Addendum 1

Date: January 27, 2017

Project: Professional Insurance Brokerage Services

RFP: UTP-Insurance Broker

To: Prospective Proposers

This Addendum 1 forms part of and modifies the Request for Proposal UTP-Insurance Broker (RFP) issued December 16, 2016 with amendments and additions noted below.

1. **Section 2.1 Submittal Deadline**

*Replace section 2.1 in its entirety with the following.*

UT Physicians will accept proposals until **2:00 PM CST** on **Wednesday, February 22, 2017** (**Submittal Deadline**).

1. **Section 2.4 Key Events Schedule**

*Revision of Proposals Due.*

|  |  |
| --- | --- |
| Proposals Due | February 22, 2017 2:00 PM CST |

1. **Questions & Answers**

**Question#1:** On the proposed pricing element of our response, is UT Physicians requesting that we provide actual premium indications/quotes for the renewal of the insurance policies, or proposals for the cost of the brokerage services with the policy premiums to be negotiated once the brokerage services contract is awarded?

**Answer #1:** Please provide the brokerage services fee for all five years and the annual premiums for the first year.

**Question #2:** The introduction sections 1.1 and 1.2 detail that UTP operates the clinic practice with roughly 100 clinics in the Greater Houston area. It also states there are roughly 500K patient visits in the clinics and over 1.6M patient encounters across 22 departments. I presume that the 1.6M patient encounters are associated with the Medical School? Is there a bit more detail you can provide as to how these two metrics are distributed and how an encounter is defined relative to a visit?

**Answer #2:** We had total of 836,545 arrived patients in our clinics (MSRDP only) for FY16. Total clinical invoice count for FY16 was 952,176 for MSRDP and 458,569 for HCHD. Total practice clinical invoice count was 1,410,745.

Definition of Arrived patient is when a patient is actually seen in our clinic by a provider. Each visit is counted only once. The invoice count is when an invoice is generated for services provided to a patient. Invoice count will generally be higher than a visit count because in some cases more than 1 invoice may be generated during the visit.

MSRDP refers to Medical Service Research and Development Plan

HCHD refers to Harris County Hospital District

**Question #3:** In respects of any form of sovereign immunity, does UTP benefit from statutory protection and to what limit? We presume this is the rationale as to why no umbrella or excess limits are purchased.

**Answer #3:** Based on a business review and prior claims history, UT Physicians has made the business decision that no umbrella coverage or excess coverage limits are required.

**Question #4:** Do the physicians within the multi-specialty group carry their own limits? If so, do they carry a uniform limit?  Do you have a listing of these physicians by specialty?

**Answer #4:** The professional liability insurance for the physicians themselves is under UTHealth/UT System since the physicians are UTHealth employees.

**Question #5:** Can you provide us with loss experience/history by line of business?

**Answer #5:** Please see Exhibit 1.

**Question #6:** Please confirm that UTP is requiring firm insurance quotes with pricing for each policy on Feb 10th.

**Answer #6:**  No, the proposals are now due February 22, 2017. Please see #1

**Question #7:** Please send at least 3 years of loss runs for each insurance policy. We will need 5 years of loss runs for the professional liability.

**Answer #7:** Please see Exhibit 1.

**Question #8:** Please provide a detailed description of each loss over $25,000. Please include any preventative measures that have been put in place since each loss.

**Answer #8:** Please see Exhibit 1 for Claim Summary. Please see Exhibit 13&16 for details regarding preventative measures summarized below.

In summary, each clinic receives the following:

* Three inspections by UTHSC safety analyst
  + Two by either Radiation, Chemical or Biological Safety Departments
  + One by Occupational, Safety and Fire Prevention
* One Loss Prevention assessment approximately every two years

**Question#9:** Please provide copies of all current policies. If UTP is not willing to provide the policies, please provide the declarations page, list of insureds, rating pages and the forms list for each policy.

**Answer #9:** Please see Exhibits 2-11.

**Question #10:** Please provide copies of UTP’s most recent applications used to obtain insurance.

**Answer #10:** Please see Exhibits 2-11.

**Question #11:** Please provide financials. We will need them to obtain the directors and officers quote. Please include last year’s final audited financials and this year’s year-to-date financials.

**Answer #11:** Please see Exhibit 14 & 15.

**Question #12:** Is this insurance covering the doctors? If so, please complete the roster attached or provide a list of doctors that includes the information requested on the roster.

**Answer #12:** This is property & casualty insurance coverage. Please see answer to Question #4.

**Question #13:** Please provide a breakout of operations by class of service. For instance, how many OPVs are primary care, how many are trauma, how many are OB, etc. I see that we might be able to figure out some of the OPVs from attachment A. But there are several locations like Greenspoint Clinic and Davis Clinic, where I’m not able to discern what class of service those OPVs will fall into.

**Answer #13:** 219,395 (30%) of the total 721,316 OPVs are primary care visits. 501,921 (70%) are specialty visits.

**Question #14:** Are you allowing post-binding inspections by the insurance companies?

**Answer #14:** Yes.

**Question#15:** Please provide a drivers list with the drivers’ name, DOB, license number and state of license.

**Answer #15:** Please see Exhibit 12.

**Question #16:** Attachment A – UT Physicians Locations:

* 1. Please complete the occupancy for lines 146 & 147.

**Answer #16a:** Please see Exhibit 17.

* 1. Please provide the year the roof was updated for lines: 3, 8, 9, 13, 20, 32, 35, 36, 54, 67, 75, 87, 94, 96, 109, 119, 121, 130, 138, 147

**Answer #16b:**

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| --- | --- | --- |
| **Loc#** | **Location** | **Landlord Comment** |
| 3 | 6400 Fannin, Suite 2700. Houston | Installed during initial construction at the end of 2006.  There were some repairs made to a portion of the roof after Hurricane Ike in 2008 |
| 8 | 6410 Fannin, Suite 420. Houston | Installed in 1999 and will be updated in 2019 |
| 9 | 6410 Fannin, Suites 210 & 250.  Houston | Installed in 1999 and will be updated in 2019 |
| 13 | 6410 Fannin, Suite 1400.  Houston | Installed in 1999 and will be updated in 2019 |
| 20 | 6410 Fannin, Suite LL125.  Houston | Installed in 1999 and will be updated in 2019 |
| 32 | 6400 Fannin, Suite 1700 & 1620. Houston | Installed during initial construction at the end of 2006.  There were some repairs made to a portion of the roof after Hurricane Ike in 2008 |
| 35 | 929 Gessner, Houston | Installed 2009-2010 /recoated with reflective coating in 2016 |
| 36 | 9200 Pinecroft, Suite 130. Woodlands | Roof last updated in 2004 |
| 54 | 5420 Dashwood, Suite 100. Houston | Flashing/perimeter repair done on 03/2016 & 08/2016; membrane repair done on 08/2016 |
| 67 | 915 Gessner, Houston | Installed 2003 / inspected annually / no repairs were needed in 2016 |
| 75 | 5420 Dashwood, Suite 301. Houston | Flashing/perimeter repair done on 03/2016 & 08/2016; membrane repair done on 08/2016 |
| 87 | 15035 SW Freeway, Sugar Land | Building was purchased in Oct 2007 and at that time the roof was inspected with any necessary repairs made upon remodeling the building. No repairs have been needed since purchase |
| 94 | 10450 Spring Green Blvd, Katy | Jan 2017 to place a patch for a leak |
| 109 | 9200 Pinecroft, Suite 320. Woodlands | Last updated in 2004 |
| 119 | 17150 El Camino Real, Houston | Last updated in 2015 |
| 121 | 8603 W Broadway St, Pearland | We have made no updates to the roof since acquiring it in 2014.  Our records have no indication of the last update to the roof.  It has been repaired |
| 130 | 5115 Avenue H, Rosenberg | The roof is in good condition - can't be older than 1996.  Minor repairs were made in 2016 |
| 138 | 6410 Fannin, Suite 360. Houston | Roof installed in 1999 and will be updated in 2019 |
| 147 | 500 Medical Center, Conroe | 2nd floor walkway roof replaced 6/2016; remainder of the roof was replaced the end of 2007 |

* 1. Please provide the year built for lines: 65, 66, 70, 72, 76, 95, 100-104, 144, 146

**Answer #16c:** Please see Exhibit 17.

* 1. Should these locations be deleted: 34, 54, 102

**Answer #16d:** No.

**Question #17:** Who is the current broker for UTP and are they being asked to participate in the RFP?

**Answer #17:** We have provided all of the information necessary to provide a response. They have been included in the list of vendors notified when the RFP was issued.

**Question #18:** Are there guidelines and a timeline for next phases of the RFP? How many brokers will move to the next stage and will there be in person interviews?

**Answer #18:** Shortlist presentations may begin approximately 2 weeks following the RFP due date, February 22, 2017. The number of vendors will be determined following the evaluations.

**Question #19:** What are the current expiration dates of the policies?

**Answer #19:** June 30, 2017.

**Question #20:** Can you provide the current carriers by line of coverage?

**Question #20:** Please see answer to Question #9 or Exhibits 2-11.

**Question #21:** Will the broker finalists be allowed to review any of the current policies? For example, cyber insurance is a hot topic in the healthcare industry and our Cyber team has discovered a number of coverage issues in other RFP program reviews to date.

**Answer #21:** Please see answer to Question #9 or Exhibits 2-11.

**Question #22:** We noticed Workers Compensation / Non-subscription is not contemplated as part of the RFP. Does that coverage for UTP fall under UT Health’s Work Comp program?

**Answer #22:** No, this falls under Insperity.

**Question #23:** Regarding Med Mal, do you rely on the work of a third party actuary for your professional liability exposures and limits? If so, can you please provide a full copy of the most recent actuarial report?

**Answer #23:** UTP has not used any actuarial service to determine the amount of coverage needed.

**Question #24:** Items needed to in order to provide estimated pricing by line of coverage:

1. Complete physician roster with each physician’s retro date, specialty, location and # of hours (PT or FT).

**Answer #24a:** Please see Exhibit 18.

1. Does UTP employ any physician assistants, nurse practitioners, CRNAs or midwives?

**Answer #24b:** No, all employees with direct patient access are hired by UTHealth. UTHealth employs PAs, NPs, and CRNAs.

1. We need a complete loss history for the past 7 years

**Answer #24c:** Please see Exhibit 1 for 5 year loss history.

1. What is the credentialing policy for UTP? Copies of credentialing apps for each doctor could result in better rates but not be feasible for this exercise.

**Answer #24d:** Please see Exhibit 19.

1. How many records/individuals are currently handled by the UTP group in the past 12 months?

**Answer #24e:** Please see answer to Question #2.

**Question #25:** Does the business personal property limit include special medical equipment? Can we obtain a listing of this equipment, as it may be preferable to cover this equipment on a physician’s floater coverage part?

**Answer #25:** It covers all business and personal property which includes medical equipment. This information is not maintained centrally.

**Question #26:** Please provide construction, year built/update information and whether the building is sprinklered for all locations. Some locations reflect multiple year built dates, but not explanation of what was updated.

**Answer #26:** Please see Exhibit 17 (refer to columns “T”, “W”, and “Y” for specifics).

**Question #27:** I have noticed that the insured is the tenant in most of these bldgs. Per the lease agreement, I assume that only where reflected on the attached schedule, the insured is responsible for insuring tenant’s improvements and betterments. It appears that, other than the one land lease, none of the leases require the insured to provide building coverage. Correct?

**Answer #27:** Yes, this is correct.

**Question #28:** Other than the vrs NFIP flood policies, does the insured have any other flood coverage in place? In other words, does the property carrier provide coverage excess of these flood policies? Do they provide 1st $ flood for any of these buildings?

**Answer #28:** Yes, the current commercial property policy also provides a blanket flood sub-limit of $2.5 annual aggregate at all locations.

**Question #29:** We will need 5 years of currently valued loss runs.

**Answer #29:** Please see answer to Question #5 or Exhibit 1.

**Question #30:** We will need a complete named insured listing with % of ownership information.

**Answer #30:** UTP is a 501 (C) (3) Corporation.

**Question #31:** We will need current financials.

**Answer #31:** Please see answer to #11 or Exhibit 14 & 15.