



**Board of County Commissioners  
Leon County, Florida**

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**Agenda Item  
Executive Summary**

April 21, 2009

**Title:**

Approval to enter into a new agreement with Fringe Benefits Management Company (FBMC) for Leon County's Cafeteria Plan Administration

**Staff:**

Parwez Alam, County Administrator  
Lillian Bennett, Director of Human Resources *LWB*

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**Issue Briefing:**

This agenda item requests Board approval to enter into a new agreement with Fringe Benefits Management Company's (FBMC) as the County's Cafeteria Plan Administrator (Flexible Spending Accounts) (Attachment #1). FBMC subcontracts with Brown and Brown to provide voluntary products to employees that are offered by AFLAC, Colonial and other benefit providers. These services are provided at no direct cost to Leon County.

**Fiscal Impact:**

This item has no fiscal impact to the County.

**Staff Recommendation:**

Option #1: Enter into a new agreement with FBMC as Leon County's Cafeteria Plan Administrator.

**Report and Discussion**

**Background:**

At the November 25, 2003 meeting, the Board directed staff to investigate issuing an RFP for administration of the County's flexible spending account. At the March 23, 2004 meeting, the Board approved the issuance of the RFP. An evaluation committee which included other Constitutional offices was established to review the proposals. The evaluation committee selected FBMC and presented their selection to the Board at the July 27, 2004, Board meeting. At that meeting, the Board approved FBMC as the County's Cafeteria Plan Administrator. The County's contract with FBMC was for 41 months with one 2 year extension. The contract ended December 31, 2007. At the February 27, 2007 Board meeting the Board authorized staff to

Approval to enter into a new agreement with Fringe Benefits Management Company (FBMC) for Leon County's Cafeteria Plan Administration  
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exercise the 2 year extension option of the FBMC's agreement which expires December 31, 2009 (Attachment #2).

**Analysis:**

FBMC, for the past 56 months, has successfully provided administrative services under the County's Cafeteria Plan for Combined Health Reimbursement and Dependent Care Assistance. Included in the health reimbursement is the EZ Reimbursement Card, designed to pay certain medical expense claims at the time services are rendered, like a debit or credit card. Staff has received primarily positive responses from employees regarding the EZ Reimbursement Card program. In most instances, any issues have been investigated and resolved promptly by FBMC.

FBMC staff continually monitors Internal Revenue Service (IRS) regulations regarding Cafeteria Plans, and offers recommendations and suggestions to County staff to ensure compliance with IRS codes and to improve the quality of the County's Cafeteria Plan. This type of service is vitally important in keeping the County's Cafeteria Plan current. FBMC has the knowledge, capability, and the willingness to administer the County's Cafeteria Plan. FBMC subcontracts with Brown and Brown Insurance for voluntary products to be offered, enrollment services, and claim/phone services centers.

There is no direct cost to the County for the Cafeteria plan administration. Staff recommends that the County enter into a new agreement with FBMC for Cafeteria Plan Administration for thirty-six (36) months beginning January 1, 2010 and ending December 31, 2012. At the discretion of the County, the Initial Period will be automatically extended for an additional period of twenty-four (24) months (the "Automatic Extension Period") unless the County, no later than December 1, 2012, provides written notice of its rejection of the Automatic Extension Period. The parties acknowledge and agree that, upon delivery of such notice, the Agreement shall terminate at the expiration of the Initial Period. (Attachment #1).

**Options:**

1. Authorize staff to enter into a new Agreement with FBMC to continue administration of the County's Cafeteria Plan and authorize Chairman to execute Agreement.
2. Do not enter into a new Agreement with FBMC's for administration of the County's Cafeteria Plan and direct staff to issue a Request for Proposal for these services.
3. Board Direction.

**Recommendation:**

Option # 1

**Attachments:**

1. Agreement with Fringe Benefits Management Company for the Administration of Leon County's Cafeteria Plan.

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2. February 2007 agenda item "Approval to Renew Agreement with Fringe Benefits Management Company for the Administration of Leon County's Cafeteria Plan"

PA/LWB/EAP

AGREEMENT FOR CAFETERIA PLAN ADMINISTRATION SERVICES

THIS AGREEMENT dated this 21<sup>ST</sup> day of April, 2009 (the or this "Agreement"), by and between LEON COUNTY, FLORIDA, a charter county and political subdivision of the State of Florida, hereinafter referred to as the "County", and FRINGE BENEFITS MANAGEMENT COMPANY, a Florida corporation, hereinafter referred to as the "Contractor."

WHEREAS, the County has determined that it would be in the best interest of the citizens of Leon County, Florida, that the County be able to utilize the services of private persons when such services cannot be reasonably provided by the County; and

WHEREAS, the County has determined that it would be better to contract for these services than to hire the necessary personnel to satisfy the needs of the County; and

WHEREAS, in order to secure the lowest cost for these services, the County, in June 2004, sought and received competitive bids from contractors for such services; and

WHEREAS, the County and the Contractor, in July 2004, entered into an agreement for such services, which agreement expires on December 31, 2009; and

WHEREAS, the County and the Contactor desire to enter into this Agreement to commence upon the expiration of the current agreement between the parties in order for the Contractor to continue providing such services to the County.

NOW, THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the parties hereto agree as follows:

1. SERVICES TO BE PROVIDED

The Contractor hereby agrees to provide the following services to the County:

Provide all elements of Cafeteria Plan Administration including administrative, technical and financial components as contained in the Contractor's written proposal submitted in response to Leon County request for proposals number BC-04-14-04-26, said request for proposals being incorporated into this Agreement as if fully set out herein; and as further clarified in the Contractor's Response to Questions dated May 30, 2004 and attached as Attachment A. Further, the Contractor shall subcontract with Brown & Brown for all voluntary products to be offered, enrollment services, and claims/phone service centers with a copy of the subcontracting agreement to be provided to the County.

2. WORK

Any work to be performed shall be upon the written request of the County Administrator or his representative, which request shall set forth the commencing date of such work and the time within which such work shall be completed.

The performance of Leon County of any of its obligations under the purchase order or agreement shall be subject to and contingent upon the availability of funds lawfully expendable for the purposes of the purchase order or agreement for the current and any future periods provided for within the bid specifications.

3. TIME

The Agreement shall be for a period of thirty-six (36) months, commencing on January 1, 2010, and shall continue until December 31, 2012 (the "Initial Period"). At the discretion of the County, the Initial Period will be automatically extended for an additional period of twenty-four (24) months (the "Automatic Extension Period") unless the County, no later than December 1, 2012, provides

written notice of its rejection of the Automatic Extension Period. The parties acknowledge and agree that, upon delivery of such notice, the Agreement shall terminate at the expiration of the Initial Period.

It is fully understood by the Contractor that all required reporting, claims administration and related work shall continue as long as required in the successive calendar year as applicable under Section 125 of the Internal Revenue Code for each calendar year this Agreement is in effect.

4. CONTRACT SUM

The Contractor agrees that for the performance of the services as outlined above at no cost to the County.

5. PAYMENTS

The County will make any payments within thirty (30) days of submission and approval of invoice for services.

6. STATUS

The contractor at all times relevant to this Agreement shall be an independent contractor and in no event shall the Contractor nor any employees or sub-contractors under it be considered to be employees of Leon County.

7. INSURANCE

The Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees, or subcontractors. The cost of such insurance shall be included in the Contractor's proposal.

a. Minimum Limits of Insurance

The Contractor shall maintain limits no less than:

- i. General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- ii. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage. (Non-owned, Hired Car).
- iii. Workers' Compensation and Employers Liability: Insurance covering all employees meeting Statutory Limits in compliance with the applicable state and federal laws and Employer's Liability with a limit of \$500,000 per accident, \$500,000 disease policy limit, \$500,000 disease each employee. Waiver of Subrogation in lieu of Additional Insured is required.
- iv. Professional Liability Insurance, including errors and omissions: for all services provided under the terms of this Agreement with minimum limits of One Million and 00/100 (\$1,000,000.00) Dollars per occurrence; or claims made form with "tail coverage" extending four (4) years beyond the term of the Agreement. Proof of "tail coverage" must be submitted with the invoice for final payment. In lieu of

"tail coverage", the Contractor may submit annually to the County a current Certificate of Insurance proving claims made insurance remains in force throughout the same four (4)-year period.

b. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

c. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

- i. General Liability and Automobile Liability Coverages (County is to be named as Additional Insured).
  1. The County, its officers, officials, employees and volunteers are to be covered as additional insureds as respects; liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protections afforded the County, its officers, officials, employees or volunteers.
  2. The Contractor's insurance coverage shall be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance of self-insurance maintained by the County, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. The Contractor hereby waives subrogation rights for loss or damage against the county.
  3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the county, its officers, officials, employees or volunteers.
  4. The Contractor's insurance shall apply separately to each insured against whom claims is made or suit is brought, except with respect to the limits of the insurer's liability.
  5. Companies issuing the insurance policy, or policies, shall have no recourse against the County for payment of premiums or assessments for any deductibles with are all at the sole responsibility and risk of the Contractor.

ii. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County.

d. Acceptability of Insurers

Insurance is to be placed with insurers with a Best's rating of no less than A:VII.

e. Verification of Coverage

The Contractor shall furnish the County with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be received and approved by the County before work commences. The County reserves the right to require complete, certified copies of all required insurance policies at any time.

f. Subcontractors

The Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

8. LICENSES

The Contractor shall be responsible for obtaining and maintaining his city or county occupational license and any licenses required pursuant to the laws of Leon County, the City of Tallahassee, or the State of Florida. Should the Contractor, by reason of revocation, failure to renew, or any other reason, fail to maintain his license to operate, the contractor shall be in default as of the date such license is lost.

9. ASSIGNMENTS

This Agreement shall not be assigned or sublet as a whole or in part without the written consent of the County nor shall the contractor assign any monies due or to become due to him hereunder without the previous written consent of the County.

10. HOLD HARMLESS

The Contractor agrees to indemnify and hold harmless the County from all claims, damages, liabilities, or suits of any nature whatsoever arising out of, because of, or due to the breach of this Agreement by the Contractor, its delegates, agents or employees, or due to any act or occurrence of omission or commission of the Contractor, including but not limited to costs and a reasonable attorney's fee. The County may, at its sole option, defend itself or allow the Contractor to provide the defense. The Contractor acknowledges that ten dollars (\$10.00) of the amount paid to the Contractor is sufficient consideration for the Contractor's indemnification of the County.

11. MINORITY BUSINESS ENTERPRISE (M/WBE) PARTICIPATION

The Contractor shall meet or exceed the M/WBE participation levels stated in the M/WBE Participation Statement included as part of the bid response for this project, except when the County Good Faith Committee approves an exception.

Any "Good Faith Statement" provided by a contractor shall follow the requirements of the Florida Statutes, and must demonstrate through documentation that every reasonable effort has been made to achieve the requested percentage.

For those M/WBE firms listed in their bid, contractors shall be responsible for securing proof of their M/WBE certification and providing copies to the County M/WBE Office.

Also required is a monthly reporting system of the work done by and payments made to certified minority business enterprises as a part of this project. The reports shall detail each invoice submitted to the County and a break down of payments to all subcontractors therein by M/WBE classification.

12. AUDITS, RECORDS, AND RECORDS RETENTION

The Contractor agrees:

- a. To establish and maintain books, records, and documents (including electronic storage media) in accordance with generally accepted accounting procedures and practices, which sufficiently and properly reflect all revenues and expenditures of funds provided by the County under this Agreement.
- b. To retain all client records, financial records, supporting documents, statistical records, and any other documents (including electronic storage media) pertinent to this Agreement for a period of five (5) years after termination of the Agreement, or if an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement.
- c. Upon completion or termination of the Agreement and at the request of the County, the Contractor will cooperate with the County to facilitate the duplication and transfer of any said records or documents during the required retention period as specified hereinabove.
- d. To assure that these records shall be subject at all reasonable times to inspection, review, or audit by Federal, state, or other personnel duly authorized by the County.
- e. Persons duly authorized by the County and Federal auditors, pursuant to 45 CFR, Part 92.36(l)(10), shall have full access to and the right to examine any of provider's agreement and related records and documents, regardless of the form in which kept, at all reasonable times for as long as records are retained.
- f. To include these aforementioned audit and record keeping requirements in all approved subcontracts and assignments.

13. MONITORING

To permit persons duly authorized by the County to inspect any records, papers, documents, facilities, goods, and services of the provider which are relevant to this Agreement, and interview any clients and employees of the provider to assure the County of satisfactory performance of the terms and conditions of this Agreement.

Following such evaluation, the County will deliver to the provider a written report of its findings and will include written recommendations with regard to the provider's performance of the terms and conditions of this Agreement. The provider will correct all noted deficiencies identified by the County within the specified period of time set forth in the recommendations. The provider's failure to correct noted deficiencies may, at the sole and exclusive discretion of the County, result in any one or any combination of the following: (1) the provider being deemed in breach or default of this Agreement; (2) the withholding of payments to the provider by the County; and (3) the termination of this Agreement for cause.

14. TERMINATION

Leon County may terminate this Agreement without cause, by giving the Contractor thirty (30) days written notice of termination. Either party may terminate this Agreement for cause by giving the other party hereto thirty (30) days written notice of termination. The County shall not be

required to give the Contractor such thirty (30) day written notice if, in the opinion of the County, the Contractor is unable to perform its obligations hereunder, or if in the County's opinion, the services being provided are not satisfactory. In such case, the County may immediately terminate the Agreement by mailing a notice of termination to the Contractor.

15. PUBLIC ENTITY CRIMES STATEMENT

In accordance with Section 287.133, Florida Statutes, the Contractor hereby certifies that to the best of his knowledge and belief neither the Contractor nor his affiliates has been convicted of a public entity crime. The Contractor and his affiliates shall provide the County with a completed public entity crime statement form no later than January 15 of each year this Agreement is in effect. Violation of this paragraph by the Contractor shall be grounds for cancellation of this Agreement by Leon County.

16. NON-WAIVER

Failure by the County to enforce or insist upon compliance with any of the terms or conditions of this Agreement or failure to give notice or declare this Agreement terminated shall not constitute a general waiver or relinquishment of the same, or of any other terms, conditions or acts; but the same shall be and remain at all times in full force and effect.

17. REVISIONS

In any case where, in fulfilling the requirements of this Agreement or of any guarantee, embraced in or required thereby it is necessary for the Contractor to deviate from the requirements of the request for proposals, the Contractor shall obtain the prior written consent of the County.

18. VENUE

Venue for all actions arising under this Agreement shall lie in Leon County, Florida.

19. CONSTRUCTION

The validity, construction, and effect of this Agreement shall be governed by the laws of the State of Florida.

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[SIGNATURE PAGES FOLLOW THIS PAGE]

WHERETO, the parties have set their hands and seals effective the date whereon the last party executives this Agreement.

CONTRACTOR

WITNESS: \_\_\_\_\_ BY: Lorraine Strickland  
President

WITNESS: \_\_\_\_\_ DATE 5.5.09

STATE OF Florida  
COUNTY OF LEON

The foregoing instrument was acknowledged before me this 13 day of May, 2009.

By LORRAINE STRICKLAND, of Fringe Benefits Mgmt Com.  
(Name of officer or agent, title of officer or agent) (Name of corporation acknowledging)

a \_\_\_\_\_ corporation, on behalf of the corporation. He/she is personally  
(State or place of incorporation)

known to me or has produced \_\_\_\_\_ as identification.  
(type of identification)

Connie B. Williams  
Signature of Notary

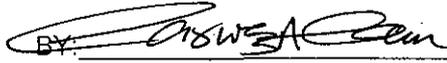
Connie B. Williams  
Print, Type or Stamp Name of Notary

Board Administrator  
Title or Rank



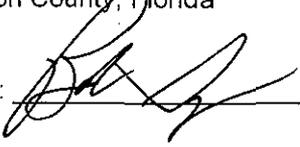
Serial Number, If Any

LEON COUNTY, FLORIDA

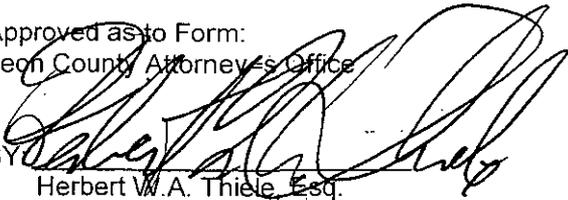
BY:   
Parwez Alam, County Administrator

ATTEST:  
Bob Inzer, Clerk of the Court  
Leon County, Florida



BY: 

Approved as to Form:  
Leon County Attorney's Office

BY:   
Herbert W.A. Thiele, Esq.  
County Attorney

## ATTACHMENT A

**Response to Questions from the  
Board of County Commissioners  
Of Leon County, Florida**

**Regarding Request for Proposals #BC-04-14-04-26**

**Cafeteria Plan Administrator**

**Response Due Date: June 1, 2004, 2:00 PM (EST)**

**Prepared by: Fringe Benefits Management Company  
3101 Sessions Road  
Tallahassee, Florida 32303**

**Contact Person: Darryl Beacher**  
**Toll-free phone: (800) 872-0345, ext 201**  
**Local phone: (850) 425-6200, ext 201**  
**Fax: (850) 425-6220**  
**e-mail: [dbeacher@fbmc-benefits.com](mailto:dbeacher@fbmc-benefits.com)**  
**Web-site: <http://www.fbmc-benefits.com>**



FBMC



May 27 04 08:48a

Purchasing Div

850-922-4084

P. 1



### BOARD OF COUNTY COMMISSIONERS

301 South Monroe St.  
Tallahassee, Florida 32301

- Commissioners:
- BILL PROCTOR  
District 1
  - JANE SAULS  
District 2
  - DAN WINCHESTER  
District 3
  - TONY GRIPPA  
District 4
  - BOB RACKLEFF  
District 5
  - RUDY MALOY  
At Large
  - CLIFF THIELL  
At Large
  - PARWEZ ALAM  
County Administrator  
(850) 488-9962
  - HERBERT W.A.  
THIELF  
County Attorney  
(850) 487-1008

VIA FAX: 850.425.6220

Purchasing Division  
2284 Miccosukee Road  
Tallahassee, Florida 32308

May 27, 2004

Darryl Beacher  
FBMC  
3101 Sessions Road  
Tallahassee, Florida 32303

Dear Mr. Beacher:

Your company recently responded to our Request for Proposals for Cafeteria Plan Administrator, BC-04-14-04-26. The proposals are currently under evaluation by an Evaluation Committee. This Committee has prepared a list of questions for clarification of your proposal. We ask that you review and respond to the attached list by 12:00 (noon) on June 1, 2004. The Committee will meet that afternoon and will move forward with the responses received.

Please send your written response to my attention at this office. You may hand deliver, mail, utilize another delivery system or fax the response to 850.922.4084.

Thank you in advance for your attention to these questions.

Sincerely,  
  
Keith M. Roberts  
Purchasing Director

Enclosure

FBMC



May 27 04 08:46a

Purchasing Div

850-922-4084

P. 2

**FBMC:**

What is annual fee amount for Debit card?

EZB-CS-18- Is this the only grievance process?

EZB-CX-04- How is this initiated tracked and billed?

EXB-CX-15- How does this work in conjunction with non-allowed purchases?

EZB-BC-11-Page 26 of 30- will this be a problem if multiple constitutional officers choose to participate?

EZB-EP-02- Enter into what?

**Regarding the Stored Value Card:**

Does your company require the County to set up a separate bank account for this option?

Can this card be used at doctor offices and hospitals?

How are claims handled when the FSA is not completely funded?

Is there a transaction charge to the participant?

What is the additional start up account fund?

Will all participants automatically receive the Stored Value Card and will they have to opt out to not receive the card?

In your response you have outlined each task and who will manage the task during the implementation process but what are the timetables for each task during the implementation process?

Will Leon County receive a list bill from FMBC for each voluntary product that has enrollment?

Will Leon county remit checks to FMBC or to the insurance companies?

In the Data Exchange Services, if multiple payrolls centers are necessary for the County to do business with your company is there a charge for each center? Is so, what is the charge?

In the EZ Benefits document, the boxes that checked off in this document are the benefits quoted in this proposal? Is there an additional charge for the Optional Services?

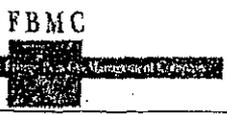
What level of participation does the County have to enroll and maintain in the voluntary products to keep the "No Fee" contract with your company?

On page 20 of the EZ Benefits Documentation of Services one service you perform is Project Consulting, what is Project Consulting?

Regarding new hires, will the County be responsible for enrolling into the Cafeteria Plan, Voluntary Products, and the Flexible Spending Accounts?

Will Brown and Brown be responsible for enrolling new hires into the Cafeteria Plan, Voluntary Products, and the Flexible Spending Accounts?

05/27/2004 09:33AM



May 27 04 08:46a Purchasing Div 850-922-4084 P.3

The FBMC proposal states that FBMC will keep the 2% administration fee for COBRA administration. We don't charge participants the 2% administration fee. Will FBMC administer COBRA without the 2% administration fee?

Can you provide a listing of all charges for the use of the Debit Card? List what the charge is for and the amount.

Will there be a charge to employees who do not want to use the Debit Card?

Some of the voluntary products have minimum participation and underwriting requirements. Under what circumstances can these be waived?

If Constitutional Offices want to participate can vendors handle multiple payroll centers?

Leon County has received information on COBRASERV by Ceridian. Does FBMC provide this service also? Is this a part of the service being provided? Is there an additional cost for this service?

Does FBMC's IVR system allow employees to enroll in other Benefit Plans that the employer has outside of the FSA's and Voluntary Benefits? Is yes, Is there an additional cost for this service?

Explain the IVR enrollment process.

Does FBMC provide a form for employee to elect pre-tax deductions for medical, dental and vision insurance?

Is the Customer Service Department at FBMC able to assist employees with both the FSA and Voluntary Benefits? What types of questions would the FBMC Customer Service Representatives not be able to assist employees with?



**FBMC Response to Questions**

**01. What is annual fee amount for debit card?**

The annual debit card fee is \$20.00, and the fee is normally deducted from the Medical FSA participant's account balance (payroll contributions).

**02. EZB-CS-18: Is this the only grievance process?**

The grievance process addresses appeals concerning Change in Status events as well as denied FSA claims. EZB-CS-18 provides only a general description of the process and is not intended to limit/restrict the grievance process.

**03. EZB-CX-04: How is this initiated tracked and billed?**

The service can be initiated by Leon County BOCC via a request for consulting assistance relative to benefit services that FBMC does not currently perform for the County. We do not track or bill for these services; our staff will be available to assist the County with benefit issues.

**04. EZB-CX-15: How does this work in conjunction with non-allowed purchases?**

We assume that this question is directed at service code EZB-CX-15(a). When a Medical FSA participant swipes the card and the claim cannot be adjudicated at the point of service, the employee is required to submit copies of receipts for the services in question. Once the proofs are submitted and adjudicated, the charges in question are "cleared".

The payback report lists those Medical FSA participants that swiped the card and either did not submit the required proofs to FBMC or they did and the charges were determined to be ineligible under the plan.

**05. EZB-BC-11 – Page 26 of 30 – will this be a problem if multiple constitutional offices choose to participate?**

No. Brown & Brown will be providing the on-site enrollment services and the number of group meetings and their locations will not be limited.

**06. EZB-EP-02: Enter into what?**

FBMC will data enter enrollment elections into its benefit administration system in order to create an employee-level record for the FSA and voluntary benefits elected. The data will then be used to initiate payroll deductions and to reconcile them against the payroll deduction data and remittances sent by the County to FBMC on a per pay period basis.

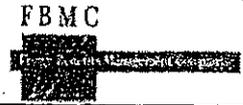
**07. Regarding the Stored Value Card:**

**a. Does your company require the County to set up a separate bank account for this option?**

No, a separate bank account is not required.

**b. Can this card be used at doctor offices and hospitals?**

Yes.



**c. How are claims handled when the FSA is not completely funded?**

Medical FSAs are subject to IRS regulations which are referred to as the "uniform coverage provision" or the "availability rule". This means that the entire annual election amount of the participant's Medical FSA account must be available for reimbursement on day 1 of the Plan Year, regardless of the actual amount contributed to date.

This rule does not apply to Dependent Care FSAs. If there are insufficient funds in the participant's Dependent Care FSA, the funds available are reimbursed to the participant immediately and the remaining claim balance is pended until sufficient deposits have been made to the account to fund the remaining unpaid claim. Our system automatically puts the claim in the "payment queue".

**d. Is there a transaction charge to the participant?**

No. The annual fee is the only charge to the participant.

**e. What is the additional start up account fund?**

The bank through which the debit card is issued requires start-up account funding in the amount of 5% of the grand total annual Medical FSA election amounts for any Medical FSA participants that elect the card. Cards cannot be issued without this pre-funding in the bank account.

**f. Will all participants automatically receive the Stored Value Card and will they have to opt out to not receive the card?**

Participants that elect to have a Medical FSA will be issued a stored-value card if they do not "opt out" on the enrollment form.

**08. In your response you have outlined each task and who will manage the task during the implementation process but what are the timetables for each task during the implementation process?**

Please see the updated preliminary implementation schedule on the pages that follow. A final implementation schedule will be created as soon as the contract has been awarded and the first implementation meeting has been held with the County and Brown & Brown.

FBMC will also prepare and provide copies to the COUNTY, our Implementation Overview (I/O) and Case Data Document (CDD). The Implementation Overview summarizes the key implementation and ongoing administrative activities with respect to enrollment, eligibility, and payroll data exchanges. The Case Data Document provides a summary of all of the voluntary benefits for which FBMC will have administrative responsibilities.

FBMC



*Preliminary Implementation Schedule  
Leon County Board of County Commissioners  
(Plan Year 01/01/2005 – 12/31/2005) (Page 1 of 5)*

I.D.	TASK	RESPONSIBILITY	TARGET START	TARGET END	% COMPLETE
1.0	Written notification of contract award received by FBMC	COUNTY	06/25/2004	-	0%
2.0	Case Implementation Authorization (CIA) issued by FBMC	FBMC	06/28/2004	06/28/2004	0%
3.0	System and Administrative Implementation tasks	FBMC/COUNTY	06/28/2004		0%
3.01	System and administrative implementation discussions with client	FBMC/COUNTY	06/28/2004		0%
3.02	Plan design discussions with COUNTY – discuss FSA and voluntary benefits	FBMC/B&B/COUNTY	06/28/2004	07/23/2004	0%
3.03	Discussion, coordination, implementation of necessary administrative and system processes	FBMC/COUNTY	06/28/2004	07/23/2004	0%
3.04	System changes submitted by FBMC Implementation staff to FBMC Information Systems staff	FBMC	07/26/2004	07/30/2004	0%
3.05	FBMC issues Case Data Document (internal document) concerning the plan design	FBMC	08/30/2004	09/03/2004	0%
3.06	Plan Documents review/update	FBMC	09/13/2004	09/17/2004	0%
3.07	Data exchange timelines communicated to the County at on-site meeting with written follow-up	FBMC	09/20/2004	09/24/2004	
3.08	Enrollment election data entry program set up complete & tested	FBMC	10/11/2004	10/15/2004	0%
3.09	Data exchange timelines communicated to the voluntary benefits vendors via phone with written follow-up	FBMC/PROVIDERS	10/11/2004	10/15/2004	0%

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FBMC



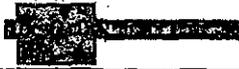
Preliminary Implementation Schedule  
 Leon County Board of County Commissioners  
 (Plan Year 01/01/2005 – 12/31/2005) (Page 2 of 5)

I.D.	TASK	RESPONSIBILITY	TARGET START	TARGET END	% COMPLETE
4.0	Enrollment Tasks	FBMC/COUNTY	06/28/2004	-	0%
4.01	Enrollment planning begins	FBMC/COUNTY	06/28/2004	-	0%
4.02	Discuss communication objectives/marketing focus with client	FBMC/B&B/COUNTY	06/28/2004	07/23/2004	0%
4.03	Develop enrollment schedule with client	FBMC/B&B/COUNTY	06/28/2004	07/23/2004	0%
4.04	Marketing campaign and communication objectives finalized	FBMC/B&B/COUNTY	07/26/2004	08/06/2004	0%
4.05	Develop promotional materials (letters/flyers if applicable)	FBMC	08/09/2004	08/27/2004	0%
4.06	Obtain approval of enrollment schedule/promotional materials	FBMC/B&B/COUNTY	08/30/2004	09/03/2004	0%
4.07	Complete copywriting of communication materials	FBMC	08/30/2004	09/03/2004	0%
4.08	Communication material layout/design/review (internal)	FBMC	09/06/2004	09/10/2004	0%
4.09	Internal changes to communication materials	FBMC	09/13/2004	09/17/2004	0%
4.10	Review of communication materials	COUNTY/B&B	09/20/2004	09/24/2004	0%
4.11	Changes to communication materials	COUNTY/B&B	09/20/2004	09/24/2004	0%
4.12	Final review of enrollment materials	FBMC/B&B/COUNTY	09/27/2004	10/01/2004	0%
4.13	Final changes to enrollment materials	FBMC	10/04/2004	10/06/2004	0%
4.14	County Benefit Coordinator training	FBMC/B&B/COUNTY	10/04/2004	10/08/2004	0%

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FBMC



*Preliminary Implementation Schedule  
Leon County Board of County Commissioners  
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I.D.	TASK	RESPONSIBILITY	TARGET START	TARGET END	% COMPLETE
4.15	Obtain <i>actual</i> eligibility/census data from client in preparation for open enrollment	FBMC/COUNTY	10/04/2004	10/08/2004	0%
4.16	Develop Enrollment Representative training agenda and manual	B&B	10/04/2004	10/08/2004	0%
4.17	Contact provider companies regarding training, if applicable	B&B	10/04/2004	10/08/2004	0%
4.18	Communication materials printing	FBMC	10/11/2004	10/14/2004	0%
4.19	Communication materials shipped to client location(s)	FBMC	10/19/2004	10/21/2004	0%
4.20	Communication materials delivered	FBMC	10/22/2004	10/25/2004	0%
4.21	FBMC's Implementation Overview distributed	FBMC	10/25/2004	10/28/2004	0%
4.22	FBMC's Customer Service Department staff trained on enrollment process, voluntary benefits, etc.	FBMC	10/30/2004	10/31/2004	0%
4.23	Communication materials placed on Internet site for employee access	FBMC	10/30/2004	10/31/2004	0%
4.24	Enrollment Representative training conducted	B&B/FBMC	10/30/2004	10/31/2004	0%
4.25	<b>Enrollment starts</b>	<b>COUNTY</b>	<b>11/01/2004</b>	<b>11/30/2004</b>	<b>0%</b>
4.26	<i>Enrollment Representatives are on-site for Benefit Fairs</i>	B&B	11/01/2004	11/26/2004	0%
4.27	FBMC Customer Service starts receiving toll-free calls from State employees with questions about enrollment or benefits	FBMC	11/01/2004	CONTINUOUS	0%

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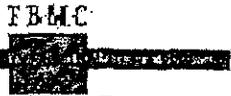


*Preliminary Implementation Schedule  
Leon County Board of County Commissioners  
(Plan Year 01/01/2005 – 12/31/2005) (Page 4 of 5)*

I.D.	TASK	RESPONSIBILITY	TARGET START	TARGET END	% COMPLETE
4.28	Initial batch of enrollment elections arrives at FBMC for data entry	FBMC/B&B	11/05/2004	CONTINUES TO END OF ENROLLMENT	0%
4.29	FBMC data entry of enrollment elections begins	FBMC	11/08/2004	CONTINUES TO END OF ENROLLMENT	0%
4.30	FBMC produces/sends Benefit Confirmation notices to employee home addresses	FBMC	11/15/2004	CONTINUES TO END OF ENROLLMENT	0%
4.31	Enrollment ends (approx)	COUNTY	11/26/2004	11/30/2004	0%
4.32	Post-enrollment tasks	FBMC/COUNTY	12/01/2004	12/31/2004	0%
4.33	Final batch of enrollment and direct deposit forms arrives at FBMC	FBMC/BENEFIT COORDINATORS	12/03/2004	12/06/2004	0%
4.34	Data entry of enrollment elections ends	FBMC	12/08/2004	12/10/2004	0%
4.35	FBMC submits Administration Manual to COUNTY	FBMC/COUNTY	12/13/2004	12/17/2004	0%
4.36	FBMC creates, reviews, and uploads provider enrollment files via FTP	FBMC/PROVIDER	12/20/2004	12/24/2004	0%
4.37	FBMC forwards copies of applicable enrollment forms to providers, if applicable	FBMC/PROVIDER	12/20/2004	12/24/2004	0%
4.38	FBMC creates, reviews and sends COUNTY the initial payroll change start-up data file	FBMC	12/20/2004	12/22/2004	0%
4.39	FBMC creates, reviews and sends enrollment listings to COUNTY	FBMC/AUTHORITY	12/20/2004	12/22/2004	0%

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*Preliminary Implementation Schedule  
Leon County Board of County Commissioners  
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I.D.	TASK	RESPONSIBILITY	TARGET START	TARGET END	% COMPLETE
	Effective date of plan year - 01/01/2005	COUNTY	01/01/2005	-	0%
5.0	Ongoing Administrative Activities	FBMC/COUNTY	01/01/2005	CONTINUOUS	0%
5.01	First Payroll Date	COUNTY	TBD	TBD	0%
5.02	FBMC receives ongoing Eligibility and Payroll files (payroll received on a per pay period basis)	FBMC/AGENCIES	01/01/2005	CONTINUOUS	0%
5.03	FBMC sends Eligibility files to providers	FBMC/VENDORS	01/01/2005	CONTINUOUS	0%
5.04	FBMC reconciles payroll deductions	FBMC	01/01/2005	CONTINUOUS	0%
5.05	FBMC remits payroll deduction funds and data files to providers	FBMC	01/01/2005	CONTINUOUS	0%
5.06	County provides FBMC with Non-Discrimination testing data	COUNTY	01/17/2005	01/21/2005	0%
5.07	Benefit certificates sent to participants	FBMC	01/24/2005	01/28/2005	0%
5.08	FBMC sends first monthly reports to COUNTY	FBMC	02/14/2005	02/18/2005	0%
5.09	FBMC provides Non-Discrimination testing results	FBMC	02/14/2005	02/18/2005	0%
5.10	Quarterly FSA statements sent to participants	FBMC	04/18/2005	04/22/2005	0%
5.11	FBMC processes FSA grace period claims	FBMC	01/01/2006	03/31/2006	0%
5.12	FBMC sends account statements to participants that have a positive balance	FBMC	07/04/2005	07/08/2005	0%
5.13	FBMC provides COUNTY with audited reconciliation of funds w/in 45 days of end of 90-day grace period	FBMC	11/14/2005	11/18/2005	0%

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FBMC



**09. Will Leon County receive a list bill from FBMC for each voluntary product that has enrollment?**

This is one paper-based method we offer for the handling of payroll deductions for voluntary benefits, typically for employers that have 1,000 or less employees.

For employers that have 1,000 or more eligible employees, we prefer to receive payroll deduction data files and deducted funds on a per pay period basis. The deduction data is loaded into our system and we reconcile the deductions against the enrollment election data we maintain in our system. Upon reconciliation, the grand total amounts to be remitted to each voluntary benefit insurance carrier are identified and a printed report, data file, and remittance is then sent to each of the voluntary benefit carriers.

FBMC will review these processes with the County during the implementation process and develop and support the processes preferred by the County for deduction and remittance processing.

**10. Will Leon County remit checks to FBMC or to the insurance companies?**

Our proposal assumed the County would remit the payroll deduction funds to FBMC on a per pay period basis. FBMC will reconcile the deductions against our master file records, identify and resolve deduction discrepancies, and then send each insurance company the reconciled remittances.

**11. In the Data Exchange Services, if multiple payroll centers are necessary for the County to do business with your company is there a charge for each center? If so, what is the charge?**

No. This is a "no fee" service package, as required by the County in the RFP. There will be no charges to the County regardless of the number of payroll centers.

**12. In the EZ Benefits document, the boxes that checked off in this document are the benefits quoted in this proposal? Is there any additional charge for the Optional Services?**

Yes, the boxes selected are the services that we believe are required by the County based upon the scope of services specified in the solicitation. As mentioned above, this is a "no fee" proposal.

The services that are selected were determined to be responsive to the County's requirements and are consistent with what we believe to be commensurate with the anticipated commission revenue stream that could be generated from the voluntary benefits that will be enrolled by Brown & Brown. Actual commission revenues realized cannot be predicted in advance, but the grand total cost of enrollment, Section 125 administration services must be supported by the commission revenues.

The Optional Services are typically at added cost when offered to fee-based clients. We are willing to negotiate this with the County if the County prefers any of the Optional Services.

**13. What level of participation does the County have to enroll and maintain in the voluntary products to keep the "No Fee" contract with your company?**

We have proposed a "no fee" contract irrespective of the actual enrollment in the voluntary products.

FBMC



**14. On page 20 of the EZ Benefits Documentation of Services one service you perform is Project Consulting, what is Project Consulting?**

Project Consulting is defined generally as assistance that would be provided by FBMC to the County regarding any general benefit issues that FBMC is not currently responsible for.

This could involve assistance with issues such as the possible implementation of additional tax-favored accounts (such as Health Reimbursement Arrangements or Health Savings Accounts), issues with self-funded insurance, etc.

Please also see our response to question 3 above.

**15. Regarding new hires, will the County be responsible for enrolling into the Cafeteria Plan, Voluntary Products, and the Flexible Spending Accounts?**

No, Brown & Brown will be responsible for enrolling new hires into the above programs.

**16. Will Brown and Brown be responsible for enrolling new hires into the Cafeteria Plan, Voluntary Products, and the Flexible Spending Accounts?**

Yes.

**17. The FBMC proposal states that FBMC will keep the 2% administration fee for COBRA administration. We don't charge participants the 2% administration fee. Will FBMC administer COBRA without the 2% administration fee?**

Yes.

**18. Can you provide a listing of all charges for the use of the Debit Card? List what the charge is for and the amount?**

There is only one charge, and that is the \$20.00 annual fee which is deducted from the Medical FSA participant's payroll deducted annual contributions.

**19. Will there be a charge to employees who do not want to use the Debit Card?**

No. Employees that do not want the debit card will be reimbursed by checks if he/she does not choose direct deposit.

**20. Some of the voluntary products have minimum participation and underwriting requirements. Under what circumstances can these be waived?**

This will vary from provider to provider as well as based upon the enrollment conditions that are provided by the County. Brown & Brown is willing to negotiate these issues with the carriers that will be selected to provide the voluntary benefits.

**21. If Constitutional Offices want to participate can vendors handle multiple payroll centers?**

Yes. FBMC will accept the payroll deduction data from multiple payroll centers and consolidate the data. The reconciled deductions will then be split by insurance carrier and remitted to each carrier. The insurance carriers (vendors) will never be aware of the number of payroll centers involved.

FBMC



**22. Leon County has received information on COBRASERV from Ceridian. Does FBMC provide this service also? Is this a part of the service being provided? Is there an additional cost for this service?**

Yes, FBMC provides full COBRA administration services similar to those provided by Ceridian.

The COBRA services proposed by FBMC are confined to the voluntary benefits which are introduced, enrolled, and administered under the contract resulting from this solicitation. Any other COBRA-eligible benefits that are not subject to this solicitation would not be administered by FBMC.

There would be an additional, billable cost for the provision of COBRA services for all COBRA-eligible voluntary benefits that are available to County employees. FBMC assumes this would include at least the County's health insurance and possibly the Dental and Vision benefits.

If FBMC is selected as the County's Section 125 administrator, we are willing to discount our normal COBRA fees if the COUNTY is interested in outsourcing all COBRA administration.

**23. Does FBMC's IVR system allow employees to enroll in other Benefit Plans that the employer has outside of the FSA's and the Voluntary Benefits? If yes, is there an additional cost for this service?**

No, the IVR system does not accommodate enrollment in other Benefit Plans. The IVR system is used as an enrollment support tool, not as an enrollment tool. FBMC has determined that the use of IVR systems for enrollment processes is not cost-effective or highly desired by our prospective or current clients.

**24. Explain the IVR enrollment process?**

Per our response to question 23 above, FBMC has phased out the IVR enrollment process and has replaced it with an Internet-based enrollment process.

Since this is a "no fee" solicitation, all administrative services must be supported by voluntary benefit commissions. Many of the voluntary benefits proposed require the assistance or counter-signature of an Enrollment Representative to enroll employees. Employee education concerning the available voluntary benefits is critical and is normally communicated in group or one-to-one enrollment meetings. IVR and Web enrollment processes are not usually appropriate as a result.

**25. Does FBMC provide a form for employees to elect pre-tax deductions for medical, dental and vision insurance?**

The form was not contemplated in our proposal or pricing since this was not included in the scope of services in the solicitation. However, FBMC could include these benefits on the election form(s) that are created to elect the voluntary benefits for which we will have administrative responsibilities. FBMC would not be data entering or providing any administrative services for these benefits.

We are willing to discuss the County's requirements relative to this issue and use best efforts to accommodate if possible.



**26. Is the Customer Service Department at FBMC able to assist employees with both the FSA and Voluntary Benefits? What types of questions would the FBMC Customer Service Representative not be able to assist employees with?**

Yes. FBMC can respond to a broad range of questions dealing with the FSAs or the voluntary benefits for which we are responsible. We will only refer County employees to the voluntary benefit providers as a "last resort".

While it is not possible to list all of the questions our CSR's can respond to, attached are examples of Frequently Asked Questions that are listed on FBMC's website for customer access. These questions are representative of the types of questions that our Customer Service Representatives can respond to. Our CSR's will be able to respond to all questions relative to the Section 125 program and FSAs, as well as many voluntary benefit questions.

Brown & Brown will also be able to respond to questions about the voluntary benefits.

FBMC



# FBMC

Account Information

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Customer Service



Contact FBMC Customer Service

My Benefits

My Acct Transactions (Reimburse Acct)

- Current Year
- Previous Year

Account Balance (Reimburse Acct)

- Current Year
- Previous Year

My Claims

Change In Status

EZ Reimburse® Debit Card Pharmacy Locator

Tax Savings Analysis

FBMC Home

## Frequently Asked Questions

To view our Frequently Asked Questions, select a category:

- [Flexible Spending Accounts](#)
- [401\(k\)](#)
- [Enrollments](#)
- [EZ REIMBURSE® MasterCard® Card](#)
- [Health Reimbursement Arrangement](#)

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<http://www.fbmc-benefits.com/customer/faq.asp>

5/28/2004

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Get help from FBMC Customer Service

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- Previous Year

Account Balance (Reimburse Acct)

- Current Year
- Previous Year

My Claims

Change In Status

EZ Reimburse's Debit Card Pharmacy Locator

Tax Savings Analysis

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## Frequently Asked Questions - Flexible Spending Accounts

1. What is the turnaround time for reimbursement request processing?
2. What is needed for reimbursement?
3. Do I need to send original documentation with my reimbursement request form?
4. What is your mailing address/fax number for reimbursement request submission?
5. Where can I obtain additional forms?
6. When can I start submitting requests for reimbursement?
7. What is the last day to submit reimbursement requests?
8. How often can I submit reimbursement requests?
9. How can I obtain a listing of services that are reimbursable?
10. How can I check on the status of my reimbursement?
11. What is my pin number when accessing the 24-hour voice response system to check status of reimbursement requests?
12. What does MDCPS EE Number on my reimbursement request form mean?
13. What is the mileage allowance for transportation to obtain medical care?
14. What medical expenses are eligible for reimbursement from a Medical Expense Flexible Spending Account?
15. Is mileage for doctor visits reimbursable?
16. How do you submit mileage for reimbursement?
17. Are all doctors visits reimbursable?
18. Are parking fees and tolls to the doctor's office reimbursable?
19. Is mileage reimbursable for visits to and from my local pharmacy?
20. Are expenses incurred for out-of-town healthcare services reimbursable (i.e., airline fare, hotel room and rental car)?
21. Are the lodging expenses I incur during my dependent's out-of-town hospitalization reimbursable?
22. Do I need to itemize my prescriptions on my reimbursement claim form?
23. How long does a direct deposit take to be posted to my account?
24. What should I do if I closed my bank account and have a direct deposit account with FBMC?

## Flexible Spending Accounts

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- Account Balance (Reimburse Acct)
  - Current Year
  - Previous Year

My Claims

Change In Status

EZ Reimburse® Debit Card Pharmacy Locator

Tax Savings Analysis

FBMC Home

## EZ REIMBURSE® MasterCard® Card FAQ

1. How do I use this card?
2. How do I know which providers accept the card?
3. Where can I find participating pharmacies?
4. What happens if the pharmacist does not know how to process my card?
5. Where do I send my itemized receipts?
6. What happens if I do not send my itemized receipts to FBMC?
7. Is this a credit card?
8. I currently have a Medical Expense Flexible Spending Account and I already have a MasterCard to pay my expenses. Why do I need this card?
9. Can I use my EZ REIMBURSE® Card to pay for all doctor visits?
10. Can I use my card to pay for other expenses?
11. I have some services that require a letter of medical need. Can I still use my card?
12. What should I do if an ineligible expense is mistakenly processed using my EZ REIMBURSE® Card?
13. Will my dependents be able to use the card?
14. Does the card replace my health card?
15. What do I do if the merchant/provider does not accept my card?
16. Toward the end of the plan year my medical expense may be greater than my available FSA balance - will my card transaction be affected?
17. How can I track my account information?
18. What happens to my card if I leave employment?
19. Will I receive a new card and account number each year?
20. How does the EZ REIMBURSE® Card keep my expenses tied to the correct plan year, particularly during the grace period of my plan?
21. Can I pay with my EZ REIMBURSE® Card in advance of the date of my services?
22. When I receive my card will I have to sign anything? What if I don't like the terms and conditions of this card?
23. What are some eligible medical service providers?

### EZ REIMBURSE® MasterCard® Card

Q How do I use this card?



# FBMC

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Frequently Asked Questions

Customer Service



Contact FBMC Customer Service

My Benefits

My Acct Transactions (Reimburse Acct)

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- Previous Year

Account Balance (Reimburse Acct)

- Current Year
- Previous Year

My Claims

Change In Status

EZ Reimburse@ Debit Card Pharmacy Locator

Tax Savings Analysis

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## Frequently Asked Questions - Enrollments

1. Where may I obtain a benefit enrollment form for the new plan year?
2. When is the deadline for completing an enrollment form?
3. I've turned in my enrollment form, however, I forgot to add my dependent's information on the form. How can I add this?
4. Can I verify what benefits I currently have?
5. When are my benefits effective?