



DEPARTMENT OF  
BUDGET & MANAGEMENT

ROBERT L. EHRLICH, JR.  
Governor

MICHAEL S. STEELE  
Lieutenant Governor

CECILIA JANUSZKIEWICZ  
Secretary

JOHN M. WASILISIN  
Deputy Secretary

**Q & A #5 to  
Request for Proposals (RFP)  
Audit Services for State Employee and Retiree Benefits Program,  
F10R7200018  
September 11, 2006**

Ladies and Gentleman:

The numerical sequencing begins at question # 48 because questions up to #47 were answered in Q&A #1, #2, 3 and #4. The procurement officer received the following questions by email, which are answered for all Offerors to the referenced RFP, below:

**48. Question:** Can you provide any statistical information on the number and dollar amount of claims for each category filed over the previous contract term?

**Answer:** Approximate dollars paid to vendors for Fiscal Year 2006

<u>Plan</u>	<u>FY 2006</u>	<u>Payment Purpose</u>
<u>Medical</u>	<u>Payments</u>	
CareFirst - PPO	\$260.7M	Paid Claims
CareFirst - POS	\$77.0M	Paid Claims
CareFirst - HMO	\$46.2M	Premiums
MLH Eagle - PPO	\$21.1M	Paid Claims
MDIPA-Preferred - POS	\$77.8M	Paid Claims & Capitated fees
Optimum Choice - HMO	\$31.1M	Premiums
AETNA - POS	\$22.9M	Paid Claims & Capitated fees
Kasier - HMO	\$25.5M	Premiums
<u>Mental Health</u>		
APS	\$10.4M	Paid Claims
<u>Prescription</u>		
Caremark	\$270.3M	Paid Claims
<u>Dental</u>		
United Concordia - DPPO	\$17.2M	Premiums
United Concordia - DHMO	\$9.4M	Premiums

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45 Calvert Street • Annapolis, MD 21401-1907

Tel: (410) 260-7041 • Fax: (410) 974-2585 • Toll Free: 1 (800) 705-3493 • TTY Users: call via Maryland Relay

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Dental Benefit Providers - DHMO	\$4.7M	Premiums
<b><u>Flexible Spending</u></b>	<b><u>H/C &amp; D/C</u></b>	
ERISA Administrative Services short plan year	\$2.7 & \$2.3	Employee Withholdings
SHPS - effective 07/01/2005	\$5.5M & \$4.7M	Employee Withholdings

49. **Question:** Will the state consider contingent fee arrangements for any or all of the categories?

**Answer:** The RFP Section 1.17 tells Offerors that the State will not accept multiple or alternate proposals which a contingent fee would be. Also, the RFP, Attachment F, General Instructions, paragraphs B and E explain that contingent pricing is not allowed. The State wants a single price for the solution that you will propose in response to the RFP. Accordingly, the State will not accept any contingency fee arrangements.

50. **Question:** Can you provide any information regarding additional task orders/contracts awarded to the incumbent service provider as a result of procedures performed under the original audit services agreement?

**Answer:** There were no additional task orders performed. Services were for performance of audits as outlined in question #6.

51. **Question:** For each category, can you provide the location (city and state) for each third party administrator providing services?

**Answer:**

**Plan**

**Medical**

**Sites**

CareFirst - PPO	Owings Mill, MD
CareFirst - POS	Owings Mill, MD
CareFirst - HMO	Owings Mill, MD
MLH Eagle - PPO	Frederick, MD
MDIPA-Prferred - POS	Frederick, MD
Optimum Choice - HMO	Frederick, MD
AETNA – POS	Blue Bell, PA
Kasier - HMO	Rockville, MD.

**Mental Health**

APS	Silver Spring, MD
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**Prescription**

Caremark	Scottsdale, AZ.
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**Dental**

United Concordia - DPPO  
United Concordia - DHMO

Harrisburg, PA / Towson, MD  
Harrisburg, PA / Towson, MD

Dental Benefit Providers - DHMO

Rockville, MD  
International Falls, MN  
San Antonio, TX

Administrative Services &  
Corporate Audit functions  
Claims Processing  
Customer Service

**Flexible Spending**

ERISA Administrative Services

Austin, TX

SHPS - effective 07/01/2005

Louisville, KY

Sites based on plan year 2004 audits. The State cannot guarantee locations will not change.

Date Issued: September 11, 2006

By                     <signed>                    .  
Michael Howard  
Procurement Officer