

**FLEXIBLE SPENDING & COBRA ADMINISTRATION
REQUEST FOR PROPOSALS (RFP)
ISSUED: JUNE 13, 2014
QUESTIONS AND ANSWERS
ADDENDUM ONE**

1. Do you have a record of pricing from what you are going off of now?

Answer: No, OGB is looking to expand the services provided and will evaluate proposals based on costs and services provided.

2. Are you only looking at partners that can bundle the services or will you consider two different partners and if you do consider multiple partners will that effect the evaluation?

Answer: OGB will contract with only one contractor. See Section 3.7 of the RFP

3. How many total benefit (I.e. dental, medical, vision, etc.) eligible employees does the State have for COBRA purposes?

Answer: As of June 2014 approximately 79,000 employees with health plans and 7,000 employees with health-care FSAs.

4. What is the "average monthly turnover" for both New Hires and Terminations?

Answer: Average monthly new hires: 600 and average monthly terminations of employment: 450.

5. The RFP mentions all "COBRA required mailings" including Medicare Part D. The Medicare Part D notice is not typically considered a "COBRA" mailing, but an annual general mailing that needs to be provided to all benefit eligible employees.

- a. Is the State requesting the administrator send the annual notices to just current COBRA participants or to the entire benefit eligible population enrolled in the State's plans?
- b. If the State only wants the administrator to send the notice to current COBRA participants, will the State provide the notice for distribution?
- c. Would the State also want the administrator to distribute the other (non-COBRA) required annual notices (I.e. CHIP and WHCRA)?

Answer: The selected contractor will not be responsible for Medicare Part D notice. Any reference in the RFP to Medicare Part D should be stricken by an addendum. No WHCRA or CHIP notices to be provided.

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6. The RFP requires administration “from at least 75 payroll systems,” does this mean file feeds from 75 different systems, 75 different payroll cycles?
- a. What quantifiable impact does the number of payroll systems have on the administration process?

Answer: Yes, for the healthcare FSA it means file feeds from over 75 payroll systems and multiple different payroll cycles. For the medical plan it means approximately 350 payroll systems.

- a. **Quantifiable impact is undeterminable and depends upon the contractors capabilities.**

7. The RFP mentions “direct premium remittance to the Office of Finance and Support Services on behalf of OGB.” Does this simply mean the administrator would remit payment to the finance office once COBRA checks have been processed in the administrator’s office?

Answer: Yes

8. Annual 125 nondiscrimination testing requires **much more** information than what is needed for plan administration. Proper nondiscrimination testing requires information (I.e. Salary and Key Employee Designation) on all employees, not just those enrolled in the FSA/DCA.
- a. Is the state able and willing to provide that level of detail on all employees?

Answer: Yes

9. Why is the State bidding at this time?

Answer: The state currently handles COBRA administration in-house and would like to streamline the process by partnering with a contractor to administer both FSA and COBRA.

10. Please provide the total number of benefit eligible employees.

Answer: See answer to question #3.

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11. For COBRA activity, please provide average number of new hires per month.

Answer: See answer to question # 4.

12. For COBRA activity, please provide average number of qualifying event per month.

Answer: 550

13. How many medical carriers are in place now?

Answer: Three carriers and one HRA administrator.

14. Who are the medical carriers as of 1/1/2015?

Answer: These are to be determined.

15. Are there other COBRA benefits, such as dental, vision, EAP, etc.

Answer: No.

16. If so, please provide the carrier name for each.

Answer: N/A

17. Please provide the administrator name/address for FSA claim payments.

**Answer: DataPath Administrative Services
1601 Westpark Dr., Suite 9
Little Rock, AR 72204**

18. Please provide the current fees charged for FSA claim administration.

Answer: \$1.93 per participant/per account/per month.

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19. How is annual FSA open enrollment handled? How do employees enroll and make new plan year elections?

Answer: FSA Annual enrollment held each October at same time as annual enrollment of health plans. Employees complete FSA enrollment forms and turn in the signed form to their HR/Payroll Department.

20. Does the State or the FSA participants pay the administrative fees?

Answer: FSA participants.

21. Will each of the 75 payroll centers provide electronic contribution files each payday for FSA deduction reporting?

Answer: Yes

22. Is a debit card offered now? If so, can you confirm if the card process is compliant with IRS regulations? Are there any dollar thresholds under which documentation is not requested?

Answer: Yes, an FSA debit card is currently offered and is IRS compliant. Documentation may be requested on any amount based on the claim payment result from the card swipe and where it is swiped.

23. Is there retiree billing involved? If so, please provide details regarding the average number of employees that retire each month, and average number of retiree participants per month.

Answer: Yes, currently 19 retirees are participating in COBRA. OGB does not currently have information regarding average number of employees retiring each month.

24. The RFP requests a "PEPM" pricing for COBRA. Will other pricing be acceptable based on activity?

Answer: Pricing is to be submitted in accordance with Attachment IV: Cost Proposal.

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25. If our firm provides a SSAE 16 Type I only, will we be disqualified? Section 5.4 says to submit this for subcontractors as well. If subcontractors do not have this, is our firm disqualified?

Answer: Yes. Any firm along with its subcontractor that fails to provide a compliant SSAE16- SOC 1, Type I and II and SOC 2, Type I and II report at the time of submitting its proposal shall be non-responsive and disqualified.

26. What services are expected for open enrollment meetings? Please provide the number of meetings anticipated, number of days, locations, etc. Are webinars acceptable? Are recorded presentations acceptable?

Answer: Proposer should provide annual enrollment materials for distribution (electronically and paper) as well as PowerPoint slides for any presentation. (For informational purposes only: There were 21 meetings located throughout the State of Louisiana in 2013.) Contractor to attend meetings as needed. Webinars and recorded presentations may be acceptable under the circumstances.

27. Section 5 says to submit a copy of our ASA and BAA. However, Section 3.12 says that in no event will the proposer submit their contract. Please clarify.

Answer: Section 5 is requesting a "sample" of your ASA and BAA. Section 3.12 states that in no event a proposer is to submit their standard contract terms and conditions for this RFP.

28. Page 17 of the RFP; Attachment I: Scope of Services: "Accommodate various COBRA premium payment structures that the State currently has in place." Please provide more details on the premium payment structures which the State currently has in place

Answer: There are currently 24 different rates based on the level and type of coverage. Premium rates are available on the OGB website.

29. Page 17 of the RFP; Attachment I: Scope of Services: Please confirm that "Handle surviving dependent COBRA administration" and "Provide surviving dependent

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benefit continuation” both refer to COBRA administration or please explain the differences between the two. Are there components of Direct Bill servicing in this request for RFP for special continuation rights (afforded by the State) to surviving dependents that are outside the federally mandated continuation rights required in the case of the death of the employee or in the case of the death of the COBRA qualified beneficiary who has surviving dependents (secondary qualifying event)?

Answer: The language regarding the “Handle surviving dependent COBRA administration” should be disregarded. An addendum will be issued accordingly. OGB currently has a surviving dependent policy. In the event of a death of an OGB member, the member’s dependents (spouse & children) are offered the option to continue the coverage through OGB, at the same cost-share as if the member was enrolled. Surviving dependents are billed directly by OGB and are able to continue this coverage, indefinitely, or until the dependent child turns 26, fails to provide payment, or receives group insurance coverage elsewhere. OGB requires a contractor to administer this benefit.

30. Page 17 of the RFP; Attachment I: Scope of Services: “Provide data reconciliation, when requested by OGB”; Is the State requesting data reconciliation with the State, or with the insurance carriers, or both? What is the frequency of the data reconciliation?

Answer: Reconciliation with both. Frequency to be determined; however, no less than monthly.

31. Page 18 of the RFP; Attachment I: Scope of Services: “Initial Notice of COBRA rights to all participants; Will the selected administrator need to send initial notices retroactively to the entire employee population?”

Answer: No. Initial Notice of COBRA rights shall be sent to all healthcare FSA participants on January 1, 2015. The selected contractor shall handle all notices for new health plan and healthcare FSA enrollees going forward.

32. How many benefit eligible employees are covered under this RFP for Flexible Spending and COBRA Administration Services?

Answer: See answer to question #3.

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33. Who is the incumbent administrator for Flexible Spending Account Administration?

Answer: See answer to question # 17.

34. RFP Page 17; Attachment I. Scope of Services indicates there are at least 75 payroll systems within the State of Louisiana.

- a. How many distinct reporting entities will report enrollment, payroll, and COBRA qualifying event information to the selected vendor?
- b. What is the method used for reporting enrollment, payroll, and COBRA qualifying event information (secure files, spreadsheets, paper enrollment forms, combination)? Is this the same for all reporting entities?
- c. How many different payroll calendars or frequencies does the State currently have? What is the frequency that would be used for reporting enrollment, payroll, and COBRA qualifying event information? Is it the same for all reporting entities?
- d. Do the larger reporting entities use electronic files for sending enrollment, payroll, and COBRA qualifying event information?

Answer: a. See answer to question # 6

b. For FSA and COBRA enrollment, it is a combination of forms and electronic files.

c. See answer to question # 6

d. See b

35. RFP Page 17; Attachment I. Scope of Services requires open enrollment support (including but not limited to attending meetings, providing communications materials).

- a. Please provide the number of enrollment meetings, the locations for those meetings, and the number of days in each location.
- b. Are the meeting dates successive work days?

Answer: a. See question #19 and 26.

b. To be determined

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36. RFP Page 17; Attachment I. Scope of Services requires open enrollment support (including but not limited to attending meetings, providing communications materials).
- a. Please provide a list of expected communications materials (and quantity) prepared by incumbent administrator or State in 2013 for Open Enrollment conducted for the 2014 plan year?
 - b. What are the State's expectations as to fulfillment of these materials? Are they to be printed and shipped to worksite for distribution? Are they to be printed and mailed USPS to enrolled employee's home address?
 - c. Is the State open to distribution of PDF materials using employee's email address and placement of PDF documents on State's intranet site?

Answer:

- a. Contractor is expected to provide all communication materials (type and quantity) necessary to appropriately inform eligible employees of their options For informational purposes only, OGB prepared approximately 9,000 FSA enrollment forms and handbooks for the 2013 annual enrollment conducted for the 2014 plan year.**
- b. See "A"**
- c. See 5.6 "Innovative Concepts" in RFP**

37. RFP Page 17; Attachment I. Scope of Services indicates that the vendor will "allow for direct premium remittance to Office of Finance and Support Services on behalf of OGB". Does this mean, the State desires that COBRA participants' payments be sent directly to the Office of Finance and Support Services or the vendor will send funds received from participants directly to Office of Finance and Support Services after posting to vendor's recordkeeping system?

Answer: The contractor will send funds received from participants directly to Office of Finance and Support Services after posting to contractor's recordkeeping system.

38. Has the State amended the Flexible Spending Account Plan for the new \$500 carryover feature for 2014 plan year? For 2015 plan year?

Answer: No, no plans to change for 2015.

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39. Are there any concerns with administrative services currently provided for the Flexible Spending Account Program?

Answer: No.

40. Does the State pay the full cost of the vendor monthly administrative fees for the Flexible Spending Account Plan or is this paid by the enrolled participants?

Answer: See answer to question #20

41. As part of this RFP, we noted that there are currently 15 limited-purpose or HSA compatible accounts.

- a. Who is the State's current administrator for the Health Savings Account Program?
- b. Who is the custodian for the program?
- c. Would the State be interested in additional information and fees for an HSA program that is fully-integrated with members HSA-compatible FSA account, including the debit card offering? Member would have an integrated record on customer website portal, debit card would be used for both accounts, and participant reporting and statements would be integrated.

**Answer: a. Blue Cross Blue Shield of Louisiana
b. Bancorp
c. No.**

42. Is the State interested in additional Wellness Products that can be offered as complementary services with the Flexible Spending Account Plan?

Answer: See 5.6 "Innovative Concepts" in RFP