

STATE OF NEW HAMPSHIRE
RISK MANAGEMENT UNIT
STATE HOUSE ANNEX, 25 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6398

ADDENDUM #1 TO RFB 1267-12

DATE AND TIME OF BID SUBMISSION: September 2, 2011, 2:00 PM

FOR: **Administration Services for Flexible Spending Accounts,
Health Reimbursement Arrangements
&
Producer Services for Voluntary Group Insurance Plans**

In response to Section II, #7, RFB inquiries, requests for clarification and/or specification changes:

1. **Question:** What are the current fees in place for the FSA and HRA programs?

State's Response: See **Attachment 1** to this Addendum #1 for a copy of the current contract.

2. **Question:** In order to provide the best possible quote for FSA and HRA administrative services, please provide the current participation levels for the HRA and the voluntary insurance plans (the FSA participation levels are included in Appendix F of the RFB).

State's Response: As of June 30, 2011 5,467 employees have completed the Health Assessment Tool and became eligible for the \$200 Health Reimbursement Arrangement benefit. There are approximately 1000 participants in the combined voluntary critical illness, accident and short term disability programs.

3. **Question:** While the RFB lists the current number of health care and dependent care FSA participants in Appendix F, I do not see an appendix listing the number of employees in the HRA plan vs. the HMO or POS. Could this number also be provided as it will have an impact of the pricing bid.

State's Response: See response to question #2 above.

4. **Question:** We will ONLY be able to bid on the Flexible Spending Account and Health Reimbursement Arrangement per the Contract stated below...Is this allowable and will we still be considered?

State's Response: No, in order to be eligible for consideration, the bidding entity shall provide for the administration services of the FSA, HRA, and Producer Services for the voluntary group insurance plans. The State will accept bids which may incorporate a partnership arrangement; however, the bid must be submitted by a single entity with the partner serving as a subcontractor.

5. **Question:** For the Short Term Disability, Critical Illness, and Accident insurance benefits in place, can you please provide:

a. Current participation levels for each benefit

- b. Current premium rates for each benefit
- c. 2-3 years of claims data for each benefit

State's Response:

- a. There are approximately 1000 participants in the combined voluntary critical illness, accident and short term disability programs.
- b. The current premium rates for the Short Term Disability and Accident Insurances can be found in **Attachments 3** and **5** respectively to the RFP. See **Attachment 2** to this Addendum #1 for the current premium rates for the Critical Illness insurance.
- c. Claim Experience is not available as part of this RFB.

6. **Question:** What enhancements or changes, if any, would the State like to see with the administration of your FSA, HRA, and voluntary benefits programs?

State's Response: The State seeks to award a contract to a Contractor who can assist the State in meeting its obligations by law and Collective Bargaining Agreements to provide administrative services for its Flexible Spending and Health Reimbursement Arrangements as outlined in the RFB. In addition, the State seeks producer services to recommend voluntary group insurance plans that are cost effective and deliver value to State employees and their families.

7. **Question:** If the State selects a new vendor, will the incumbent vendor remain active in any role with the State. If so, in what capacity?

State's Response: No. Please see page 38 of the RFB Section V – Scope of Services for Producer Services for Voluntary Group Insurance Plans, Voluntary Group Insurance Plans Payroll Deductions and Contract Termination for additional information.

8. **Question:** What is the State's expectation for enrollment of your FSA, HRA, and voluntary benefits program?

State's Response: Please see Appendix F of the RFB for the State's history of FSA deductions and policy counts. As of June 30, 2011 5,467 employees have completed the Health Assessment Tool and became eligible for the \$200 Health Reimbursement Arrangement benefit. The State anticipates approximately half of its overall population (approximately 6,000) employees will take their Health Assessment Tool in 2012. There are approximately 1000 participants in the combined voluntary critical illness, accident and short term disability programs.

9. **Question:** Regarding Section III - Scope of Services, Open and/or Special Enrollment Requirements, p. 25, approximately how many on-site meetings are required? What is the normal duration of the on-site meetings?

State's Response: The State estimates approximately 25 to 30 meetings each calendar year. The State is unable to provide the exact number of on-site meetings as these requirements fluctuate based on the State's business needs. The State estimates these meetings to last approximately one hour in length. The duration can vary depending upon how many employees are expected to attend and the questions they may ask.

10. Question: Regarding Section III - Scope of Services, Funding Requirements, p. 27, please clarify the banking and funding requirements. It appears that the state is requiring that the contractor set up and pre-fund its own account to pay FSA and HRA claims from and request reimbursement from the state after the claims are paid. Are we allowed to hold claims until the money is received from the state to cover them?

State's Response: Yes, the State is requiring that the Contractor set up its own account to pay FSA and HRA claims. However, for the funding of the FSA claims, State shall on a bi-weekly basis forward payroll deductions withheld from employees paychecks on to the Contractor to be used to pay for FSA claims. Should claims payments exceed the deductions on hand in the Contractor's account at that time, the State would require the Contractor to cover that expense on the State's behalf and subsequently bill the State for the amount the employee contributions did not cover. With respect to the HRA, the State shall require the Contractor to pre-fund its own account to pay HRA claims from and request reimbursement from the State after the claims are paid.

No, the State will not allow the Contractor to hold claims until the money is received from the State to cover them.

11. Question: Regarding Section V – Scope of Services for Producer Services for Voluntary Group Insurance, p. 36, please clarify “A minimum of two quotes per plan design shall be provided.” Are you requesting that we provide quotes from two different insurance companies for each product proposed?

State's Response: Yes, the State is requesting a minimum of two quotes per plan design be provided from two different insurance companies for each product proposed.

12. Question: Regarding Section V – Scope of Services for Producer Services for Voluntary Group Insurance, A., p. 36, please clarify Invoicing and Invoice Reconciliation. Does the state have a separate deduction slot for each benefit? Are deductions sent to the Carrier? Who reconciles and adjusts the bills from the carriers?

State's Response: Yes, the State does have a separate deduction slot for each benefit. No, deductions are not sent to the Carrier. Deductions are currently sent to the producer and shall continue to be sent to the producer upon the award of a contract. The Producer reconciles and adjusts the deductions from the respective Carriers.

13. Question: Will the NH Retirement System and Pease Development Authority be covered by this contract?

State's Response: Currently the New Hampshire Retirement System (NHRS) and Pease Development Authority (PDA) have their own contracts for FSA and other voluntary benefits. However, because the HRA benefit is tied to the health plans both NHRS and PDA are enrolled in with the State, the HRA benefit provided to them shall be covered by this contract.

14. Question: The RFP states that the incumbent provider coordinated and attended 33 on site events during the 2010 open enrollment. Approximately how many employees were seen during those events and how many employees did they have an opportunity to meet with one on one? For logistical purposes, do you expect similar attendance for the 2011 open enrollment?

State's Response: The number of employees seen at each session varies based on the respective sizes of the State's individual agencies. In past years the State has only held passive open enrollments and therefore sessions tended to attract employees who were new to the State or had changes in their needs that they wanted.

For the 2011 open enrollment, the State shall for the first time perform an active open enrollment with a full documentation dependent verification. Therefore, the State anticipates a much larger turn-out for these sessions this year.

15. Question: In reference to "Alternate ID Numbers" under the General Administration Requirements section on page 21, the RFP requests that the Contractor accommodate a transition to alternate identification numbers. Will the State not provide Social Security numbers at all? Or will Social Security numbers be provided and the State is simply requiring that alternate id numbers be used for billing purposes, correspondence, etc?

The reason for the question is that social security numbers would be needed for each applicant/participant in order to ensure that Company records accurately reflect information needed for tax and FICA reporting purposes; as well as information needed for effective compliance with OFAC sanctions and the U.S. Patriot Act. Use of personal identification numbers also serves as an additional identifier in verification of identify and in detecting and preventing fraud.

State's Response: The State shall provide Social Security numbers for each applicant/participant, however will require the Contractor to not use the employee's Social Security number for billing and correspondence purposes.

ATTENTION: Additional addenda related to this RFB may be forthcoming. Please continue to check the site for any such addenda or other materials that may affect this RFB.

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NOTE: IN THE EVENT THAT YOUR RFB RESPONSE HAS BEEN SENT TO THIS OFFICE PRIOR TO RECEIVING THIS ADDENDUM, RETURN ADDENDUM WITHIN THE SPECIFIED TIME WITH ANY CHANGES YOU MAY WISH TO MAKE AND MARK ON THE REMITTANCE ENVELOPE RFB NUMBER AND OPENING DATE. RETURNED ADDENDA WILL SUPERSEDE PREVIOUSLY SUBMITTED BID RESPONSE.

BIDDER _____ ADDRESS _____

BY _____
(this document must be signed)

_____ TEL. NO. _____
(please type or print name)