

STATE OF ALASKA
Department of Administration
Division of Retirement and Benefits



Medical Claims Administrator and Managed Network, Dental Claims Administrator and Network

RFP 190000025

Amendment #1

October 26, 2018

This amendment is being issued to answer questions submitted by potential offerors and to provide additional important information. In addition to adhering to any changes made to the RFP by this amendment, offerors must use Submittal Form 1 – Offeror Information to acknowledge this amendment.

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Questions submitted by potential offerors and answers from the State:

Question 1: Section 4.15 of the RFP references an intent to propose (ITP) form and a non-disclosure (NDA) agreement that bidders are to complete in order to get access to the claims file and census file. Where can bidders find these forms?

Answer: After the pre-proposal meeting is held the Online Public Notice post will be updated to include a link to ProposalTech. Once you have signed into ProposalTech, the non-disclosure agreement will be available to complete and submit. Once your non-disclosure agreement is completed, reviewed, and approved by the contracting officer the data files will be made available to you.

Question 2: At one point will bidders be given access to the ProposalTech site for this RFP?

Answer: After the pre-proposal meeting is held the Online Public Notice post will be updated to include a link to ProposalTech.

Question 3: Whether companies from Outside USA can apply for this? (like, from India or Canada)

Answer: All offerors must meet the requirements outlined in Section 3.12 and 7.05 of the RFP.

Question 4: Whether we need to come over there for meetings?

Answer: The pre-proposal meeting can be attended remotely via WebEx, however in-person participation is strongly encouraged, as questions will only be taken from participants physically present in the room and we cannot guarantee the functionality of the WebEx services. Many other meetings associated with this solicitation (such as the interviews of key personnel) must be attended in person.

Question 5: Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)

Answer: Per Section 3.12 of the RFP, if the offeror cannot certify (using Submittal Form 1, Certification #5) that all work will be performed in the United States, the offeror must contact the contracting officer in writing to request a waiver at least 10 days prior to the deadline for receipt of proposals. The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Question 6: Can we submit the proposals via email?

Answer: No, proposals must be submitted through ProposalTech.

Question 7: Please provide Microsoft Word versions of Attachments 1 and 2.

Answer: Attachment 1 and 2 will be submitted through ProposalTech.

Question 8: What can bidders expect as far as how ProposalTech will be used for this RFP? Will bidders simply upload the completed forms to the site? Or will the forms actually be fillable within ProposalTech?

Answer: The forms will be fillable within ProposalTech.

Question 9: Given the circumstances, we respectfully request a postponement of the RFP deadline for two weeks to 12/17.

Answer: Section 1.03 has been amended to reflect the following changes:

- The deadline to submit questions has been extended to November 13, 2018.
 - The date by which responses to questions will be issued has been extended to November 30, 2018.
 - The deadline for the receipt of proposals is extended until 2:00 p.m., Alaska Time, on December 11, 2018.
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Question 10: Regarding Section 1 – Bid Qualifications, Mandatory Requirement 2, bullet four (“Have at least two million covered lives across your dental book of business.”) in Dental Submittal Form 6 – Mandatory Requirements: Is it acceptable for a bidder to meet this requirement by leveraging affiliates, subsidiaries and the BCBS national association?

Answer: Yes, it is acceptable.

Question 11: Other Major Plan Features (Pg. 21): 6. Determination of recognized charge for the employee plan and the DC retiree plan. Currently in Anchorage, emergency room, emergency admissions and NICU Level 3 services at a non-par hospital are exceptions and NOT repriced at 185% of Medicare. There are 3 methods described, based on geography, listed for determining OON recognized charge determination. There is no reference to allowable charge claim hierarchy or voluntary vs. non-voluntary member access rules.

Correction: Free-standing imaging – 50% of billed – would only apply to non-par free-standing imaging in Anchorage area – NOT anywhere else. In other areas – Fair Health – 90th percentile of Fair Health applies.

Answer: The State agrees with this correction. Section 2.06, Other Major Plan Features:, 6c., has been amended to read:

"c. Free standing imaging:

i. In the Municipality of Anchorage: 50% of the amount billed by the provider for services and/or supplies rendered. ~~in the Municipality of Anchorage and outside of Alaska.~~

ii. Outside of the Municipality of Anchorage: 90th percentile of prevailing charge rate for the geographic area where services were rendered as determined by FAIR Health."

Question 12: Sec. 2.02: Correction: AlaskaCare COB “The active employee and DC plans allow coordination of benefits up to 100% of the allowed charge. The DC plan has a government carve-out type coordination of benefits, where AlaskaCare applies the coinsurance calculation to the amount not covered by the primary plan.”

Correction: The active employee and DB plans allow coordination of benefits up to 100% of the allowed charge. The DC plan has a government carve-out type coordination of benefits, where AlaskaCare applies the coinsurance calculation to the amount not covered by the primary plan.

Answer: The State agrees with this correction. Section 2.02, paragraph 5, has been amended to read:

"...The active employee and DC DB plans allow coordination of benefits up to 100% of the allowed charge. The DC plan has a government carve-out type coordination of benefits, where AlaskaCare applies the coinsurance calculation to the amount not covered by the primary plan."

Question 13: Sec 2.06: Current Medical Plan Features and Coverage.

Correction: Active Plan OOP – The following items on pages 14-15 should be removed from the left-hand column (i.e. as not counting toward OOP Maximum):

- \$5 Teladoc copay- does go to the OOP Maximum, in order to comply with ACA.

- 45 visits for caregiver consultation – This expense is technically “not covered” under plan, so should not be listed.

Answer: The State agrees with this correction. The tables in Section 2.06 (pages 14-15) have been updated as follows:

"The following expenses do not apply toward the out-of-pocket limit:

- charges over the recognized charge;
 - non-covered expenses;
 - premiums;
 - precertification benefit reductions;
 - \$100 penalty if seek non-emergency care at emergency room of a hospital;
 - Prescription drug expenses; and
 - \$25 copayment for non-preventive services to Coalition Health Clinic.
 - ~~\$5 copayment for general medical consultation under section 3.5.4 Teladoc Services; and~~
 - ~~45 visit charge for caregiver consultation under section 3.5.4, Teladoc Services."~~
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Question 14: Sec. 2.09: Background on Health Management and Wellness.

Correction: It is noted that there currently is case management for high risk pregnancies for Retirees. However, there is no longer a maternity management program for any Retirees.

Answer: The State agrees with this correction. Section 2.09, paragraph 1 (page 24) has been amended with the removal of the following sentence: ~~Maternity management is also available for retiree members with high risk pregnancies.~~

Other Changes to the RFP

Note the extension to the deadline for receipt of proposals. The RFP Schedule is revised as follows:

ACTIVITY	TIME	DATE
Educational Meeting	10:00 am	10/5/18
Issue Date / Draft RFP Released		10/11/18
Draft RFP Period Ends		10/24/18
Pre-Proposal Conference and Second Educational Meeting	9:30 am	10/29/18
Deadline to Submit Questions	4:30 pm	11/13/18
Responses to Questions		11/30/18
Deadline for Receipt of Proposals / Proposal Due Date	2:00 pm	12/11/18
Initial Evaluations and Proposal Analysis Starts		12/12/18
Shortlisting (optional)		1/28/19
Interview Period	TBD	2/7/19 – 2/15/19
Clarification Period Begins		2/19/19
Notice of Intent to Award		5/1/19
Contract Issued		6/3/19
Start Date		1/1/20

Section 5.02 Summary of Evaluation Process

Has been amended to include the following language:

The State will use the following steps to evaluate and prioritize proposals:

1. Proposals will be assessed for overall responsiveness and compliance with mandatory requirements. Proposals deemed non-responsive or not in compliance with mandatory requirements will be eliminated from further consideration.
2. Each responsive proposal that has passed all mandatory requirements will be assigned a unique code.
3. A proposal evaluation committee (PEC), made up of at least three state employees or public officials, will evaluate specific parts of the responsive proposals.
 - a. The anonymous Submittal Forms, from each responsive proposal, will be sent to the PEC. No cost information, schedule information, or team information will be shared or provided to the PEC.
 - b. The PEC will independently evaluate and score the documents based on the degree to which the proposal has met the requirements of the Submittal Form.
4. After independent scoring, the PEC will have a meeting, chaired by the contracting officer, where the PEC will have a group discussion prior to finalizing their scores. **Prior to the meeting, Segal will analyze the proposals, GeoAccess Analysis, and Network Disruption Analysis, and present their analysis in writing to the contracting officer in a similar format to what is presented as an example in Attachment 8.** This analysis will also be anonymous and will be reviewed by the contracting officer to ensure anonymity prior to sending to the PEC for the group meeting. The PEC may take the analysis into consideration prior to finalizing their scores. Segal may also participate in the PEC meeting but will not provide any identifying information in any discussions with PEC members prior to the PEC members finalizing their scores.
5. The evaluators will submit their final individual scores to the contracting officer, who will then average and compile the evaluator's scores.

6. The contracting officer will prioritize the proposals based on: evaluator scores, fee/cost information, and Alaska preferences (as outlined in this section).
 7. The contracting officer may shortlist the proposals and the State may conduct interviews with the top-rated offerors. Segal may assist in preparing questions for the interviews and assisting the State with follow-up questions during the interviews.
 8. The PEC will evaluate and score the interviews and submit their scores to the contracting officer. The PEC will have a meeting, chaired by the contracting officer, where the PEC will have a group discussion prior to finalizing the interview scores. The PEC may consult with Segal for technical assistance before finalizing the interview scores. The contracting officer will incorporate these scores into the final prioritization.
 9. The State, with Segal's assistance, will then conduct clarifications, negotiations, and award a contract if the clarifications and negotiations are successful.
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Section 5.06 Evaluated Criteria – (D) Contract Cost

Has been amended to include the following language:

- **CONTRACT COST**

Costs will not be evaluated/scored by the PEC. Offerors must use the tables in M-11/ D-11– Financial Workbook (Attachments 3 and 4) to display their proposed fees and claims costs. Comment sections have been provided through these form(s) to allow offerors to provide supplemental explanations, if necessary.

Segal will perform a financial analysis of the proposed fees and claims and produce a document similar to RFP Attachment 9. Segal utilizes client specific claims data for the re-pricing analysis to estimate claims cost that is trended to the renewal contract period using annual trend rates of 4% for medical and 3.5% for dental. These repriced claims costs will be added to the offeror's administrative services organization (ASO) rate to develop an annual total cost. Annual total cost will be summed for each of the five initial contract years to develop the total initial contract cost.

Additionally, for medical services, offerors will have the opportunity to provide a discount guarantee for each year. If an offeror provides such a guarantee it will be incorporated into the Total Cost as follows:

- If the discount guarantee is lower than the existing network discounts as demonstrated in the claims repricing, no penalty will be assessed as it is assumed the guarantee will be met; or
- If the discount guarantee is higher than the existing network discounts as demonstrated in the claims repricing, it will be assumed the guarantee is not met and the Total Cost will be adjusted to reflect the penalty in any given year.

The annual Total Cost will be adjusted to reflect the discount guarantee penalty and the discounts submitted in the claims repricing. In this way, each bid is compared using the client specific utilization and spending patterns and projected forward using Segal's industry knowledge on emerging medical market trends. Overall scoring/assessment will be done on a Total Cost basis.

Section 8. Attachments

Has been amended to include the following attachments:

- Attachment 1: Medical Submittal Form Packet

- Attachment 2: Dental Submittal Form Packet
- Attachment 3: Medical Financial Workbook
- Attachment 4: Dental Financial Workbook
- Attachment 5: Standard Agreement Form
- Attachment 6: Appendix A
- Attachment 7: Appendix B2
- Attachment 8: Non-Financial PEC Exhibits Example
- Attachment 9: Financial PEC Exhibits Example

Medical Submittal Form Packet: Submittal Form 7 – Contractual Requirements

The instructions of this section have been amended to reduce the word count from 250 to 200 for “no” responses:

The following are contractual expectations. The offeror must confirm that they can, or cannot, meet each requirement. A “no” response does not mean automatic rejection, but for each “no” response provide clarification (up to ~~250~~ 200 word maximum) in the “Response Clarification and Explanation” section at the end of this document. The State reserves the right to seek additional clarification and negotiate terms regarding any offeror response.

Dental Submittal Form Packet: Submittal Form 7 – Contractual Requirements

The instructions of this section have been amended to reduce the word count from 250 to 200 for “no” responses:

The following are contractual expectations. The offeror must confirm that they can, or cannot, meet each requirement. A “no” response does not mean automatic rejection, but for each “no” response provide clarification (up to ~~250~~ 200 word maximum) in the “Response Clarification and Explanation” section at the end of this document. The State reserves the right to seek additional clarification and negotiate terms regarding any offeror response.

Medical Submittal Form Packet: Submittal Form 6 Section 3.2

The following sentence has been deleted:

Section 3 – Termination Requirements

No.	CRITERIA	RESPONSE
1.	Confirm you agree, in the event of contract termination, that you will cooperate with the State of Alaska, or their representative, in the prompt, accurate, and orderly transfer of the State of Alaska’s plan experience. Claims and utilization information will be transferred to the State or its designated succeeding health plan/carrier within 30 days of the termination, at no added fee .	<input type="checkbox"/> Yes <input type="checkbox"/> No

2.	Confirm you agree the State of Alaska may terminate the contract at any time after the first complete plan year without cause, by giving 90 days' written notice. The State can terminate with cause with 30 days' notice unless proper remedy is provided by the vendor. The vendor may only terminate for cause with proper legal minimum notice requirements.	<input type="checkbox"/> Yes <input type="checkbox"/> No
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Dental Submittal Form Packet: Submittal Form 6 Section 3.2

The following sentence has been deleted:

Section 3 – Termination Requirements

No.	CRITERIA	RESPONSE
1.	Confirm you agree, in the event of contract termination, that you will cooperate with the State of Alaska, or their representative, in the prompt, accurate, and orderly transfer of the State of Alaska's plan experience. Claims and utilization information will be transferred to the State or its designated succeeding health plan/carrier within 30 days of the termination, at no added fee.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2.	Confirm you agree the State of Alaska may terminate the contract at any time after the first complete plan year without cause, by giving 90 days' written notice. The State can terminate with cause with 30 days' notice unless proper remedy is provided by the vendor. The vendor may only terminate for cause with proper legal minimum notice requirements.	<input type="checkbox"/> Yes <input type="checkbox"/> No

End of Amendment #1