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QUESTIONS AND RESPONSES # 1
PROJECT NO. F10B1400014
Group Long Term Care Insurance
July 05, 2011

Ladies/Gentlemen:

This List of Questions and Responses #1 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.

Please note that many vendors submitted questions that were significantly similar or requested the same information. Duplicate questions of this type are not repeated in this Q&A. Therefore, a vendor may not see its question reproduced here exactly. Please read through all the Q&As carefully before re-submitting a question. Thank you.

1. **QUESTION:** How long has the current carrier Prudential been in place?

RESPONSE: Prudential's contract with the State has been in place since 02/16/2006.

2. **QUESTION:** Is the current carrier eligible to bid again?

RESPONSE: Yes, the current carrier is eligible to bid again.

3. **QUESTION:** Can you please provide background on the experience with the current carrier? Have there been any underwriting or administrative challenges? Are there any program improvements desired?

RESPONSE: Requested information about the current carrier will not be provided. Please see RFP § 3; Scope of Work and Attachment G-4 Administrative Requirements for the technical requirements.

~Effective Resource Management~

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4. **QUESTION:** Are the 120-150 anticipated benefit fairs all held on different (unique) dates? If not, can you provide an estimated number of benefit fairs that may be held on the same date at different (separate) address locations at the same date and time?

RESPONSE: The 120-150 benefits fairs are broken down by regions and are held on different dates allocated for each region. There can be anywhere from 3-10 fairs on any given day. Typically the fairs are held during a one-week period with the exception of the Central region fairs which are held over a two-week period.

5. **QUESTION:** Can you quantify how many benefit fairs held are 4 hours in length or less?

RESPONSE: In 2011, approximately 10 benefit fairs were 4 hours in length or less; however, there is no guarantee that for future years benefit fairs will have the same number of fairs of this duration.

6. **QUESTION:** Can you identify how many benefit fairs held are 4 or more hours in length (full day)?

RESPONSE:

In 2001, approximately 12 benefits fairs were 4 or more hours in length (full day); however, there is no guarantee that for future years benefit fairs will have the same number of fairs of this duration.

7. **QUESTION:** Is it acceptable to the State of Maryland if we hire a licensed MBE insurance agent as a subcontractor to perform communication, enrollment services and attend benefit fairs?

RESPONSE: Yes, it is acceptable to the State of Maryland if a prime contractor hires a licensed MDOT-certified MBE insurance agent as a subcontractor to perform communication, enrollment services and attend benefit fairs for the contract to be awarded under this RFP. Payment to the MBE should be consistent with the group services described in the RFP and may not be based on earned commission tied to enrollment into the plan.

8. **QUESTION:** Is it acceptable to the State of Maryland if we compensate our licensed MBE insurance agent subcontractor with a fee to help meet the MBE contract goals established on page 6 of the RFP?

RESPONSE: Yes, as long as the premiums quoted on the financial proposal from the prime contractor include all fees to be paid to the MDOT-certified MBE subcontractors. See Response to previous Question.

9. **QUESTION:** Please provide the contact information for Prudential in case they decide to bid again.

RESPONSE: The contact person for Prudential is Scott Wunschuh. His email is scott.wunschuh@prudential.com

10. **QUESTION:** Can you please provide us with a complete census of active employees, including date of birth, gender, and occupation or job classification? If a complete census is not available, can you please provide us with a listing of the agencies and departments that are eligible for the program, along with the number of employees in each? And can you please let us know what percentage of the eligible population are categorized as police, fire and/or corrections officers?

RESPONSE: A census file that will include a unique identifier, date of birth, gender, 3-digit ZIP code, and relationship to insured is available. This information contains current members who have elected medical coverage through the State. To obtain the census data, please contact the Procurement Officer. See Addendum #1.

11. **QUESTION:** In Section 3.1, you state that the State currently offers a program through Prudential.

a. may we have details about this program, including plan design and premium rate? What is the total annual premium?

RESPONSE: As referenced on page 17 of the RFP, the State intends to continue to the current Long Term Care plan designs as outlined in RFP § 3.2 Plan Design and Attachment G-3: Plan Design. The current contract is a not to exceed amount based upon an estimated projected enrollment. Please see <http://dbm.maryland.gov/benefits/Documents/PlanYear2012/LongTermCareInsurance.pdf> for more information regarding the State's current Long Term Care plan.

b. will a transfer of reserves be available? If so, can you please provide us with:

- A participant census with full enrollment data including: Birth date, gender, plan design and benefits chosen (daily benefit amount, total lifetime maximum, non-forfeiture, details about any inflation offers that have been made to employees since the plans' inception and total premiums paid. Specifically, we are interested in seeing each of the layers of benefits purchased by each insured over the life of his/her coverage (e.g., the dates and amounts of each new benefit purchased, and the resulting incremental increase to premium.)
- An estimate of the reserves available to be transferred, in aggregate and specific to each insured. Please confirm that this number is net of any market value adjustment.

RESPONSE: See Question #10 regarding the available census file. A transfer of reserves is not available.

12. **QUESTION:** Would the State of Maryland be interested in extending enrollment period up to 90 days in order to help improve participation?

RESPONSE: No, the State of Maryland is not interested in extending the enrollment period up to 90 days.

13. **QUESTION:** Would the State of Maryland consider individual Long Term Care plans with modified guaranteed issue offering, which means an employee is eligible for coverage if he or she can answer three basic questions:

- Are you actively at work? YES
- Did you missed five consecutive days of work during last 12 months? NO
- Do you currently require or have you in the past 12 months needed assistance to complete activities of daily living (ADL)?

RESPONSE: No, the State of Maryland is not considering modifying the guaranteed issue offering.

14. **QUESTION:** Is the State of Maryland interested in receiving a case takeover proposal where a new potential carrier will assume the existing in force policies from Prudential?

RESPONSE: No, the State of Maryland is not interested in receiving a case takeover proposal.

15. **QUESTION:** Can you provide the dollar amount of the transfer reserves available from Prudential to be paid to a potential successor LTC carrier?

RESPONSE: See response to Question #11b.

16. **QUESTION:** Would the State of Maryland be interested in conducting year round worksite LTC educational meetings coordinated through the Benefit Coordinators to increase the awareness of Long Term Care risks and solutions?

RESPONSE: No, the State of Maryland is not interested in conducting year round worksite LTC educational meetings coordinated through the benefit Coordinators.

17. **QUESTION:** Will we be able to have the option of converting the existing Prudential plans to our Group Long Term Care plans?

RESPONSE: The new plan will be offered to all eligible employees and dependents including those currently enrolled in the existing Long Term Care Plan. Conversion to your plans is not an option.

Remember offers are due on July 15, 2011 no later than 2:00 p.m. If there are questions concerning this solicitation, please contact me via e-mail at jepstein@dbm.state.md.us or call me at (410) 260-7570 as soon as possible.

Date Issued: July 05, 2011

By

Joy Epstein
Procurement Officer