



LARRY HOGAN
Governor

BOYD K. RUTHERFORD
Lieutenant Governor

DAVID R. BRINKLEY
Secretary

AMENDMENT #1
to
REQUEST FOR PROPOSALS (RFP)

**THIRD PARTY ADMINISTRATOR SERVICES FOR FLEXIBLE
SPENDING ACCOUNTS—HEALTHCARE AND DEPENDENT CARE**
SOLICITATION NUMBER F10B5400007

MARCH 19, 2015

Ladies and Gentlemen:

This Addendum is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all Offerors who respond to this RFP. Specific parts of the RFP have been amended. The following changes/additions are listed below; new language has been double underlined and marked in red bold (ex. new language)) and language deleted has been marked with a double strikeout (ex. language deleted) and/or the applicable revised attachment(s) has been identified.

1) Revise Key Information Summary Sheet on page iii, to read as follows:

Closing Date and Time: March ~~25~~27, 2015 – 10:00 AM (Local Time)

2) Revise Section 1.11 on page 7, to read as follows:

Proposals, in the number and form set forth in Section 4.2 “Proposals” must be received by the Procurement Officer at the address listed on the Key Information Summary Sheet, no later than **10:00 AM (Local Time) on March ~~25~~27, 2015** in order to be considered.

Requests for extension of this time or date will not be granted. Offerors mailing Proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.03.02.F and 21.05.02.10, Proposals received after the due date and time listed in this section will not be considered.

Proposals may be modified or withdrawn by written notice received by the Procurement Officer before the time and date set forth in this section for receipt of Proposals.

Proposals may not be submitted by e-mail or facsimile. Proposals will not be opened publicly.

~Effective Resource Management~

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Vendors not responding to this solicitation are requested to submit the “Notice to Vendors” form, which includes company information and the reason for not responding (e.g., too busy, cannot meet mandatory requirements, etc.). This form is located in the RFP immediately following the Title Page (page ii).

3) Revise Section 1.41.3 (VSBE Goals) on page 20, to read as follows:

A VSBE subcontract participation goal of 0.5% has been established. The VSBE goal applies to: (1) the non-discrimination testing fee for the cafeteria plan and non-FSA plans and (2) the FSA administrative fee(s) paid to the Contractor by the State. ~~By submitting a response to this solicitation, the Bidder or Offeror agrees that this percentage of the total dollar amount of the Contract will be performed by verified veteran-owned small business enterprises.~~

4) Add to Section 3.6.2 on page 41, to read as follows:

The Department will pre-fund the Contractor for the payment of debit and paper claims reimbursements. The initial amount of the pre-fund at the start of the Plan Year shall be worked out during implementation based upon actual enrollment. Funds transmitted to the Contractor shall be deposited in the Contractor’s identified bank account, for the Contractor to remit payment for debit claims to its debit claims processing subcontractor and for the Contractor to process paper reimbursement requests and remit payment to members. The Contractor shall release reimbursements daily (as claims are fully processed) and not hold reimbursement payments to Participants pending an invoice payment by the State.

The Contractor shall:

- Using the money that has been provided by the State to pre-fund the FSA Plans, process reimbursement requests, for debit and paper claims on a daily basis;
- Invoice the State for the amount to be transmitted to the Contractor to re-fund the Contractor for the next week’s processing of reimbursements processed and issued reimbursements to Participants for the immediately preceding week (i.e. Saturday through Friday);
- Invoice through secured, encrypted transmission to the State by 4:00 p.m. Local Time each Monday (or next State business day if Monday is a holiday) and include the following information:
 1. Identify the Department of Budget and Management;
 2. Contractor name;
 3. Bank account remittance address;
 4. Contractor’s federal taxpayer identification or, if owned by an individual, his/her social security number;
 5. invoice period (i.e. the date of the Saturday through Friday period during which the claims were processed and paid);
 6. invoice date;
 7. invoice number, and
 8. total amount requested.
- The invoice must be broken into Subgroups for Active and Satellite Account Participants, based upon the amounts reimbursed to Participants in those subgroups the week before, for each FSA plan;
- Accept payment via wire transfer within 24 hours or next business day following receipt of invoice into a bank account maintained by Contractor;

- Submit to the State for each reimbursement invoiced, a record with reimbursement detail. The file containing these records and data must equal the amount invoiced and be submitted within 48 hours of invoice submission; and
- Accept adjustments based on the reconciliation by the State of the amount invoiced with the claims remittance file. Applicable adjustments will be made to a subsequent invoice payment.

Note: Contractor will certify each invoice as just and proper. A just and proper invoice includes those items listed in this Section 3.6.2, 1-8 above.

Non-Claims (Administrative Fees)

A. Administrative Fees:

The Contractor shall:

- Accept monthly payments from the State for administration fees based on the State's deduction report data for active employee Participants and Satellite Account Participants (calculated by the State). Example: estimated payment for February 2016 are based on preliminary enrollment numbers during Open Enrollment. The March payments will reconcile the February actual deductions to February's estimated payments and estimate March payments based on February's actuals.
- Accept payment from the State as processed through the normal State transmittal process as noted in section 1.29. Payment is usually made by the last business day of each month.
- Administrative fees will be payable only for enrolled Participants for a month of coverage. If a Participant's coverage in an FSA terminates during the Plan Year, the Contractor will be paid administrative fees only for those months for which the Participant was covered in the FSA. Run-out processing for terminated Participants shall be provided without additional fees, charges, or payments.

B. Non-Discrimination Testing Fee:

The Contractor shall:

- Submit an invoice to the State for the entire fee for the non-discrimination testing for the State's cafeteria plan and self-funded group health plan(s) at the conclusion of such testing and the acceptance by the State of all reports related to such testing for the Plan Year; and
- Include in the annual invoice the following information, at a minimum:
 - Department of Budget and Management;
 - Contractor name;
 - Bank account remittance address;
 - Contractor's federal taxpayer identification or, if owned by an individual, his/her social security number;
 - Invoice period, i.e. Plan Year for which the testing was performed;
 - Invoice date;
 - Invoice number; and
 - Total amount due.

5) **Revise Section 4.2.2** on page 46, to read as follows:

Eight (8) electronic versions (CD or DVD) of ~~the~~ **Volume I**–Technical Proposal (**See RFP § 4.4**) ~~in Microsoft Word format~~ must be enclosed with the original Technical Proposal ; **Note: The Technical Proposal (Attachment Q) and all responses to Volume I – Technical Proposal (See RFP § 4.4) must be submitted in Microsoft Word format, excluding the Transmittal Letter (See RFP § 4.4.2.3) and Additional Required Technical Submissions (See RFP § 4.4.3) which must each evidence a live signature and be submitted in PDF format.** Three (3) electronic versions (CD’s or DVD’s) of ~~the~~ **Volume II** –Financial Proposal (**See RFP § 4.5**) ~~in Microsoft Word or Microsoft Excel~~ **and PDF** formats must be enclosed with the original Financial Proposal. CD/DVDs must be labeled on the outside with the RFP title and number, name of the Offeror, and volume number. CD/DVDs must be packaged with the original copy of the appropriate Proposal (Technical or Financial).

6) **Revise Section 4.4.1** on page 47, to read as follows:

Inside a sealed package described in Section 4.2 “Proposals,” the unbound original, **three (3)** ~~four (4)~~ **bound** copies, and the electronic version shall be provided **as described in Section 4.2.2**. The RFP sections are numbered for ease of reference. Section 4.4.2 sets forth the order of information to be provided in the Technical Proposal, e.g., Section 4.4.2.1 “Title and Table of Contents,” Section 4.4.2.2 “Claim of Confidentiality,” Section 4.4.2.3 “Transmittal Letter,” Section 4.4.2.4 “Executive Summary,” etc. In addition to the instructions below, responses in the Offeror’s Technical Proposal should reference the organization and numbering of Sections in the RFP (ex. “Section 3.2.1 Response . . . ; “Section 3.2.2 Response . . . ,” etc.). This Proposal organization will allow State officials and the Evaluation Committee (see RFP Section 5.1) to “map” Offeror responses directly to RFP requirements by Section number and will aid in the evaluation process.

7) **Revise Section 4.5.1** on page 54, to read as follows:

Under separate sealed cover from the Technical Proposal and clearly identified in the format identified in Section 4.2 “Proposals,” the Offeror shall submit an original unbound copy, so identified, **three (3)** ~~two (2)~~ bound copies, and three (3) electronic versions in Microsoft Excel of the Financial Proposal **as described in Section 4.2.2**. The Financial Proposal shall contain all price information in the format specified in **Attachment F**. The Offeror shall complete the Financial Proposal Form only as provided in the Financial Proposal Instructions and the Financial Proposal Form itself.

8) **Add to Attachment Q-4, cc-23(o)**, on page 12 of the Attachment, to read as follows:

The Contractor shall provide a certification to the State that the Contractor's HIPAA Privacy Standards obligations have been met, to occur no more frequently than quarterly, upon the State's request for certification. **The certification shall be signed by the Offeror's Privacy Officer and Chief Information Officer on company letterhead.**

By: <signed>

**Mike Yeager
Procurement Officer**