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T. ELOISE FOSTER
Secretary

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Deputy Secretary

QUESTIONS AND RESPONSES # 2
PROJECT NO. F10B8200015
Health Plan Administration & Services (PPO, POS, HMO)
May 30, 2008

Ladies/Gentlemen:

This List of Questions and Responses #2, questions #33 through #49, 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.

33. *We understand, the current process is as follows:*
- *All HMO plans require a referral for non-gyn related visits*
 - *QPOS plans "referred" benefits require a referral for non-gyn related visits*

Can you confirm that this is correct? If not, then please clarify the referral requirement rules and PCP selection rules for the HMO and POS products as they stand today.

RESPONSE: 1. All HMO plans require a referral for non-gyn related visits.
2. All POS plans require a referral for all services delivered by specialists including gynecologist. Service performed by a specialist without a referral are treated as "out of network" services and coverage is provided on that basis.

34. *Can the State clarify what is the intent with regards to having members make a PCP selection and use this PCP for referrals to non-OBGYN specialist care in the HMO and POS products for the contract years beginning 7/09?*

RESPONSE: The requirement of the HMO and POS plans for members to select a PCP is in force now, not beginning 07/09. The HMO and some of the POS plans are capitated and require members to select a PCP. The use of referrals is a component of managed care and designed to provide cost effective care.

~Effective Resource Management~

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35. *When sorting the census by network there are 8,016 members that do not have a network descriptor included in their record (i.e. HMO, POS or PPO). Where should these members be included?*

RESPONSE: Please review the instructions at the top of Attachments L-7 through L-10, O-7 through O-10, R-7 through R-10, and U-7 through U-10. The GeoAccess report must be provided in two ways: 1) all employees and retirees currently in the PPO, POS or HMO plan (as applicable to the functional area the offeror is proposing) and 2) all employees and retirees. These 8,016 members are not currently enrolled in a medical plan, but they are eligible to do so at open enrollment. They are to be included in the GeoAccess report as part of the “all employees and retirees” analysis. Do not assign such members to any plan in performing the GeoAccess analysis.

36. *Are the Direct Pay and Satellite employees to be included in the analysis? Are they blended with the Active employees?*

RESPONSE: Yes, please include Direct Pay and Satellite employees. The RFP contains instructions for how costs and utilization for the four identified populations (Active employees, Direct Pay, Retirees, and Satellites) are reported during the contract term. Financial proposals are to contain the costs and premium offers on the terms described.

37. *When you state that the GeoAccess Report must be supplied in electronic format that has read/write capabilities, what is your preferred format?*

RESPONSE: The electronic format may be either MS Excel or MS Access; there is no preference between those formats.

38. *Included in Attachments L-7 through L-10, O-7 through O-10, R-7 through R-10 and U-7 through U-10 a total number of Employee/Retiree counts. It looks like the counts were pulled using the employee address with the exception of Baltimore/Baltimore City which we have not been able to determine how those counts were made, because the records only state Baltimore in the county column. When GeoCoder assigns a latitude and longitude the user is also able to assign the associated city, county and state as determined by the coder calling them std-city, std_county and std_state. When pulling counts for the accessibility pages GeoNetworks utilizes those fields to determine where the enrollee lives. In doing so the counts will not match up to the counts provided in the Attachments. The question is since the field in the attachments is locked how are we to populate those charts to contain the numbers that are assigned by the software? Will the files be resent unlocked?*

RESPONSE: Baltimore City counts include those members for which both CITY and COUNTY are listed as Baltimore.

Baltimore County counts include those members for which COUNTY = Baltimore and CITY is not Baltimore.

The files will not be resent unlocked.

39. *The HMO RFP requests a “provider org chart”. Can we assume that this question only applies to Kaiser since their providers are also employees?*

RESPONSE: The RFP requests a “Network Organization Chart” not provider org chart. The organizational chart should contain the information indicated in Attachment R-12a, question #21.

40. *Certificates of Insurance – are we to submit our standard or are their specific coverages and limitations that the State is requiring?*

RESPONSE: The RFP requests: “Certificates of Insurance including Errors and Omissions and Commercial General Liability” and not specific coverage and limitations. In addition, those offerors responding to the Fully-Insured HMO Functional Area must provide a copy of their license or authorization to market and administer and HMO in the State of Maryland.

41. *If we are responding to more than one medical functional area, (for example, both PPO and POS), can we prepare one Technical binder with two sections (PPO, POS in the example) and one Financial binder with two sections (PPO, POS)? Or shall we prepare one technical and one financial binder for each functional area (4 binders separately in the example)?*

RESPONSE: Please prepare separate Technical and Financial volumes for each Functional Area. Please remember that the Technical and Financial proposals are separate for each Functional Area. However they are submitted simultaneously.

42. *In "Additional Required Technical Submissions", would it be acceptable to include the actual GEO Access Reports in a CD-ROM in the back of the response? We will summarize the data where requested in the RFP, but the actual reports can be quite large, and we would like to keep the binder sizes as manageable as possible, for the state.*

RESPONSE: Please provide hard copy summaries as requested in the RFP for Attachments L-7 through L-10, O-7 through O-10, R-7 through R-10 and U-7 through U-10. Electronic copies of the complete GeoAccess Reports may be submitted electronically in either MS Excel or MS Access on a CD-ROM. Please label and identify the electronic submission accordingly.

43. *Can you also confirm if it would be acceptable to put other large samples not directly requested in section 4.4.2.7 that we might need to send on a CD-ROM in the back panel of the response?*

RESPONSE: Except where authorized by the RFP, the entire proposal and RFP required responses should be submitted in hard copy and electronic format. Any additional supporting large documentation, which is not required by the RFP, may be submitted via

CDROM and should be clearly marked as “Additional Supporting Documentation.” Such additional submissions must be clearly labeled and the hard copy must include a reference that identifies, by brief description and the name/label of the electronic file, the information submitted in electronic format only.

44. *Does the Optimum Choice HMO include a capitation component? If so, do the claims provided in the RFP include capitation? If not, please provide the capitation amounts for 2006 and 2007 and identify what services are included under the capitation*

RESPONSE: Yes, the Optimum Choice HMO includes a capitation component. No, the Optimum Choice HMO claims provided in the RFP do not include capitation. Please see Amendment #4, which refers to the new Attachment Z – Claims with Capitation, which contains exhibits for revised claims history exhibits including the capitation component.

45. *The requirements in the RFP are a little confusing and indicate a self funded HMO or "look alike managed care product (EPO,...)", but in the benefit table itself, it lists that referrals are required for all non-PCP care with no deviations being accepted.*

Your response to question #29 in Q&A#1 indicates that an open access plan for the self funded national HMO is "not desired", which we understand, but maybe the better question is whether the State will consider a proposal that is quoted as open access?

RESPONSE: No. The RFP requires a “managed care product” and, therefore, an open access plan design will not be within the RFP requirements. The State will not consider a proposal that is quoted as “open access.” If you propose an open access plan, it is considered a deviation and must be explained. Deviations may render a proposal not reasonably susceptible for award. If it is not a deviation but an alternate proposal, it will not be further considered for award as stated in Section 1.11 of the RFP.

46. *When completing D1 and D2 for minority business enterprise (MBE) participation is the percentage requested in D1 the total MBE participation for the contract? Additionally, when completing D2 "percentage of Total Contract", is the percentage of business the named MBE will performed as a part of the entire contract amount?*

RESPONSE: Yes, the D-1 figure must be the percentage of the Contract, as a whole, which the Offeror commits to provide as MBE participation. The figure on D-2 identified for each MBE must reflect the percentage of the contract that the Offeror commits to that MBE, taking into consideration how the payments will be counted in light of RFP §1.10.

When completing D-1, the percentage that the Offeror is committing to must be the amount of the total percentages filled out on the D-2 attachment. Example: on the D-2, company A is getting 1% of total contract dollars, company B is getting 2% of total contract dollars and company C is getting 2% of total contract dollars. The 5% total is to be placed on D-1 as what the Offeror is committing to MBEs to fulfill the MBE participation goal. If the amount adds up to less than 5%, or 0.5% for Functional Area 3 – HMO (Fully Insured), the Offeror must ask for a waiver of the difference between the commitment and the goal identified in the RFP §1.10 for that functional area.

47. *The claims data for Kaiser does not include capitation costs for any period, which understates the costs of providing service in accordance with the benefits. Is such data available?*

RESPONSE: Yes, Please see Amendment #4, which includes the issuance of Attachment Z – Claims with Capitation. Attachment Z includes available capitation data from Kaiser for the time period from January 1, 2007 to December 31, 2007 and restated claims with capitation data from Optimum Choice HMO for the period December 1, 2004 to November 30, 2007.

48. *The claims data for MLH Eagle does not include capitation costs for any period, which understates the costs of providing service in accordance with the benefits. Is such data available?*

RESPONSE: Yes, Please see Amendment #4, which includes the issuance of Attachment Z – Claims with Capitation. Attachment Z includes restated claims with capitation data from MLH Eagle (POS) for the period December 1, 2004 to November 30, 2007.

Refer to this data along with the utilization and claims data in Attachment Q (POS data attachment) in developing your proposals.

49. *Because of the numerous pdf. files and other attachments, we are having difficulty complying with your request to sequentially number all pages. May we sequentially number by Section--when we run into this difficulty?*

RESPONSE: Yes, proposals can be sequentially numbered per section. Please identify the section and page as part of this numbering method

Remember offers are due on June 18, 2008 no later than 2:00 p.m. If there are questions concerning this solicitation, please contact me via e-mail at ptracey@dbm.state.md.us or call me at (410) 260-7918 as soon as possible.

Date Issued: 05/30/2008

By:

Patti Tracey
Procurement Officer