GS/OAS Health Plan Consulting Services
General Secretariat of the Organization of American States (GS/OAS)
Department of Human Resources

TERMS OF REFERENCE

1. OBJECTIVES

The main objectives of the consulting services are:

1.1: Ongoing consulting and annual monitoring of the GS/OAS Health Plan (the selected firm will analyze the plan's 2024 results and offer continuous consulting support throughout 2025, 2026, and 2027)

1.1.1 Provide strategic recommendations to achieve significant cost savings.
1.1.2 Recommend measures to enhance reporting, account management, and vendor accountability.
1.1.3 Recommend a strategy that would help GS/OAS more effectively manage its medical plan costs.

1.2: Request for Proposals for Third-Party Healthcare Plan Administrator (RFP carried out through 2025 for an effective date of January 1, 2026)

1.2.1 Provide expert guidance and support throughout the Request for Proposal (RFP) process for selecting a third-party administrator (TPA) for the GS/OAS self-insured health plan. The coverage marketed will include Medical, Prescription (Rx), Specific Stop Loss, Dental, and Vision. This encompasses a Custom PPO Plan (matching current plan designs for both Inside and Outside the U.S.) and an Indemnity Dental Plan.

1.3: Actuarial valuation for postretirement health and life insurance benefits as of December 31, 2024

1.3.1 Perform a valuation for postretirement health and life insurance benefits as of December 31st, 2021 for the current plan design. The purpose of these calculations is to measure the size of the GS/OAS liability and expected future payments to current and future retirees for health and life insurance benefits.

2. BACKGROUND

2.1 The GS/OAS maintains a self-funded health care plan administered by Cigna and a fully insured health plan with Kaiser Permanente for its employees, retirees, and their dependents. Active Employees also have the option of being covered through their spouse´s coverage. The following table presents details on current enrollment:

	Self-Insured			KAISER			EXEMPT	Total Eligible		
	Policy Holders	Dep	Totals	Policy Holders	Dep	Totals	Totals	Eligible Employees	Dep	Totals
US										
Active	336	465	801	17	11	28	60	413	476	889
Retirees	334	132	466	6	3	9		340	135	475
Subtotal	**670**	**597**	**1,267**	**23**	**14**	**37**	**60**	**753**	**611**	**1,364**

International										
Active	29	28	57	0	0	0	16	45	28	73
Retirees	95	42	137	0	0	0		95	42	137
Subtotal	**124**	**70**	**194**	**0**	**0**	**0**	**16**	**140**	**70**	**210**
Totals	**794**	**667**	**1,461**	**23**	**14**	**37**	**76**	**893**	**681**	**1,574**

As of June 30, 2024, there are 893 total eligible active and retired employees, 84% located in the United States (413 employees and 340 retirees) and 16% overseas (45 employees and 95 retirees).

2.2 The self-insured health care plan is funded through institutional and employee contributions that are held in the GS/OAS Medical Benefits Trust Fund. The GS/OAS contracts two third-party administrators, CIGNA US, and CIGNA International, to administer the Health Plan.

2.3 The total amount of claim dollars incurred for calendar year 2023 was USD 14,834,051 from which USD **11,973,054 was paid by Cigna US** and USD 2,860,996 by **Cigna International**.

2.4 **The Plan provides health benefits, including medical, dental, vision, and prescription drugs to the GS/OAS active employees and retired and their covered eligible dependents**. See GS/OAS Health Insurance Plan Summary Design – Cigna US **Appendix 1** and GS/OAS Health Insurance Plan Summary Design – Cigna International, for the current Plan design **Appendix 2**.

2.5 The GS/OAS also offers a fully insured option for members living in the DC Maryland and Virginia area only through Kaiser Permanente. See **Appendix 3** for a Kaiser HMO Plan Summary of Benefits.

2.6 See 2024 Premium for all plans offered by the GS/OAS to active employees and retirees in **Appendix 4-**Active Premiums 2024 and **Appendix 5** - Retiree Premiums 2024.

2.7 Retired employees are entitled to maintain their insurance coverage as determined by certain criteria involving age and years of service. **Appendix 6** presents the **Policy on Continuation of Participation by Former GS/OAS Staff Members and Their Eligible Dependents Upon Separation from Service** which determines the eligibility criteria to continue under the GS/OAS Health Plan after separation**.** It is important to note that upon reaching 65 years of age, it is mandatory for former staff members and their dependents who are eligible for Medicare Part A and/or B coverage to enroll immediately. Once Medicare enrollment is in effect, the coordination of benefits is set up Medicare becomes the primary insurer and the GS/OAS plan administered by Cigna US or Cigna International becomes the secondary insurer.

2.8 The plan has specific stop-loss coverage for the entire population (US and international) with a deductible of USD 700,000 per member per calendar year. This coverage is contracted with Cigna US. Members with Medicare A & B are not included in this coverage.

2.9 All contractors should be aware that as a Public International Organization created by international treaty, the OAS and its General Secretariat have privileges and immunities within the United States of America and in other Member States of the OAS. In the United States of America, the privileges, and immunities that the U.S. Government has afforded the GS/OAS, exempt the GS/OAS from court jurisdiction, as well as executive and

administrative actions. For further information see the U.S. Department of State's Treaties in Force publication, found at https://www.state.gov/treaties-in-force/ and also the OAS Headquarters Agreement which was signed by the President of the United States and the OAS, the text of which can be found at US Bilateral Agreements, Laws, Judgments and Documents (oas.org).

2.10 The last RFP process for Third-Party Administrative Services was conducted in 2014, and the current initiative aims to review and update the administration of the health plan to reflect evolving organizational needs and industry standards.

3. DESCRIPTION OF SERVICES:

NOTE: Interest bidders are welcome to submit offers for one, two, or all the three requested services (Part I, Part II, and Part III) as each component can be managed with a separate contract.

PART I: Ongoing consulting and annual monitoring of the GS/OAS Health Plan (the selected firm will analyze the plan's 2024 results and offer continuous consulting support throughout 2025, 2026, and 2027)

It is estimated that this portion of the contract will cover a three-year period, from March 1 2025 to February 28, 2028.

The GS/OAS and the Contractor will plan a monthly meeting to report progress and findings. In addition, the Contractor will be available on an "as-needed basis" for eventualities and/or GS/OAS inquiries.

The contractor shall provide the following specific services in connection with the ongoing monitoring of the Health Plan:

3.1 **Performance reports presentations in meetings with the Joint Committee on Insurance Matters or other GS/OAS Stakeholders.** The Contractor will report directly to DHR on the overall performance of the Health Plan related to but not limited to budget, emerging trends, areas for potential improvement, and others. The Contractor will report directly to DHR on the overall performance of the Health Plan related to but not limited to budget, emerging trends, areas for potential improvement, and others.

3.2 The GS/OAS (together with the contractor) will need to consult with the Committee on Administrative and Budgetary Affairs (CAAP) to review and report on the health insurance plan design, eligibility adjustments for future retirees, plan choices, rate differentials, employee contributions, and strategies for member health improvement. Additionally, support the GS/OAS in developing an implementation timeline to be submitted to the CAAP with these recommendations by **March 31, 2025**

3.3 **5-year Plan projections.** The budgetary process of the GS/OAS requires the Committee to analyze plan projections at the beginning of each year, to determine the increase in premiums for the next year. In March or April of each year (2024, 2025, and 2026), the Contractor will be required to provide different scenarios with healthcare trends and provide a recommendation on levels of premium increases for the next year.

3.4 **Monthly budgetary tracking (to be reported during a monthly meeting with DHR**). The Contractor will provide monthly tracking of the Health Plan expenses (fixed cost and variable claims) relative to the set budget and identify any areas of concern.

3.5 **Claims wire analysis.** The Contractor will monitor claims (on a de-identified basis) on behalf of the Health Plan as they are incurred and reported through quarterly reviews with the GS/OAS TPAs, Cigna US, and Cigna

International. The Contractor will alert DHR of any potential large claimants that will be coming through the system to properly account for those dollars and/or provide prospective information to finance if variations to budget are experienced.

3.6 **Renewal negotiation support.** Each year, the Contractor will work with any vendors and TPAs on behalf of the GS/OAS to negotiate the best contract terms and pricing for the Health Plan.

3.7 **Budget setting scenarios.** Based on potential plan design changes, potential changes on Stop Loss levels, and High Case analysis scenarios, the Contractor should be able to approximate variations to budget to support any financial scenarios.

3.8 **Plan design analysis.** The Contractor should offer multiple analyses of the impact of potential plan design changes on both financial parameters and impact on claimants.

3.9 **Migration studies.** If a second plan were to be introduced, the Contractor would provide a financial impact study on who may potentially migrate to a lower-cost plan, the impact of that movement from a financial perspective, and the overall effect on the budget.

3.10 **Stop Loss evaluation and ROI scenarios.** The Contractor will review, through claims analysis, Stop Loss scenarios and present options to the GS/OAS considering various levels of Stop Loss amounts. The Contractor will proactively go to the stop-loss market, evaluate contracts, and review terms to ensure the Health Plan is receiving the most efficient Stop Loss coverage available.

3.11 **Review of Medical, Rx, and Administration costs.** The Contractor should go to the market to help ascertain if the Health Plan's existing TPA is the most efficient and appropriate TPA to administer the claims, provide network management, disease management, customer service, etc. This review will also provide the opportunity to look for ways to obtain lower administrative costs, increased rebate dollars, and proactive management of the prescription drug List.

3.12 **Medical Certificate Review and Guidance.** Review employee-related medical certificates to ensure they comply with the OAS's internal policies and standards. Provide expert medical guidance on critical cases, offering recommendations on appropriate actions and responses to health-related employee matters. Liaise with medical professionals or institutions when necessary to gather additional information or clarify medical opinions.

PART II: Request for Proposals for Third-Party Healthcare Plan Administrator (RFP carried out through 2025 for an effective date of January 1, 2026).

It is estimated that this portion of the contract will cover a one-year period, from March 01, 2025, to February 28, 2026

Support throughout the Request for Proposal (RFP) process for selecting a third-party administrator (TPA) for the GS/OAS self-insured health plan. This collaboration is critical to securing a TPA that can efficiently manage the GS/OAS's health plan, ensuring high-quality services for its staff members and retirees.

The contractor shall provide the following specific services in connection with the Request for Proposals for Third-Party Healthcare Plan Administrator:

1. <u>Conduct Planning Meetings</u>

Representatives from the GS/OAS' Department of Human Resources ("DHR"), other GS/OAS representatives, and members of the GS/OAS' Joint Committee on Insurance Matters ("JCIM") will meet with the Consultant to conduct planning activities. The purpose of these meetings is to discuss and set GS/OAS' objectives

and goals regarding the GS/OAS' competitive bidding process for awarding the Health Plan Administrator Contract, including key areas for improving vendor relationships, and to select a list of potential vendors that should receive the Request for Proposal ("RFP") for the Health Plan Administrator Contract.

At this stage, the Consultant shall assist GS/OAS in defining and prioritizing strategic health & welfare plan objectives and in the evaluation of internal technical capabilities to determine increased/improved applications for administrative processes. The Consultant shall also provide GS/OAS limited actuarial services, including projecting funding needs for the upcoming fiscal year.

2. Prepare Request for Proposal for Health Plan Administrator by February 2028, 2025.

Consultant shall prepare the draft Terms of Reference (TORs) for the RFP for the Health Plan Administrator Contract which shall include, but not be limited to, the following:

2.1 Statement of GS/OAS' key objectives and rationale for the bidding.

2.2 Description of GS/OAS' current self-administered health care plan and GS/OAS' requirements for performance by the winning bidder.

2.3 Overview of administration and underwriting requirements.

2.4 Performance Guarantees that integrate recognized and most updated industry standards and trends with matters that are of importance to GS/OAS including performance guarantees for international services and international claims processing.

2.5 Questionnaire – the list of questions for the bidders, which shall be tailored to the particular needs of the GS/OAS, such as:

(i) Geographic access analysis.
(ii) A requirement is to provide a list of participating providers and any arrangements for obtaining covered medical and prescription services in Latin America and the Caribbean.
(iii) Bidders' experience in processing international claims.
(iv) Bidders' experience in providing international services.
(v) Sample of bidders' claim expenses and utilization reports.
(vi) Bidders' administrative fee and stop loss quote.
(vii) Bidders' provider/patient disruption analysis.
(viii) Bidder's network composition data.
(ix) Bidders' provider reimbursement methodology.
(x) Bidders' provider fee schedule for specific CPT codes.
(xi) Bidders' medical management/care management capabilities.
(xii) Bidder's policy and practices on fraud, waste, and abuse detection, correction, and prevention

2.6. Required information regarding the bidder's dedicated account team if it wins the contract award, including, for example: the number, names, titles, and qualifications of the persons who will be assigned to the GS/OAS account. The account team includes, but is not limited to the account dedicated representative, claims processors, enrollment and membership services representatives, pharmacy benefits administrators, and billing officers.

2.7 Questions about administration issues, such as:

(i) Bidders' claim office and claim system overview. Physical location of claims office and, if different, specific location for medical claims office, dental claims office, and pharmacy benefit manager's office.
(ii) Bidders' customer service unit.
(iii) Bidders' claims performance results.

2.8 Required technology information, such as a description of current and future Web-based capabilities.

2.9 Required information regarding implementation issues, such as:

(I) Transition of care.
(ii) Timetable with specific processes and procedures.
(iii) Activities for which GS/OAS and the vendor will be responsible.

3. Dissemination of RFP for the Health Plan Administrator Contract

After consultation with and approval by the JCIM, and after review and approval by the Department of Legal Services ("DLS"), the GS/OAS Department of Procurement Services and Management Oversight ("DPMO") will post the RFP for the Health Plan Administrator Contract on the OAS Web Page and send Letters of Invitation to bid to a short list of approved suppliers.

4. Response to Vendor Questions

The consultant will assist the DPMO in a pre-bid conference, if necessary, and in responding to vendor questions throughout the competitive bidding process. The DPMO will ensure that all vendors are given the same information. All vendors who present responsive proposals shall be responsive bidders.

5. Evaluation of Proposals received in response to the RFP for the Health Plan Administrator Contract

5.1 Consultant shall assist the GS/OAS in the evaluation of the bid proposals submitted in response to the Health Plan Administrator RFP. As part of this process, the Consultant shall assist GS/OAS in the development of the selection criteria that will be used to evaluate bid responses for the Health Plan Administrator Contract.

5.2 Bid proposals for the Health Plan Administrator Contract shall be received by the DPMO and shall be opened and initially reviewed by the GS/OAS' Contract Awards Committee ("CAC"). The bid proposals shall be analyzed by GS/OAS' health insurance specialist and shall also be forwarded to the Consultant for a comparative analysis of each proposal conducted following the GS/OAS selection criteria which include, but are not limited to:

I. Determining responsiveness of the bid proposal with the RFP;
II. Service Quality;
III. Claim processing standards;
IV. Evaluating network access;
V. The availability of medical doctors and prescription services in the United States Latin America and the Caribbean;
VI. The ability of current members of the GS/OAS Health Plan to stay with their current medical doctors;
VII. Analyzing network discounts;
VIII. Reviewing claim locations, anticipated system changes, and Web capabilities;
IX. Reviewing implementation issues;
X. Develop vendor performance guarantees with monetary penalties as necessary;
XI. Comparing the financial proposal with current and expected costs;
XII. Reviewing funding arrangements;
XIII. Reviewing specific and aggregate loss coverage;
XIV. Assist in the review of current electronic data transfer processes with vendors;
XV. References;
XVI. Competency;
XVII. Timely performance;
XVIII. Complaint handling;
XIX. Frequency of complaints; and,
XX. Other relevant criteria suggested by the Consultant.

Consultant shall prepare a written comparative report of the bid proposals received by GS/OAS to be presented by Consultant along with its recommendation for the winning bidder and the reason(s) therefore to the JCIM and the CAC.

6. Selection of Semi-Finalists

The JCIM, the CAC, the DPMO, and the Consultant will meet to (a) review, analyze, and discuss the bidders' strengths and weaknesses; and, (b) consider the Consultant's recommendations for the selection of the winning bidder. The CAC then will select the semi-finalist bidders.

7. Conduct Semi-Finalist Interviews and Negotiations

The CAC will decide if interviews with semi-finalist bidders are necessary. Consultant shall assist the JCIM, the CAC, and DPMO in conducting interviews and negotiations (in consultation with DLS) with each bidder selected for interview.

During the interview and negotiation process, the following recommended tasks shall be accomplished:

7.1 Meet key representatives from selected bidders who would service the GS/OAS account.
7.2 Clarify ambiguous items or terms from bidders' proposals, if any.
7.3 Review bidders' network management, credentialing, and quality assurance process.
7.4 Review claim systems and utilization review programs in place.

7.5 Assess claims and customer service capabilities in the US and outside the US.
7.6 Review bidders' technology capabilities and development strategy.
7.7 Request from each bidder "Best and Final Offer" and performance guarantees.

The JCIM, DPMO, and the CAC may also conduct on-site visits to claim operations of selected bidders, and they may meet with the clinical and provider management staff and medical directors. Consultant shall assist GS/OAS in incorporating any relevant feedback resulting from these visits into the final recommendation for the winning bidder to be submitted to the CAC.

8. Discussion and Final Recommendation

To make a recommendation for the winning bidder to be submitted to the CAC, a debriefing will be held at this point between the Consultant, the CAC, and the JCIM to compare notes and discuss outstanding issues. Consultant shall document the recommendation in a comprehensive final report to the CAC and DPMO, which after review and comment, will be submitted to the CAC. After consultation with the JCIM and the CAC, DPMO shall prepare the draft JCIM recommendation and the CAC's final recommendation for the winning bidder for submission to the Secretary-General.

9. Final Negotiations with Successful Bidder

Once a winning bidder is selected, the Consultant will assist the JCIM, together with the DPMO and GS/OAS' DLS, to negotiate the final contract terms and conditions, which shall include but not be limited to, administrative and retention fees, quality improvement commitments, network customization requirements, participant satisfaction, network savings, progressive performance standards, as well as other issues Consultant may recommend as appropriate.

Notification to all finalist bidders, regarding GS/OAS' final contract award decision, will be made by DPMO.

10. Implementation

After the award of the contract to the winning bidder, a meeting will be held between the JCIM, Consultant, and the winning bidder to develop an implementation plan.

11. Projected Timetable

GS/OAS expects to implement the new GS/OAS Health Plan Administrator by January 1, 2026. It is estimated that this process will take around 12 months. Attached is a Tentative Schedule of Activities-RFP as **Appendix 7**.

PART III: Actuarial valuation for postretirement health and life insurance benefits as of December 31, 2024

This portion of the contract will cover four months, from January 01, 2025, to April 30, 2025

The Contractor will perform a valuation for postretirement health and life insurance benefits as of December 31, 2024, for the current plan design and measure the size of the GS/OAS liability and expected future payments to

current and future retirees for health and life insurance benefits. The Contractor agrees to provide the services described below:

1. An actuarial valuation of the Organization of American States' postretirement benefits program conforming to applicable actuarial standards of practice. The estimated date when results are expected to be received is March 7, 2025 with possible extension to March 21st, 2025.
2. Confirmation and documentation of current postretirement benefit plan provisions.
3. Review of member data for reasonableness.
4. Development of underlying per capita benefit costs.
5. Assistance with economic and demographic assumption setting.
6. Preparation of report detailing valuation results, including total present value of future benefits payments, health care cost trend assumption sensitivity, and projected benefits payments.
7. In addition to the actuarial valuation following accounting standards, the study should present a few simple scenarios based on different assumptions, (e.g., the discount rate or the assumed inflation in medical costs). The objective is to provide the GS/OAS with a broader perspective on the range of results that may be expected in the unpredictable world. Two pessimistic scenarios (lower discount rate and higher assumed rate of medical inflation) and two optimistic scenarios would be preferred.
8. Provide explanations and documentation whenever necessary to GS/OAS or Auditors.
9. Provide an overview of Pre-Funding Practices in different sectors in the US and other International Organizations (include recommendations to the GS/OAS).
10. Attendance at one meeting (tentatively scheduled for the week of April 14, 2024).
11. Provide general information regarding OAS' position concerning other international organizations and organizations in the private sector. While a full benchmarking study will not be performed, the Contractor's actuary will provide discussion points comparing OAS' plan, liability, and funding position versus other organizations or companies.

REPORTS

The Contractor will present the following reports:

PART I: Ongoing consulting and annual monitoring of the GS/OAS Health Plan

1. **<u>For the period January 1 – December 31 (2024, 2025, and 2026)</u>, no later than March 15 of the following year (2025, 2026, and 2027, respectively), assuming the Contractor receives all necessary data on or before February 15.**

The purpose of this Report is to present to the DHR and the JCIM, the Plan's annual results, including information from Cigna US and Cigna International. The overall objective is to inform on the monitoring of the Plan performance during the previous year and develop a recommendation to the GS/OAS administration on the premium levels for the subsequent budgetary year.

The Contractor shall submit and present (in-person or virtually) to the Committee a report with an annual analysis of the Health Plan, which should include at least the following:

- Claims analysis and utilization trends.
- Plan enrollment.
- Operational income vs. operational expenses comparison.
- Evaluation of the Plan's financial health.
- Claim utilization data to identify areas of possible over-utilization.
- Large claims report (claims above USD25,000).
- Recommendations for cost management opportunities and possible benefits modifications to the Health Plan.
- As appropriate, the Report shall contain information on any unusual or unforeseen developments and recommendations from the Contractor regarding what actions should be taken by GS/OAS.
- 5-YEAR PROJECTIONS.

The Report shall also provide 5-year financial and budgetary projections, including advice on setting annual contribution premiums for active GS/OAS employees and retirees to maintain the Health Plan's financial health.

2. For the period January 1 – June 30 (2025, 2026, and 2027), no later than August 31 of that year, assuming the Contractor receives all necessary data on or before July 31. The purpose of this Report is to present to the DHR and the JCIM the Plan's progress during the year, including information from Cigna US and Cigna International. The overall objective is to inform on the results of the monitoring of the Plan performance and recommend any actions that need to be taken regarding the renewal proposals from Cigna US and Cigna International.

- PLAN RENEWAL RECOMMENDATIONS:

The Report should include an analysis of the contract renewal proposals presented by CIGNA US and CIGNA International and recommend to DHR a path forward. The Contractor shall assist the DHR concerning contract renewal negotiations. The Contractor shall assist DHR in its contract renewal negotiations. The Contractor shall assist the DHR concerning contract renewal negotiations. The Report should include an overall analysis of healthcare claims experience, administrative and stop loss fees, utilization management charges, financial and performance guarantees, and Health Plan trends.

The Contractor shall be available to meet with the GS/OAS representatives, including members of the Insurance Committee, to present the Report, discuss the Contractor's findings, and provide recommendations.

3. For the period January 1 – September 30 (2025, 2026, and 2027), no later than December 5 of that year, assuming the Contractor receives all necessary data on or before November 5. The purpose of this Report is to present to the DHR and the JCIM preliminary Plan results for the year, including information from Cigna US and Cigna International. The overall objective is to inform on the results of the monitoring of the Plan performance and start identifying any actions related to the recommendation to the GS/OAS administration on the premium levels.

The Contractor will provide a final executive report summarizing the main activities taken on behalf of the GS/OAS Health Plan and the main recommendations provided during the year. The Contractor shall be available to meet with the GS/OAS representatives, including members of the Insurance Committee, to present each Report, discuss the Contractor's findings, and provide recommendations.

PART II: Request for Proposals for Third-Party Healthcare Plan Administrator

4. Report of the Evaluation of Proposals received in response to the RFP for the Health Plan Administrator
Contractor shall prepare a written comparative report of the bid proposals received by GS/OAS to be presented by the Consultant along with its recommendation for the winning bidder and the reason(s) therefore to the JCIM and the CAC.

PART III: Actuarial valuation for post-retirement health and life insurance benefits as of December 31, 2024

5 Report on the Actuarial Valuation Results and Assumptions
A report detailing valuation results, including the total present value of future benefits payments, health care cost trend assumption sensitivity, and projected benefits payments.

7. APPENDIX

- Appendix 1 – GS/OAS Health Insurance Plan Summary Design – Cigna US
- Appendix 2 – GS/OAS Health Insurance Plan Summary Design – Cigna International
- Appendix 3- Kaiser Plan Summary
- Appendix 4- Active Premiums 2024
- Appendix 5 - Retiree Premiums 2024
- Appendix 6 – Policy on Continuation of Participation by Former GS/OAS Staff Members and Their Eligible Dependents Upon Separation from Service
- Appendix 7 – Tentative Schedule of Activities - RFP
- Appendix 8 - Evaluation Criteria Questionnaire