

STATE OF ALASKA

Department of Administration

Division of Retirement and Benefits



Health Benefit Consulting, Actuarial, and Audit Services

RFP **2022-0200-5117**

Amendment Two

ISSUE DATE April 22, 2022

Amendment Two is being issued in response to the pre-proposal conference held April 7, 2022, addresses questions submitted by offerors, and updates the RFP schedule.

This amendment is hereby made part of the RFP and is a total of 7 pages.

Important Note to Offerors: You must sign and return this page of the amendment document with your proposal. Failure to do so may result in the rejection of your proposal. Only the RFP terms and conditions referenced in this amendment are being changed. All other terms and conditions of the RFP remain the same.

Lisa Trombi

Procurement Officer

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COMPANY SUBMITTING PROPOSAL

AUTHORIZED SIGNATURE

DATE

Remove and Replace:

Remove and Replace 1:

SECTION 1. INTRODUCTION & INSTRUCTIONS, SEC 1.11 RFP SCHEDULE (Pages 5 and 6):

Remove:

ACTIVITY	TIME	DATE
Issue Date / RFP Released		April 4, 2022
Pre-Proposal Conference		April 7, 2022
Last day for Questions Submittal		April 15, 2022
Deadline for Receipt of Proposals / Proposal Due Date	3:00 pm AKST	April 28, 2022
Interviews (approximately week of)		May 9, 2022
Proposal Evaluations Complete (approximately week of)		May 9, 2022
Notice of Intent to Award (approximately week of)		May 23, 2022
Contract Issued		July 1, 2022

Replace:

ACTIVITY	TIME	DATE
Issue Date / RFP Released		April 4, 2022
Pre-Proposal Conference		April 7, 2022
Last day for Questions Submittal		April 15, 2022
Deadline for Receipt of Proposals / Proposal Due Date	3:00 pm AKST	April 28, 2022
Initial Proposal Evaluation Meeting (approximately week of)		May 9, 2022
Interviews (approximately week of)		May 23, 2022
Proposal Evaluations Complete (approximately week of)		May 23, 2022
Notice of Intent to Award (approximately week of)		May 30, 2022
Contract Issued		July 1, 2022

Remove and Replace 2:

SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION, SEC. 3.16 INSURANCE

REQUIREMENTS (Page 17) The insurance requirements in Sec. 3.16 have been modified to remove the Professional Liability Policy from the additional insured requirements.

Remove last paragraph in SEC. 3.16:

All insurances noted above shall be considered to be primary and non-contributory to any other insurance carried by the State of Alaska, whether through self-insurance or otherwise. The State of Alaska shall be named as an additional insured on the Commercial General Liability, Automobile Liability, Professional Liability and Umbrella/Excess insurance policies. The Commercial General Liability, Automobile Liability, Professional Liability and Umbrella/Excess insurance policies shall contain an endorsement for contractual indemnity/liability coverage. In any contract or agreement with subcontractors performing work, the contractor shall require that all indemnities and waivers of subrogation it obtains and any requirement contractor be named as an additional insured must also be extended to waive rights of subrogation against the State of Alaska and to add the State of Alaska as an additional named indemnitee and as an additional insured.

Replace:

All insurances noted above shall be considered to be primary and non-contributory to any other insurance carried by the State of Alaska, whether through self-insurance or otherwise. The State of Alaska shall be named as an additional insured on the Commercial General Liability, Automobile Liability, and Umbrella/Excess insurance policies. The Commercial General Liability, Automobile Liability, Professional Liability and Umbrella/Excess insurance policies shall contain an endorsement for contractual indemnity/liability coverage. In any contract or agreement with subcontractors performing work, the contractor shall require that all indemnities and waivers of subrogation it obtains and any requirement contractor be named as an additional insured must also be extended to waive rights of subrogation against the State of Alaska and to add the State of Alaska as an additional named indemnitee and as an additional insured.

Questions and Answers:

Question 1: **SECTION 4. PROPOSAL FORMAT AND CONTENT, SEC. 4.02 SPECIAL FORMATTING REQUIREMENTS** (page 19): Under the proposal format and content area in Sec. 4.02 you specifically line out anonymity and basically not containing names that identify offerors under Submittal Forms B, C and D. However, under Sec. 4.04, where it outlines the experience and qualifications to be delivered in Submittal Form B, it specifically says that you must provide a personnel roster that must identify each person. I'm not sure how we remain, or keep anonymity, yet describe the people who will be involved in delivering the services. The same question applies to Sec. 4.05 and 4.06.

Answer: The anonymity wording has been removed from this solicitation. Please see Amendment One, issued on April 8, 2022, for additional details regarding remove and replace instructions.

Question 2: **SECTION 3. SCOPE OF WORK & CONTRACT INFORMATION, SEC. 3.01 SCOPE OF WORK, As-Needed Services** (page 11): Under bullet point 1. *Assist in the administration of the plans, including development of administrative systems or platforms and procedures including testing procedures related to qualification compliance*, what have you requested in the past under this category? Are we talking about ben-admin or are we talking about something else? What is the context of the consulting aspect of this item?

Answer: In previous years, the State has utilized consultants to assist with special enrollment activities (e.g., to host an online enrollment survey). This statement provides an option to leverage our consultants' capabilities and available resources to fulfill specific needs as they arise.

Question 3: Who is providing the services today and how long have they been in place?

Answer: The current contractor is Segal. The current contract has been in place since 2014.

Question 4: Why has the State released the RFP?

Answer: The State is a public entity and periodically conducts competitive procurements for these services. The current contract is expiring, and the services must be re-procured.

Question 5: Are you able to share what type of ben-admin platform, or which ben-admin platform, the State is currently using?

Answer: The State has developed an internal enrollment platform that employee plan members use each year for open enrollment. The State utilizes an online survey to support open enrollment for the retiree Dental-Vision-Audio plan.

Question 6: Is the scope that you have described here the same scope that is in place today? Are there any elements of it that are different than your current scope?

Answer: The scope of services in the RFP is very similar to the scope of services in place today. Minor adjustments and refinements have been made, but in general the services required remain the same. To review the current scope of work, please see **Section 5 Scope of Work** in the prior RFP that resulted in the current contract (RFP# 2014-0200-2472):

<https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=171797>.

Question 7: You mentioned you are seeking out a partner that will deliver the highest quality and the best efficiency. How will this be judged? How will a decision be made based on those criteria?

Answer: The proposals will be evaluated based on the criteria set forth in the RFP. Evaluations will be done through the combination of the written proposals and an interview process of the highest-ranking offerors.

Question 8: Aetna typically doesn't provide monthly files. Does the State have language in their contract to allow monthly files to be sent?

Answer: Yes.

Question 9: Our team is engaged in a pilot program with a Dental carrier. Files that help identify people with specific conditions are shared then the carrier increases their number of eligible screenings per year and has a program to improve compliance which clinically is proven to improve condition control. Is this something the State would like to engage in?

Answer: Yes. The State is currently working to implement a similar program.

Question 10: The RFP states that "Aetna partners with HDMS to provide a claims data warehouse to the State." Will the state be willing to have each provider of services provide file feeds into our analytics product? That will create freedom from the carrier for the State also, if they ever more from Aetna.

Answer: The State is open to considering this possibility if it provides enhanced value, but would need more details (e.g., fees, operational specifics) before making a determination.

Question 11: The RFP states that “No less than once a quarter, review the reports generated by the health benefits contractor(s) for the Division and (1) evaluate the data analysis and quality of the reports; and (2) recommend the addition or alteration of reports as necessary to improve quality of data reporting and to meet the state’s evolving needs.” For more accuracy, we would need to integrate data into our analytics system. Would this be what the State is looking for?

Answer: The State requires that the benefit consultants review and evaluate the quarterly reports produced by the health plans’ Third-Party Administrators but does not require a full reproduction of these reports to verify accuracy (unless specifically requested).

Question 12: What are strengths/weaknesses of your current retiree plan?

Answer: The plan offers very generous benefits with low member cost sharing. The Alaska Constitution contains certain provisions protecting these benefits from diminishment. These protections ensure rich benefits for our members but can present challenges when making plan or benefit changes (including incorporating standard cost-savings features or adding new benefits). The constitutional protections have been the subject of litigation. As a result, any potential benefit change and the implementation of that change undergoes a robust and thorough public vetting and review process, which can be time consuming.

Question 13: How is the perception of the retiree benefits?

Answer: In general, retirees highly value their benefits. They are protective of their benefits and are alert to any changes that could alter their benefits. Retirees participate actively in public discussions about the health plan and seem to demonstrate a higher satisfaction in areas where the medical third-party administrator network is most robust.

Question 14: What are the plans for benefit maintenance and cost containment for the retiree plan?

Answer: The State works with the Retiree Health Plan Advisory Board to evaluate potential plan changes or updates to the retiree health plan. Current items under consideration include refining coverage for gene based, cellular, and other innovative technologies and evaluating the feasibility of offering an optional Medicare Advantage plan to eligible retiree health plan members.

Question 15: Sec. 3.16 Insurance Requirements states The State of Alaska shall be named as an additional Insured on the Commercial General Liability, Automobile Liability, Professional Liability and Umbrella/Excess insurance policies. Additional insured can be included on the General Liability, Auto Liability, and Umbrella policies only. Additional Insured status is not available on Professional Liability (E&O) policies. An E&O policy is meant to cover a Third Party for our Errors. If we add the State as a Third Party as an Additional Insured, they are no longer considered a Third Party but an “insured” thereby negating the coverage. Can you provide clarification of the coverage you seek?

Answer: The insurance requirements in Sec. 3.16 have been modified to remove the Professional Liability Policy from the additional insured requirements. Please see **Remove and Replace 2** within the Remove and Replace section of this amendment (Pages 2-3).

Question 16: Sec. 4.04 Experience and Qualifications (submittal form B) The RFP states we are to provide resumes for the critical team members. Does this need to be done with the 5 page limit or are the resumes excluded from that page count?

Answer: Full resumes should be included as supplemental attachments to your proposal's Submittal Form B. The resumes are excluded from the 5-page limit of this form.

Question 17: Pricing. Our understanding from the RFP requirements is that the State of Alaska (State) is requesting a fixed fee proposal (or billed hours based on time and expense – with a not-to-exceed cap) guaranteed to remain unchanged for the first two years of the contract. At which time we are able to make an incremental fee adjustment based on a CPI-based approach for years 3 and 4 of the initial term. If this is correct, is it your desire that we include these incremental adjustments for years 3 and 4 in our pricing proposal?

Answer: No. The pricing proposal should reflect fixed hourly rates for the initial four-year contract term. Regarding a possible mid-contract CPI price adjustment, please see **RFP Section 3.06 Contract Price Adjustments**: "During the initial four-year term, the State will consider allowing for a CPI adjustment after the first two years of the initial four-year term, if request is received in writing 30 days prior to the end of the initial two years, but the state reserves the right to decline this request."

Question 18: Pricing. Is the pricing evaluation and scoring based on the combined 4-year total fee being proposed or just the initial 2-year guaranteed period?

Answer: The pricing proposal should reflect fixed hourly rates for the initial four-year contract term. The pricing evaluation and scoring will be based on your proposed annual fees as submitted on the Cost Proposal Submittal Form F.

Question 19: Scope. The "As Needed Services" section of the RFP lists a number of services outside of the primary scope of work. As we are developing our fees for this engagement, should we include these services as part of the overall scope of work, or are they intended as "out of scope" services to be priced individually as they come into play throughout the engagement?

Answer: Pricing for "As Needed Services" should be included in fee development.

Question 20: Scope. Can we get a copy of the existing Statement of Work detailing the scope currently provided by the incumbent consultant and actuary?

Answer: To review the current scope of work, please see **Section 5 Scope of Work** in the prior RFP that resulted in the current contract (RFP# 2014-0200-2472):
<https://aws.state.ak.us/OnlinePublicNotices/Notices/View.aspx?id=171797>.

Question 21: General. What is the annual compensation being paid to the incumbent consultant and actuary for this scope of work?

Answer: For Fiscal Year 2021, the compensation paid to the incumbent consultant and actuary for this scope of work (both recurring and as-needed) was approximately \$1.3 million.

End of Amendment Two