



**DEPARTMENT OF GENERAL SERVICES**  
**OFFICE OF STATE PROCUREMENT**  
**ACTION AGENDA**  
**March 24, 2021**



**REVISED**

**2<sup>nd</sup> Revision**

*Contact: Mark Riesett 410-767-4045  
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**18-S-MOD. SERVICES MODIFICATION**

*Department of Budget and Management, Office of Personnel Services and  
Benefits/Employee Benefits Division*

**Contract ID:** Audit Services for State Employee and Retiree Health and Welfare Benefits Program; F10B6400003  
 ADPICS Nos.: COI78571 (Category 1); COI79188 (Category 2); COI79191 (Category 3); COI79192 (Category 4)

**Contract Approved:** DBM 2-S, 09/07/2016

**Contractor(s):** Categories 1 and 3:  
Myers and Stauffer, LC; Baltimore, MD

Categories 2 and 4:  
TMDG, LLC; Kansas City, MO (Local office in Baltimore, MD)

**Contract Description:** Annual audits of claims adjudication and payment functions, clinical functions, and administrative performance of four plan service categories in the State Employee and Retiree Health and Welfare Benefits Program.

**Modification Description:** Extend the contract term to allow time for the completion of the new procurement.

**Original Contract Term:** 01/01/2017 - 12/31/2021

**Modification Term:** 01/01/2022 - 12/31/2022

**Original Contract Amount:** \$3,439,568

**Modification Amount:**

\$ 428,000.00	(Category 1 - Medical Plans)
\$ 64,000.00	(Category 2 - Dental Plans)
\$ 85,550.25	(Category 3 - Prescription Drug Benefits Plan)
\$ 37,000.00	(Category 4 - Flexible Spending Accounts)
\$ 614,550.25	Total

**Total Contract Amount:** \$4,054,118

**Prior Mods/Options:** N/A



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**18-S-MOD. SERVICES MODIFICATION (cont'd)**

**Percent +/- (This Item):** 17.87%

**Total Percent Change:** 17.87%

**Original Procurement Method:** Competitive Sealed Proposals

**MBE/VSBE Participation:**

Category 1 - Medical Plans:	20% / 1%
Category 2 - Dental Plans:	15% / 1%
Category 3 - Prescription Drug Benefits Plan:	13% / 1%
Category 4 - Flexible Spending Accounts:	15% / 1%

**MBE/VSBE Compliance:**

Category 1 - Medical Plans:	13% / 0.2%
Category 2 - Dental Plans:	33% / 1%
Category 3 - Prescription Drug Benefits Plan:	26% / 0.7%
Category 4 - Flexible Spending Accounts:	17% / 1.8%

**Requesting Agency Remarks:** The Maryland State Employees and Retirees Benefits Program is responsible for administering health care and other related benefits programs for State employees and retirees, satellite agencies, Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation of coverage participants and contractual employees. Included are plans for Medical, Dental, Prescription Drugs, and Flexible Spending Accounts. Standardized deductible and copay arrangements are in effect for these plans.

The Department's procurement priority remains the timely completion of legislatively mandated contract awards to fulfill the requirements of HB1150. All available Department resources are committed to that effort, which has necessitated this modification to extend our current FSA contract.

This contract provides for audit services of the State's Employee and Retiree Health Benefits Program from a clinical, administrative and operational perspective. Audits are performed in each of the four program Service Categories. Each Third Party Administrator (TPA) is subject to one yearly audit. The purpose of the audit is to:

- Ensure that the State receives the benefit of the contractual pricing arrangements with all TPA contractors;
- Ensure TPA contractor accountability for compliance with contractual requirements, including performance guarantees;



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**18-S-MOD. SERVICES MODIFICATION (cont'd)**

***Agency Remarks (cont'd):***

- Verify appropriate administrative procedures and control measures are in place;
- Confirm the accuracy of benefit payments to providers;
- Improve quality of service through the review of clinical processes; and,
- Ensure that State funds in connection with the program are used correctly.

The MBE participation goals established by Service Category were based upon the limited subcontracting opportunities available. In addition, a 1% VSBE participation goal was established for all Service Categories.

***Fund Source:*** 100% Reimbursable (BM Non-Budgeted Funds)

***Approp. Code:*** F10A0404

***Resident Business:*** Yes

**BOARD OF PUBLIC WORKS**

**THIS ITEM WAS:**

**APPROVED**

**DISAPPROVED**

**DEFERRED**

**WITHDRAWN**

**WITH DISCUSSION**

**WITHOUT DISCUSSION**