



DEPARTMENT OF
BUDGET & MANAGEMENT

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**Q & A #1 to
Request for Proposals (RFP)
Audit Services for State Employee and Retiree Benefits Program,
050R7200018
August 17th, 2006**

Ladies and Gentlemen:

Received the following questions by e-mail, which are answered for all offerors to the referenced RFP, below:

1. **Question:** Will the State of MD accept proposals to perform one or more categories, rather than proposing on all five categories? Will the State penalize the bidder for not bidding on all five categories?
Answer: Yes to the first question and No to the second question.
2. **Question:** Will the State of MD work with the successful bidder [Offeror] in obtaining the co-operation of HealthFirst and their other vendors to promptly produce paid claims tapes?
Answer: The State has no TPA contractors by the name of HealthFirst. The State's TPA contractors are familiar with the annual audits conducted by the State's audit contractor. The State anticipates that the successful Offeror (Contractor) would communicate with the State's TPA contractors in obtaining claims data and if any issues arise in obtaining data, to communicate with the State at that point.
3. **Question:** Will the State of MD work with the successful bidder in obtain the co-operation of HealthFirst and their vendors to promptly responding to our pre-audit questionnaire?
Answer: Yes, see response to question number 2.
4. **Question:** Will the State of MD provide the winning vendor a copy of the level of standards/bench marks achieved by each of their vendors for the past three years?
Answer: Yes, as reported in prior audit reports.
5. **Question:** Will the State of MD provide the winning vendor a copy of the past audits by AON of HealthFirst and other vendors for each of the past three years?
Answer: The audits were performed by Mercer Health & Benefits, not AON. Yes, copies of past audits would be available.

~Effective Resource Management~

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6. **Question:** Will the State of MD provide the current contract fees and history of fees available by each major category?

Answer:

Period Audited		CY 2004	CY 2003	CY 2002	CY 2001	CY 2000	CY 1999
Contract Term		1/1/2005	1/1/2004	1/1/2003	1/1/2002	1/1/2001	6/1/2000
		to	to	to	to	to	to
		12/31/2005	12/31/2004	12/31/2003	12/31/2002	12/31/2001	12/31/2000
<u>Category</u>	<u>Total</u>						
Medical Plans	\$2,254,857	\$364,153	\$361,574	\$344,626	\$345,818	\$398,400	\$440,286
Dental Benefits	\$204,000	\$45,500	\$43,000	\$40,500	\$38,500	\$36,500	No Audit Performed
Mental Health	\$278,200	\$52,600	\$50,000	\$47,400	\$45,000	\$42,700	\$40,500
Prescription	\$318,000	\$60,000	\$57,000	\$54,000	\$51,500	\$49,000	\$46,500
FSA	<u>\$203,500</u>	<u>\$45,100</u>	<u>\$42,800</u>	<u>\$40,600</u>	<u>\$38,500</u>	<u>\$36,500</u>	No Audit Performed
Total All Categories	\$3,258,557	\$567,353	\$554,374	\$527,126	\$519,318	\$563,100	\$527,286

Date Issued: August 17th, 2006

By <signed> .
Michael Howard
Procurement Officer