees is \$2.95 due bi-weekly from employees enrolled in one (1) or both accounts. Employees are reimbursed by check or by direct payment from the administrator.

Employees must submit receipts by prescribed deadlines. The County offers an online application through which members can submit documentation of receipts for reimbursement and offers debit cards to FSA members.

## **2.4 Services to be Provided**

The selected Proposer shall provide the following services:

2.4.1 Implementation, administration and management of the FSA Plan pursuant to Sections 125 of the IRS code and the regulations promulgated thereunder beginning with Plan year effective date of January 1, 2023. The Third Party Administrator shall perform non-discrimination testing for the County's FSA Plan.

2.4.2 Preparation and update of the Plan document (to include review by selected Proposer's legal counsel) governing the FSA to be provided to the County within 90 days after contract execution.

2.4.3 Submit a detailed implementation plan and timetable, to include deadlines, deliverables, and responsible staff for each task to be provided to the County for approval no later than 60 days after contract execution. The implementation plan shall include:

- 1) Initial testing of electronic interface with the County's payroll system and data transfer schedules;
- 2) Open enrollment planning;
- 3) Procedures for Plan administration and banking services;
- 4) IRS Sections 125 and 129 and any other non-discrimination testing for the County's FSA Plan, including all required benefits;
- 5) Debit card technology; and
- 6) Filing of any documents required by state or federal laws.

2.4.4 Develop and provide annual updates to spending account related information in the County's Benefits Handbook within ten (10) business days of the County's request. Said updates will also be included in the County's open enrollment newsletter. The intent of the updates is to educate employees on the tax advantages and/or possible disadvantages of the FSA Plan and promote participation.

2.4.5 The selected Proposer shall also provide participants with communication materials pertaining to the FSA Plan, to include correspondence advising of forfeiture prevention, and notification of changes in legislation. The communication materials shall be in ready-to-print format such as benefit booklets, newsletters or similar informational materials, web-access to interactive information, new participant letters and informational packets, etc. The selected Proposer shall submit the communication materials and subsequent updates to the County's Benefits Manager for review and approval at least sixty (60) days before the start of the annual open enrollment. The selected Proposer shall make any revisions requested by the County's Benefits Manager prior to releasing to FSA Plan participants.

2.4.6 Accept the County's standard Benefits Enrollment Form provided as **Attachment 3** for new enrollees and open enrollment. The County shall retain final approval authority of the standard enrollment form to be utilized. The County utilizes web enrollment for the annual benefits open enrollment and new hire enrollments. However, in some instances, paper forms may be utilized. The selected Proposer shall provide system interface and data format requirements for enrollment and eligibility data.

2.4.7 Develop for usage by the County, a Flexible Benefits Change in Status Form subject to the County's final approval. The current Change in Status Form utilized is provided as **Attachment 4**.

2.4.8 Provide all COBRA Administration services, with respect to FSA Plan administration, including mailing of initial COBRA notification letter to qualified beneficiaries with outstanding balance in the HCFSA, upon notification of a qualifying event from the County.

2.4.9 Comply with Performance Guarantee Provisions. (See Performance Guarantee Provisions Worksheet, **Attachment 5**.) The proposal rate quotation shall assume a rate guarantee period of 60 months. Variations in actual enrollment shall have no effect on the rate quotation. The proposal should exclude commission or any other compensation paid to a broker or selling agency in the rates unless required by law. The Proposal shall be valid regardless of actual enrollment.

2.4.10 Develop FSA claim forms which shall be provided to the County for approval prior to release to participants. A small supply of claim forms shall be provided to the County throughout the Plan year and the selected Proposer shall post the form on selected Proposer's established website so that employees may readily access.

2.4.11 Administer the provisions of Health Insurance Portability and Accountability Act (HIPAA) including notification to participants of their HIPAA rights. (See HIPAA Business Associate Addendum, **Attachment 6**.)

2.4.12 Pursue the collection of all FSA contributions directly from participants on a leave of absence status. This includes issuing delinquent and cancellation notices to participants whose premiums are in arrears. The County will notify selected Proposer of participants on leave of absence status. A sample Leave of Absence Billing Notice is provided as **Attachment 7**.

2.4.13 Provide legal opinion, as requested by the County, for clarification purposes on matters relating to, but not limited to, support of day-to-day activities involving amendments in legislation impacting IRS Section 125, Plans and allowable change in status events.

2.4.14 Attend and participate in open enrollment meetings and health fairs held throughout the County at approximately 22 County locations and two (2) annual (Spring and Fall) wellness fairs.

2.4.15 Plan for FSA open enrollment requirements and manage open enrollment information packages.

2.4.16 In addition to Online web tools for enrollment, submission of expense documentation and account balances; the selected Proposer shall provide fax and Interactive Voice Response (IVR) capabilities for claim submission.

2.4.17 Provide Visa debit cards to new participants within 5 days of receiving the electronic data eligibility file and send via U.S. mail within 3 days of issuance. Manage all debit card transactions for participants eligible to pay FSA expenses at the point of service or withdraw expenses for reimbursement.

2.4.18 Provide all other related services necessary to administer the Plan, including performing non-discrimination testing semi-annually for the County's FSA Plan.

2.4.19 Prepare and file all applicable regulatory and tax instruments (such as W-2, W-2C's, 1099, etc.).

2.4.20 Advise the County of any regulatory, legal, or procedural changes needed to administer and maintain the FSA Plan in accordance with all appropriate federal, state and local statutes then in effect; and update the FSA Plan accordingly.

## **2.5 Administrative and Related Services**

The following administrative services shall be performed by the selected Proposer:

2.5.1 Provide administrative and reporting systems that conform to the County's data processing requirements and are designed to interface with the County's payroll system. The bi-weekly payroll FSA data file is transmitted, using a File Transfer Protocol (FTP), to a specific server for selected Proposer to retrieve the data file no later than 24 hours after the bi-weekly payroll is processed. The selected Proposer shall reconcile payroll, and shall provide a reconciliation statement to the County on a bi-weekly basis identifying any discrepancy between employee elections and payroll deductions.

2.5.2 Process participant contributions and requests for reimbursement according to Plan and IRS rules. Promptly credit contributions to participant accounts and update account balances within 48 hours of receipt of transmittal. Debit periodic payments against those accounts, according to authorizations submitted by the participants. Daily reimbursements to participants shall be made via check or direct deposit within four (4) working days after a clean (no additional information required) claim is filed.

2.5.3 Quarterly account statements shall be provided to participants upon processing claims in addition to, a "Use It or Lose It" letter to be issued during the fourth quarter as a fifth statement. Statements shall include expected annual deposits, year-to-date authorized requests, year-to-date contributions, claims filed, claims paid, and remaining balances.

2.5.4 Allow, in accordance to IRS guidelines, the carryover provision at the end of each Plan year. Calculate the roll over amount (currently up to \$500) after all expenses have been reimbursed for that Plan year. The remaining unused balance in excess of the allowable amount (\$500) at the end of the immediately preceding Plan year is forfeited to the County under the amended "Use It or Lose It" rule. Participants will be allowed 120 days for filing requests for reimbursement after the close of each Plan year which ends December 31.

2.5.5 Allow both HCFSA and DCFSA participants until April 30 to file for reimbursement of claims incurred in the prior Plan year.

2.5.6 Process and settle all claims on a timely basis. Provide participants written notice of pending or denied claims to include the reason for the action.

- 2.5.7 All participant reimbursement checks shall be clearly marked "Void after 180 Days;" the County will not be responsible for the payment of expired checks.
- 2.5.8 Provide for direct deposit of FSA checks to participating employees' financial institutions, if requested by the employee in writing.
- 2.5.9 Issue notification correspondence to participants with outstanding checks. The notification letter shall be sent to the participant via U.S. Mail when the check has been outstanding for 4-months.
- 2.5.10 Provide customer service to support participants with appropriately staffed professionals, including bi-lingual customer service representatives via a toll-free telephone number, Monday through Friday 8:00 a.m. to 8:00 p.m. (local time). The selected Proposer shall handle the intake and review of all customer service inquiries and appeals within 24 hours.
- 2.5.11 Provide an acceptable process to resolve participant complaints within 48 hours of receipt.
- 2.5.12 Provide to participants, automated customer service and account balance information to be accessible 24 hours, 7 days a week via an established toll-free telephone line and website with applicable controls.
- 2.5.13 Ensure that the Plan complies with all applicable federal and state laws. This includes, but is not limited to, compliance with IRS regulations.
- 2.5.14 Conduct an annual review to assure that the Plan remains non-discriminatory within the confines of IRS regulations so that participating employees do not incur unnecessary tax liability. The selected Proposer shall recommend actions to be taken by the County as the result of this review. This shall include non-discrimination testing for IRS Sections 105, 125 and 129 and any other applicable tests for the County's Section 125 Plan, including all required benefits. The review for each calendar year will be provided to the County within 21 days upon receipt of a clean data file from the County. The selected Proposer shall notify the County by the end of the first quarter of each calendar year of testing data requirements.
- 2.5.15 Complete and file any IRS filings required by federal law.
- 2.5.16 Conduct and provide annual audit findings to the County. The audit shall focus specifically on the County's account administration and include a review of all banking activities, claims and reimbursements, reimbursement account statements, and financial and customer service criteria. The County's fees shall be payable at the end of the 30 day grace period.
- 2.5.17 Maintain participant records of contributions, interest income, benefit payments and other administrative fee deductions resulting in account balances of County participants, for a minimum of 7 years. Report the same to the County in a format and frequency acceptable to the County.
- 2.5.18 Accept data and payment in an electronic format established by the County.
- 2.5.19 Prepare a customized Policies and Procedures Manual for services requested herein, which will be utilized by the selected Proposer and the County.
- 2.5.20 Facilitate and support monthly audit performed by the County, and/or an independent third party audit selected by the County.
- 2.5.19 Fulfill, upon expiration of any agreement as a result of this Solicitation, all responsibilities of the Plan year, including but not limited to, the administration of the FSA Plan through the "grace" and "run out" periods.

## **2.6 Banking Requirements**

The selected Proposer shall set up and manage a Zero Balance Account (ZBA) at Wells Fargo Bank, N.A. for the purpose of receiving funds for administrative fees, premiums, and disbursements of funds to participants. The County has chosen Wells Fargo Bank, N.A. to maintain the Miami-Dade County Flexible Benefits Master bank account to facilitate the expeditious funding and support of benefit claims. The ZBA will be integrated for funding from the Miami-Dade County Flexible Benefits Master bank account to expedite processing. Proposer shall have access and authority only to the ZBA established by the Proposer, not to Miami-Dade County's Flexible Benefits Master bank account.

The County will arrange with Wells Fargo Bank, N.A. to transfer funds daily from the County's Flexible Benefits Master account to fund

disbursements from the selected Proposer's Zero Balance Account. Transfers to the selected Proposer's account are subject to post audit and adjustments within 60 days of the transfer. The County, in its sole discretion shall have the right to change banks should it become necessary.

## **2.7 Reporting**

The selected Proposer shall provide to the County the following reports for the services provided:

2.7.1 Monthly reporting of reconciliations and forfeitures to the County within 20 days of the end of each month and a final end of year review within 60 days after the ending date of the allowed period for filing reimbursement claims after the close of each Plan year.

2.7.2 Bank account reconciliation report, signed and dated by the selected Proposer's accountant or fiscal manager, within 30 days of each bank statement date and submitted along with the bank statement.

2.7.3 Quarterly report reflecting every reimbursement check that remains outstanding for the Plan year within 15 days after the end of each quarter.

2.7.4 Annual report detailing the nature and amount of any existing surpluses within 30 days after the end of each Plan year.

2.7.5 Various ad hoc FSA reports detailing enrollment, turnaround time on claims processing, account balances and forfeitures, as requested by the County. The reports include, but are not limited to:

- a) Annual report of funds to be forfeited no later than June 1 for the prior year;
- b) Weekly reports of claims to be funded; and
- c) Quarterly report of actual claims turn-around time.

2.7.6 Quarterly reports detailing County-specific customer service statistics within 15 days after the end of each quarter. The reports shall provide the following details:

- a) Number of calls received;
- b) Number of callers put on hold (should be no more than 25 percent);
- c) Average length of time on hold (should be no more than 1 minute);
- d) Average length of calls;
- e) Number of call backs and reasons for call backs; and
- f) Categories of calls and detailed descriptions.

2.7.7 Annual report detailing the performance standards result due within 45 days after the end of each Plan Year (December 31st). (See Performance Guarantee Provisions Worksheet, **Attachment 5**.)

2.7.8 In the event of cancellation or termination, the proposer shall transfer all records to the County or the successor administrator within 30 days of termination or cancellation in a form that is acceptable to the recipient.

2.7.9 Ad hoc report with information in the selected Proposer's custody for use in preparing all returns and reports that are required by the Internal Revenue Service, the Department of Labor and any other federal, County, or county agencies. The selected Proposer shall assist in the preparation of such returns and reports whenever called upon to do so by the County.

2.7.10 Cost and utilization reports in a format agreed to and on a schedule agreed to by the County. The cost of such reports is to be paid by the Proposer. The County shall have access to the selected Proposer's systems to produce reports as needed. The reports should include, but not be limited to, the following – amount submitted for reimbursement by month, amounts paid by month, account enrollment by month and annual reimbursement summary and forfeitures.

## **2.9 Additional Services**

Additional services include the administration of Health Savings Account, Direct Billing - Leave of Absence (LOA) Administration, Retiree Billing Services and Employee Benefit Statements. These services will not be part of the evaluation criteria and are just for informational purposes only. Should the County decide to adopt such programs, the following services would be requested:

### **a) Direct Billing - LOA Administration**

The current programs are administered internally by Miami-Dade County Human Resources Benefits Division. Proposer administering Direct LOA\Retiree Billing must comply with the County's e-commerce protocols for electronic payments. The selected Proposer should

have the capability of billing and collecting insurance premiums directly from employees on leave of absence and remitting funds to insurance carriers. Refer to **Attachment 7**. LOA Direct Billing Services include:

1. Providing all communications to the Employee on LOA
2. Monthly Invoicing to the Employee on LOA
3. Tracking of collected premiums while on LOA
4. Disbursement of collected premiums while on LOA
5. Issuing delinquent and cancellation notices to participants whose premiums are in arrears while on LOA
6. Employee option to pay by ACH
7. Online Employer Access;

**b) Retiree Administration and Billing Services**

1. Customized Administrative Service Plan
2. Providing all communications to eligible Retiree participants
3. Issuing delinquent and cancellation notices to participants whose premiums are in arrears
4. Monthly coupon billing
5. Itemize subsidy amounts
6. Premium withdrawn from pension checks
7. Invoice remittance to carriers
8. Retiree coverage enrollment and termination
9. Online Employer Access

**c) Employee Benefit Statements**

Develop annual employee benefit statements, including delivery (mailing). The benefit statement will be a personalized employee specific summary that provides a comprehensive snapshot of all benefits offered by the County and their dollar value. Additionally, the statement provides an estimated value of benefits available to an employee or his/her survivors in the event of a voluntary retirement, disability, or death. The proposer must have the capability of importing electronic data from several sources and assemble into a comprehensive benefit summary.

1. A comprehensive, personalized, and clear overview of all total compensation components
2. The statement format keeps the focus on the value of each employee's total compensation package
3. Dynamic online version updated in real time
4. Total employer contributions - including employer's share of FICA, Medical/Dental/Vision/Life/AD&D Insurance, Vacation and Sick Time, FRS Retirement, and increased healthcare costs
5. Projected pension figures

**d) Healthcare Spending Account (HSA)**

Develop and administer this tax-free savings account that employees use in conjunction with a High Deductible Health Plan (HDHP) to pay for qualified medical, dental, and vision expenses.

1. Employees can use their funds to help pay for these qualified out-of-pocket expenses until their deductible is met. Once the deductible is met, the employee's insurance coverage will begin to pay and any remaining qualified out-of-pocket expenses incurred may be reimbursed through the employees HSA.
2. HSA's are 100% tax deductible. Money going in and money going out is not taxed as long as it is for qualified expenses. These expenses are similar to those that qualify for flexible spending arrangements.
3. HSA's are owned by the individual, not the employer. If an employee leaves the district/employer they can take the HSA funds with them or roll it over into another HSA plan. The employee can also switch insurance companies and not have to switch HSA carriers.
4. The funds in a HSA will rollover from year to year and earn tax free interest.
5. Account owners can also have an investment option based on their account balance.