

# TFL 96031

## ATTACHMENT 1 - SPECIFICATION

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### 1. GENERAL

The Intermediary Service Provider shall:

- 1.1 At all times respect and comply with the direct relationship that Transport for London (TfL) has and will have with its Service Providers.
- 1.2 Provide the Services as outlined in this Specification which shall include the following areas:
  - 1.2.1 Supporting the ongoing development of TfL's Private Medical Benefit strategy;
  - 1.2.2 Support TfL to undertake a timely retendering process and contract award for the Administration Service Provider. (Current Administration Service contract is from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025 with the option to extend for 2 years until 30<sup>th</sup> March 2027);
  - 1.2.3 If required, work with TfL to ensure the effective implementation of the new Provider;
  - 1.2.4 Actively work with TfL to manage the annual renewal process of the Administration Service Provider;
  - 1.2.5 Provide expert advice and guidance and overall maintenance of the scheme;
  - 1.2.6 Support the ongoing management of the relationship with the Administration Service Provider;
  - 1.2.7 Claims Reporting and analysis and commentary.
- 1.3 Provide complete transparency in relation to its income derived from the TfL account, as described in section 5 below.
- 1.4 Proposed contract will commence on 15<sup>th</sup> November 2022 with the successful service provider to complete the mobilisation process and handover from the incumbent supplier by 31<sup>st</sup> March 2023. The contract period will be up to 31<sup>st</sup> March 2026 with an option to extend by up to 2 years (until 31<sup>st</sup> March 2028).
- 1.5 This tender is specific to TfL however the Contract will be available to the Greater London Authority (GLA) and any of its Functional Bodies should they wish to join the Contract at any time during the Contract period.

## **2. THE SERVICES**

### **2.1 Private Medical Benefit strategy**

The Intermediary Service Provider shall:

- 2.1.1 Review the Scheme Strategy at the start of the contract and annually;
- 2.1.2 Provide ongoing support for the design of the TfL private medical benefit to ensure that it continues to meet the requirements of TfL. This will include advising of any enhancements, comparisons to external practice, as well as cost management of the scheme and if maintaining a Trust versus an insured approach, is still the most advantageous way to deliver the benefit;
- 2.1.3 As part of the ongoing support around our strategy the intermediary will keep under review TfL's risk financing. The Risk Financing (Stop Loss) Strategy shall address the following areas as a minimum:
  - 2.1.3.1 Levels;
  - 2.1.3.2 Possible service providers;
  - 2.1.3.3 Alternative risk financing methods;
  - 2.1.3.4 Stop Loss Insurance.

### **2.2 Retender of the Administration Service Provider (*if appropriate*)**

Our current Service Administration Provider is AXA Health, and the contract runs to 31<sup>st</sup> March 2025 with the option to extend for 2 years until 30<sup>th</sup> March 2027.

The Intermediary Service Provider shall:

- 2.2.1 Support the retender of the Administration Provider contract, *if appropriate*, in the lifetime of this contract;
- 2.2.2 Provide all appropriate advice and support and will undertake all necessary activities to ensure the timely retender of the Administration Service Provider;
- 2.2.3 Support development of tender documentation and the gathering of data and analytics to support the retender process;
- 2.2.4 Take a lead role in the technical evaluation of bids working collaboratively with TfL Reward and Commercial;
- 2.2.5 Undertake a detailed evaluation of the bidder's risk management proposals (including reviewing the terms being offered by existing Administration Service Providers and terms from other providers/bidders), support renewal

negotiations, and ensure the risk financing arrangements are placed prior to the expiry of the preceding year's arrangements.

## **2.3 Implementation of new Administration Service Provider *(if appropriate)***

In the event that the Administration Service Provider changes over the course of this contract, the Intermediary Service Provider shall:

- 2.3.1 Ensure a smooth transition from one Administration Service Provider to another so that disruption to TfL and members is minimised;
- 2.3.2 Liaise with TfL to facilitate the transition of a correct database of scheme members, ensuring that the correct administration fee is being charged based on the correct number of members. The data contained on the Administration Service Provider's database shall be recorded and organised so that it complies with TfL requirements;
- 2.3.3 Prepare and issue a report to TfL (the 'Renewal Review Report') which summarises the Administration Service Provider's performance during implementation, including as a minimum whether agreed targets were met, and if not, the reasons for these not being met. This would form part of a post implementation review meeting.

## **2.4 Annual Renewal**

The Intermediary Service Provider shall:

- 2.4.1 Provide all appropriate advice and support and will undertake all necessary activities, working with TfL Reward and the Trustees, to ensure the timely annual renewal of the Private Medical Scheme with the incumbent Administration Service Provider;
- 2.4.2 As part of the annual renewal, work with TfL and the Trustees to consider any enhancements or changes to the design of the TfL private medical benefit to ensure that it continues to meet the requirements of TfL;
- 2.4.3 Facilitating the agreement of the Claims Fund whilst the scheme remains as a Trust;
- 2.4.4 Check all agreements, policies, cover notes, and endorsements, as well as general employee documentation and handbooks between the Administration Service Provider and TfL prior to issue;
- 2.4.5 Ensure that the Administration Service Provider provides TfL the agreed handbook, that gives summary details of cover, in a format that can be hosted by TfL on their intranet. As well as sending a letter to all scheme members that confirms the membership details, as well as the 24-hour helpline number and other relevant information.

## 2.5 Expert advice and guidance and overall maintenance of the scheme

The Intermediary Service Provider shall:

- 2.5.1 Provide TfL with general market intelligence on any Service Providers in relation to this contract, raising to TfL any changes or causes for concern;
- 2.5.2 Review and advise on Insurers' Stop Loss provision and rates;
- 2.5.3 Propose ways to reduce the cost of the scheme and / or mitigate future increases to the cost of the scheme;
- 2.5.4 Advise on the following areas as a minimum:
  - 2.5.4.1 Potential changes in exposure;
  - 2.5.4.2 Changes in legislation and market conditions;
- 2.5.5 Provide technical and industry updates to promote awareness within TfL of developments and changes within the Private Medical Benefit market;
- 2.5.6 Be proactive in the provision of market intelligence, medical practice changes and insights that would be helpful to the effective operation of the Private Medical Benefit, as well as ad-hoc reports and research;
- 2.5.7 TfL may require a report for a benchmarking of TfL's Private Medical Benefit against the market (please provide the costs in the pricing schedule (Attachment 2)).
- 2.5.8 Provide general administration, assistance, accounting, and billing information as required;
- 2.5.9 Attend and / or facilitate meetings as required by TfL. These include, but are not limited to:

Meeting	Frequency
Pre-renewal update	Annually (December)
Renewal updates	Annually (January)
PMB Trustees and Reward & Recognition	Quarterly or as and when required

**2.6 Support the ongoing management of the relationship with the Administration Service Provider**

- 2.6.1 Liaise with both TfL and the Administration Service Provider to facilitate the ongoing maintenance of a correct database of members of the scheme and ensure that the correct premium is being charged based on the correct number of members;
- 2.6.2 Implement all renewal alterations and amendments including checking and agreeing administration fee adjustments based on changes in numbers of scheme members during the policy year;
- 2.6.3 Ensure that the Administration Service Provider sends an appropriate letter giving summary details of cover, 24-hour helpline number and other relevant information to all scheme members. Both on an annual basis, as well as when a new member joins;
- 2.6.4 Support with employee queries / complaints, including those escalated to the Trustees;
- 2.6.5 Facilitate resolution of issues that may arise between TfL and the Administration Service Provider.

**2.7 Claims Reporting**

- 2.7.1 The Intermediary Service Provider shall provide reports containing analysis of the claims data and highlighting any trends, as required by TfL.

### 3. KEY PERFORMANCE INDICATORS

The Intermediary Service Provider shall provide the following documents in accordance with the timescales below, unless otherwise agreed by TfL:

Document	Timescale
Presentation pack and results of the renewal exercise	No later than 15 February each year
Draft membership letter and cover information to TfL for approval	No later than 1 March each year
Approved final version of membership letter, cover information and supporting documentation	Intermediary Service Provider to ensure that Administration Service Provider distributes to all members within 4 weeks of data reconciliation
Scheme documents, including but not limited to: <ul style="list-style-type: none"> <li>Stop Loss insurance policy cover</li> <li>Agreement with Administration Service Provider</li> </ul>	On the date of policy inception
Premium invoice (validated by the Intermediary Service Provider)	Not less than 30 calendar days prior to the premium payment due date
Minutes of all meetings	Within 10 business days of meeting
Agenda for meetings	No later than 5 business days prior to the meeting.
Claims reports or other information / reports for discussion	No later than 5 business days prior to the relevant meeting.

### 4. INTERMEDIARY SERVICE PROVIDER ACCOUNT PERSONNEL

- 4.1 The Intermediary Service Provider shall provide sufficient resources to ensure the Services are supplied to TfL in accordance with this Contract. Expectation is for continuous cover, taking into account annual leave or other absences of personnel, to ensure there is no reduction in the service level provided to TfL.
- 4.2 The Intermediary Service Provider's Key personnel working on the TfL account (the TfL Account Personnel) shall include those of the proposed team as tendered and will be named in Schedule 1 of the contract. In the event that any of the TfL Account Key Personnel change, the Intermediary Service Provider

shall ensure that appropriate replacements are found and approved by TfL prior to commencing work on the account. The Intermediary Service Provider shall ensure that there is no deterioration in the level of service provided whilst the personnel changeover takes place.

## **5. INTERMEDIARY SERVICE PROVIDER'S FEES**

The Intermediary Service Provider:

- 5.1 agrees to provide total transparency to TfL in relation to any additional remuneration the Intermediary Service Provider may receive from any source in respect of TfL business relating to the services under this contract, and shall rebate to TfL any such commission received;
- 5.2 shall notify TfL immediately if such additional remuneration is received and shall in any event, provide an annual declaration listing all remuneration earned from the TfL account covered by this contract. TfL shall have the right to terminate this agreement if it judges that the Intermediary Service Provider has received any inducements from any source to place TfL business with any Service Providers.

## **6. TERMINATION OF CONTRACT**

- 6.1 Following termination or expiry of the contract, the Intermediary Service Provider will provide TfL with all documents relating to the Contract required by TfL and notify all relevant Service Providers that the new Intermediary Service Provider shall be given access to all relevant TfL policy documents.