

Commonwealth of Virginia
Department of Human Resource Management
Administrative Services and Fully Insured Health Benefits Plans - RFP #
OHB13-02
&
Administrative Services for a Consumer Driven Health Plan and Wellness
Engine - RFP # OHB13-03
Addendum #2

October 12, 2012

The following information results from questions received after the mandatory pre-proposal meeting held on Monday, October 1, 2012. The submission date for proposals remains unchanged. Please sign this form and include as a part of your submission. Answers are provided in blue following each question.

General Change to the RFPs: In Section 3.8 of RFP OHB13-02 and Section 3.9 of RFP OHB13-02 please strike the last item which states "*False representations during RFP process resulting in awarding of contract, as determined by the Department Liquidated Damage Award: \$1,000,000 (subject to binding arbitration)*"

X_____

1. Should it be assumed that the selected vendor for the CDHP will also administer the HRA? That is, administration of the HRA is not being procured separately? **Yes**
2. What does 2.5.8 refer to (both RFPs)? **As a claims processor, you are required to establish reasonable and customary pricing for services.**
3. Please confirm for both RFP 02 and RFP 03 that the selected vendor should assume claim fiduciary responsibility. **No, DHRM is the fiduciary.**
4. If we are unable to comply with the requested Performance Standards and/or schedule of Liquidated Damages, may we propose alternatives? Or, is Section 3 to be considered a requirement of the bid. **You are able to propose alternative performance standards.**

Standards and damages that are less than those suggested by the Commonwealth could result in a lower score in demurral grading. See section 6.8 of both RFPs for grading criteria.

5. Regarding renewal of the contract (Section 8.2), please confirm that with respect to renewal increases we will be expected to hold increases across all services provided to no greater than CPI-W for all services? Yes, for administrative services in statewide self-insured plan. What is the basis for CPI-W? See, the Federal Government, Department of Labor, Bureau of Labor Statistics for information on the CPI calculations and history.
6. Please clarify Section 7.21. Does this requirement assume a payment for submission of each RFP? EVA Registration is required for companies that are providing submissions to the RFPs. An Offeror does not have to register more than once.
7. Regarding the requirement for a Customer-specific member satisfaction survey, is it expected that the questions within the survey be mutually agreed upon created specifically for the Commonwealth or will our standard survey be sufficient? A mutually agreed upon survey is the intent.
8. Please clarify the use of the term "premium" with respect to ASO proposals and the reference to the 2% surcharge in Section 8.5. For statewide OHB13-02, premium refers to the sum of the Claim Rate Build Up (Schedule 2-1 #1-7) and the administrative cost schedule (Schedule 2-1 #10). There is no line item citation requirement for the surcharge in the schedules. Please include sufficient margin in both schedules to allow for the surcharge. For RFP 03, this section refers back to Attachment 2 (through Section 4.1), but it is our understanding that the Rate Build up Exhibit does not apply to this RFP. It does not apply to RFP OHB13- 03. A premium baseline will be developed for OBH13-03 with the selected offeror to allow for the surcharge.
9. The file "2012 PBM RFP_CDHP_LessThanStatewideCOVA" was provided only in the OBH13-03 RFP. Is there a separate questionnaire or document that relates to the OBH13_02 RFP? The file, "2012 PBM RFP_CDHP_Less Than StatewideCOVA", was also provided for OHB13-02 for those submitting a proposal for a less-than-statewide plan. For those submitting statewide proposals for OHB13-02, the prescription drug answers and costs are captured via an Aon Hewitt portal. Instructions and contact information for setting up access to the Aon Hewitt portal were provided in the initial email that provided the credentials for access to the MOVEit site.
10. Attachments COVA _Cost_OHB13-02 Bundle, COVA _Cost_OHB13-02 Med, COVA _Cost_OHB13-02 BH, COVA _Cost_OHB13-02 Dental, all list the second tab "Sched 2-1 #1-7" requesting vendors to provide adjustment factors for each service category. We do not break down our factors to this granular degree by service category. In an effort to reverse engineer and get you the end goal, would you please indicate if there is another way this can be completed? Additionally, are these adjustment factors tied to a performance guarantee of any sort? Finally, what is the proposed network area that we should be considering? If this is less than statewide 02, it is N/A. If 03, also N/A. If 02 statewide, the schedule applies to the performance standard cited in Section 3.7. It's focused on the value of your represented discounts versus those achieved. You may complete the values your financial reporting systems support and use at least one of the fields for a reverse engineer

to net Cost PMPM. If you do so, please state such clearly in your RFP Proposal transmittal cover. Follow-up regarding measurement and verification will occur if your offer reaches the finalist phase.

11. Please provide more information on the TLC population. What will be the specific roles and responsibilities of the winning Statewide PPO vendor related to the TLC offering? The RFP states the successful Offeror of the Statewide PPO “...will also be responsible for administering these TLC plans.” What exactly does that entail? Specific expectations and additional information on this would be appreciated. Please see the RFP for TLC administrative requirements, as well as the TLC web site for information that describes the scope of the program in considerable detail. For the administrative cost schedule required, provide an estimate based on your experience with similar programs. The final stages of the RFP process will allow refinement of the TLC administrative cost proposal. TLC web site: <http://www.thelocalchoice.state.va.us/index.htm>
12. Attachments COVA _Cost_OHB13-02 Bundle, COVA _Cost_OHB13-02 Med, COVA _Cost_OHB13-02 BH, COVA _Cost_OHB13-02 Dental, all list the third tab “Sched 2-1 #10” requesting components of salary, property, IT, etc. We do not factor our per case pricing down to this level of pricing. Will it be ok to aggregate these in a total administration cost? Please see Addendum 1 question #45 and response.
13. We respectfully request a starting enrollment assumption for the CDHP RFP. At the very least it will assist you in an apples-to-apples comparison of each responding vendor, but the help it will provide to us is monumental. This assumption will allow for us to accurately reflect our fees for all bundled products, but more importantly, it allows us to determine the total contract worth (fee X enrollment = total contract worth) which is needed to complete the SWaM request by vendor. It was clearly stated by COVA administration that the goal is to “maximize SWaM vendor utilization” and in order to do so we need to know the total contract worth in order to maximize that SWaM use, and to complete **Exhibit Two: Section B of the OHB13-03 RFP**. Please work with the information you have been provided. Please see Addendum 1 and reference Attachment 2 Schedule OHB13-03. A membership assumption (10,000 members) is provided in row 10, column K, and a variable enrollment impact table beginning in row 96. The SWaM Exhibit should use the 10,000 member administrative cost as a baseline for Exhibit Two.
14. Please provide EAP face-to-face utilization and visits per episode for 2010, 2011 and YTD 2012 Please work with the information you have been provided, please assume the utilization you would expect with your experience with a similarly situated large public sector employer.
15. Please confirm historical utilization of training seminars and CISDs for 2010, 2011 and YTD 2012 Please work with the information you have been provided, please assume the utilization you would expect with your experience with a similarly situated large public sector employer.
16. Please provide the following in regard to your current Behavioral program, broken out by level of care, for 2010, 2011 and YTD 2012: Please work with the information you have been

provided, please assume the utilization you would expect with your experience with a similarly situated large public sector employer.

17. Days/1000 Please work with the information you have been provided.
18. Unique members/1000 Please work with the information you have been provided.
19. Average Length of Stay Please work with the information you have been provided.
20. Does the current EAP include worklife services? If so, is it entirely embedded in the online tool, or do members speak to a worklife specialist who assesses their needs, qualifies resources and then follows up via phone and mail to deliver them? We are interested in your proposals.
21. Please clarify: The State of Virginia asks for Disease Management Administration line item pricing in row 49 of tab "Sched 2-1 #10" in the cost workbooks for both medical and bundled PPO proposals. However, in section VI question 9 (Row 513) of the PPO Medical RFP (file name "COVA OHB13 PPO Med.xls") you indicate the following: *It is the intention of the Client to bundle a comprehensive Wellness Program, including any potential Disease Management services, with the CDHP being procured separately under RFP OHB13-03. Do you agree to exclude (carve out) all Disease Management (DM) services from your proposal for the PPO benefits being procured under this RFP?* Can the State clarify whether or not Disease Management pricing should be included in the PPO proposal? Yes, it should.
22. In the RFP, the state has the following requirement: "2.5.12 As requested, provide "real-time" access to claim information to a third party vendor for purposes of performing consolidated customer service, health coaching and patient care coordination. In relation to this paragraph, real-time means instantaneous electronic transfer of information." Can you provide more information on this interface? Does COVA have a current relationship with a third-party vendor that currently provides this service? If not, what plans do they have to formalize this type of relationship? Please see answer to question #42 in Addendum 1.
23. What is your planned incentive strategy, gift cards (monetary value), premium reductions etc? The intent is meaningful incentives. Design will be finalized with selected CDHP contractor. We are interested in your recommendations.
24. Are you looking for a highly customized communication campaign for the CDH? Yes
25. Please confirm you would like nurse line services and maternity management services in the wellness engine proposal and pricing. Confirmed

Pharmacy

26. Will there be any hospital systems included in the overall population? Yes, as employees covered by the plan. If so how many claims are there processed through these systems? (Rx sales) Detailed claims information, including pharmacy location, has been made accessible in the original RFP release and instructions.

Additionally, there are no state plan specific provider reimbursement arrangements with hospital systems that include state employees. Assume your provider contracts apply.

27. Will we be getting a claims detail report or a claims summary of drug spend broken out by generics, brand and specialty for the last 2 years? *(We'd like to get a detailed claims file with all of their claims in both a summary version and a breakdown of each claim line by line if possible...)*(Rx sales) Detailed claims information has been made accessible in the original RFP release and instructions.
28. What % of membership do you expect to enroll in the CDHP plan in the first contract year, second contract year and third contract year? (Rx pricing) Please see Addendum 1 and reference Attachment 2 Schedule OHB13-03. A membership assumption (10,000 members) is provided in row 10, column K, and a variable enrollment impact table beginning in row 96. Please assume the enrollment shift you would expect with your 2nd, 3rd year experience with a similarly situated large public sector employer, with appropriate communications and incentives.
29. The 2 RFPs that we've received separate CDHP and PPO lives and it is possible to win one, but not the other. Would you also accept a bid that is contingent on getting both pieces, PPO and CDHP? (Rx pricing) No, each procurement stands on its own, based on the published criteria.
30. What are the expectations for pharmacy vendors regarding the separate, distinct 13-1 Worker's Compensation Claims RFP? We are interested in your innovative approach to integration and economies of scale.
31. What consideration will be given on 13-02 (bundled or unbundled) to pharmacy vendors responding to OWC13-1? See the grading criteria for each individual RFP.
32. What consideration will be given on OHB13-03 to pharmacy vendors responding to OWC13-1? See the grading criteria for each individual RFP.
33. Will a PBM be disqualified if unable to support the Worker's Compensation piece of RFP? No

General Question

34. On page 75 of the CDHP RFP within Appendix 7, Proposal Checklist, item f requests a benefits brochure; however, on page 29, Section 6.4, Benefits Brochure, it says that Tab 3 is not required. We have one and feel it would be helpful. As it's "not required," would it still be permissible to submit? Yes

Behavioral Health

Census Question -BH Questionnaire Section III, #1

35. Is COVA's access standard different for urban, suburban, and rural areas? Or is the standard of two providers within eight miles the same for all areas?
From the census file provided, should vendors use a specific population to run our Geo Access report, or should we use the "Total" column? The standard for Geo-Access is the

same for all areas. Analysis of the standard report set will consider the dynamics of urban, suburban, rural differences. Please use the Geo-Access total column.

Benefits Brochure Page 34 Section 6.4

36. Please clarify what the state would like vendors to include in Tab 3. Does COVA only want to receive a copy of our standard member brochure? If other information is required in Tab 3, in what format would COVA like the additional information? For an unbundled OHB13-02 proposal, a standard member brochure will fulfill the requirement. For bundled proposal, the lead vendor will be responsible for providing a complete member brochure.

EAP Cost Proposal Page 36 Section 6.6

37. Please provide the timeline for when we can expect to receive the cost schedule for EAP services. Will the cost schedule for EAP services include a place to separate out pricing for special add-on programs) Distinctive EAP add on service descriptions may be included in the response to Questionnaire Section VII.1.a.

Additionally, basic EAP services cost, and itemization of any special add on cost should be detailed in that Questionnaire Section VII.1.a.

38. The attachment 2 Rate Build Up Schedule (Sched 2-1 #1-7) requests net claim pricing on a total population basis. Where would an offeror show the impact of an alternate delivery system (ACO for example) that would be available only to portions of the population? And for OHB13-02 and OHB13-13 it is our understanding that Aon Hewitt will be using its discount database to assess the strength of each bidder's underlying provider discounts. If a bidder has improved its discount position with key providers since its last data submission to Aon Hewitt, how do you suggest we provide that information to the Commonwealth? For example, is there a specific section within the RFP where we should provide this information?

The Schedule 2-1 pricing should reflect your standard network/provider agreements available to the entire population. The Innovation section of each questionnaire (examples: OHB13-02 medical Section V; OHB13-03 stand alone Innovation section) should be used to both describe your alternative delivery system proposed concept and the estimated cost impact relative to your standard network arrangements.

39. Can you please provide us with the EAP pricing schedule referenced in response #170 in Addendum 1? (13-02 and 13-03) Can you please provide us with the EAP pricing schedule referenced in response #170 in Addendum 1? (13-02 and 13-03) Distinctive EAP add on service descriptions may be included in the response to Questionnaire Section VII.1.a.

Additionally, basic EAP services cost, and itemization of any special add on cost should be detailed in that Questionnaire Section VII.1.a.

40. We have been able to identify current COBRA participants on the revised census, but would you be able to provide us with this additional information? (13-02 and 13-03):
- current enrolled and pended COBRA participants. Work with the information you have been provided.
 - average terminations per month. Work with the information you have been provided.
 - average new hires per month. Work with the information you have been provided.

- d. average qualifying events per month. [Work with the information you have been provided.](#)
- e. Turnover. [Assume 10.9% based on most recent data available.](#)
- f. do you have a pricing preference(per occurrence or pepm) [No](#)

41. Please confirm that the current Dental Basic plan is an In-network only plan (and that it is optional to buy-up to Enhanced benefits and/or Out-of-Network benefits). (13-02 and 13-03) [Not confirmed](#)

42. If the current Dental Basic plan is In-network only, please explain the following language from the COVA and COVAConnect handbooks under DENTAL SERVICES – BASIC (13-02 and 13-03): [N/A](#)

a. *Conditions for Reimbursement*

- i. *Should you decide to receive Dental care from a dentist who is not a member of the Delta Dental Premier network, You will still receive benefits from your dental plan, but your share of the cost will likely be higher than if You received care from a network dentist.* [N/A](#)

43. On the Published Monthly Enrollment Demographics document, please confirm if the plan CHD - Cova High Deductible is for/includes the dental enrollment for those in the Anthem BCBS dental plan (with the CDHP plan). If not, where is that dental enrollment in this document? (13-02 and 13-03) [Confirmed](#)

44. Can you please confirm that the provision in the last item in section 3.8 (in 13-03) only applies to intentional or knowing misrepresentations? (13-03) [Please strike this item per the instructions at the beginning of this addendum.](#)

45. Can you please confirm that the provision in the last item in section 3.9 (in 13-02) only applies to intentional or knowing misrepresentations? (13-02) [Please strike this item per the instructions at the beginning of this addendum.](#)

46. Can you please provide further clarification on responses #10 and #153 in Addendum 1? We created two examples of how we can provide the "red line". Can you let us know which one you are looking for? (13-02 and 13-03) [Both examples provided below are acceptable. The intent is to show clear affirmation or departure from the RFP items. The two examples follow:](#)

1. The Sky is blue

2. The Sun is yellow

3. Grass is ~~purple~~green

4. Dollars are green

5. The ocean is ~~orange~~blue

Comment [CB1]: Agree

Comment [CB2]: Agree

1. The Sky is blue

Confirmed.

2. The Sun is yellow

Confirmed.

3. Grass is purple

Grass is green.

4. Dollars are green

Confirmed.

5. The ocean is orange

47. The Commonwealth of Virginia currently has the ability to fill prescriptions for an extended retail days supply of 102 days based on plan design. Do you want Contractors to bid a 90 day retail network listed in Commonwealth of Virginia RFP OHB 13-02 in addition to retaining the current extended 102 retail days supply option based on current plan design? [Please use the COVACare member handbook which allows for up to a 35-90 day retail network for a more than one month supply.](#)
48. As part of the original files we downloaded, we received a file called "non-MedicareEnrollmentbyZip_20120703B.xlsx." In Addendum 1, there is a clarification to several questions which states, "The twelve months of detailed claims data provided by the Commonwealth for Prescription Drugs contains Pharmacy NCPDP Number but no enrollee zip code. Use the NCPDP number on the pharmacy data to determine the Pharmacy location, which should be an acceptable surrogate for the enrollee's location."

Should we use the excel zip code file or the claims data pharmacy locations for performing the pharmacy GeoAccess requested in the PBM Questionnaire accessed through HHR ?
For the Geoaccess, you should use the eligibility file. That's the standard for Geoaccess as it shows how far the pharmacy is from the member.

49. We have identified cells in the fee documents that are locked. Please let me know what steps should be taken to unlock the fees tab spreadsheet portion so that we can include detailed responses and submit timely. The cells are
File: COVA OHB13-03 TPH UPDATED 10-1-12
Tab: FEES
Cells: B36-B38
Cells B36, B37, B38, B48, B49, and B50 on the fee worksheet in the OHB13-03 TPH UPDATED 10-1-12 workbook are locked and cannot be changed. If completing rows 36-38 or rows 48-50, please complete columns C - G ("Included Y/N", "Units", "Members/Participants", "Fee", "Costs"). In cell B52 that asks for the pricing assumptions and caveats, you may include a sentence to describe the components included in the 'Other' categories (rows 36-39 or 48-50).
50. Please clarify the use of the term "premium" with respect to ASO proposals and the reference to the 2% surcharge in Section 8.5. For statewide OHB13-02, premium refers to the sum of the Claim Rate Build Up (Schedule 2-1 #1-7) and the administrative cost schedule (Schedule 2-1 #10). There is no line item citation requirement for the surcharge in the schedules. Please include sufficient margin in both schedules to allow for the surcharge.
For RFP 03, this section refers back to Attachment 2 (through Section 4.1), but it is our understanding that the Rate Build up Exhibit does not apply to this RFP. It does not apply to RFP 03. A premium baseline will be developed for 03 with the selected offeror to allow for the surcharge .
51. We are currently working on the Commonwealth of Virginia RFP and we were hoping you could clarify Section 6.1 for us. This section states that “offerors may choose to submit both a bundled submission and submissions for single products as noted above. Bundled submissions will not be reviewed on a per product basis. In other words, a bundled submission will only be evaluated in its entirety. Should the Department select multiple Offerors, the selections will be based on unbundled submissions.” However, the next paragraph states “fully insured and less than statewide proposals for each area for which the Offeror is proposing must be bundled.”

Would the state consider a less than statewide, fully insured dental HMO product as a single product submission? No, fully insured and less than statewide offerings must be bundled. Partnering with other organizations to provide a bundled product offering is encouraged.