SHERRILL MORGAN

February 10, 2020

City of Danville
c/o City Clerk
P.O. Box 670
445 W. Main St.
Danville, KY 40423-0670

Thank you very much for the opportunity to respond to your Request for Proposals for Benefits Consulting and Brokerage Services. We have enclosed our response along with additional supporting documents. We have the ability to meet the scope of services.

Our proposal illustrates the types of services we provide. The foundation of these services would be the development of a long-term plan for employee benefits based on the City of Danville's financial goals. Access to our on-staff attorney and CPA, as well as independent pharmacy and hospital network consultants are included in our services.

Because of our expertise with public entities and our innovative approach, we believe that we are uniquely qualified to represent the City. We look forward to the opportunity to further demonstrate how we might be able to serve you.

Sincerely,

Mark Morgan, President
Sherrill D. Morgan & Associates, Inc.
DBA SHERRILL MORGAN
859.291.6600
markm@sherrillmorgan.com

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REQUEST FOR PROPOSALS

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SCOPE OF SERVICES

Analysis and Reporting

- Analyze existing coverage, identify and develop cost-saving alternative benefit strategies and plans. Provide innovative approaches to benefit challenges facing the City of Danville and recommendations for benefit plan changes.
- Assist in the development of short and long-range goals and strategies, including making projections of potential savings.
- Provide analysis and recommendations based on utilization and performance reports, statistical and financial reports, and plan specific data.
- Assist the City in being pro-active to monitoring and analyzing experience trends, provide timely alerts on changing patterns and suggest appropriate recommendations.
- Be available to prepare, provide and present various types of reports as needed, such as cost analysis for benefit changes, and other statistical, financial, forecasting, trend, or experience reports, as well as new products and audits, as requested.
- Maintain full and accurate records with respect to all matters and services provided on behalf of the City's benefit plans and programs. Provide City staff or officials all spreadsheets, assumptions and calculations upon completion of any project performed on behalf of the City's benefit plans and programs.
- Provide quarterly management reports for all benefit products. Monthly reports required on the health insurance plan, as well as periodic meetings to discuss data and strategy.
- Provide a high level of customer service to our organization to include evaluation of claims data, submission of executive reports and reconciliation of accounts.

Liaison and Problem Intervention

- Act as liaison with (and between) the City, insurance carriers and providers.
- Provide day-to-day consultation on plan interpretation and problem resolution, including, but not limited to, explanation of plans, assisting employees/ retirees with selecting plans that meet their needs and transitioning retirees from city plans to Medicare-coordinated plans.
- Provide timely customer service and assistance to City staff, employees and retirees with issues involving provider billing, claims, vendor service issues/problems, advocacy for services, disputes, interpretation of contracts and services, changes and general troubleshooting.
- Attendance, as needed, at meetings with City staff, elected officials, employees and/ or retirees to facilitate and assist in the management of the City's employee benefit plans.
- Act as an advocate or ombudsman in appeal, arbitration or court process between the City and the providers on unresolved issues if needed; provide advice when needed to enforce City, employee, retiree or their dependents' rights.
- Assist the City in proactive mitigation of negative impacts or disruption of services to employees and retirees from benefit and provider network changes.
- Represent the City of Danville in all negotiations with providers on all issues, including, but not limited to those related to fees, benefit levels, plan design, and special terms and conditions.
- Attend annual open enrollment meetings (on site at several City buildings) and continuing enrollment services as appropriate for both current and new City of Danville employees.

Compliance

- Assist with ongoing plan administration and ensure that City programs comply with State and Federal legislation.
- Review and disseminate information to City staff, on an ongoing basis, regarding new or revised State and Federal legislation that impacts benefit programs.
- Develop and assist in creating, as needed, various communication materials and tools including, but not limited to, open enrollment annual meetings, new hire orientation, qualifying events.

Annual Renewal Process and Evaluation

- **Establish a strategy for benefits, both annually and three (3) to five (5) years in the future to determine goals and impacts. Consider trends, prospective legislations, new delivery systems, and forecast of market conditions, expectations of renewals and geographic health-care practices to make both short and long-term projections.**
- **Review and make cost-saving recommendations regarding the modification of plan design, benefit levels, funding options, communications and quality of current employee and retiree benefit plans; recommendations of employee contributions as needed.**
- **Work with City Staff and help recommend appropriate premium rates and reserves/most economical funding methods to maintain the viability of each benefit plan to ensure that quality and cost-effective benefits are provided by the plans, for both current plan year and upcoming year.**
- **Determine annual estimates of renewal rates and cost trends and assist City staff in preparation of budget figures.**
- **Prepare specifications and compile data, obtain quotes and proposals, analyze and compare proposals and negotiate rates.**
- **Make recommendations, as well as representations for items of negotiation with carriers, including, but not limited to, benefit levels and plan design, premiums/funding options, quality of service, performance measures and guarantees, contractual terms and conditions, quality assurance standards and return on investment, where applicable.**
- **Review rate proposals to ensure underlying assumptions are appropriate and accurate to the City.**
- **Provide communication and support for the annual open enrollment period, new benefit offerings and/or changes to the existing benefits offerings.**
- **Attendance at and assistance with coordination of the annual Employee Benefits Fair and Open Enrollment meetings.**

Other Service Requirements

- **Assist, if needed, in the development, implementation and ongoing process of an employee wellness program, to improve employee health and reduce employee health-care costs, both in the short and long-term.**
- **Assist in the available options of web site technologies to support on-line enrollments, qualifying event changes and employee education to assist employees/retirees in self-management of benefits.**
- **Recommend and help develop enhancements and improvements for communications specific to the needs of the City's employees.**
- **Develop additional benefits communications specific to the needs of the City's employees and retirees.**
- **Attendance at, and assistance with, meetings with the City Manager and staff.**
- **Manage plan transitions as necessary.**
- **Review and evaluate current administrative processes related to enrollment and billing.**
- **Assist the City of Danville with the implementation and various communication options of new programs or changes to existing programs, which will include attending and presenting information at annual open enrollment meetings, along with any meetings during the plan year, as needed.**

We understand and can perform the above scope of services. Our firm specializes in government employers which gives us the experience and ability to meet their unique benefit needs. Our history with government employers and the skills we bring to the table are outlined below in the consultant proposal requirements section of this RFP.

CONSULTANT PROPOSAL REQUIREMENTS

I. Brokerage Services

a. Confirm that you are a licensed broker in the State of Kentucky and provide documentation.

We are a licensed broker in the State of Kentucky. Please see attachment 1 for documentation.

b. Briefly describe your company's organization, philosophy, and management. Also, provide a brief company history.

For 50 years, SHERRILL MORGAN has sought to serve our clients' needs by seeking out quality employee benefits programs that fit within our clients' budgets. SHERRILL MORGAN was incorporated in 1969 by Sherrill Morgan as Sherrill D. Morgan & Associates, Inc. in Covington, Kentucky. We are a closely held C-corporation with a credit rating of A+. We offer a full range of employee benefits consulting on health, life, and voluntary products, and we specialize in government employers. The service team for the City will be available Monday through Friday from 8:30 AM to 5:30 PM EST. We pride ourselves on customer service, and it is the policy of SHERRILL MORGAN to return all calls and emails within 24 hours.

Of course, a system is only as good as the people who work within the system. The firm is comprised of 20 talented team members with over 200 combined years of experience. Our staff, in conjunction with our systems, is what sets SHERRILL MORGAN apart. Our staff is dedicated to providing the absolute highest-quality service and administration. In order to better serve our clients, the staff at SHERRILL MORGAN is cross-trained and knowledgeable so that there are always personnel available to meet our clients' needs. We have extremely low employee turnover, and we have been a finalist in the Cincinnati Best Places to Work competition.

There are 20 employees in our company.

Management: 4
Self-Funded Services: 3
Fully Insured Services: 4
Customer Service: 2
Marketing: 2
Specialty Services: 4
Human Resources: 1

Firm Name: SHERRILL MORGAN
Our main office is located at:
525 West 5th Street, Suite 310, Covington, KY 41011
Designated Principal: Mark Morgan, President
Phone: 859.291.6600
Fax: 859.291.7805
Email: markm@sherrillmorgan.com

Additional satellite offices are located in Louisville, KY and Kingsport, TN.

c. Describe your contractual relationships, if any, with organizations or entities necessary to your proposal's implementation (i.e. actuarial services, data information services, etc.).

If we outsource actuarial services, our firm typically works with Nyhart or Findley. There are a variety of claim audits that may be performed and various audits in general that are recommended by SHERRILL MORGAN for our clients.

d. How long has your organization been providing brokerage services?

We have been providing brokerage services for 50 years.

e. Please provide a list of four verifiable references, all of whom can comment of your organization's relevant experience. Please include group name, contact name, and telephone number. It is the Consultant's

responsibility to provide valid reference information and the City of Danville reserves the right to use reference checks in its evaluation of proposals. You should include:

i. services you provided
ii. benefit programs addressed
iii. number of covered employees
iv. contact name and phone number

Current Client Name: City of Winchester
Client Address: 32 Wall Street, Winchester, KY 40392
Client Contact Name(s): Matt Belcher, City Manager
Client Phone Number(s): (859) 744-2821
Email: mbelcher@winchesterky.com
Number of employees: 143
Services provided: Consultant Services on Health
Length of relationship: 10+ years
Type of plan: Reference Based Pricing

Current Client Name: Jessamine County Fiscal Court
Client Address: 101 North Main Street, Nicholasville, KY 40356
Client Contact Name(s): Kyle Adams, Personnel Director
Client Contact Phone Number(s): (859) 885-2341
Email: kadams@jessamineco.com
Number of employees: 177
Services provided: Consultant Services on Health, Dental, & Life
Length of relationship: 10+ years
Type of plan: Reference Based Pricing

Current Client Name: Kenton County Fiscal Court
Client Address: 303 Court Street, Covington, KY 41011
Client Contact Name(s): Joe Shriver, County Administrator
Client Phone Number(s): (859) 392-1405
Email: joe.shriver@kentoncounty.org
Number of employees: 321
Services provided: Consultant Services on Health, Dental, & Life
Length of relationship: 10+ years
Type of plan: Reference Based Pricing

Current Client Name: Boone County Fiscal Court
Client Address: 2950 Washington Square, Burlington, KY 41005
Client Contact Name(s): Jeff Earlywine, County Administrator
Client Phone Number(s): (859) 334-3571
Client Contact Fax Number: (859) 334-3105
Email: jearlywine@boonecountyky.org
Number of employees: 350
Services provided: Consultant Services on Health, Vision, Life, Disability, Dental, & Voluntary
Length of relationship: 10+ years
Type of plan: Reference Based Pricing

f. Describe your organization's anticipated involvement in the annual renewal process. Include information regarding process timeframes, negotiation of rates and Consultant selection.

SHERRILL MORGAN will be very involved in the annual renewal process. We will work within the budgetary timeline requirements and procurement codes of each client. As part of the budgeting process, alternative means of funding are analyzed on a regular basis. We also do an extensive search for stop loss for all self-funded groups. SHERRILL MORGAN uses the long-term planning format discussed below for implementation of new vendors and programs in order to meet the

client's goals. Additional information on a sample work plan with a possible timeline can be found below in the answer to Question G.

1. Plan Evaluation & Recommendations (ongoing)

-Understand the City's goals
-Provide assistance with plan compliance with applicable regulations
-Study plan costs and trends
-Review plan contracts
-Recommend actions to reduce plan costs

2. Bid Request & Evaluation (annually or as requested or as necessary)

-Understand what the City wants to achieve from bidding process
-Assist the City in establishing parameters for election criteria of bidders
-Prepare bid documents
-Distribute bid request
-Field questions from respondents
-Receive and evaluate bids, measure election criteria, and present results to the City
-Interview and award contracts to successful respondents at the direction of the City
-Monitor installation of new programs and monitor new providers

3. Plan Monitoring & Ongoing Evaluation

-Mid-year review of plan costs, containment measures, and possible plan change recommendations
-Evaluation of renewal and alternative quotes
-Year-end review and evaluation of vendors and plan costs

4. Other services provided by SHERRILL MORGAN

-Evaluation and assistance with flexible spending, dependent care, and premium only programs
-Evaluation of ancillary benefits and vendors of life, disability, vision, and dental programs as provided by the City or as voluntary benefits
-Evaluate programs and vendors of general wellness and disease management benefits
-Provide general services relating to the City's health benefits programs as needed or requested by the City and within the scope of SHERRILL MORGAN's abilities

g. How will you facilitate or participate in the implementation, communication, and enrollment process to assure a seamless product transition?

Upon signing a contract, we will meet with the City to discuss their goals and objectives and how we can provide them with the best possible service for their unique needs. We focus on a long-term planning format for providing healthcare consulting services to our clients. We work with the client to develop goals and redesign benefit programs to meet these goals. We will also conduct the RFP/renewal process for our clients as needed. Our consultant services also feature ongoing monitoring throughout the year which includes monitoring plan performance, benefit metrics, and adherence to budget estimates.

SHERRILL MORGAN does extensive reviews of claims activity throughout the year with each client and assists in the development of budget projections each year. During these reviews, SHERRILL MORGAN works with the client to identify and recommend any plan design changes. We also analyze the potential economic impact of these changes. The report also paints an overall picture of large claimant experience. Each client's per employee per year cost (unit cost) is tracked so that the client's trend can be determined. SHERRILL MORGAN works within the budgetary timeline requirements of each client. As part of the budgeting process, alternative means of funding are analyzed on a regular basis. Please see below for a sample work plan:

1. SHERRILL MORGAN to request census, claims history, and pertinent data from incumbent carrier

2. SHERRILL MORGAN to obtain quotes from other carriers
   Timeline: Same day as Step 1 [upon receipt of information]

3. Depending on competitive information, SHERRILL MORGAN will negotiate with current carrier on renewal
   Timeline: 20 days following Step 2

4. SHERRILL MORGAN will request meeting with City to review the renewal and competitive quotes
   Timeline: 1 week following Step 3

5. Employee Meetings: SHERRILL MORGAN will deploy communication strategy we have developed with City
   Timeline: 2 weeks following Step 4

6. SHERRILL MORGAN's goal is to have all information to carrier 45 days prior to the renewal
   Timeline: 2 weeks following Step 5

h. Provide any additional information regarding your organization or services that you feel would be beneficial in helping the City of Danville to select a benefits broker.

We have the ability to provide exceptional service to the City. Though SHERRILL MORGAN is best suited to work with the City for many reasons, perhaps the most notable reason is that over 50% of our clients are public employers. We have approximately 110 government clients. This gives us a unique understanding of the environments of government employers and the factors that affect them such as budgetary schedules, commission meetings, unions, and calculating full time employees. Our dedicated approach is visible through our exponential growth rate in governmental employers and also through our client retention rates. Below is a partial listing of our clients:



- City of Bowling Green, KY
- City of Carrollton, KY
- City of Crestview Hills, KY
- City of Falmouth, KY
- City of Fort Wright, KY
- City of Newport, KY
- City of Winchester, KY
- Boone County Water, KY
- Dayton Housing, KY
- Frankfort Plant Board, KY
- KIPDA

- City of Bardstown, KY
- City of Independence, KY
- City of Florence, KY
- City of Shelbyville, KY
- City of Villa Hills, KY
- Boone County Fire Departments, KY
- Bullock Pen Water District, KY
- Sanitation District #1, KY
- Grant County Fiscal Court, KY
- Jessamine County Fiscal Court, KY
- Municipal Schools of Shelby County

- Northern KY Convention Center
- City of Bellevue, KY
- City of Covington, KY
- City of Erlanger, KY
- City of Fort Thomas, KY
- City of Ludlow, KY
- Boone County Fiscal Court, KY
- Carrollton Utilities, KY
- Fire Dept. Bellevue-Dayton, KY
- Kenton County Fiscal Court, KY
- NKY Area Development District

- Pendleton County Fiscal Court, KY
- Great Parks of Hamilton County
- Sycamore Township, OH
- City of Tullahoma, TN
- Hamblen County, TN
- City of Brentwood, TN
- City of Columbia, TN
- City of Springfield, TN
- City of Johnson City, TN
- Covington Housing Authority
- Pendleton County Water District, KY

Ongoing Education Services:

We offer multiple seminars, webinars, and wellness challenges throughout the year, as well as our annual conference. Our annual conference is a completely free event for our clients that details the latest in our industry and new products and services. It was held on the 12th and 13th of September at the Hilton Netherland Plaza in downtown Cincinnati. Please see attachment 2 for Conference Information. Additionally, we have a newsletter available through our website that details benefits, regulatory, and specialty updates. This newsletter, called the "Benefits Connection," is available on www.sherrillmorgan.com and provides the latest updates in healthcare reform.

We frequently utilize benchmarking to help us expertly advise our clients on plan design. SHERRILL MORGAN uses the Kaiser family foundation as a national benchmark. We also use the KPHRA Government Benefits Survey and the Tennessee Personnel Management Association Survey as regional benchmarks. These surveys are of over 7,000 Kentucky and Tennessee governmental employees conducted, collected, and compiled by SHERRILL MORGAN each spring and fall. Please see attachment 3 for 2019 KPHRA survey.

Communication Services:

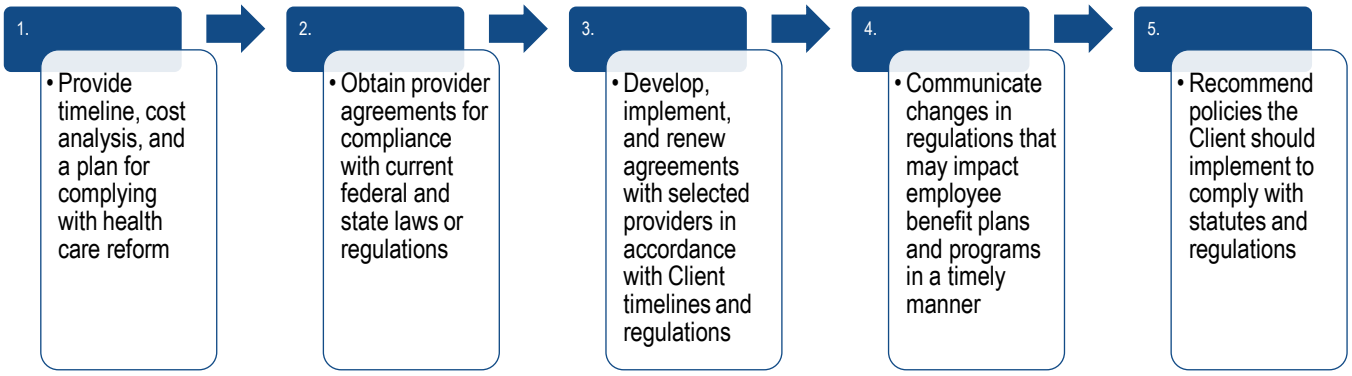
SHERRILL MORGAN helps to coordinate the development of employee benefit communications. Communications are either developed in-house or developed by the appropriate vendors and reviewed by SHERRILL MORGAN staff for accuracy and effectiveness. Communications range from standard materials such as Summary Plan Descriptions, benefit summaries, and "frequently asked questions" to detailed explanations of how employees can benefit by taking advantage of special programs like Over-the-Counter drug programs. Because so many of the programs SHERRILL MORGAN encourages clients to adopt are consumer-driven in nature, effective communication of the concepts to employees is essential. Please see attachment 4 for a sample employee benefit booklet.

Our staff is also available to provide open enrollment assistance, and we will work with the client to develop a communication strategy for open enrollment and beyond. We can help conduct employee meetings, staff meetings, and open enrollment meetings to explain insurance trends, changes to the plan, paperwork, and answer questions. Our staff will coordinate the presence of all pertinent vendors and will also prepare PowerPoint presentations and handouts as needed in order to communicate benefit programs. We are also available to attend benefit fairs for employees.

i. Please detail your administrative capabilities on benefits plan compliance issues.

We are always monitoring regulatory and legislative developments at both the state and federal level and communicate pertinent information to our clients.

Our on-staff attorney Lisa Stamm is available to our clients to consult on compliance issues. She is available for questions regarding compliance with applicable laws, including the ACA, COBRA, ERISA, and HIPAA. As changes big and small continue to hit the industry, we make it our mission to provide our clients with up to date information on everything they need to know. All of the following are included in our standard services:



II. HIPAA/COBRA

a. Do you provide COBRA administrative services? If yes, please explain the services provided and whether there is an additional fee associated with this service.

We can assist with and coordinate the distribution of notice requirements related to HIPAA, COBRA, Section 125, Schedule A (Form 5500), and Health and Welfare regulatory compliance. We will do this in conjunction with the client's healthcare carrier or Third Party Administrator.

b. Do you provide HIPAA administrative services? If yes, please explain the services provided and whether there is an additional fee associated with this service.

As mentioned above, we can assist with and coordinate the distribution of notice requirements related to HIPAA. Our on-staff attorney Lisa Stamm is available to our clients to consult on compliance issues. She is available for questions regarding compliance with applicable laws, including the ACA, COBRA, ERISA, and HIPAA. Additionally, we maintain HIPAA compliance at all times. Emails transmitting client records are encrypted and password protected. The location that maintains physical client records is secure at all times.

III. Broker / Value Added Services

a. Describe how you help control the cost of healthcare to the City employees.

We help to control the cost of healthcare by utilizing innovative methods for cost control. These include evaluating alternative funding strategies such as self-funding, ACI Pricing, Reference Based Pricing, and Public Entity Pooling.

Self-Funding

We are very experienced with self-funding. In fact, it is our specialty. Our five largest private and our five largest public clients are all self-funded. In our 50 years of business, SHERRILL MORGAN has continually evolved as the benefit industry has changed. As we began to see an increased benefit for our clients in self-funding, we developed a self-funding division to help meet this need. Now, with more than 25 years of experience in self-funding, this division manages 59 public sector clients including:

Washington County, TN	City of Columbia, TN	Jessamine County Fiscal Court	Sanitation District No. 1
City of Bardstown, KY	City of Edgewood, KY	Johnson City Schools, TN	City of Shelbyville, KY
Boone County Fiscal Court	City of Erlanger, KY	Kenton County Fiscal Court	City of Springfield, TN
Boone County Water District	City of Florence, KY	City of Johnson City, TN	Sycamore Township
City of Bellevue, KY	City of Fort Thomas, KY	City of Ludlow, KY	Transit Authority of NKY
City of Bowling Green, KY	Frankfort Plant Board, KY	Municipal Schools of Shelby Co.	City of Tullahoma, TN
City of Brentwood, TN	Grant County Fiscal Court	City of Newport, KY	Union Fire Pro. District
City of Carrollton, KY	Hamblen County, TN	NKADD	City of Villa Hills, KY
Carrollton Utilities, KY	City of Independence, KY	City of Park Hills, KY	Walton Fire Pro. District

Our clients have had rate increases that are typically less than the national trend for the medical inflation rate. Please see below for a few examples of success:

The City of Covington, Kentucky

When SHERRILL MORGAN began its consulting relationship with the City in 2005, the City was self-funded through United Healthcare. At that time, the City's health plan costs were trending at a rate of 10.2%. Since 2006, the City's trend has been 3.3%. In 2012, as collective bargaining agreements were being renegotiated, SHERRILL MORGAN assisted the City in developing new plan designs that dropped the City's per employee costs 34% (from over $18,000 to $12,000) over a two-year period. Some of the actions taken were the introduction of consumerism into the plan, implementation of a physician-directed wellness program, the adopting of a spousal carveout, instituting the CareHere Health and Wellness Center, and implementation of a direct contract with St. Elizabeth.

In 2016, the City adopted a new Reference-Based Plan, which provided employees with very user-friendly, all-copay based plan. This plan works without a PPO network, with claims being paid based on Medicare reimbursement rates, rather than on a "discount off of billed charges" basis. The City has direct contracts with several local hospital systems, including St. Elizabeth, Tri-Health, and Christ, which protect employees from being "balance billed". The effective discounts under the reference-based plan increased from 29% to 53%, and the savings to the City in a little over a year was $1.3 million.

The City of Brentwood, Tennessee

The City of Brentwood adopted a Health Reimbursement Arrangement plan design at our urging that helped facilitate the change from a fully insured to a partially self-funded plan. This change in plan design netted the City of Brentwood approximately $300,000 in savings in the first year and succeeded over two additional years at achieving a flat health care fiscal budget.

Boone County Fiscal Court

Boone County Fiscal Court has been a client since 1999. Since then, their health plan costs have been almost flat, trending at less than 1% per year. In 2017, they instituted a Reference-Based Plan, and have saved approximately $1 million since implementation. They recently gave a premium holiday to the employers (Sheriff, Clerk, and Planning Commission) who participate in the plan.

The City of Florence, Kentucky

The City of Florence has been a client for more than ten years. They recently instituted a Reference-Based Plan design with an all-copay plan design. Their health plan has trended 1.6% over the last decade.

The City of Bardstown, Kentucky

The City of Bardstown has been a client since 2005. Their current health plan costs per employee per year are lower than they were in 2011, and their plan has trended at less than 1% over the last decade. They currently have an all-copay, Reference Based Plan, and have taken some innovative measure to help control their pharmacy spend.

Acquisition Cost Index Pricing

For self-funded employers, we offer a program called Acquisition Cost Index, or ACI pricing. ACI is a proprietary national database updated daily and reflects the acquisition cost that pharmacies across the country pay for the prescription drugs they purchase. All self-funded employers are eligible for ACI, and no copay or plan design changes are necessary to utilize ACI. Clients who have implemented ACI pricing have achieved savings of between 6% and 12% on the cost of drugs.

Reference Based Pricing

Transparent Pricing Arrangements (Reference Based Pricing) utilize a Medicare plus reimbursement strategy to provide employers with quality, cost effective plan options for their employees. Medicare reimbursement rates are typically the lowest rate a provider will accept for a service. We use Medicare as a baseline and then negotiate with providers a rate that is a percentage above (i.e. Medicare + 40%). This new rate is usually significantly lower than the discount provided by a PPO network for the same service. Plans typically consist of all copays (no deductibles). SHERRILL MORGAN has an extensive block of Reference-Based clients, currently representing 36 Kentucky governments, eight Tennessee governments, and one Ohio government who have Reference-Based plans. We also have six private sector employees who have Reference-Based plans. We have used five different third-party administrators in administering the plans for these clients.

Public Entity Pools

We have also been working more frequently in the area of government risk pools. We operate under the assumption that collaboration (pooling) among the right entities can help to bring back financial control to the employers' healthcare costs. Currently, we have three different government pools, two located in Kentucky and the other in Tennessee. By pooling the risk, we have the ability to control costs by spreading risk. The breakdown of these three groups is outlined below:



Northern Kentucky Public Entity
- Made up of 13 entities
- $4.5 million in premium a year



Municipal Schools of Shelby County
- Made up of 8 entities
- $40 million in premium a year



Boone County Fire
- Made up of 5 entities
- $2.3 in premium a year

b. How do you improve the quality of benefits to City employees?

SHERRILL MORGAN strives to help employers find the best possible benefits for their employees at an affordable cost. Our team works hard to improve the quality of benefits offered to City employees. In addition to the strategic planning model and benchmarking data described above, we also offer a variety of free wellness challenges for employees, experience with implementing employee health and wellness centers, and access to our online enrollment software for easy benefit selection.

Wellness Program

We are very experienced at designing and administering corporate wellness programs. As part of the strategic planning process, SHERRILL MORGAN helps clients design wellness programs that meet their individual needs. The proposed team for the City is experienced in developing wellness programs in which the employer can track certain health conditions, such as high blood pressure, and then reward or penalize employees for their actual success in managing their conditions. Measurements of return on investment (ROI) are calculated in the reporting, but an industry standard for monetary ROI is a minimum of two to three years. Many of the programs that SHERRILL MORGAN has implemented have had an immediate ROI, such as being able to detect minor and major health conditions of which employees were previously unaware. We offer one free wellness workshop and four free wellness challenges each year to our clients. Our Hydration Challenge will run through February, and our Planksgiving challenge just finished in November.

Our four free wellness challenges are:



(Runs through Nov.) Lean Wellness will provide our Planksgiving Calendar so all participants can follow along as we progress from a 30 second plank to a 3-minute plank



(Runs through winter) As participants drink a glass of water, they mark it on their hydration chart and track their progress. The goal is to drink 8 glasses of water a day



(Runs through spring) The goal is to complete a healthy activity (riding a bike, eating an apple, etc.) and to take a selfie while doing so to document your progress



(Runs through summer) Participants will follow a 30-Day Summer Squat calendar. Squats begin at 50 squats per day and progress to 250 squats per day

Example of Success:
Sanitation District 1

Sanitation District 1 has been a client for about 12 years and has approximately 235 employees. About six years ago, SD1 implemented a long-term wellness program with SHERRILL MORGAN. It is an incentive-based system that rewards employees for maintaining healthy lifestyles. We also created an 8-week weight loss wellness program for them this past spring.

Health and Wellness Centers

We are very experienced with employee health and wellness centers. During our analysis of clinics, we focus on how cost-effective the programs are likely to be for our clients. Through this process we have been able to break down the marketing and sales forecasts of clinic providers to both reasonable and realistic levels of savings. We complete this in-depth analysis prior to recommending this concept to our clients. Our work and diligence in this area has provided us with considerable insight when dealing with the ever-growing number of clinic providers and reviewing offers put before our clients. We have found that in some cases clinics can successfully help to control health plan costs and provide needed services. We are currently working with several clients in evaluating the benefits of on-site or near site clinics and in gauging the possible savings such clinics would provide. We have over 30 clients with clinics in operation. There is an additional cost associated with management of a health and wellness center.

Online Enrollment Platform

We have an online enrollment platform called Ease that is available for our clients' use. Ease allows for individual logins for each employee where they can choose their insurance selections and see the cost associated for each selection. Our clients can track employee enrollment progress and prompt employees through the platform to complete their enrollment selections. They can also send reminder emails through the platform and reset passwords. Once enrollment is complete, the census can be downloaded and sent directly to the client's carrier. If the carrier is set up with the Ease platform, enrollment information can be sent directly through the platform. This platform is available for $0.75 per employee per month.

IV. Criteria for Evaluation

All proposals will be evaluated according to, but not necessarily limited to, the following:

a. **Your firm's indicated ability to provide a level of service enough to meet the City's needs, as stated in your response to Scope of Services and Consultant Proposal Requirements.**
b. **Extent and success of previous work your firm has provided, as determined by the City of Danville's contact with listed references.**
c. **The proposal itself as an example of your firm's work product.**
d. **Qualifications/experience of key personnel to be assigned to the project.**
e. **Adherence to RFP requirements, including completion of all required forms; provision of all requested information; adequacy of responses, and return of the RFP by the stated deadline.**

We understand the above criteria.

V. Pricing

It is the City of Danville's expectation that brokerage fees and commissions will be borne by the selected insurance carrier/provider. If additional brokerage fees are expected of the City of Danville, or if your firm offers additional fee-supported services which are supplemental to your proposal, please clearly outline such potential costs to be included with your response to this RFP.

Currently SHERRILL MORGAN gets compensated on a flat fee basis for consulting on the City of Danville's health insurance. However, if the City prefers, SHERRILL MORGAN would accept standard commissions (10%) on the stop loss insurance. We would not accept any overrides, incentives, or bonuses associated with the client's health insurance program. We would also accept standard commissions for ancillary products such as dental, life, disability, vision, and voluntary products.

Services that require additional fees include actuarial studies, Ease enrollment, and implementing and managing an employee health and wellness center. We will pass through the cost of these services to the client at a transparent price. We have providers that we work with for both of these services, but we can use whichever provider the client prefers.