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**Amendment #1 to
Request for Proposals (RFP)
Audit Services for State Employee and Retiree Health and Welfare Benefits Program
Project No. F10B6400003
February 23, 2016**

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. Abbreviations and Definitions –add the following definitions:

29. Generally Accepted Auditing Standards - means the general, field work, and reporting standards (the 10 standards) approved and adopted by the membership of the American Institute of Certified Public Accountants (AICPA), as amended by the AICPA Auditing Standards Board (ASB). The RFP will be amended with this definition. See Amendment #1.

58. SLEOLA - means State Law Enforcement Officers Labor Alliance and is the union that represents certain State of Maryland law enforcement personnel.

The remaining definitions are renumbered as needed.

2. Amend RFP §1.31 Prompt Payment Policy to correct the Contract reference as follows:

1.31 Prompt Payment Policy

This procurement and the Contract(s) to be awarded pursuant to this solicitation are subject to the Prompt Payment Policy Directive issued by the Governor's Office of Minority Affairs (GOMA) and dated August 1, 2008. Promulgated pursuant to Md. Code Ann., State Finance and Procurement Article, §§ 11-201, 13-205(a), and Title 14, Subtitle 3, and COMAR 21.01.01.03 and 21.11.03.01, the Directive seeks to ensure the prompt payment of all subcontractors on non-construction procurement contracts. The Contractor must comply

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with the prompt payment requirements outlined in the Contract, Section 31 ~~32~~ “Prompt Payment” (see **Attachment A**). Additional information is available on GOMA’s website at: <http://goma.maryland.gov/Documents/Legislation/PromptVendormentFAQs.pdf>

3. Amend RFP §1.33.10 to correct the Contract reference as follows:

1.33.10 The Offeror is advised that liquidated damages will apply in the event the Contractor fails to comply in good faith with the requirements of the MBE program and pertinent Contract provisions. (See Contract – **Attachment A**, Section ~~32~~ **33**).

4. Amend RFP §1.41.4 to specify one form must be submitted for each Service Category:

1.41.4 SOLICITATION AND CONTRACT FORMATION

A Bidder/Offeror must include with its Bid/Proposal a completed Veteran-Owned Small Business Enterprise Utilization Affidavit and Prime/Subcontractor Participation Schedule (**Attachment M-1**) for each Service Category whereby:

- (1) the Bidder/Offeror acknowledges it: a) intends to meet the VSBE participation goal; or b) requests a full or partial waiver of the VSBE participation goal. If the Bidder/Offeror commits to the full VSBE goal or requests a partial waiver, it shall commit to making a good faith effort to achieve the stated goal.
- (2) the Bidder/Offeror responds to the expected degree of VSBE participation as stated in the solicitation, by identifying the specific commitment of VSBEs at the time of Bid/Proposal submission. The Bidder/Offeror shall specify the percentage of contract value associated with each VSBE prime/subcontractor identified on the VSBE Participation Schedule.

5. Amend RFP §3.2.8B as follows:

3.2.8 Audits of Clinical Processes

B. The Clinical Audit must be performed ~~for all in all service categories:~~ **in accordance with the plan type. Not all bullets apply to every Service Category. Pre-certification and claims appeal processes only apply to Dental; claims appeal processes also apply to flexible spending accounts. All bullets above apply for medical and prescription Service Categories.**

6. Amend RFP §3.3.1A as follows:

3.3.1 Reports for Individual Contracts Audited – Content Requirements

A. The Contractor shall provide a separate detailed audit report for each Vendor Contractor and contract plan audited, **i.e., five reports for CareFirst, two for UHC, one for Kaiser.** Every audit report shall include an Executive Summary and be tabbed accordingly for easy readability.

7. Attachment H- State Enrollment Data By Plan, is hereby revised to reflect eight Medical Plans - Attachment H-Revised is attached hereto and incorporated herein by reference.

8. Attachment M- Veteran-Owned Small Business Enterprise, is hereby revised to clarify separate submission of Attachment M-1 for each Service Category. Attachment M-Revised is attached hereto and incorporated herein by reference.

Should you require clarification of the information provided in this addendum, please contact me at (410) 260-7570 as soon as possible.

Sincerely,

Joy Epstein
Procurement Officer

Date issued: February 23, 2016
Enclosure: Attachment H
Attachment M-1

Attachment H-State Enrollment Data Plan-Revised

ATTACHMENT H - STATE ENROLLMENT DATA BY PLAN

CY 2016 ENROLLMENT BY PLAN (preliminary as of 01/15/16)	Total <u>Enrollees</u>
<u>Carefirst BCBS – EPO</u>	<u>48,269</u> <u>47859</u>
<u>EPO (SLEOLA)</u>	<u>410</u>
<u>Carefirst BCBS – PPO</u>	<u>48,068</u> <u>47243</u>
<u>Carefirst BCBS- PPO (SLELOA)</u>	<u>825</u>
<u>Carefirst BCBS- POS (SLEOLA)</u>	<u>274</u>
<u>Carefirst BCBS -POS</u>	<u>274</u>
<u>UHC - EPO</u>	<u>12,225</u>
<u>UHC - PPO</u>	<u>8,634</u>
<u>Kaiser - IHM</u>	<u>2,468</u>
<u>UCCI - DPPO</u>	<u>93,889</u>
<u>ESI - Prescription Drugs</u>	<u>113,820</u>
<u>CYC - Health Care Spending Account</u>	<u>11,958</u>
<u>CYC - Dependent Care Spending Account</u>	<u>1,900</u>

ATTACHMENTS M – VETERAN-OWNED SMALL BUSINESS ENTERPRISE

ATTACHMENT M-1
VSBE Utilization Affidavit and Prime/Subcontractor Participation Schedule

(submit with Bid/Proposal for each Service Category #_____)

This document **MUST BE** included with the Bid/Proposal for each Service Category. If the Bidder/Offeror fails to complete and submit this form with the Bid/Proposal, the procurement officer may determine that the Bid is non-responsive or that the Proposal is not reasonably susceptible of being selected for award.

In conjunction with the Bid/Proposal submitted in response to Solicitation No. F10B6400003, I affirm the following:

1. I acknowledge and intend to meet the overall verified VSBE participation goal of 1 %.

Therefore, I will not be seeking a waiver.

OR

- I conclude that I am unable to achieve the VSBE participation goal. I hereby request a waiver, in whole or in part, of the overall goal. Within 10 business days of receiving notice that our firm is the apparent awardee, I will submit all required waiver documentation in accordance with COMAR 21.11.13.07. If this request is for a partial waiver, I have identified the portion of the VSBE goal that I intend to meet.
2. I understand that if I am notified that I am the apparent awardee, I must submit the following additional documentation within 10 days of receiving notice of the apparent award or from the date of conditional award (per COMAR 21.11.13.06), whichever is earlier.
 - (a) Subcontractor Project Participation Statement (**Attachment M-2**); and
 - (b) Any other documentation, including waiver documentation, if applicable, required by the Procurement Officer to ascertain Bidder/Offeror responsibility in connection with the VSBE participation goal.

I understand that if I fail to return each completed document within the required time, the Procurement Officer may determine that I am not responsible and therefore not eligible for contract award. If the contract has already been awarded, the award is voidable.

3. In the solicitation of subcontract quotations or offers, VSBE subcontractors were provided not less than the same information and amount of time to respond as were non-VSBE subcontractors.
4. Set forth below are the (i) verified VSBEs I intend to use and (ii) the percentage of the total contract amount allocated to each VSBE for this project. I hereby affirm that the VSBE firms are only providing those products and services for which they are verified.