

**Request for Proposals: Administrative Services for Retiree
Health Benefits Plans
RFP # OHB06-1
Issued Jun 1, 2006**

**ADDENDUM 2
Issued June 15, 2006**

This Addendum incorporates certain general comments, general corrections to the RFP, and answers to questions posed during the optional offerors conference held on June 12, 2006.

GENERAL

Verbal responses to questions at the Offeror's Conference on June 12, 2006 are unofficial and are not binding. Only these written responses may be relied upon by offerors.

Participants at the Offeror's Conference were required to register their attendance and to provide their business cards and fax numbers. A list of all attendees at the conference is enclosed for informational purposes.

Questions and Answers:

1. Section 2.0 Tasks and Benefit Specifications – In the current plans offered to Retirees, what kind of product is offered PPO or Indemnity?

Response:

The product is a Medicare supplement. Provider network status is not relevant to the benefit determination. Coverage is based on the Medicare allowable charge (see #3 below). The only provider status relevant to the transaction is whether the provider accepts Medicare, which impacts balance billing, not the claim reimbursement.

For geo access purposes, vendors may use their widest network.

2. Is there a reduction in the benefit if the participant goes out-of-network?

Response:

No – see #1 above

3. Do you base 100% coverage on network allowable charge or Medicare charge?

Response: **Medicare allowable charge**

4. Can we obtain a snap shot of the enrollment data containing the five digit zip codes with date of birth, etc.?

Response:

We have confirmed that all contracts are on a single basis. Geo access reports based on three digits will provide a satisfactory access assessment. Given that the overwhelming majority of plan participants are over 65, the value of a date of birth file is marginal at best and, thus, disproportionate to the file generation effort.

Finally, the claim information ties to three digits

5. In the enrollment data, specifically the December 2005 tab the financial data is based on 26,000 eligibles but you mention 19,000 also, which should be use?

Response:

The lower figure (19,000) was stated in the context of an example. Any enrollment related assumptions should be based on the eligibility file.

**Companies Represented at the
Optional Pre-proposal Conference
For the RFP # OHB06-1
Held June 12, 2006 @ 10:00 A.M.**

Anthem
Cigna