



**State of Delaware  
Department of Human Resources  
Statewide Benefits Office**

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**STATE EMPLOYEE BENEFITS COMMITTEE**

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**Request for Proposal  
for the State of Delaware's  
Flexible Spending Account/Pre-Tax Commuter Programs  
and COBRA Administration**

***Release Date: January 28, 2019***

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**Addendum #2**

**February 19, 2019**

**DHR18003-FSA\_COBRA**

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In response to exceptions submitted on Appendix E, the following responses either clarify or amend these requirements:

No.	Item	Requirement	Response
1	Page 43, Section 3.15 of Minimum Requirements	Confirm that plan participants will have access to a State-specific toll-free telephone number . . .	A dedicated toll-free number is not required; only designated. The intent is that the customer service team would be trained on any State-specific terms or issues.
2	Page 46, Section 4.05 of Minimum Requirements	Please confirm that your organization will collect all documentation and funding for unsubstantiated claims and that you will collect unsubstantiated overpayments within 2 months for a payroll deduction or W-2. Please include a description of these processes.	The requirement does not state that the vendor would collect unsubstantiated claims via a payroll deduction or issue a W-2. The term is <i>for</i> the State to do so.
	Page 56, Section 6.07 of Minimum Requirements	Please confirm that you will act as Plan Administrator as defined by federal regulations and your processes, notices, systems and reporting will be in full compliance with COBRA and HIPAA federal and state continuation requirements. Also confirm that any fines related to non-compliance will be your sole responsibility.	<p>The requirement is deleted in its entirety and replaced as follows:</p> <p>Please confirm that you will act as Plan Administrator as defined by federal regulations and your processes, notices, systems and reporting will be in full compliance with COBRA and HIPAA federal and state continuation requirements. Except for the negligence caused by the acts, omissions, wrongful conduct or non-compliance of the incumbent vendor, also confirm that any fines related to non-compliance will be your sole responsibility.</p> <p>The State cannot remove the requirement for the TPA to agree to act as the Plan Administrator as defined by federal regulations or perform its contractual responsibilities. As a point of clarification, the State understands</p>

			that if it did not adequately notify the vendor of a qualifying event, then that is the State’s responsibility. The indemnity term in Paragraph 9.12 is for the vendor’s responsibilities and not the State’s.
	Page 46, Section 4.07	Please confirm that your organization offers a debit card to the HCFSA and DCFSA participants and describe how the employer/employee funds the accounts.	The requirement is revised to delete “DCFSA”.
	Page 67, Section 9.23.c.	Please confirm your acceptance that you will provide copies of all correspondence to all regulatory agencies that apply to FSA, PTC and COBRA programs.	This applies to only notices or correspondence specific to the State.
	Page 55, Section 5.20 – Regarding developing relationships with Wilmington parking vendors	What percentage applies to each method? How many parking vendors are located in the City of Wilmington that are not under contract with your company? Would you be willing to risk performance guarantees on obtaining contracts with these vendors?	The requirement is deleted in its entirety and replaced as follows:  If a participant requests a direct-pay arrangement with an additional parking vendor, confirm your willingness to contact that parking vendor to see if a direct-pay arrangement can be made.
	Page 48, Section 4.14	Please confirm that your organization will provide a weekly invoice for reconciliation for both the 22-week pay and 26-pay participants, a monthly report of suspension of FSA debit cards, and an annual report of unsubstantiated FSA debit charges.	“Weekly” is revised to “biweekly” since the payroll cycle is on a biweekly basis.