

REQUEST FOR LEGISLATIVE ACTION

Completed by County Counselor's Office:

Res/Ord No.: 19646

Sponsor(s): Theresa Garza Ruiz

Date: October 27, 2014

SUBJECT	<p>Action Requested <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance</p> <p>Project/Title: <u>Awarding a Thirty Six Month Contract for the furnishing of Cafeteria Plan Administration as an optional employee benefit for use Countywide to Application Software Inc. (ASI) of Columbia, MO under the terms and conditions of Request for Proposal 59-14.</u></p>										
<p>BUDGET INFORMATION</p> <p><i>To be completed By Requesting Department and Finance</i></p>	<table border="1"> <tr> <td>Amount authorized by this legislation this fiscal year:</td><td></td></tr> <tr> <td>Amount previously authorized this fiscal year:</td><td></td></tr> <tr> <td>Total amount authorized after this legislative action:</td><td></td></tr> <tr> <td>Amount budgeted for this item * (including transfers):</td><td></td></tr> <tr> <td>Source of funding (name of fund) and account code number:</td><td></td></tr> </table> <p>* If account includes additional funds for other expenses, total budgeted in the account is: \$</p> <p>OTHER FINANCIAL INFORMATION:</p> <p><input type="checkbox"/> No budget impact (no fiscal note required) <input checked="" type="checkbox"/> Term and Supply Contract (funds approved in the annual budget); estimated value and use of contract: Department: Estimated Use: \$9,000</p> <p>Requesting approval by the Legislature of the term and supply contract; the funds were already appropriated through the annual budget adoption. Estimated use figures are for informational purposes only.</p> <p>Prior Year Budget (if applicable): \$12,450 Prior Year Actual Amount Spent (if applicable): \$6,210</p>	Amount authorized by this legislation this fiscal year:		Amount previously authorized this fiscal year:		Total amount authorized after this legislative action:		Amount budgeted for this item * (including transfers):		Source of funding (name of fund) and account code number:	
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PRIOR LEGISLATION	<p>Prior ordinances and (date): Prior resolutions and (date): 16741, October 2008</p>										
CONTACT INFORMATION	<p>RLA drafted by (name, title, & phone): Cassandra Cheek, Senior Buyer, 881-3265</p>										
REQUEST SUMMARY	<p>The Human Resources Department requires a Contract for Cafeteria Plan Administration due to the current contract expiring. Purchasing issued Request for Proposal 59-14 in response to those requirements.</p> <p>A total of 9 notifications were distributed with 6 responses received and evaluated. The following companies submitted proposals: <u>Application Software Inc. of Columbia, Mo</u> <u>NueSynergy of Leawood, KS</u> <u>American Fidelity Assurance Company of Oklahoma, OK</u> <u>USBAFlex of Sandy, UT</u> <u>BMO of Appleton, WI</u> <u>Flex Made Easy of Kansas City, MO</u></p> <p>Pursuant to Section 1054.6 of the Jackson County Code, 1984, the Director of Finance and Purchasing recommends the award of Cafeteria Plan Administration to Application Software Inc, (ASI) of Columbia, MO as the best proposal received.</p> <p>The award is made on an as needed basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases is subject to annual appropriations.</p>										
CLEARANCE	<p><input type="checkbox"/> Tax Clearance Completed (Purchasing & Department) <input type="checkbox"/> Business License Verified (Purchasing & Department) <input checked="" type="checkbox"/> Chapter 6 Compliance - Affirmative Action/Prevailing Wage (County Auditor's Office)</p>										
ATTACHMENTS	<p>Attached are pertinent pages of the recommended proposal, a copy of the Agreement between Jackson County & ASI, and an Award Recommendation for Dianne Kimzey</p>										

REVIEW	Department Director: <i>Deanne Kinzey</i>	Date: 10/22/14
	Finance (Budget Approval): <i>If applicable</i>	Date:
	Division Manager: <i>Shelly Kneuren by M. Kinney</i>	Date: 10-23-2014
	County Counselor's Office:	Date:

Fiscal Information (to be verified by Budget Office in Finance Department)

- ☐ This expenditure was included in the annual budget.
- ☐ Funds for this were encumbered from the _____ Fund in _____.
- ☐ There is a balance otherwise unencumbered to the credit of the appropriation to which the expenditure is chargeable and there is a cash balance otherwise unencumbered in the treasury to the credit of the fund from which payment is to be made each sufficient to provide for the obligation herein authorized.
- ☐ Funds sufficient for this expenditure will be/were appropriated by Ordinance # _____.
- ☐ Funds sufficient for this appropriation are available from the source indicated below.

Account Number:	Account Title:	Amount Not to Exceed:

- ☐ This award is made on a need basis and does not obligate Jackson County to pay any specific amount. The availability of funds for specific purchases will, of necessity, be determined as each using agency places its order.
- ☐ This legislative action does not impact the County financially and does not require Finance/Budget approval.



JACKSON COUNTY
Human Resources Department

Res. 18646

415 East 12th Street, First Floor
Kansas City, Missouri 64106
www.jacksongov.org

(816) 881-3135
Fax: (816) 881-3474

TO: Cassandra Cheek, Jackson County Purchasing

FROM: Dianne Kimzey, Acting Director of Human Resources

DATE: October 21, 2014

RE: Award Memorandum for Cafeteria Plan Section 125 TPA

The Jackson County Human Resources Department would like to accept the bid submitted by Application Software Inc. (ASI), 201 West Broadway, Bldg. 4-C, Columbia MO 65203 to be our Cafeteria Plan Sections 125 Third Party Administrator. After careful review of each of the six bidders for the Cafeteria plan, we elected to choose ASI, because of the affordable rates per account and services provided.

The total projected cost of the Cafeteria Plan services are estimated at \$9,000 with a 4-year rate guarantee, \$3.25 monthly fee per individual enrolled, regardless of the number of accounts. Employees enrolled will automatically receive a debit card for no additional fee. Replacements are \$5. There is no monthly administrative charge, lump sum start-up cost or lump sum renewal cost.

Michael D. Sanders, County Executive



September 5, 2014

Ms. Anessa Culbertson
Office of the Jackson County Purchasing Department
Room G-1, Ground Floor
Jackson County Courthouse
415 East 12th Street
Kansas City, Missouri 64106

RE: Section 125 Flexible Spending Account and Parking Administration Services

Dear Ms. Culbertson:

On behalf of ASIFlex, we are pleased to submit our proposal response for the FSA benefit program for Jackson County. As the incumbent provider for the past 6 years, ASIFlex's customer service and account management teams have a thorough understanding of the County's programs and significant experience serving plan participants of the County.

ASIFlex has been a leading provider of benefit administrative solutions since 1987 and services nearly 400 clients located in 27 states, representing 110,000 plan participants. Our service model has been focused on providing service to public sector entities and today this includes 10 state governments, nearly 100 City/County entities, and eight stand-alone university systems, as well as many other governmental entities.

Our commitment to exceptional service, leveraging staff talent and emerging technology throughout the years has led to considerable increases in participation for clients. ASIFlex will continue to bring new and innovative solutions to Jackson County, to enhance service delivery to plan participants and County personnel. For questions related to this proposal, please contact:

Anita Spencer, CEBS
573.999.6632
ASpencer@asiflex.com

We appreciate this opportunity and value our long-standing relationship with the County, and look forward to many more successful years ahead.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Riddick", written over a light blue horizontal line.

John M. Riddick
President/CEO

SECTION VII
RATE QUOTATION FORM

	<u>FIRST YEAR</u>	<u>RENEWAL YEAR 1</u>	<u>RENEWAL YEAR 2</u>
Unit Cost per Employee per Month			
Medical/Dental Expense Account	<u>\$3.25</u>	<u>\$3.25</u>	<u>\$3.25</u>
Dependent Care Account	<u>\$3.25</u>	<u>\$3.25</u>	<u>\$3.25</u>
Parking Account	<u>\$3.25</u>	<u>\$3.25</u>	<u>\$3.25</u>
Debit Card Option	<u>No Charge</u>	<u>No Charge</u>	<u>No Charge</u>
Monthly Administrative Charge	<u>No Charge</u>	<u>No Charge</u>	<u>No Charge</u>
Lump Sum Start-Up Costs	<u>Waived</u>	<u>Waived</u>	<u>Waived</u>
Lump Sum Renewal Costs	<u>Waived</u>	<u>Waived</u>	<u>Waived</u>
Total Projected Annual Costs Based on 224 participants FSA only. Parking TBD	<u>\$728.00</u>	<u>\$728.00</u>	<u>\$728.00</u>

Res. 18646

Executive Summary

Application Software, Inc. (ASIFlex) was founded in 1983 and has been administering pre-tax employee benefit programs since 1987. ASIFlex is a leading provider of pre-tax employee benefit programs to state government entities in the nation, and **currently provides FSA and Commuter Benefit Program administrative services to 10 state governments, over 100 City/County groups, and over 70 university/educational institutions.** ASIFlex is unique in that its product line is restricted to the administration of tax-favored employee benefits, meaning that all financial and administrative resources are devoted to furthering the company's administrative and technological capabilities in this arena. The company does not sell voluntary insurance products, nor does it delve into other administrative or consultative capacities. ASIFlex's management team feels that the commitment to one line of service significantly enhances its abilities to appropriately administer FSA programs and leads to significantly greater service levels and enrollment for its client groups.

ASIFlex's forte is tailoring its administrative protocols to meet the needs of its clients. By leveraging ASI's expertise in pre-tax benefits along with its proprietary reimbursement software/database, it is able to meet and exceed the needs of its client groups. ASI is committed to working closely with benefit staff members to develop and implement enhanced benefit programs to significantly increase both the participant and administrator experience when working with the pre-tax spending programs.

ASIFlex provides its clients with:

- **Flexibility** ASIFlex will work directly with the client and will provide considerable flexibility to meet the needs of both administrators and participants. ASIFlex's management team is committed to meeting the needs of the client, and its participants, and will diligently work to improve the pre-tax programs available to all eligible employees.
- **Dedicated Account Services Team** ASIFlex will create a dedicated Account Services team for the client. Additionally, ASIFlex will meet regularly with the benefit staff to discuss the overall success of the program, and to work through any potential problems.
- **Live Customer Service Option** ASIFlex proposes to provide the client with direct access to a live customer service representative, rather than having a participant routed through an IVR. During 2013, ASIFlex fielded more than 241,000 calls, and the average answer time was six seconds. This means that employees will be able to ascertain answers to questions in very short order.
- **Optional ASIFlex Card** ASIFlex partners with Evolution Benefits, the leading provider of FSA debit cards in the nation, to provide a simple, IRS compliant debit card to facilitate the participant experience in the FSA program. ASIFlex anticipates that electronic adjudication rates for the program will exceed 80%, and could go higher if the client will work with ASIFlex to help communicate appropriate use of the card to FSA participants.
- **Email and text alerts** ASIFlex can provide ongoing communications to participants to improve awareness of expenditures and account balances. The email and text notifications will provide a generic notification to the participant stating that he/she has had activity on his/her FSA, and the participant will be provided a link to log in to ASIFlex's secure online message center to retrieve the information.
- **Carrier connectivity** ASIFlex can coordinate claims processing from multiple carriers and use these feeds to issue reimbursements automatically or to substantiate debit card transactions.



- **Participant satisfaction** ASIFlex provides a seamless, hassle-free experience. Daily reimbursement, direct deposit and rapid processing ensure a timely and convenient process for participants (claims are typically processed within one business day of receipt).
- **Comprehensive support** ASIFlex's Account Services Team is proposing to provide the client with clear, concise pre-enrollment and ongoing communications and support.
- **Employer reporting** Standard and ad hoc reporting capabilities are available to the client at no additional charge.
- **Compliance services** ASIFlex will provide the client with annual non-discrimination testing through its experienced compliance team, as well as plan document and summary plan description development and support from its on-staff legal team.

The ASIFlex Difference - Participant Service

Access to a live Customer Service Representative: ASIFlex provides all participants with direct access to customer service representatives rather than routing callers through an IVR system. ASIFlex does not employ the use of phone trees. This direct line to ASIFlex's customer service center eliminates frustration on the part of callers as most wait and/or hold times are eradicated and immediate resolution is afforded to callers with inquiries and/or questions. ASIFlex's management team regularly reviews calls taken by each CSR to ensure a high degree of accuracy and courteous behavior are extended on each call. ASIFlex receives regular compliments for both its considerate customer service and prompt pickup times.

Next day claim processing and payment: Expedited claim processing and payment is the normal reimbursement cycle for ASIFlex's flexible spending account clients. ASIFlex's participants have become accustomed to this expedient service, and ASIFlex has found that this method of claims processing and payment has ingratiated its services with its client base. ASIFlex's management team has found that peer-to-peer marketing of ASIFlex's reliable services and the benefits inherent with flexible spending accounts serves to generate considerable interest in the FSA program.

ASI Technology:

- ✦ **ASIFlex Mobile Application:** Using their phone/tablet, the ASIFlex mobile app allows participants to file claims **and** view their FSA account! The claim filing feature allows a participant to capture documentation using the mobile device's camera feature and submit that documentation with the claim. The mobile app also allows participants to use the microphone feature on smart devices to enter claims! This means participants can choose to speak, rather than type, some of the claim information. In addition to filing claims, participants can view the annual election amount, account balance, payments, contributions and previously submitted claims. The app is free and available online at www.asiflex.com or through Google Play or the App Store.
- ✦ **ASIFlex Card:** ASIFlex provides access to an optional FSA debit card that is administered with strict adherence to appropriate IRS regulations. The card is restricted to purchases made at known healthcare providers and purchases are auto-adjudicated when the purchase amount matches the flat-dollar co-pay of the employer plan, or used at retailers with IIAS.
- ✦ **FlexMinder:** ASIFlex provides an innovative solution that monitors participant health plans to identify carrier claims with qualified out-of-pocket health care expenses that can be reimbursed from a FSA. The FSA participant can direct FlexMinder, with a touch of a button, to prepare and submit FSA claims for the identified carrier claim amounts! This can be done on any frequency selected by the participant. What's more, the participant may allow FlexMinder to "shoe-box" the identified carrier claims all year and then submit only once at the end of the plan year. FlexMinder monitors FSA account balances through-out the year and, by doing so, helps avoid year-end forfeitures resulting in a positive experience for participants!
- ✦ **ASIFlex Direct Provider Pay:** ASIFlex is also developing a system through which participants may choose to pay providers directly and even sequester funds for a specific future expense. This process will also allow providers the ability to supply required documentation directly to ASIFlex and receive payments electronically. Since funds can be sequestered, the provider can be assured of future payment. It is anticipated that this capability will be available during the 3rd quarter of 2014.
- ✦ **ASIFlex Online Claim Filing:** ASIFlex provides participants with an online claim filing option which eliminates the hassle of completing manual claim submissions. Participants can simply scan documentation and submit online to receive reimbursement. It's quick. It's easy. And it results in rapid claim payments.
- ✦ **Electronic Interface with Insurance Providers:** ASIFlex can develop an electronic interface with a client's insurance provider and/or pharmacy benefit manager (PBM) so that eligible out-of-pocket expenses are automatically reimbursed to a participant.
- ✦ **Traditional Claim Processing:** ASIFlex reviews each claim submission to ensure compliance with all applicable IRS regulations is achieved. Claims may be submitted to ASIFlex via its toll-free fax and processed and paid, on average, within one business day of receipt (please note that during peak times of the year, claim processing may take up to three business days). A participant may sign up to receive reimbursement via direct deposit and to have all notifications of payment sent via email.

The ASIFlex Difference - Employer Services

- ✓ **Dedicated Client Services Team (CST):** ASIFlex will provide an experienced, dedicated team of benefit professionals to lead the implementation and administration of the program. During both phases, the CST will work with benefit staff members to develop the most appropriate benefit program for each client.
- ✓ **Flexible Interface Platform:** ASIFlex can accept payroll data in almost any file format and will provide its clients with a secure FTP site for the transfer of sensitive data.
- ✓ **Tailored Monthly Reporting Package:** ASIFlex will work with each employer to tailor the regular reporting package. Ad hoc reports are available upon request at no additional fee. These reports will be provided electronically to each client.
- ✓ **Fund Retention until Payments are Made:** ASIFlex allows each client to retain all funds until such time as payments are disbursed. This method allows each organization to manage and retain all interest and forfeitures. ASIFlex will debit this account for each days payments and will send a notification via email to appropriate individuals that details the amounts to be debited (debits are effective the business day after the email is sent).
- ✓ **Strict Compliance to IRS Regulations:** ASIFlex's Compliance Team will review the plan design to ensure that adherence to IRS regulations is maintained. ASIFlex does not allow for reimbursement in methods not allowed explicitly by the IRS.