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Deputy Secretary

QUESTIONS AND RESPONSES # 2
PROJECT NO. F10B0400010
Audit Services for State Employee and Retiree Benefits Program
June 3, 2010

Ladies/Gentlemen:

This List of Questions and Responses #2 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.

25. QUESTION: Besides the expiration of the existing contract, are there any specific reasons for the RFP?

RESPONSE: Please refer to RFP §1.1 and §§3.1 – 3.2 for a discussion of the purposes of this procurement.

26. QUESTION: Are there recent or expected changes (such as program changes or new vendors) that are expected to have a material impact on this work?

RESPONSE: Please refer to RFP Attachment A, §2, which addresses changes in the scope of work during the contract term. Also, note RFP Attachments I and J, which identify those TPA contracts which are scheduled for expiration and procurement during the term of the Audit Contract(s). In addition, due to the nature of the programs and the ever-changing legal, regulatory, and economic environments, the State reserves the right to modify the benefits programs that are offered, which may impact the nature and scope of the audits that are required. At this time, there is no additional information available on potential future material changes to the scope of work.

27. QUESTION: How important in your evaluation is having the consultants doing this work having a presence in MD?

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RESPONSE: Please see RFP Section 5 – Evaluation Criteria and Selection Procedure. This section outlines the evaluation criteria and their relative order of importance. Economic benefit to the State of Maryland, which is not the same as being headquartered in Maryland, is the fourth technical evaluation criterion; the State does not have a preference for organizations that are headquartered in Maryland but does have a process for addressing reciprocal preferences. *See* RFP §5.4. In addition, you are free to review Maryland law on this topic. The Board of Public Works Procurement Advisory 1996-4 (Using Economic Benefits Factors) and COMAR 21.05.03.03 (regarding the evaluation of proposals) appear to be good starting points if you wish to engage in that level of analysis.

28. **QUESTION:** How satisfied are you with the work of your current Audit vendor and is this vendor being invited to respond to this RFP?

RESPONSE: The RFP process is open to all offerors who meet the minimum qualifications.

29. **QUESTION:** Would you rate similarly-sized commercial references equal to government references for certain parts of the audit, or do you require government references for all parts of the project (Medical Benefit Plans, Dental Benefit Plans, Mental Health/Substance Abuse Benefit Plans, Prescription Drug Benefit Plan and Flexible Spending Accounts)?

RESPONSE: Please refer to Q&A #1, the response to Question #8 in regards to government references from RFP sections 4.4.2.4C. Please keep in mind that each category may be proposed to separately or in any combination. The response to Q&A #1, Question #8 addresses each category of work being proposed.

30. **QUESTION:** Is it a requirement that the solution includes a Minority Business Enterprise (MBE) subcontractor and meet all the target levels of section 1.23?

RESPONSE: Please see RFP §1.23 and Attachments D through D-3. That section and those attachments discuss the requirements in connection with and MBE participation plan. In addition, you are free to review Maryland law on topic. A review of Md. Ann. Code, State Finance & Procurement Article, Title 14, Subtitle 3; and COMAR 21.11.03 may be a useful place to start on such a review.

Offerors must submit Attachment D-1 (signed and completed) with their technical proposals. Failure to do so will result in a finding that the Offeror's proposal is not reasonably susceptible of award and rejection of the proposal.

31. **QUESTION:** Please clarify if the following requirement means that key vendor personnel cannot work concurrently on other projects while assigned to the State of Maryland Audits: "Contractor key personnel shall not be reassigned to another task without the written concurrence of the State's Contract Manager for 180 calendar days from the Contract award date."

RESPONSE: This provision prohibits *reassignment* and removal of key personnel without the Department's approval. Concurrent assignments do not apply to this statement so long as key personnel provide the necessary attention, focus, and work on the work related to the State's audits and Audit Contract. Please see RFP §3.8 for a detailed discussion of staffing

requirements. Please refer to the response to Question #17 in the Q&A #1 document previously issued for a similar question and answer.

32. **QUESTION:** Does the current audit vendor subcontract any work to an MBE? If so, what % of work?

RESPONSE: The distribution of subcontracted MBE work in the current contract by service category is as follows:

- Category 1: 21%
- Category 2: 13%
- Category 3: 17%
- Category 4: 14%
- Category 5: 5.3%

If you wish to review the MBE goals as originally set for the current contract, the RFP and contract(s) are available on-line at:

<http://dbm.maryland.gov/contractors/contractlibrary/Pages/BenefitsAudit.aspx>

33. **QUESTION:** Are the Medical Plans and the Behavioral Health Plan required to have either NCQA and/or URAC certification for their clinical programs or, at a minimum, required to meet these standards?

RESPONSE: For information on the current contractors with these TPA Contractors, please refer to the contract and/or solicitation documents that are posted for those contracts:

- PPO, POS and EPO TPA Contractors:

<http://dbm.maryland.gov/contractors/contractlibrary/Pages/HealthPlanAdmin.aspx>

- Current MH/EAP TPA Contractor:

<http://dbm.maryland.gov/contractors/contractlibrary/Pages/BehavioralHealth.aspx>

- Open Procurement for MH/EAP TPA Contractor (contract term beginning 7/1/11):

<http://dbm.maryland.gov/agencies/procurement/Pages/BehavioralHealthEAP.aspx>

At this time, the TPA Contractor for the behavioral health plan is required to have either NCQA or URAC certification for their clinical programs.

34. **QUESTION:** Would you please confirm that Wellness Programs are outside the scope of the audits of clinical processes?

RESPONSE: Please see RFP §3 for a detailed description of the scope of work. At this time, the State does not offer a wellness program that is subject to audit as part of the audit contracts to be awarded pursuant to this RFP.

35. **QUESTION:** What is the role of the [Audit] Contractor in the corrective action process for any audit findings that are not fully met? Is the contractor responsible for reviewing and approving the development of any corrective action plans as a result of audit findings? Is the contractor responsible for monitoring the implementation of the corrective action plan

throughout the benefit year or is the responsibility limited to reviewing the results of any corrective action plan during the next audit cycle?

RESPONSE: Please see RFP §3 for a detailed discussion of the scope of work. The Audit Contractor(s) may be asked to confirm implementation of a corrective action as part of the next audit cycle. Also, please note RFP Attachment A, §2 (Contract), which provides for changes in the scope of the work of the audit contractor(s). To the extent that additional services in connection with corrective actions are required, there may be additional instructions to the audit contractor(s); there is a mechanism for changes to contract fees in the event of a change in the scope of work.

36. **QUESTION:** Can you advise if the clinical audits will be performed in the same location as the claims audits (previously addressed in the first Q and A #1, Question #22)?

RESPONSE: To the best of our knowledge the claims and clinical audits are conducted at the same facility, however, circumstances may cause this to change in the future.

37. **QUESTION:** Does the State of MD want random audits or focused audits, or do you want us to propose the methodology that we feel is most appropriate? Is the primary objective compliance or recovery of funds—or both?

RESPONSE: Please refer to §3.3.1 which describes the details for auditing the various categories of work. In particular, § 3.3.4 B addressed the sampling methodologies for the Audits of Claims Processing.

Remember offers are due on June 3, 2010 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: May 26, 2010

By

Joy Epstein
Procurement Officer