



The City of **WORCESTER**

Administration & Finance – Purchasing Division
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August 14, 2025

To All Bidders:

Subject: **Bid No. CR-8517-W6, Consultant – Health Insurance / HR**

ADDENDUM NO. 1

To Whom It May Concern:

With reference to our bid request relative to the above subject, please refer to the changes/modifications/clarifications to the original proposal request.

- **PLEASE SEE BELOW QUESTIONS RECEIVE AND RESPONSES FROM CITY**

1. Who is the City's current health insurance consultant?
Answer: Gallagher Benefit Strategies
2. For how long?
Answer: Current three year contract expiring 8/31/25
3. What is the total annual compensation paid by the City to the current health insurance consultant?
Answer: Third year contract price = \$ 78,030.00 annual fee
4. What is the total annual compensation paid by the City's vendors to the current health insurance consultant?
Answer: The only additional compensation received is a 5% commission from the stop loss carrier, which was recent renewed for July 1, to June 30.
5. Is there a separate pharmacy consultant, or does the City's current consultant also provide pharmacy consulting services for the City?
Answer: Yes, the City is in the process of bidding for the pharmacy consultant.
6. If the answer to #4 is \$0, does your current consultant provide an annual compensation disclosure or affirm that no other compensation is received to the City? (Other than in #10 in the Minimum Criteria Section of the RFP)
Answer: Yes, this is provided annually.
7. We do not provide COBRA administration services for conflict of interest and legal reasons. We select a vendor to provide these services to the City and pay the administration fee on behalf of the City? Is this an acceptable response to this requirement?
Answer: Yes, however City must approve of any subcontractors.
8. In the Scope of Services #25, does "GIS" mean "GIC"
Answer: Yes, please delete GIS and replace with GIC.



9. Clarification on #26 and #27 from the Scope of Services:

26. The consultant must be able to receive monthly claims data from CVS Caremark, split and file the claims and send to Health Insurance carriers (BCBS and Harvard Pilgrim) their own respective information.

27. Must have access to compatible software programs with CVS Caremark, BCBS and Harvard Pilgrim. The consultant MUST be able to transfer electronic information to and from the above carriers for the City.

We want to confirm exactly what the current consultant is doing. Typically, CVS Caremark would provide files to both BCBS and Harvard as part of their standard service Agreements, as they charge a fee to do this. If the consultant is doing this, what file transfer protocol are they utilizing and what frequency.

Answer: Currently, HPHC and Caremark exchange file feeds daily because of our high-deductible health plan. Daily exchanges are required under regulation for the HDHP plan because both the medical and Rx cross-accumulation with respect to the deductible and out-of-pocket benefits. This was set up when the City implemented HPHC back in July 2022. There is NO connection between CVS/Caremark and BCBS and the BCBS plan is medical only. The current consultant receives the CVS/Caremark file on the first day following the previous month, puts it through a program to split the data, and then upload the BCBS data to the BCBS secure site for their retrieval. That is BCBS's only connection and they only reference the Rx data for case management. This is a monthly process.

Proposers are requested to acknowledge and/or include this addendum with submission. All other terms, conditions, and specifications remain unchanged.

Very truly yours,

Christopher J. Gagliastro
Purchasing Director