MARYLAND
DEPARTMENT OF
BUDGET & MANAGEMENT

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Q & A #1

TO

REQUEST FOR PROPOSALS (RFP)

DENTAL PLAN ADMINISTRATION AND INSURANCE SERVICES

SOLICITATION NUMBER F10B3400005

SEPTEMBER 13, 2013

Ladies and Gentlemen:

NOTE: The Department's responses to the remaining written submitted questions will be released early next week.

This List of Questions and Responses #1, questions #1 through #45, is being issued to clarify certain information contained in the above named RFP.

In most instances the submitted questions and the Department's responses merely serve to clarify the existing requirements of the RFP. Sometimes, however, in submitting questions potential Offerors may make statements or express interpretations of contract requirements that may be inconsistent with the Department's intent. To the extent that the Department recognizes such an incorrect interpretation, the provided answer will note that the interpretation is erroneous and either state that the question is moot once the correct interpretation is explained or provide the answer based upon the correct interpretation.

No provided answer to a question may in and of itself change any requirement of the RFP. If based upon a submitted question it is determined that any portion of the RFP should be changed, the actual change may only be implemented via a formal amendment to the RFP. In this situation the answer provided will reference the amendment which contains the RFP change.

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.

1. **Question:** *The current service area for the DHMO is Maryland, District of Columbia, Delaware, Pennsylvania, Virginia and West Virginia. If you live outside those geographical locations you must select the DPPO. Is this true for this RFP as well?*

   Answer: Correct, if a member lives outside the geographical locations stated above the DPPO must be selected.

2. **Question:** *In section 4.4.3.7 – Experience and Qualifications of Proposed Staff: It is requested that letters of intended commitment be produced. Does this apply to this solicitation and, if so, is it appropriate to produce one letter signed by an officer of the company.*

   Answer: Letters of intended commitment are not required to be produced for this solicitation, but may be submitted as supporting documentation in relation to the individual staff member(s) being proposed to work under a resulting contract. If submitted, a letter signed by an officer of the company naming a specific staff member(s) commitment to work under the contract is acceptable.

3. **Question:** *In section 4.4.3.9 – List of Current or Prior State Contracts: Can you provide a definition of an entity as it pertains to this RFP?*

   Answer: For purposes of this RFP, an entity is a State Agency as defined in COMAR 21.01.02.01(B)(84)(a); "any administration, agency, association, authority, board, bureau, college, commission, committee, council, foundation, fund, department, institute, institution, public corporation, service, trust, university, or other unit of the Executive Branch of the State government and includes any subunit within any of these units."

4. **Question:** *Attachment K – HIPAA Business Associate Agreement: The actual attachment is not present.*

   Answer: The HIPAA Business Associate Agreement is not a stand-alone agreement. The requirements of the HIPAA Business Associate Agreement for this solicitation are included in the Compliance Checklist as part of Attachment T-6 for each Functional Area.

5. **Question:** *Can a carrier submit two separate bids as a standalone carrier and partnering with another carrier? Section 1.12 states "multiple and/or alternate proposals will not be*

accepted." Does this statement apply to the submission of separate bids (standalone and partnering) where we would be matching the in-force plans in both submissions?

Answer: If the questioner is inquiring if an Offeror can submit two (2) separate proposals for the same Functional Area, the answer is no (see RFP Section 1.12). However, if the questioner is inquiring if an Offeror can submit one (1) separate proposal for one (1) Functional Area as a stand-alone carrier and one (1) separate proposal for one (1) Functional Area as a joint-venture (new legal entity) carrier, the answer is yes.

If the questioner is inquiring if an Offeror can submit a proposal as a prime contractor and list another Offeror as a subcontractor for a Functional Area, the answer is yes. However, if the questioner is inquiring if two (2) Offerors can submit a proposal for a Functional Area as two (2) separate, whole organizations (not a joint-venture entity), the answer is no.

6. ***Question:*** *Will the State consider splitting the business between 2 carriers (e.g. DPPO with one carrier and DHMO with a second carrier)? Section 1.1.2 seems to indicate this but we're seeking confirmation.*

   Answer: Yes. As stated in RFP Section 1.15, The Department intends to award one (1) DHMO-Fully Insured contract <u>and</u> either (1) DPPO-Fully Insured <u>**or**</u> (1) DPPO-Self Funded contract as a result of this RFP. Although it's possible that both Functional Areas can be awarded to one Offeror, each Functional Area will be evaluated separately as well as awarded separately. As a result, each Functional Area can be awarded to two different Offerors.

7. ***Question:*** *Does the state have any preference toward placing the DHMO & DPPO business with the same carrier?*

   Answer: No, the State does not have any preference toward placing the DHMO & DPPO business with the same carrier. Please also see the response to Question #6.

8. ***Question:*** *In addition to matching the in-force DHMO plan, would the State be open to seeing a second DHMO plan where some of the copays are adjusted?*

   Answer: No. Offerors are requested to submit technical and financial proposal responses based on the DHMO plan design as identified in the RFP.

9. **Question:** *In regard to 1.47 Electronic File Transfers, can you confirm the file layout for these transfers needed and the frequency? In addition, if we have an alternative method to exchange the data that can be provided instead of the VPN submission is that acceptable?*

   "1.47 Electronic File Transfers ~ All electronic file transfers between the Department of Budget and Management and the Contractor shall be exchanged using a point to point Virtual Private Network (VPN) connection approved by the State of Maryland, Department of Budget and Management."

   Answer: As stated in RFP Section 1.47, an approved point to point Virtual Private Network (VPN) connection is the only method that will be authorized by the State of Maryland, Department of Budget and Management for purposes of the exchange of electronic file transfers between the Department of Budget and Management and the Contractor. Additionally, as identified in Section 3.5.3(2) and Attachment R, the submission is a 100 character file layout for eligibility claims verification; the frequency is weekly.

10. **Question:** *RFP Section 4.2.3. Please confirm if these electronic versions need to be in one consecutive PDF file.*

    "A second electronic version of Volume I and Volume II in searchable Adobe .pdf format shall be submitted on CD for Public Information Act (PIA) requests. This copy shall be redacted so that confidential and/or proprietary information has been removed (see Section 1.14 "Public Information Act Notice")."

    Answer: For purposes of submitting a second electronic version of Volume I and Volume II in searchable Adobe .pdf format for Public Information Act (PIA) requests, this electronic version can be submitted on the same CD, but separately labeled, as the CD's being requested in RFP Section 4.2.2 of the Technical Proposal in Microsoft Word format and the Financial Proposal in Microsoft Excel format.

11. **Question:** *In regard to the PG-4 DPPO-FI and ASO and DHMO, "Plan will process electronic interchange of State enrollment with at least 98% accuracy"*

    Can you please clarify, is the request for the Plan to be responsible for loading the error-free files provided by the State of Maryland accurately into the system?

    Answer: Yes, PG-4 means the Recommended Awardee administering the Plan shall be responsible for loading the error-free files provided by the State of Maryland accurately into the system.

12. **Question:** *Can we obtain the current rates by plan? At a minimum, can we obtain the rate tier relativity in order to maintain a consistent cost objective? For example, single rate 1.0, plus spouse 2.0, plus child(ren) 2.2, etc.*

    Answer: Rates are publicly available at the following web address; http://dbm.maryland.gov/benefits/Pages/PremiumRates.aspx.

13. **Question:** *Please provide the current rates/fees.*

    Answer: Please see the response to question #12.

14. **Question:** *In reference to the Claims Utilization data in Attachment U, would you be able to provide updated experience? The information that was provided is 8 months old and we are unclear if the current policy year has had any meaningful migration.*

    Answer: For technical proposal response purposes, Offerors are requested to use the utilization data provided.

15. **Question:** *Have there been any plan changes in past 3 years?*

    Answer: The only plan change in the past 3 years has been an increase to the age of dependents to age 26. There have been no additional plan design changes.

16. **Question:** *It is our intention that the Offeror will be part of a larger organization. The larger organization will guarantee the performance of the Offeror. Does the state require us to submit two years of P&L for the Offeror or the larger organization?*

    Answer: If an Offeror can meet the RFP requirements and has its own profit and loss (P&L) statements independent of a larger organization, it is recommended that the Offeror submit its own profit and loss (P&L) statements as well as the profit and loss (P&L) statements of the larger organization for comparison purposes.

    As stated in RFP Section 1.22 (Offeror Responsibilities), the purpose of a subsidiary obtaining a guarantee from a parent organization relates to the Offeror's (as the subsidiary) inability to provide separate information/documentation relating to references and financial reports, or experience and documentation (e.g. insurance policies, bonds, letters of credit) used to meet minimum qualifications. Since there are no minimum qualifications in this RFP, if a parent organization provides a guarantee of the performance of the subsidiary, the Offeror will be evaluated on the extent to which the State determines that the experience and qualification of the parent organization are transferred to and shared with the Offeror, the parent organization is directly involved in the performance of the Contract, and the value of the parent organization's participation as determined by the State.

17. ***Question:*** *The RFP indicates that we will be required to add the State of MD to our certificates of insurance within five days of notification of the contract award. The RFP also requests that we include certificates of insurance as attachments to our submission. Can I affirm that the state simply wants our current certificates of insurance as evidence of our narrative claims that this insurance exists, and the state DOES NOT want us to include the state of MD on our insurance at this time.*

    Answer: Correct. At the time of proposal submission, the Offeror shall provide a copy of its current certificate(s) of insurance to evidence its current levels. Only if recommended for award shall an Offeror provide the Contract Monitor with certificates of insurance naming the State of Maryland as an additional named insured on the policy(ies).

18. ***Question:*** *The instructions on the distinction between Volume 1 and volume 2 of the proposal for each functional area are beautifully clear. Thank you. Can you please clarify if you want the required attachments for volume 1 in a separate binder from the other materials required for volume 1 (the title page, claim of confidentiality, table of contents, transmittal letter, executive summary, narrative response, and technical response)? Or, should the attachments be in the SAME binder.*

    Answer: The Department prefers that the required attachments for Volume 1 be included in the SAME binder as the other materials required for Volume 1 (the title page, claim of confidentiality, table of contents, transmittal letter, executive summary, narrative response, and technical response).

19. ***Question:*** *The RFP suggests it would be helpful if we complete and submit an RFP comment form with our proposal. If we do this, where should the comment form be included?*

    Answer: The comment form (entitled State of Maryland, Notice to Vendors) may be included after the Title Page, if complete. Please note this document is not required to be submitted.

20. **Question:** *The proposal offers required file naming conventions for some attachments. Does the state have required file naming conventions for all materials included in the CDs? I also want to affirm that the state does NOT want us to include the offeror's name in the file name.*

    Answer: Although the question states "the proposal offers", the assumption is that it's referring to Section 4 the RFP. Based on this assumption, the naming convention for all materials included on the CDs are required as stated in the RFP to easily identify each document within the Functional Area. However, the Offeror's name is not required to be listed in the file name.

21. **Question:** *Please confirm that a non-officer individual with the authority to bind a contract is sufficient to sign all applicable signature documents required for this RFP submission.*

    Answer: A non-officer individual may sign all applicable documents requiring signature at the time of Technical & Financial proposals submission, provided evidence that the individual signing is authorized to do so in that capacity; i.e. an individual who is authorized to commit the Offeror to the services identified in the Offeror's Technical & Financial Proposals, as stated in RFP Sections 4.4.3.3 and 4.5.1 (A).

22. **Question:** *Please provide an employee based census with tier enrollment by plan.*

    Answer: A full census is included in the secure data in Attachment U. This information will be provided to each Potential Offeror upon confirmation of the submission of the signed Non-Disclosure Agreement by the Procurement Officer.

23. **Question:** *Please provide updated month by month claim data for 2013 with lives for at least the past 12 months.*

    Answer: The census data provided includes monthly incurred claims and enrollment data through December 2012.

24. **Question:** *Please provide a copy of the DHMO copay schedule (or plan code).*

    Answer: A copy of the DHMO copay schedule can be found at the following weblink: http://dbm.maryland.gov/benefits/Documents/PlanYear2011/DHMOscheduleofbenefits.pdf

25. **Question:** *Please provide a copy of the DPPO SPD.*

    Answer: A copy of the DPPO SPD can be found at the following weblink: http://dbm.maryland.gov/benefits/Documents/PlanYear2011/UCCI%20DHMO%20CertificateInsuranceMarylandServiceArea2010.pdf

26. **Question:** *Please confirm if our quote should include commissions.*

    Answer: As stated in the second paragraph of RFP Section 4.5.2(B), all fees must be quoted on a fully loaded basis, i.e., fees must include all direct and indirect costs, general and administrative overhead, purchasing burden and profit. No other fees or charges may be added to the contract after award, nor will the Contractor be compensated on any basis other than the applicable fully loaded rates.

27. **Question:** *Please confirm the current Employer contributions?*

    Answer: As stated in RFP Section 3.1.1, participants receive subsidized dental benefit coverage. The State currently provides a subsidy at 50% of premium rates for active employees.

28. **Question:** *Are Non-network DPPO claims based on U&C (Usual & Customary), or it is MAC (Maximum Available Charge)? If U&C, what is the percentile? If MAC, is it based on the In-network provider fee schedule?*

    Answer: The current carrier (contractor) has their own proprietary fee schedule and network reimbursement policy.

29. **Question:** *How long has the group been with the current carrier?*

    Answer: The current contract's duration is effective 3/19/2009 through 12/31/2014.

30. **Question:** *Please provide clarification for the first 3 tabs in Attachment U. Are these tabs to be completed with our response? If so, please state what is being requested.*

    Answer: The three tabs being referred to are sample report formats. They do not have to be completed.

31. ***Question:*** *Please provide claims data broken out by subgroups as requested in Attachment U (Actives, Satellites, Direct Pay, Retirees and Total).*

    Answer: The requested information will not be provided as part of the census data.

32. ***Question:*** *It was mentioned at the Pre-Proposal Conference held on August 28 that the Contract Monitor (now Anne Timmons) may change to another individual; has any decision been made on a possible change?*

    Answer: No decision has been made.

33. ***Question:*** *During the last dental RFP cycle, it was stressed that the selected carrier must provide 24/7 access to a live customer service agent. Please confirm that this arrangement is in place today.*

    Answer: Yes, the selected carrier must provide 24/7 access to a live customer service agent. This is also a requirement under the current contract.

34. ***Question:*** *Please identify any state-mandated budget parameters that might impact plan design and/or vendor award decisions for this RFP, such as a state mandate to reduce benefit costs Statewide by 5% or by 10%.*

    Answer: All State budget parameters are already taken into consideration in the existing plan design.

35. ***Question:*** *Are there any labor agreements or contracts that must be adhered to if a vendor change were to be made? If so, please identify each and provide a copy of the negotiated contract.*

    Answer: There are no labor agreements or contracts that must be adhered to should a vendor change occur under an award through this solicitation.

36. ***Question:*** *Please confirm the waiting period for new employees before they are eligible to enroll in the dental benefit program (e.g., date of hire, first of month after date of hire, 30 days after date of hire, etc.).*

    Answer: New employees eligible to enroll in the dental benefit program as of their date of hire.

37. ***Question:*** *Please provide the age limits for dependent children. Also, please provide the age limits for dependent children who are full-time students.*

    Answer: The age limits for dependent children is 26 regardless of full-time student status, however orthodontic care is only available for dependent children up to age 18.

38. ***Question:*** *Please provide the State's contribution toward monthly premiums for all coverage tiers, for both the PPO and DHMO enrollment options.*

    Answer: Please see the response to Question #31.

39. ***Question:*** *Will a claims repricing file be provided for use in creation of the self-funded proposal option? The repricing exercise will enable us not only to determine our most appropriate administrative fee, but also to prepare and submit actual claims repricing results.*

    Answer: The requested information is not available.

40. ***Question:*** *Please advise which RFP number should be used on proposal labels: Sol. #F10B3400005 (the number included on the RFP issued by the State) or MDF1031010366 (the number found on the eMaryland Marketplace site).*

    Answer: Please use RFP number F10B3400005.

41. ***Question:*** *Is it acceptable for Offeror to subcontract with the same MBE and VSBE vendors for each Functional Area provided the MBE and VSBE goals are independently fulfilled for each Functional Area?*

    Answer: Yes, this is acceptable.

42. ***Question:*** *Please advise if unique dentist counts or dentist location counts should be used to complete Attachment T-5: DPPO Dental Providers.*

    Answer: Unique Dentist counts should be used to complete Attachment T-5: DPPO Dental Providers.

43. **Question:** *Question CC-82 of Attachment T-6: Compliance Checklist, states: "Offeror agrees to accept payment processed through normal State transmittal process (i.e. transmittal sent to Annapolis, EFT transfer to Offeror.) (See Section 1.37, Non-Disclosure Agreement of the RFP document.) Section 1.37 does not pertain to electronic file transfer; should this question refer to Section 1.47, Electronic File Transfer?*

    Answer: Yes, Question CC-82 of Attachment T-6: Compliance Checklist for Functional Area 1 should refer to RFP Section 1.47; not Section 1.37. Additionally, Question CC-90 of Functional Area 2_Attachment T-6 and Question CC-90 of Functional Area 3_Attachment T-6 also incorrectly reference RFP Section 1.37 instead of Section 1.47. See Amendment #2, Item 1. **Please note that Offerors which have begun or already completed Attachment T-6 for any of the Functional Areas using the version provided with the original RFP release may continue to do so and are not required to utilize Attachment T-6 from Amendment #2.**

44. **Question:** *Do you want the document entitled 3.3.4 General Requirements to ONLY address the "general requirements" discussed in section 3.3 of the RFP, or do you want it to address all of the narrative components laid out on page 51-57 of the RFP?*

    Answer: The document entitled 3.3.4 General Requirements should address the requirements in Section 3 (in its entirety) of the RFP.

45. **Question:** *Bidders are only required to state whether or not they can provide Attachments U-1a, U-1b and U1-C in the formats specified, not populate and return them to the State with our responses?*

    Answer: Yes, that is correct.

46. **Question:** RFP Section 1.38, HIPAA – Business Associate Agreement; Will the State be providing a separate Business Associate Agreement for review?

    Answer: Please see the response to question #4.

Should you require clarification of the information provided, please contact me at (410) 260-7374 as soon as possible.

Date Issued: September 13, 2013

Authorized By: Andrea R. Lockett
<signed>
Procurement Officer