	<p>RFP: 08-22-14 PROJECT: Third Party Employee Benefits Administrator</p> <p>7/15/2009</p> <p>PAGE 1 OF 3</p>	<p>Pinal County Finance Department 31 N. Pinal St. Bldg. A P.O. Box 1348 Florence, AZ 85232</p>
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ADDENDUM 2

The purpose of this addendum is to answer questions asked during the Pre-Proposal Conference on July 14, 2009.

QUESTIONS AND ANSWERS

1) Q: Can employees waive medical insurance?

A: Yes, if they provide proof of other insurance.

2) Q: What is the % of in-network claims processed versus out-of-network?

A: 99.9% are in-network since we do not pay out of network facilities or doctors except for emergencies.

3) Q: What history needs to be kept by the TPA?

A: All administrative and claims data indefinitely.


4) Q: Please explain what is needed for the combination of 'Dual Spouse' benefits "calculator"?

A: In addition to the explanation previously provided, the County allows dual spouses to be covered as dependents. In that case, the County contribution is combined and the excess funds can be used to purchase other available benefits within the limitations set.

5) Q: Does the County still allow paper enrollment? What is the percentage of on-line enrollment? Do employees have to enroll?

A: Yes, the County still allows paper enrollment, which is forwarded to the TPA for addition to the system. Approximately 50-55% of enrolled employees use the on-line system. Employees only have to enroll if they are changing benefits or if they have FSA accounts.

6) Q: What happens if an employee fails to enroll during open enrollment?

	<p>RFP: 08-22-14 PROJECT: Third Party Employee Benefits Administrator</p> <p style="text-align: center;">7/15/2009</p> <p style="text-align: right;">PAGE 2 OF 3</p>	<p>Pinal County Finance Department 31 N. Pinal St. Bldg. A P.O. Box 1348 Florence, AZ 85232</p>
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A: The employee is automatically re-enrolled in the same benefits from the previous plan year, with the exception of flexible spending.

7) Q: Does the TPA have to produce Confirmation Statements?

A: The TPA will be required to produce “confirmation statements” to each employee who enrolled for benefits during the first week of December so the employee can confirm their elections and make changes if they made an error.

8) Q: Who approves STD claims?

A: The Plan Administrator will approve STD claims and forward approval information to the TPA to process checks. STD checks must take pre- and post-tax benefit deductions.

9) Q: Can Retirees get life insurance?

A: Pinal County retirees are offered the option to continue a Life policy of \$10,000. The TPA will be required to bill eligible retirees during open enrollment and if there is no response, to call and/or write follow-up letters.

10) Q: Is there a state retirement subsidy?

A: Both the ASRS and PSPRS provide a subsidy to reduce the cost of medical insurance to eligible retirees. A subsidy check is sent directly to the County and the TPA will receive a monthly report detailing those payments. The TPA will be required to adjust the COBRA premiums accordingly.

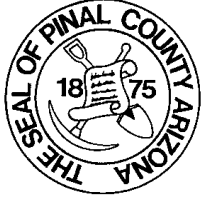
11) Q: How is ARRA being administered?

A: Currently, the TPA provides a monthly report to the County listing all of the ARRA-eligible COBRA participants along with the premium subsidy. The County will file the 941s.

12) Q: Is the TPA involved in new hire orientation?

A: No.

13) Q: What is the current stop loss amount?

	RFP: 08-22-14 PROJECT: Third Party Employee Benefits Administrator 7/15/2009 PAGE 3 OF 3	Pinal County Finance Department 31 N. Pinal St. Bldg. A P.O. Box 1348 Florence, AZ 85232
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A: \$155,000 plus a \$100,000 agg spec.

14) Q: What kind of HRIS system does the County have?

A: The County does not maintain an HRIS system. Only Benefit deductions are stored on the Payroll system. All other data is stored on the TPA system and the TPA is required to produce an Annual Benefit Statement from that information.

15) Q: Are open enrollment meetings 8 hours per day?

A: Meetings held in Florence are usually 5-6 hours. Meetings at other county locations outside Florence are typically held in 3 hour blocks in two different locations/cities per day.