



# ***SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO***

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## **Request for Proposal – Actuarial Services Questions Submitted to SERS**

**Question 1: *The governing Statute Sec. 3309.01(x) of the System defines the actuary as follows:***

***(X) "Actuary" means an individual who satisfies all of the following requirements:***

***(1) Is a Member of the American Academy of Actuaries; (2) Is an Associate or Fellow of the Society of Actuaries; (3) Has a minimum of five years' experience in providing actuarial services to public retirement plans.***

- ***The RFP requires the lead consultant to be a "Fellow of the Society of Actuaries" while the governing statute recognizes both Associates and Fellows of the Society of Actuaries as meeting the defined requirements of an actuary. Will it be a disadvantage in the scoring of a firm with Associates of the Society of Actuaries filling lead consultant roles?***

**Answer:** A "Fellow" is preferred, but an "Associate" is acceptable. This is one of the many factors that will be considered when scoring RFP responses.

**Question 2: *Which, if any, of the requested services are currently being subcontracted and to whom?***

**Answer:** Cavanaugh Macdonald is the current actuary and performs the services listed in the RFP.

**Question 3: *Which of the current actuaries on the contract are Fellows of the Society of Actuaries?***

**Answer:** Alisa Bennett

**Question 4: *What are SERS' main concerns about the services of the current actuary?***

**Answer:** There are no concerns. The contract is expiring and needs to be rebid.

**Question 5: *What were the retainer and non-retainer pension and health care***

**fees over the last two years?**

Answer: See the schedule below answering questions 5 – 7.

**Question 6: What has been paid to the current actuary as a health care retainer and non-retainer fees over the last two years?**

Answer: See the schedule below answering questions 5 - 7.

**Question 7: In order to assist us in gaining a clear understanding of the scope of the work, please provide the annual fixed fee for actuarial services for the past five years.?**

Answer: See the schedule below answering questions 5 - 7.

Fiscal Year	Total Actuarial Fees	Basic Benefits and HC Retainer	Other Basic Benefit Fees	Other Health Care Fees
FY2016	435,486	144,000	231,709	59,777
FY2017	294,277	144,000	121,233	29,044
FY2018	283,688	144,000	112,527	27,161
FY2019	302,476	144,000	135,667	22,809
FY2020	274,134	144,000	108,159	21,975

**Question 8: What are the current pension and health care billing rates under the contract?**

Answer: Rates vary depending on the job level. Hourly rates range from \$180 to \$396.

**Question 9: Please provide the annual retainer and hourly rates in the current contract.**

Answer: Rates vary depending on the job level. Hourly rates range from \$180 to \$396. The annual retainer is \$144,000.

**Question 10: Please provide total hours and hourly rates for the past five years for services that have fallen outside of the fixed retainer for actuarial services.**

Answer: Rates vary depending on the job level. Hourly rates range from \$180 to \$396. We don't track the number of hours billed.

**Question 11: Can you provide a copy of the 2020 (or most recent since 2015) experience study?**

Answer: Copies of our prior valuations can be found on our website at:  
<https://www.ohsers.org/about-sers/by-the-numbers/financial-reports/>

**Question 12:** *Can you provide a copy of the most recent actuarial audit?*

Answer: The most recent actuarial audit can be found at the link below.  
<http://www.orsc.org/Assets/Reports/711.pdf>

**Question 13:** *Can you provide a copy of the most recent asset/liability study?*

Answer: The most recent asset liability is presented in a separate document.

**Question 14:** *Can you provide a copy of the most recent Surcharge Certification under the Ohio Revised Code 3309.491 sanitized to exclude Personal Identifiable Information?*

Answer: The most recent surcharge certification is presented in a separate document.

**Question 15:** *The RFP indicates that requests for legislative analyses will not exceed eight per year. How many such pension and health care analyses have been requested in each of the years covered by the current contract?*

Answer: The numbers of requests by year are: FY2020 – none; FY2019 – 8; FY2018 – 4; FY2017 – 2; FY2016 – 8; FY2015 - 2.

**Question 16:** *Please provide the number legislative analysis requests by year that were made under the current contract?*

- *Were all such requests included in the retainer or were any considered outside of scope or the retainer?*

Answer: See the answer to Question 15. Any additional requests would have been outside the scope and be a fee in addition to the retainer.

**Question 17:** *Does the current contract contain a limitation of liability?*

Answer: There is no limitation of liability.

**Question 18:** *How long has the incumbent firm been providing services to SERS?*

Answer: Cavanaugh Macdonald has been SERS' actuary since 2008.

**Question 19:** *The RFP does not indicate that a valuation of the QEBA is required. Please describe any ongoing annual services the actuary provides under the annual retainer or as special projects.*

Answer: The QEBA fund is part of the Basic Benefit Plan and is included as part of the annual valuation. The 415(b) limits for the QEBA plan are a separate fee.

**Question 20:** *Does SERS currently maintain an integrated health care claims database that can be used as a data source to develop the rates for its self-insured plans or to report on clinical management programs?*

Answer: SERS maintains a data warehouse for medical and pharmacy claims. Enrollment and claims are submitted quarterly. SERS Health Care staff has direct access to the data warehouse and provides any data necessary for the actuary to provide annual recommendations on the subsequent year's rate, as well as any needed data for the annual GASB reporting. Reporting on clinical management programs is not part of the actuary's duties currently.

**Question 21:** *Please describe current and recent ad-hoc reports the current health care consultant has generated from SERS medical and/or Rx claims data.*

Answer: Only the Health Care valuation and GASB related reports are generated.

**Question 22:** *14. What current medical/Rx data management, reporting or predictive modeling systems and tools are currently used by SERS or the current health care consultant on behalf of SERS?*

Answer: SERS maintains an IBM data warehouse for medical and pharmacy claims.

**Question 23:** *15. How long has the current health care consultant been providing these services?*

Answer: Cavanaugh Macdonald has been SERS' actuary since 2008.

**Question 24:** *Section III.A. contains items which can vary significantly in frequency and magnitude, and might otherwise be considered as special projects if and when they arise. Since these*

***projects of uncertain frequency and scope are being included in the retainer fee, please provide any additional information you have that would be helpful to guide us in determining the level of effort in Section III.A. so that an accurate price can be developed.***

Answer: These items are primarily related to assessing the impact of changing a variable in economic or demographic assumptions and/or a change in plan design.

**Question 25:** ***Is the current actuary providing the Healthcare Consulting services identified in Section III.D.?***

Answer: They are providing rate recommendations, the valuation and the GASB reports.

**Question 26:** ***Are any healthcare services being funded by commissions?***

Answer: No

**Question 27:** ***Is the ESI EGWP self-funded or fully insured?***

Answer: Self-funded, 100% pass-through contract.

**Question 28:** ***Are any members not currently electing/eligible for Medicare Part B and require an RDS attestation?***

Answer: No, not desired.

**Question 29:** ***Under Special services, are any of the following anticipated or currently being provided:***

- ***PBM RFP, PBM audit (rebates or otherwise), PBM market checks, performance guarantee review***
- ***MA RFP, renewal analysis and support, performance guarantee review***

Answer: No. These are handled in a separate bid process.

**Question 30:** ***Has the scope of services in the retainer been expanded in the RFP from what was contained in the prior RFP?***

Answer: Yes, GASB Reports 67, 68, 74 and 75 were incorporated.

**Question 31:** ***Please provide a copy of the most recent Surcharge***

**Certification.**

Answer: A copy of the most recent certification is presented separately.

**Question 32:** *Are there any specific areas of the actuarial valuation that SERS would like the vendor to address?*

Answer: No.