



**Solicitation Information
October 9, 2013**

Addendum #1

RFP # 7513369

**TITLE: Individual Medicare Exchange and Health Reimbursement Account
(HRA) Administration Services**

Submission Deadline: October 18, 2013 @ 2:00 PM (Eastern Time)

Attached are vendor questions with state responses. No further questions will be answered.

Also attached is the sign in sheet for the pre-bid meeting held on September 30, 2013.

**Daniel W. Majcher, Esq.
Assistant Director, Special Projects**

**RFP # 7513369- Individual Medicare Exchange and Health Reimbursement
Account Administration Services**

Pre-Bid Conference Questions

1. Are the Board of Governors and Public Transportation in the census?

Answer: Yes.

2. Will you accept questions after today (10/1/13)?

Answer: No. The deadline for submitting questions is 5:00pm EST on October 1, 2013.

3. Will there be finalist interviews after evaluation process?

Answer: Finalist interviews are anticipated to be held November 4-6, 2013, but this date may change at the sole discretion of the State.

4. Are retirees aware that the benefits are changing?

Answer: While some retirees may be aware of the passage of Article 2 of the Fiscal Year 2014 State Budget (2013 P.L. Ch. 144, Art 2) many will not be aware that there will be changes to post-65 retiree benefits in 2014.

5. Will HRA be available to them only if they enroll through the exchange or will it be open to them whether or not they enroll through the Exchange?

Answer: The HRA will only be available to those retirees who enroll in plans offered through the Medicare Exchange.

6. Specific reason why March 1st is the transition date?

Answer: Due to the time required for the procurement process and the implementation activities associated with rolling out a new program, March 1, 2013 is a target effective date; however, alternative effective dates may be considered.

7. Is it better to have the section name or tab number in the table of contents due to inconsecutive page numbering?

Answer: The table of contents may identify either the section name or a tab number. Page numbers may be consecutive throughout the entire proposal or restart at number one (1) for each section. Proposals shall be organized in the order described in Section 7 and Section 8 of the RFP.

8. Are you expecting the awarded bidder to do the initial communication with the retirees regarding the changes?

Answer: The State anticipates that the development of communication materials for Medicare retirees will be a joint effort between the selected contractor and the State. Materials shall include the logo of both the State and the contractor.

9. Do the current retiree plans that are offered end on June 30th and do all the new benefits begin on July 1st?

Answer: Currently, the plan year begins January 1st and ends December 31st.

10. Do you want to transition everybody off of those plans early?

Answer: Yes. On the effective date of the Medicare Exchange and HRA administration program, Medicare eligible retirees will be transitioned from their current medical plan to the Exchange. In addition Medicare eligible dependents of State retirees will also be transitioned.

11. Will it be a one phase transition? Would you prefer a one phase transition?

Answer: Yes.

12. Is there an expectation that the new plans will be similar or the same to the plans offered through the Exchange?

Answer: The State anticipates that a wide array of plan options will be available to Medicare eligible participants, including plans that are similar to the plans currently available to the state retirees.

13. Is it your intent to just have the HRA cover just premiums for the Exchange or cover any Section 213 expense?

Answer: The HRA may cover both premium payments and other Section 213 expenses, including but not limited, to deductibles, copayments and coinsurance.

14. If somebody is on the Exchange, is the state expecting an automatic premium payment so if they have a premium due on the Exchange it will automatically be deducted out of the HRA so it minimizes billing to the retiree?

Answer: The State understands that auto-reimbursement of premiums may be available for some carriers but not others. The bidder should describe the capabilities with respect to auto-reimbursement of premiums within its response to the technical proposal.

15. Does the state have an idea of what the monthly HRA amount is?

Answer: The monthly HRA contribution varies by Year of Service (YOS) and is described in Article 2 of the Fiscal Year 2014 State Budget (2013 P.L. Ch. 144, Art 2).

16. Is the HRA amount based on years of service?

Answer: Yes.

17. Is an MBE required for submission of the bid?

Answer: The selected contractor will be required to submit a MBE Plan to the MBE office upon award of the contract. While MBE/WBE subcontractors must be identified in Attachment A-5: Subcontractor Questionnaire, the MBE Plan is not required to be submitted with the RFP response.

18. Are you aware of any special language needs?

Answer: Currently, all member communications materials are distributed in English; however, each bidder shall describe its capabilities in communicating either telephonically or in print in other languages (i.e. Spanish, French, etc) in its technical proposal response.

19. How is cost proposal/analysis calculated?

Answer: The financial proposal score will be based on the sum of the aggregate costs of the Medicare Exchange administration fees and the HRA administration fees.

20. How do you determine cost when you're dealing with a product that involves premiums?

Answer: The financial proposal score will be based on the total expected cost to the State for administration fees. The premiums for the plans available on the bidder's Medicare Exchange will be evaluated as part of the technical proposal.

21. Is the state looking primarily to use Model A (no administrative fees but collect premiums on the exchange) or Model B (commission based, lowest cost to retiree, straight administrative fee to the state)?

Answer: The State will evaluate cost proposals in which the bidder accepts commissions on plan premiums only (i.e. \$0 administration fee for Medicare Exchange services) or proposals in which the bidder accepts both commissions and an administrative fee for Medicare Exchange services. The financial proposal score will be based on the total expected cost to the State for administration fees. The

premiums for the plans available on the bidder's Medicare Exchange will be evaluated as part of the technical proposal.

Questions Received Via Email

22. Please verify the exact time this RFP response is due.

Answer: SUBMISSION DEADLINE: October 18, 2013 Time: 2:00 pm (ET)

23. Can you confirm the counts on your census file include all post-65/Medicare eligible retirees and dependents?

Answer: The counts include all post-65/Medicare eligible retiree and dependents who are currently covered by state retiree health plans.

24. On page 14 of the RFP document, the State of Rhode Island references a March 1 date. Is this the date you wish to begin implementation or the coverage effective date of the individual market coverage?

Answer: March 1, 2014 is the target for the effective date of coverage.

25. What is driving the March 1 effective date?

Answer: It is the State's intent that the Medicare Exchange and HRA administrative services be implemented at as early a date as possible. March 1, 2014 is the target for the effective date of coverage.

26. Does the State of Rhode Island have any restrictions on funding retiree HRAs for the subsidized group? For example, has your financial model contemplated funding annually and having the full balance available?

Answer: The HRA funding model has not contemplated funding annually.

27. Has your financial modeling included additional HRA dollars to help retirees who have catastrophic drug expenses?

Answer: No

28. Who will provide the eligibility data for this population?

Answer: The Office of Employee Benefits will coordinate the transfer of eligibility data to the vendor.

29. How do retirees enroll today (please include number of dependents)?

Answer: Retirees and their spouses submit election forms to the Office of Employee Benefits. (The number of dependents participating is identified on the census file.)

30. How do retirees pay for coverage today? What is their average premium?

Answer: Premiums owed for retiree and spouse coverage are deducted from the retiree's monthly pension. The premiums paid by retirees will be determined by subsidy levels as described in Article 2 of the Fiscal Year 2014 State Budget (2013 P.L. Ch. 144, Art 2. Average premium is not easily accessible.

31. Has there been any communication up to this point regarding a move to health care exchanges?

Answer: While some retirees may be aware of the passage of Article 2 of the Fiscal Year 2014 State Budget (2013 P.L. Ch. 144, Art 2, many will not be aware that there will be changes to post-65 retiree benefits in 2014.

32. Are all the retirees/dependents listed on the file enrolled in coverage today? If not, can opt outs be identified?

Answer: The census data provided in Attachment C: Confidential Data includes all Medicare eligible retirees and dependents currently covered by the Plan. There are approximately 6,000 other Medicare-age retirees who are not currently participating in the state plan but who are eligible to elect coverage at each annual retiree open enrollment period.

33. Are there retiree associations that the State of Rhode Island partners with to communicate post 65 messages?

Answer: All communications regarding retiree health are sent from the Office of Employee Benefits. We do present at occasional retiree association or union meetings when asked to participate.

34. Of the post 65 population, what percentage are part of a bargained population?

Answer: This data is not available for the post-65 retiree population. However, over 80% of state workers are union members.

35. What percentage of enrollments is performed via web/self-service portal?

Answer: None

36. What is the current post-65 coverage effective date and enrollment period?

Answer: The current plan year began on January 1, 2013 and ends on December 31, 2013

37. Assuming it is not contained in the census file, what percentage of retirees are enrolled in the MAPD plan vs. the Medicare Supplement plan?

Answer: The census file includes the current plan in which the participant is enrolled.

38. We understand that the State of RI intends to base the HRA amounts on years of service as outlined.

- a. Has the state completed the HRA analysis?
- b. Do you have a final HRA design and amounts?
- c. Will the HRA be an open or closed HRA design?

Answer: Please see Article 2 of the Fiscal Year 2014 State Budget (2013 P.L. Ch. 144, Art 2 for information that has been determined regarding HRAs.

39. The State of Rhode Island references the ability to utilize their facilities for onsite enrollment. Can you discuss the location of the office, the amount of space available and the technical capabilities in this space?

Answer: The location will be determined with input from the vendor. The State will provide office, phone, and web access.

40. Would the State of Rhode Island allow the provider to use offshore resources for backroom operation? (All client and customer facing roles will be onshore)

Answer: No

41. How many bank accounts will the State of Rhode Island be using for the purpose of claim funding? (Will there be one master bank account? Or will each department have their bank account?)

Answer: One master bank account will be used for ERSRI. (RIPTA and BOG would have separate accounts if either group opts to participate in the exchange.)

42. Attachment A / AR-26 – Are there any survivor rules that the provider should consider?

Answer: Yes. Widowed spouses of retirees who elected a joint survivor pension option are allowed to continue to participate in the state retiree health plans but with no subsidy credits applied to their premiums.

43. Please clarify why this bid was sent to [Insurance Carrier]. It appears to be directed to Medicare Exchange vendors as opposed to carriers.

Answer: The State anticipates that respondents to this RFP will offer a selection of plans from multiple carriers.

Depending on the response to question 43, is the expectation that all carriers will establish their own Medicare exchanges.

Answer: The State anticipates that respondents to this RFP will offer a selection of plans from multiple carriers.

44. Please verify that the State will be terminating their group coverage effective February 28, 2014 with the expectation that all members will purchase individual coverage through a Medicare exchange effective March 1, 2014. Also, please confirm that the State will provide each individual with fixed dollar amount to apply toward their individual benefits.

Answer: Confirmed. However, March 1, 2014 is a target effective date for the Medicare Exchange and HRA administration services. To the extent that the effective date changes, the termination date of the group coverage will be adjusted as well. Please see Article 2 of the Fiscal Year 2014 State Budget (2013 P.L. Ch. 144, Art 2) for information regarding HRA contributions.

45. By not responding to this bid, please verify that we are NOT precluded from participating on the selected vendor's exchange?

Answer: Confirmed.

46. If this RFP is meant for the technology solution only, is the expectation that [Carrier] will contract with the vendor chosen by the state or establish partnerships prior?

Answer: This RFP is seeking bidders who have the experience and capabilities to administer comprehensive Medicare Exchange services and HRA administration.



State of Rhode Island
 Division of Purchases
 One Capitol Hill
 Providence, RI 02908

"NON-MANDATORY" PRE-BID CONFERENCE SIGN IN SHEET

BID NUMBER: 7513369
 BID TITLE: Individual Medicare Exchange and HRA Administration Services
 PRE-BID DATE AND TIME: 9.30.13 at 10:00 AM

Purchasing Representative:

Pre-bid START TIME:

Pre-bid END TIME:

COMPANY NAME	COMPANY REPRESENTATIVE	SIGNATURE	ADDRESS	CONTACT E-MAIL	CONTACT PHONE NUMBER AND CONTACT FAX NUMBER	PROPOSAL SUBMITTED (For Purchasing Use Only)
1 Beck Consultants	Eric Stange	<i>[Signature]</i>	02818 120 Osprey E. Greenich Foxon.com	eric.stange@foxon.com	401-884-4466	
2 GRS	Amey Cohen	<i>[Signature]</i>	5005 North Hill Blvd Spring TX 75058	Amey.Cohen@gsr.com	409-241-1000	
3 GCS	Virgil Mc	<i>[Signature]</i>	"	Virgil.Mc@gsb.com	469-524-1814	
4 GRT	Bill Hickman	<i>[Signature]</i>	"	bill.hickman@gsb.com		
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State of Rhode Island
 Division of Purchases
 One Capitol Hill
 Providence, RI 02908

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BID NUMBER:	7513369
BID TITLE:	Individual Medicare Exchange and HRA Administration Services
PRE-BID DATE AND TIME:	9.30.13 at 10:00 AM

Purchasing Representative:	
Pre-bid START TIME:	
Pre-bid END TIME:	

	COMPANY NAME	COMPANY REPRESENTATIVE	SIGNATURE	ADDRESS	CONTACT E-MAIL	CONTACT PHONE NUMBER AND CONTACT FAX NUMBER	PROPOSAL SUBMITTED (For Purchasing Use Only)
1	Extend Health	Corrine Kelly	<i>Corrine Kelly</i>	228 East St Hebron, CT 06248	Corrine.Kelly@extendhealth.com	860-617-6892	
2	Connections	Sarah Chase	<i>Sarah Chase</i>	103B N. WORTHINGTON ST. WINTHROP, MA 01890	SARACHCHASE@UNC.COM	860-478-1223	
3	Flex-Plan	Darab Surbandi	<i>Darab Surbandi</i>	414W 56th St Bellevue, WA 98004	dsurbandi@flex-plan.com	425-452-3452	
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