



MARTIN O'MALLEY
Governor

ANTHONY BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary

DAVID C. ROMANS
Deputy Secretary

**Amendment #5 to
Requests for Proposals (RFP)
Group Term Life and Accidental Death and Dismemberment (AD&D) Insurances
Project No. F10B3400001
November 7, 2012**

Ladies and Gentlemen:

This Amendment 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 revisions /deletions / additions are listed below; new language has been double underlined and marked in bold (ex. **new language**) and language deleted has been marked with a strikeout (ex. ~~language deleted~~).

1. **Revise Section 1.2 Abbreviations and Definitions to read**

dd. Fiscal Quarter: A Fiscal Quarter is a period of 3 consecutive months during a Plan Year. There are four Fiscal Quarters in each Plan Year.

The months to be encompassed within each Fiscal Quarter are as follows:

1st Fiscal Quarter – The first three months after the start of a Plan Year.

2nd Fiscal Quarter – Months four through six after the start of a Plan Year.

3rd Fiscal Quarter – Months seven through nine after the start of a Plan Year.

4th Fiscal Quarter – Months ten through twelve after the start of a Plan Year.

ee. Plan Year. The Plan Year for the benefits in the State Employee and Retiree Health and Welfare Benefits Program (the Program), which includes the Group Term Life and AD&D insurance plans, runs from July 1 of each year through to June 30 of the next year. This Plan Year coincides with the State's fiscal year (FY).

ff "Report Card" means the self reporting of the Contractor's performance in critical areas enumerated in the performance guarantees on Attachment L. These Contractor self-assessments must be submitted in a format approved by the Contract Manager, and must contain information concerning, but not necessarily limited to, all elements included in Attachment L, including information that the Department can also collect. (e.g., The time of response to correspondence and attendance at benefit fairs.) Report Cards shall be submitted on a quarterly basis to the Contract Manager.

~Effective Resource Management~

45 Calvert Street • Annapolis, MD 21401-1907

Tel: (410) 260-7041 • Fax: (410) 974-2585 • Toll Free: 1 (800) 705-3493 • TTY Users: call via Maryland Relay

<http://www.dbm.maryland.gov>

2. **Revise RFP Section 3.2.2 to read:**

3.2.2 Members must have the ability to change coverage amounts during Open Enrollment or when permitted during a Plan Year by the applicable federal cafeteria plan regulations (i.e. when a qualifying event occurs); amounts requested above the guaranteed issue amount are subject to medical underwriting. However, Members who do not make changes during Open Enrollment will have existing coverage automatically rolled over to the new ~~benefit~~ **Plan** Year without additional medical underwriting.

3. **Revise RFP Section 3.2.5 to read:**

3.2.5 Members on paid and unpaid leave(s) of absence, **including** but not limited to military leave, from State service must be permitted to continue existing coverage for themselves and their Dependents while on leave, as long as premiums are paid to the State. **Current State personnel regulations permit an employee, excluding employees on military leave, to remain on unpaid leave a maximum of two years.**

4. **Add RFP Section 3.2.17 to read:**

3.2.17 It is recognized that as of the 7/1/2013 Go Live Date there may be some policy holders who have applied for increased coverage, or new employees who within the permitted timeframe of commencing employment requested coverage above the guaranteed minimum level (collectively called Applicants) for whom a final insurability decision has not been made by the outgoing contractor that will otherwise cease providing insurance coverage as of the end of the day on 6/30/2013. While the number of Applicants in this situation is not determinable, it is expected to be very small, including none. To avoid placing additional burden on any Applicant so affected by this situation, as approved by the Contract Manager one of the following two options should be followed:

3.2.17.1 The Contractor should work cooperatively with the outgoing contractor to obtain permission from Applicants to transfer health information from the outgoing contractor to the Contractor so that the Contractor can render the final insurability determination.

3.2.17.2 To the extent the outgoing contractor is willing to make an insurability decision after 7/1/2013 rather than seek permission from Applicants to transfer PHI and the responsibility to render a final insurability decision to the Contractor, or if an Applicant will not permit the transfer of health information the Contractor must accept a final insurability decision made by the outgoing contractor for this service received on or before October 31, 2013. At its discretion the Contractor may also accept a final insurability decision made by the outgoing contractor for this service received after October 31, 2013.

5. **Revise RFP Section 3.3.3 to read:**

3.3.3 Employees on paid and unpaid leave(s) of absence, **excluding** military leave, must be permitted to continue coverage amounts while on leave as long as premiums are paid to the State. **Current State personnel regulations permit an employee, excluding employees on military leave, to remain on unpaid leave a maximum of two years.**

6. **Revise RFP Section 3.3.4 to read:**

3.3.4 Members must have the ability to change coverage amounts during Open Enrollment or when permitted during a Plan Year by the applicable federal cafeteria plan regulations (i.e. when a qualifying event occurs). However, Members who do not make changes during Open Enrollment will have existing coverage automatically rolled over to the new benefit **Plan** Year.

7. **Revise RFP Section 3.7 Report Requirements:**

3.7.1 Life Quarterly Reports – **estimates are** due 30 days after the end of **each the Fiscal Quarter**. **The final report is due 90 days after the end of each Fiscal Quarter.**

1. The performance guarantees on attachment L-1 will be reported on quarterly by a self-assessment report **Report Card** sent to the Contract Manager.

Life Annual Reports – **estimates are** due 30 days after the end of **each the calendar Plan** Year. **The final report is due 90 days after the end of each Plan Year.**

1. Premium vs. Claims Report
2. WOP claims Report
3. Life Claims Report

3.7.2 AD&D Quarterly Reports - **estimates are** due 30 days after the end of **each the Fiscal Quarter**

1. The performance guarantees on attachment L-2 will be reported on quarterly by a self-assessment report **Report Card** sent to the Contract Manager.

AD&D Annual Reports – **estimates are** due 30 days after the end of **each the calendar Plan** Year. **The final report is due 90 days after the end of each Plan Year.**

1. Premium vs. Claims Report
2. WOP claims Report
3. Accidental Death Claims Report
4. Dismemberment Claims Report

3.7.3 Benefit Attainment Reports (See Section 4.4.3.8) – **estimates are** due quarterly 30 days after the end of **each the Fiscal Quarter**. **The final report is due 90 days after the end of each Fiscal Quarter.**

8. Revise RFP Section 3.9 as follows:

3.9.1 Incoming Transition:

The Contractor shall have an expedited process to minimize duplicate evidence of insurability documentation during the transition of the prior contract to the new Contract. This expedited process will apply to insurance applications that are to be effective as of the Go Live Date and is separate from the circumstances described in RFP Section 3.2.17.

3.9.2 Outgoing Transition:

3.9.2.1 If upon award of a successor contract by the Department the successor contractor is not the Contractor, the Contractor shall work cooperatively with the successor contractor to effect a smooth, seamless transition and to minimize the effect of the transition upon Department staff administering the Contract, and especially State employees and retirees and their dependents. At Contract termination, as permitted by laws governing the sharing or transference of health information the Contractor(s) must provide evidence of insurability documents and decisions to the successor contractor(s) providing the insurance coverage.

3.9.2.2 For policy holders who have applied for increased coverage, or new employees who within the permitted timeframe of commencing employment requested coverage above the guaranteed minimum level (collectively called Applicants) for whom a final insurability decision has not been made by the Contractor as of the end of the Contract, as approved by the Contract Manager one of the following two options should be followed:

3.9.2.2.1 The Contractor should work cooperatively with the successor contractor to obtain permission from Applicants to transfer health information to the successor contractor so that the successor contractor can render the final insurability determination.

3.9.2.2.2 If an Applicant will not permit the transfer of health information to the successor contractor the Contractor must make all reasonable efforts to render a final insurability decision for at least 90 days after the Contract ends. If a final insurability decision cannot be made within 90 days after the Contract ends the Contractor may either continue its efforts to render a final insurability decision, or notify the Applicant that his/her application will no longer be considered by the Contractor and reapplication must be made to obtain coverage with the successor contractor.

3.9.2.3 The Contractor will cease having responsibility for any Applicants described in 3.9.2.2 upon any of the following circumstances:

3.9.2.3.1 When a final decision has been rendered on all such applicants;

3.9.2.3.2 If the responsibility to render a final insurability decision is transferred to a successor contractor as described in 3.9.2.2.1;

3.9.2.3.3 After 90 days following the Contract ending date.

9. Revise Attachment A- Contract, Sections 2.1 Scope of Work to read:

2. Scope of Work

2.1 The Contractor shall provide [group term life] [~~personal accident~~ **Accidental Death** and Dismemberment] insurance coverage and administration services. ~~These~~ **These** services shall be provided in accordance with this Contract and the following exhibits, which are attached and incorporated herein by reference:

Exhibit A – The RFP.

Exhibit B – The Technical Proposal.

Exhibit C – The Financial Proposal. and

Exhibit D – Contract Affidavit, executed by the Contractor and dated _____

The provisions, terms and conditions of these documents shall be reflected in the policy of insurance issued by the Contractor as part of its performance of its obligations under this Contract. Such insurance policy may not differ in any material or substantive aspect from the provisions, terms and conditions of this Contract.

10. **A revised Attachment L with the notation “Revised 10/31/12” is attached.**

Offerors are to acknowledge receipt of this amendment by providing a signed document to the Procurement Officer at the address provided in RFP Section 1.7 by November 13, 2012 by 2:00 PM, stating that this Amendment #5 has been received and reviewed by the Offeror. Failure to acknowledge receipt of an amendment does not relieve the Offeror from complying with all terms of any such amendment.

11. **Revise Attachment A- Contract § 5.1**

5. Rights to Records

5.1 The Contractor agrees that all documents and materials, including but not limited to, **enrollment data, beneficiary designation data,** reports, drawings, studies, specifications, estimates, tests, maps, photographs, designs, software, graphics, mechanical, artwork, computations and data prepared by the Contractor for purposes of this Contract shall be the sole property of the Department and shall be available to the Department at any time. The Department shall have the right to use the same without restriction and without compensation to the Contractor other than that specifically provided by this Contract. **To the extent that an insured's health information is contained in any of these documents and materials, however, such health information shall only be disclosed to the State as authorized by federal and State law, including Md. Ins. Code § 4-403.**

Issued and Authorized by:

<signed>
John Saunders
Procurement Officer