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Governor

ANTHONY BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary

DAVID C. ROMANS
Deputy Secretary

QUESTIONS AND RESPONSES # 1
PROJECT NO. F10B8200015
Health Plan Administration & Services (PPO, POS, HMO)
May 16, 2008

Ladies/Gentlemen:

This List of Questions and Responses #1, questions #1 through #32, is being issued to clarify certain information contained in the above named RFP. The statements and interpretations of contract requirements, which are stated in the following questions of potential Offerors, are not binding on the State, unless the State expressly amends the RFP. Nothing in the State's responses to these questions is to be construed as agreement to or acceptance by the State of any statement or interpretation on the part of the vendor asking the question as to what the contract does or does not require.

- 1. We provide Wellness/Disease Management Services to a number of State and private employers. The rest of the Medical RFP is beyond the scope of the services we offer. Does the State want a separate bid on the Wellness/Disease Management services?*

RESPONSE: No, the State would not like a separate bid for Wellness/Disease Management Services. At this time the State is not soliciting for a stand-alone disease management/wellness program.

Offerors may propose to one or more Functional Areas under the RFP. For each Functional Area, all services are required to be performed by the selected Contractor and/or its subcontractors.

- 2. In order to release the hospital level discounts that the State has requested in the RFP, we require the State to sign a Non-Disclosure Agreement regarding disclosure of business proprietary information.*

RESPONSE: The State will not sign a Non-Disclosure Agreement regarding release of business proprietary information because the information requested is confidential commercial information that State Government Article §10-617(d), Maryland Annotated Code, prohibits the State from disclosing. State Government Article §10-627 makes it a misdemeanor crime to willfully or knowingly violate that prohibition.

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3. *For the Fully-Insured RFP, please confirm the contract period begins on July 1, 2009 through June 30, 2014 (5-year contract), with the implementation activities starting on June 30, 2009.*

RESPONSE: The contract period will begin on or about October 1, 2008 in order to perform start up activities and will run until June 30, 2014. Invoicing from the selected Contractor will not begin until July 1, 2009. Claims processing and related activities (utilization reporting, claims payment, etc) for the fully-insured plans of Functional Areas 1, 2 and 4 will begin July 1, 2009 and continue until June 30, 2014, with an additional 12 months of run-out administration.

4. *For the Self-Funding RFP specifically, is the State of Maryland asking for a five year rate and fee guarantee?*

RESPONSE: Yes, the State is asking for fixed fees for the ten rate tiers for each of the 5 contract years. See Attachments M-4 (Self-funded PPO), P-4 and P-5 (Self-funded POS), S-4 (Fully Insured HMO) and V-4 (Self-funded HMO).

5. *In reference to Attachment R: HMO (fully-insured), are we completing a disruption analysis using our competitors census file? And are they also providing the state with a disruption report using our data?*

RESPONSE: All Offerors are asked to generate a disruption analysis based on current enrollment as provided on the census file and provider networks provided as confidential information. The disruption analyses are more fully described in Attachments R-15 through R-23.

6. *When providing “bound” copies to the State of MD, will the State accept three-ring binders, or is the State requesting book-form binding or spiral binding?*

RESPONSE: Yes, the State will except 3-ring binders for “bound” copies, but will also accept book form binding or spiral binding.

7. *For the Self-Funding quote, does the State want stop-loss coverage?*

RESPONSE: No, the State does not want the financial response to include stop-loss coverage.

8. *In reference to Attachment G: Utilization Report Instructions there are missing DRG codes. Is there an updated version of this document available?*

RESPONSE: No, the version of the document in the RFP is a sample for illustrative purposes only.

9. *The RFP identifies this as Project # F10B8200015 and the eMaryland Marketplace uses Solicitation No: DBMSO238014. Which number should we use in reference to this RFP?*

RESPONSE: Offerors are to use Project# F10B8200015 to reference this RFP.

10. Do you want us to include Disease Management and Wellness Services in our quote or would you like us to show these programs as optional, along with their costs?

RESPONSE: No, the State does not want inclusion of Disease Management and Wellness Services. Please reference Q&A Response #1.

11. Can you confirm that an employee with authority to bind the company would be authorized to sign all the required forms and RFP sections?

RESPONSE: Yes, an employee of the company who is authorized to bind the company to the responses of the RFP, Affidavits and other signature required documents must sign.

12. We have received the CDs with confidential data. Can you please confirm that the first eight tabs of the “Supporting Data” workbooks marked as “Sample Report” and containing no data do not need to be filled out with either book of business or sample data, and are provided just for reference?

RESPONSE: Yes, the first eight tabs of the “Supporting Data” workbooks marked as “Sample Report” containing no data does not need to be fill out as they are provided as reference.

13. What is the State’s anticipated intent with respect to Disease Management carve out vendors (reference item CC 46 in Attachment L-11) “if the State chooses to implement Disease Management at any point during the contract term, Offeror agrees to cooperate fully with any disease management vendor under contract by the State...”

RESPONSE: The State is not directly soliciting Disease Management carve-out at this time and will not accept responses to that effect. If, in the future, the State determines to procure a Disease Management contract, the PPO, POS, and HMO contractors will be expected to work with and cooperate with the Disease Management contractor.

14. What is the State’s rationale behind the decision to have “no more than two (2) Preferred Provider Organization (PPO) vendors, no more than three (3) Point of Service (POS) vendors and no more than a total of three (3) Health Maintenance Organization (HMO) vendors”?

RESPONSE: This question is not relevant to the RFP. The State has made a decision on the number of awards feasible for the four functional areas.

15. For the Self-funded RFP, when the State refers to “fixed fees,” is it the State’s expectation to have a fixed Administrative Fee for five years, or is it acceptable to have one year fixed and then incremental capped increases not to exceed a certain percentage in the renewal years?

RESPONSE: The State is asking Offerors to offer the maximum prices the State will pay for PPO, POS and HMO administration fees in Attachments M-4, P-4 and V-4 respectively.

16. May the Offeror quote first year fees on a mature basis?

RESPONSE: For purposes of evaluation, all Offerors must provide pricing fees based on an immature basis for the first year.

17. Will the State accept Fitch or Weiss financial ratings in lieu of A.M. Best or Standard & Poor's ratings? If so, what are the required ratings?

RESPONSE: When responding to the RFP for financial ratings, please refer to Amendment #1 and show the State your current financial ratings from the company(ies) by which you are rated.

18. What is the State's definition or expectation of a broad-based national provider network? What is the obligation on the HMO?

RESPONSE: The State expects a broad-based national provider network, not a regional network to be provided. Please refer to Amendment #2 for definition of broad-based national provider network.

19. Will the State allow Offeror to quote a fully-insured Medicare with a Self-funded plan for active and early retirees?

RESPONSE: The State is not currently asking for quotes of a fully-insured Medicare with a Self-funded plan for active and early retirees. If this is a deviation in your plan design, please so state in the proper deviation attachment.

*20. Section 3.4.3 Data and Reporting, Page 19 - Section A states the Contractor shall provide reports ...that are **substantially different** from the reporting requirements in the RFP and references Section 2.3 of the Contract (Attachment A).*

a) Section 2.3 of the Contract does not mention reporting;

b) What reporting is being requested here in this Section?

RESPONSE:

- a. Section 2.3 of the Contract refers to a change in the scope of the contract based on additional services that result in significant increase/decreases in the contractor's costs, including the generation of reports that are not specified in the RFP. The Contractor shall provide reports and submit data to the State and to other entities on behalf of the State. To the extent that, during the contract term, reports are requested that are substantially

different from the reporting requirements detailed in the RFP, please see Section 2.3 of the Contract (Attachment A) for how a contractor may request an equitable adjustment.

b. The Contractor should provide to the State the reports as outlined under the reporting section in the RFP §3.4.3 **and** in the Compliance Checklist in Attachments L-11, O-11, R-11, and U-11, respectively, for Functional Areas 1, 2, 3 and 4. The Contractor must provide all requested reports.

21. *Attachments N, Q, T and W- 1(a – g) – Please confirm that these reports do not need to be completed for the RFP submittal, but are only Sample Reports.*

RESPONSE: Confirmed. The reports in N, Q, T and W-1 (a-g) do not need to be completed for the RFP submittal but are sample reports that the State’s requirements for reporting.

22. *The sample report in Attachment N-1d: Large Claims Analysis (also Q-1d, T-1d and W-1d). Please confirm that the State of Maryland will waive completion of this column—as they currently do. The Quarterly look-up of all interventions on hundreds of claimants is a manual process and very time consuming.*

RESPONSE: No, the State will not waive completion of the Summary of Program Interventions column. The State is interested in knowing what steps the Contractor can, has or will take with respect to managing large claims..

23. *Attachment L,R,U&O – 13 (a – f), Subcontractor Questionnaire – If the MBE vendors are already listed in Attachment D-2 is it necessary to list them a second time in L-13*

RESPONSE: Yes, all attachments should be completed as required. Attachments for the Subcontractor Questionnaire are for all proposed subcontractor which may include MBEs.

24. *Section 4.4.2.7, Additional Required Technical Submissions, Page 36 – The two HMO Functional Areas #3 and #4 require two additional documents:*

- *New Member Communication Package*
- *Network Organization Chart*

Do you want these same Additional Submissions for the PPO and the POS?

RESPONSE: Yes, the State wants New Member Communication Package and Network Organization Chart for PPO and POS submissions. See Amendment #2.

25. *Section 4.4.2.3, Offeror Technical Response to RFP, Page 30 – Reference is made to Section 3.4, General Requirements. Specifically, this Section requests that the Offeror:*

1) *Demonstrate a comprehensive understanding of the requirements, and 2) include an explanation of the **methodology** of how the work will be done. Could you provide additional guidance on what type of information is required/expected.*

RESPONSE: Offerors should respond to the requirements of the RFP and describe how the work will be done and the RFP requirements met so that the State will be assured of complete and satisfactory performance. As stated in Section 4.4.2.3, do not repeat information.

26. *Attachment L,R,U&O – 13, Performance Guarantees – Performance Guarantee #1, Telephone Call Availability does not specify a time to answer—is it 60 seconds?*

RESPONSE: Telephone Call Availability is to be specified as a 30 second automated response time followed by a 60 second live response. See Amendment #2.

27. *MBE Commitments, Section 1.10.3.1 – This Section states that when preparing the D-2, the Offeror must note by each MBE whether the participation will be counted in full or pro-rated. Please advise how to complete the D-2 in the event we will be using an MBE vendor for both **direct** services and **prorated** services.*

RESPONSE: Offerors should list MBE vendors in each Functional Area for each type of attribution of that MBE subcontractor. Offerors may name each Maryland certified MBE subcontractor to either the direct, pro-rated or allocated payment category in accordance with the instructions in 1.10.3.2 . Please be reminded to complete the calculation in the D-2 Supplement.

To the extent that an Offeror commits to using one MBE to perform two services – one service that uniquely and directly serves the State contract and a second service that serves the Offeror’s book of business generally, the Offeror may list the MBE subcontractor twice, with each service separately described with the appropriate attribution methodology. The Offeror’s commitment to its MBE subcontractors (service, percentage of the State contract, attribution methodology) and to the MBE participation goal must be clear from Attachments D-1 and D-2.

28. *Census Disk Issue - The totals for each county on the excel spreadsheet do not add up to the totals in the census.*

RESPONSE: The summary of the GeoAccess reports shown in parts B and C of Attachments L-7, L-8, L-9, L-10, O-7, O-8, O-9, O-10, R-7, R-8, R-9, R-10, U-7, U-8, U-9 and U-10 are arranged by geographical area in Maryland. When completing parts B and C, bidders should filter the data on State = MD in order to match enrollment numbers provided in the exhibits. In addition, to match the District of Columbia rows, bidders should filter on both STATE = DC and COUNTY = DC for the numbers to match.

29. Functional Area 4, HMO Self-Funded – Would it be possible to remove the **Referral Requirement and the statement “No Deviations will be Accepted”** from Attachment U-3, HMO Plan Design Spreadsheet, Page 9, Line 5, to permit us to propose an open access, national, self funded HMO?

RESPONSE: No, an open access plan is not desired. Requirements are stated in the RFP.

30. Functional Area 2, POS – Attachment O-3, Therapies, Page 9 – The PT/OT and Speech therapies are missing the \$25.00 specialist copay.

RESPONSE: Please see Amendment #2. The \$25 copayment does apply for out-patient PT/OT.

31. Functional Areas 2, 3, and 4 – Attachments O-3, R-3, and U-3 respectively – Numerous services have this statement in error ; **“when authorized by the Plan.”** For example: chemo and radiology, lab services, hearing aids, physicals, mammograms, well baby care, allergy testing, etc.

RESPONSE: For Functional Areas 2, 3 and 4 – Attachments 0-3, R-3 and U-3 respectively are correct in stating “when authorized by the Plan”. Offerors should note deviations from the plan design where an Offeror proposes that such services not require prior authorization.

32. Reporting Requirements

- a. Functional Area 3, HMO (FI) – Compliance Checklist #88, Lifetime Max Report - Please remove this requirement because there is no lifetime max in the fully insured HMO.
- b. Quarterly Utilization Reports and Quarterly Legislative Reports – Please clarify that Compliance Checklist #85 PPO and CC # 85 POS and #80 HMO and CC#83 HMO [self funded] applies only to the Monthly Reports and not the Quarterly Utilization Reports and Quarterly Legislative Reports which are due on the following dates—not the 10th of the following month:

First Quarter (July - Sept.) Due: January 15th
Second Quarter (Oct. - Dec.) Due: April 15th
Third Quarter (Jan.-March) Due: July 15th
Fourth Quarter (April - June)

Due: October 15th

RESPONSE: For response to sub question (a), the lifetime max in the fully insured HMO has been removed. See Amendment #2.

For response to sub question (b), claims reports are due monthly, quarterly and annually by the 10th of the month. Quarterly Utilization reports are due on the 15th of the month(s) as stated in the RFP. Reference to the Quarterly Legislative reports has been removed. See Amendment #2.

Remember offers are due on June 6, 2008 no later than 2:00 p.m. If there are questions concerning this solicitation, please contact me via e-mail at ptracey@dbm.state.md.us or call me at (410) 260-7918 as soon as possible.

Date Issued: 05/16/2008

By:

Patti Tracey
Procurement Officer