

**REQUEST FOR PROPOSAL
BY
SBG Preferred Health Resources**

SBG Preferred Health Resources (SBG) is seeking proposals from individuals to provide consulting services for the Coalition. SBG wishes to retain a consultant with experience and expertise related to managed care contracting for self-funded payers. Our consultant needs to be familiar with and be able to address value based purchasing, current health care cost containment principles, implications of newly enacted federal laws, and have a strong working knowledge of health financing, negotiating, and contracting.

Information about this request for proposal is available from:

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Executive Director

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If you are interested in being interviewed for the position as SBG's consultant please submit your request by e-mail to SBG prior to 4:00 P.M. (Eastern), Thursday, December 16, 2010. (See Section A for details.)

Current Need

SBG is approaching the end of its existing network agreement. As a prelude to a full health system RFP we will first conduct a RFI during 2011. This RFI will be used to guide us in the development of the RFP. The RFP must be released no later than February 2013.

What we are looking for

We adhere to the belief that a consultant is a person who has ability to influence a group, or an organization, but who has no direct power to make changes or implement programs. SBG is not looking for a consultant to do our work. We need a consultant who listens, makes recommendations, keeps an eye on our work, and guides us in a strategic direction as we plan, negotiate, and contract. We need a consultant who would assist us in creating requests that are creative, forward thinking, and would keep a contract valid through to at least 2020 in a rapidly changing environment.

Scope of work

SBG will be conducting an RFI in 2011 in preparation for an RFP that must be released no later than February 2013. The RFI is meant to accomplish three key tasks:

- 1 – Collect key information about the health systems that SBG feels it needs to examine prior to the RFP
- 2 – Signal to the health systems what SBG is going to be seeking during the RFP and provide them with this in advance so they can prepare a response
- 3 – Assist in scheduling the release of the RFP

SBG will be submitting an RFP to our provider community no later than the first quarter of 2013. The SBG Board will ratify the new contract in the October Board meeting with an agreement effective date of January 1. A timeline is attached as Section C and is open to suggestions and input from our consultant.

It is expected that the consultant will:

- moderate a strategy planning session (in person)
- assist with the development of the RFI and RFP
- review the RFI and RFP documents
- conduct an analysis of the responses and proposals
- present the analysis of the RFI and RFP to the Board (both in person)
- review the agreement document
- answer questions and offer suggestions
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Response to this Proposal

All respondents must include the requested information (See Section A). All submissions are to be sent electronically by e-mail. At SBG's discretion, failure to include any information could result in exclusion from consideration.

Any costs and expenses incurred by applicant in preparing or submitting proposals or participating in interviews are the sole responsibility of the respondent.

All responses will be reviewed by the SBG staff and SBG Executive Committee. Prospective consultants will be interviewed in January through March 2011. Final approval will be ratified by the Board of Trustees in the April 2011 Board meeting.

SBG requires that you and your company complete a Business Associate Agreement and a Confidentiality Agreement prior to execution of a consultant agreement. As our consultant their may be occasions when you will be exposed to protected health information. Our consultant will review proprietary information from the Coalition, partners, and prospective vendors. These requirements are a precondition of entering into an agreement.

SBG must insure that our Coalition consultant is free of any conflicts of interest. Any individual, or individual working for a corporation, must disclose that they, or their corporation, have, or have had, direct or indirect relationships with SBG, SBG's members, or SBG's business partners prior to execution of an agreement. If you work for a listed organization and are located in the same geographic area you may be elimination from consideration. Organizations that have conflict, or may possibly have conflict, are listed in Section B.

Section A – Consultant Information

Personal Information

Name, your primary work location, mailing addresses, telephone, e-mail, and resume.

Corporate Information

The name of the company for whom you are employed, corporate location, address, EIN of the your company, the website, and other pertinent information

Description of How Work Will Be Performed

Describe how you propose to meet SBG's needs.

Fees

Provide a rate schedule and include the number of hours this fee is based on.

Conflict of Interest

Disclose any current or past business relationships, which may pose a conflict of interest including all business relationships with SBG's present health plan, members, vendors, their parent companies, corporations, limited liability companies, partnerships, subsidiaries or subcontractors (See Section B for a list).

References

Include not less than five (5) objective references.

Project List

List key projects that you have worked on that demonstrate your experience and qualifications for this project.

Recognitions

List any accreditations, education, memberships, or special training.

Contract Template

Include a copy of your consultant agreement.

Additional Information

Provide any additional information which you wish to bring to the attention of SBG that is relevant to this RFP and the scope of work.

Section B – Organizations that have conflict of interest

Members

Atlantic Wood Industries
Bradley Dixie Companies
Chatham County Government
Chatham Steel Corporation
City of Savannah
Colonial Oil Industries
Critz, Inc.
EMC Engineering
Fuji Vegetable Oil
Georgia Emergency Associates
Georgia Ports Authority
Gulfstream Aerospace
Interstate Paper
J C Bamford Excavators Ltd
Lummus
McKenzie Truck Lines
Oneida Ltd
Savannah College of Arts and Design
Southcoast Medical Group
St Joseph's Candler
Terminal Investment Corp
THA Group
The Landings Club

Member consultants

Benefusion – Savannah
Coastal Financial – Jacksonville
Seacrest Partners – Savannah
Wells Fargo – Savannah
Willis – Savannah

Other

Medical Mutual of Ohio
Memorial Health University
Southcoast Medical Group
The Care Network

TPAs

CBCA
First Service Administrators
Medical Claims Management
Meritain
Paragon
Primary Physician Care
Wells Fargo

Section C - SBG Overview

SBG is a business health coalition created in 1982. The coalition has three missions;

- health care cost containment
- improve the quality of the care delivered
- improve the health of our community

There are currently 23 employers in SBG representing over 50,000 covered lives; nearly 12% of the area's population. All members are self-funded entities. Each employer is independent, having separate benefit plans, their own third party administrator, and engage their own consultant. All our members utilize value based benefit designs. We are growing.

SBG uses a direct to provider contracting model. We hold contracts for a physician network, hospitals, ancillary providers, wellness, pharmacy benefit management, employee assistance programs, and vision care. SBG began this contracting process in 1986.

SBG uses case rate pricing (Case rate times the MS DRG Medicare severity index) for all inpatient services. We are still using ASC groupers for outpatient services but are considering transitioning to APC methodologies. We manage our own physician fee schedule but the schedule needs to be updated.

There are two health systems in Savannah; Memorial Health University and St Joseph's Candler. SBG has used both systems but is currently accessing St Joseph's Candler. SJC has won the last two RFP rounds (and has been under contract since 1994). Both systems participate in Leapfrog, IHI, and other quality improvement organizations. Both systems are members of Premier's ACO Readiness Collaborative. SBG traditionally holds an exclusive PPO contract with only one health system.

Quality is important to SBG. SBG believes a balance between quality and cost is vital – this is what brings value to purchasers and patients. In addition to direct contracting; SBG is involved with programs and agencies that address quality. SBG began working earnestly in health care quality improvement starting in 1998. SBG also has several disease management and wellness programs in place and they are part of the provider contracting.

SBG is deeply involved in health information technology adoption by our community and is a member of our communities HIT Team. We participate in programs that address EHR, e-scripting, meaningful use, and HIE at the local, state, and national levels. SBG is a member of PCPCC and has launched a primary care medical home project.

Additional information about SBG can be accessed at our website:

www.savannahbusinessgroup.com

or contact Gary Rost, Executive Director, at

gary@sbg-online.com

Section D – Timeline (As of 3 November 2010)

<u>Task</u>	<u>Date</u>	<u>Status</u>
User Group Meets	October 20, 2010	Completed
Consultant RFP released	November	Completed
Consultant interviews	January 2011 February March	
Consultant chosen	April	
Network Strategy Meeting		
Release of RFI	(2011)	
RFI returned and analysed	(2011)	
Consultant review	(2011)	
Preparation for RFP		
RFP Release	NLT February 2013	
Board approves new contract	October	
New contract effective	NLT January 1, 2014	