

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

DHR18003-FSA_COBRA

Released: January 28, 2019

Responses to Bidder Questions (Q&A)

February 22, 2019

No.	Reference:	Question:	Answer:
1	<p>I.A.2.0 Page 6 and Appendix L Page 113</p> <p>Currently the State of Delaware offers health care and dependent care FSA and PTC benefits to approximately 36,000 full-time and part-time eligible employees under a voluntary IRC Section 125 plan. YTD 2018 Number of Eligible Employees: 36,230</p>	<p>Can you share the entire employer size for the State?</p>	<p>For the purpose of the Flexible Spending Account and Pre-Tax Commuter Programs portion of the RFP, eligible employees and the entire employer size are the same. Other groups that participate in the State’s Group Health Insurance Program (GHIP), such as municipalities and the University of Delaware, are not eligible for FSA or PTC benefits being procured under this RFP and therefore were excluded from the 36,000 eligible counts.</p>
2	<p>Page 6, I.A.2.0</p> <p>Finally, the State is interested in understanding bidders’ capabilities to administer health savings accounts (HSAs) in coordination with a medical third party administrator.</p>	<p>1) Is the State specifically looking for a vendor with contracts in place with a medical third party administrator?</p> <p>2) Or is the State looking for a vendor who has the capability of receiving claims directly from a medical third party administrator?</p>	<p>The State is looking for a vendor with the capability of receiving claims directly from a medical third party administrator.</p>
3	<p>I.A.2.0 Page 7</p> <p>All costs for administration of this program shall be funded from FSA forfeiture amounts, which the State will use to subsidize administration fees.</p>	<p>1) Can you please provide clarity around this item and explain the current process that is in place?</p> <p>2) Please elaborate on how the State will fund the fees in excess of the forfeiture amounts.</p>	<p>Since the first year of the implementation of the FSA program, the administration cost/fee has been funded by the forfeiture amounts. The cost is not passed on to the participant as a separate fee. This funding is behind the scenes to the vendor, though if the accumulative forfeiture amounts were not enough to cover the State’s fees in the future, the program would explore alternative funding options such as an employee-pay-all status for the fees or a State-funded appropriation.</p>

4	I.A.2.0 Page 9 PTC Administration	What level of priority within this RFP is the direct pay arrangement for PTC?	The direct payment process is a minimum requirement, both for reimbursement to members and payment to parking vendors. See Section 5.0 Pre-Tax Commuter Administration.
5	I.A.2.0 Page 9 PTC Administration	Are you able to share a list of your parking vendors/MCC codes in the City of Wilmington?	<p>There are two parking vendors with a billing arrangement:</p> <p>Colonial Parking 302.651.3600 715 Orange Street Wilmington, DE 19801</p> <p>Wilmington Parking Authority 302.655.4442 The Linden Building 625 North Orange Street Wilmington, DE 19801-2222</p>
6	A.2.A, Page 9 Fleet Link program	Will the Fleet Link program accept voucher checks to pay a participant’s share of the monthly fee?	<p>Individual voucher checks will not be acceptable for the Fleet Link Division.</p> <p>Per the current process, when participants sign their Fleet Link contract, participants authorize pre-tax deductions for van pool expenses, and automatically have their monthly fee deducted from their paycheck pre-tax. If the monthly fee to ride in the Fleet Link van changes, the participant’s next paycheck will reflect the different deduction amount, and their monthly payment is automatically modified.</p>
7	A.2.B., Page 10 – COBRA It is a minimum qualification that the vendor have experience with a client that is organized similarly with separate employer units that require role-based access.	Please define role-based access.	Role-based access would be human resource personnel (Benefit Representatives or “Ben Reps”) having access only to participants assigned to their employer unit. Separate employer units would be those that have their own Human Resources Office, such as agencies or school districts, and therefore those Ben Reps would only have access to their employees’ information.

8	Page 5 (footnote)	Can you provide some additional clarification on how the 165 entities within the State of Delaware impact the reimbursement account services? Are there specific expectations that we should consider; for instance, reporting, funding/settlement, communications or payroll?	<p>The 165 entities do not impact the reimbursement account services. This statement was background information about the State’s operations as a whole.</p> <p>Consistent with item #1 of this document, other groups that participate in the State’s Group Health Insurance Program (GHIP), such as municipalities and the University of Delaware which are represented by the 165 entities referenced, are not eligible for FSA or PTC benefits being procured under this RFP.</p>
9	<p>A.2.B., Page 10</p> <p>For any vendor that is bidding on all three programs (FSA, PTC and COBRA), the State would like to explore each vendor’s capabilities to leverage eligibility data provided for the FSA plan to support the administration of the COBRA continuation program;</p>	Please explain how the State would like to leverage the FSA eligibility data to support the COBRA program.	The State is looking for a solution and asking vendors to provide information on how their business model can use the eligibility data to automate COBRA administration processes. Please read the sections in the RFP that describe the current manual processes that might be automated by using the eligibility data.
10	I.A.2.0 Page 11 Health Savings Account Administration	Is the intent to potentially offer an employer contribution for the future HSA?	The implementation of an HSA plan is being considered by the SEBC for a 07/01/20, FY21, effective date. If implemented (then or at a later date), the health plan third party administrator(s) awarded that plan design (Highmark Delaware and/or Aetna) will provide the administration services. By asking questions of interested vendors in this RFP as an optional service, under the State’s procurement rules the SEBC has the option to contract with an independent third party during the term of the contract of this RFP (five fiscal years ending 06/30/25).
11	General Question	Is the State working with any vendors for ACA reporting?	The State is not working with any vendors for ACA reporting. The administration of ACA reporting services is outside the purview of this RFP. If the SEBC were to consider carving out this service, it would have to issue an RFP to solicit competitive offers to contract for these services.

12	None	Why is the State of Delaware going out to bid? Are they happy with the current vendor? If issues, what are they?	The State is required to go out to bid every five years. The SEBC is always interested in procuring the best possible pricing and services.
13	Appendix Q - Fees	<p>1) What are the current fees?</p> <p>2) Please identify all current fees associated with the FSA and PTC programs.</p> <p>3) Will the State of Delaware disclose current fees and budgets for the FSA, Commuter and COBRA programs?</p>	See chart at the end of this document.
14	#4.04, Page 46 Confirm your ability to accept the State's two (2) health insurance enrollment file feeds. Please note, outbound feeds to Highmark, Aetna, EyeMed, Delta Dental and Dominion Dental will not be considered.	<p>1) Please explain the use for the State's two health insurance enrollment files.</p> <p>2) Will SBO send an indicative data file prior to Open Enrollment so that we can ensure only eligible participants are in our system?</p>	<p>1) The State's two health insurance enrollment files are used to assign employees to a health plan for electronic substantiation of copay debit card claims. We currently send this through an electronic report in January and July.</p> <p>2) Yes, a data file for eligible participants is sent before each Open Enrollment period.</p>
15	#4.06, Page 46 For the flexible spending account program, please confirm that your organization accepts the term that the State holds the funds in-house after payroll deduction until such time as a claim paid via debit card or participant reimbursement is made.	Does the State currently pay for claims on a daily basis? Is there a pre-find account to cover claims until the State funds?	<p>DHR Financial Operations receives invoices each day for payments made out of the FSA and PTC funds. These are then paid on a daily basis.</p> <p>The State does not pre-fund to cover claims and the expectation is that the vendor will pay and invoice the State for claims that have been paid.</p>
16	#4.09, Page 47 Confirm you will provide open enrollment support. This includes participation at in-person enrollment meetings with employees and written material. Open	<p>How many open enrollment meetings are anticipated?</p> <p>How many Open Enrollment meetings should the winning bidder expect to attend?</p>	<p>In April and May each year, there are approximately six days of educational sessions that run concurrently with the Health Fairs. For example, 2019's sessions are:</p> <p>April 23 – Dover May 6 – Newark</p>

	Enrollment materials should be made available for website posting and prospective vendors should also anticipate an annual Open Enrollment mailing.		May 7 – Dover May 8 – Georgetown May 13 – Lewes May 14 – Wilmington May 16 – Dover
17	#4.31, Page 50 Please select the options that are available functions of your FSA debit card: (2) The fees are auto-deducted from the FSA account balance.	Is this referring to debit card fees or the monthly PPPM account fee?	This would be referring to the debit card fees that are the responsibility of the participant/member.
18	Page 4 **IMPORTANT** Bids will be accepted from a vendor that can administer either (1) all three programs, or (2) COBRA only. Interested bidders must indicate which programs they intend to bid on with their Intent to Bid response. In the event that any vendor submits an Intent to Bid response for (2) COBRA administration only, an addendum to this RFP will be issued with additional instructions for submitting those bids.	1) Is there an option for a vendor who only wishes to bid on the FSA and the PTC programs to bid on this RFP? 2) If the vendor is found to not meet a minimum requirement for the COBRA program, will the vendor still be considered for the FSA and PTC programs? 3) If all vendors bid on all three products, would there be a situation in which the State may award only COBRA to one vendor and FSA/PTC to another vendor?	1) No. By the Intent to Bid deadline, no interested vendors indicated that they would bid on only the COBRA program. 2) The minimum requirements for all three programs are considered in their entirety as all interested vendors indicated that they would bid on all three programs. 3) It is possible the State could decide it is in its best interest to award to two vendors, however, as stated on Page 14, it is the intention of the SEBC to award one contract for all three programs.
19	Pages 11, I.B & 13, I.C.COBRA 8. Manual billing process for Diamond State Port Authority Group	Does the State wish for the manual billing process to stay in place or is the State looking for an alternative process for billing this group directly,	The State wishes to maintain the current billing processes, but is open to any suggested improvements. Each individual must be billed directly since they are retirees and the spouses of retirees and not active employees of this employer group.
20	6.26, Page 58 COBRA – Diamond State Port Direct Bill	How long are the retirees allowed to remain on the Retiree Medical Services plan... age 65, longer? Please describe.	Retirees are allowed to remain on the plan until the retiree dies or disenrolls from the plan. Retirees and their spouses are eligible for coverage either as an early (non-Medicare) retiree or as a Medicare retiree. If the member is an early retiree, upon age 65 the coverage changes to

			State's Medicfill plan (a Medicare Supplemental plan). Coverage under Medicfill terminates upon death.
21	<p>Page 13, I.C. COBRA</p> <p>2. Provide applicable Notices, by first class mail.</p>	Which COBRA notices specifically does the State deem to be included in this RFP?	<p>All qualifying event notices including HIPAA notices where required. Throughout the minimum requirements and questionnaire sections, specific types of notices may be identified. 643 Open Enrollment packets were mailed in 2018, including:</p> <ul style="list-style-type: none"> a. Letter to COBRA participants b. Health Plan Comparison Chart c. Summary of Benefits Highmark First State Basic d. Summary of Benefits Aetna CDH e. Summary of Benefits Aetna HMO f. Summary of Benefits Highmark Comp PPO g. Health Care Coverage Notices and Other Important Information <ul style="list-style-type: none"> i. Notice of Special Enrollment Rights ii. Women's Health and Cancer Rights Act (WHCRA) of 1998 iii. Mental Health Parity and Addiction Equity Act Notice iv. Availability of Summary Health Information v. Premium Assistance Under Medicaid and the Children's Health Insurance Program (CHIP) vi. Comprehensive notice of privacy and procedures vii. Notice of nondiscrimination and accessibility viii. Tagline on availability of language assistance (15 languages) for individuals with limited English proficiency ix. ADA notice regarding wellness program
22	Page 16, I.E.2., Topic – Financial Terms Competitive administrative fees.	<p>1) How will this be determined?</p> <p>2) Will the administrative fees be combined for all programs?</p>	Competitive fees will be determined by comparing the bids. Because the bids must contain fee quotes for all three programs, the fees will be analyzed both individually and in the aggregate. For example, COBRA fees are based on a qualifying event basis whereas fees for FSA are not. A lower fee on COBRA services and a higher fee

		<p>3) Will each program be evaluated separately in order for the State to obtain the most competitive bids?</p> <p>4) Will COBRA be evaluated separately from FSA/PTC?</p>	<p>on COBRA, FSA & PTC fees will be evaluated individually and in the aggregate.</p>
23	<p>Pages 50, 4.29 & 55, 5.21 of Minimum Requirements (FSA)</p> <p>The State would like to reduce risk of loss from terminated employees. Please address the steps you take to reduce this risk.</p>	<p>1) Can you explain the risk to which you refer?</p> <p>2) Is this related to overspent accounts or to claims incurred outside of the end of coverage date?</p>	<p>Risk from terminated employees is in the context of overspent accounts. Employees who spend their entire account before they accumulate a sufficient balance to cover their account would be a loss to the State. Claims incurred outside of the end of FSA coverage date would not be processed so therefore there would not be a loss to the State.</p>
24	<p>Page 41, 3.01 of Minimum Requirements</p> <p>Please confirm that your organization will provide relevant member communications materials, including support for the production and distribution of such materials, at no cost to the State and plan participants. This includes printing and postage. (Emails sent directly from the vendor to eligible members are not possible, though program information will be shared in email newsletters sent from SBO.)</p>	<p>1) Can the State quantify and describe this request?</p> <p>2) What specific materials, quantity, and frequency would be required to be mailed?</p> <p>3) Is this related to implementation only, annually, or apply to communications throughout the year?</p>	<p>Please see other questions and responses specific to the FSA and COBRA programs.</p>
25	<p>Page 43, Section 3.15 of Minimum Requirements</p> <p>Confirm that plan participants will have access to a State-specific toll-free telephone number (with voice-mail capability when a representative is not available) and an email customer service address to which participants may direct their concerns and questions regarding account/claims information.</p>	<p>Requiring a separate toll-free telephone number will increase cost of the services and doesn't appear to add any real value. Is a separate toll-free number from the vendor's normal book of business what is truly intended?</p>	<p>The requirement of a <i>dedicated</i> toll-free telephone number has been changed to <i>designated</i> as stated in Addendum #2.</p>

26	<p>Page 44, 3.16 of Minimum Requirements</p> <p>Average MSR turnover - YTD 2018 Average MSR turnover - CY 2017 Number of MSRs/MSR Team Average number of clients/MSR Team (Employers) – 2017 Average number of clients/MSR Team (Members) – 2017 Average call abandonment rate – 2017 Average speed of answer (to speak with live representative) – 2017 First Call Resolution rate – 2017</p>	<p>2018 information would be more relevant. Is it acceptable for the vendor to provide 2018 information rather than 2017?</p>	<p>2018 data would be welcome. However, not all vendors may have aggregate 2018 data. Therefore, at a minimum, 2017 data is required. Also provide 2018 data and identify monthly time period.</p>
27	<p>Page 44, 3.18a of Minimum Requirements</p> <p>Will you review claims for reasonableness? That is, will claims for reimbursement be monitored for excessiveness or possible fraud?</p>	<p>1) Can the State further define reasonableness and possible fraud?</p> <p>2) If a participant submits a claim for a \$100 wig (with a physician letter of medical necessity), and another participant purchases a wig for \$500, is the latter considered excessive? This scenario could apply to many types of claims, such as blood pressure monitors, eyeglasses, etc.</p> <p>3) What is the State’s expectation to monitor fraud?</p>	<p>It is the State’s expectation that the awarded vendor will administer and provide reimbursement for claims in accordance with the applicable benefit plan documents and will be expected to reimburse in accordance with the terms of the plan documents.</p>
28	<p>Page 44, 3.18.c of Minimum Requirements</p> <p>Describe what other checks and balances are in place to ensure that COBRA event processing is as accurate as possible and to validate the qualifying event file data, such as benchmarking a client’s qualifying events against other similar sized companies and profiles, monitoring specific types of events for reasonability</p>	<p>1) Is benchmarking performed now?</p> <p>2) How are variances in plan design, cost, and employer logistics taken into consideration?</p>	<p>1) Periodic internal audits and controls are in place to monitor vendor performance and compliance with the contract provisions.</p> <p>2) As appropriate, variances in cost and employer logistics are considered when conducting internal audits. Plan design is the same for all eligible participants.</p>

	(for example dependent child terminations), etc.		
29	<p>Page 44, 3.22 of Minimum Requirements</p> <p>What is your process for reconciliation of FSA and PTC funding (employee deductions) versus paid claims with the State?</p>	What is meant by “reconciliation of funding versus paid claims with the State?”	Vendor’s process for reviewing accumulations from employee contribution via payroll deductions to FSA and PTC relative to paid claims for FSA and PTC expenses.
30	<p>Page 46, 4.03 of Minimum Requirements</p> <p>Confirm your administration processes match the IRS requirements and are in accordance with all IRS regulations. Please explain how your administrative processes meet these requirements.</p>	Can you confirm that this question also relates to and encompasses debit card processes?	Yes, this question encompasses debit card processes.
31	<p>Page 46, Section 4.05 of Minimum Requirements</p> <p>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.</p>	<p>A vendor cannot collect unsubstantiated overpayments via payroll deduction or W-2. We assume that the vendor is being asked to confirm that the vendor will provide the necessary information to the State so that the State can collect unsubstantiated overpayments via payroll deduction or W-2. Is that correct?</p> <p>“[C]ollect within 2 months” of what date (from the end of the claim deadline, from the end of the plan year, from the date of the debit card swipe)?</p>	<p>Yes, the vendor is being asked to confirm that the vendor will provide the necessary information to the State so that the State can collect unsubstantiated overpayments via payroll deduction or W-2.</p> <p>The two month timeframe is from the end of the plan year.</p>
32	<p>Page 47, 4.09 of the Minimum Requirements</p> <p>Confirm you will provide open enrollment support. This includes participation at in-person enrollment meetings with employees and written material. Open</p>	Can the State quantify, and describe expected contents of the “Open Enrollment materials?” Any information to assist in determining postage costs are helpful.	Open Enrollment materials would include employee postcards (approx. 36,000), employer posters (approx. 750), fliers, pamphlets, and wallet cards for distribution at Open Enrollment events.

	<p>Enrollment materials should be made available for website posting and prospective vendors should also anticipate an annual Open Enrollment mailing.</p> <p>a. Please include samples of your standard open enrollment communication materials.</p> <p>b. Confirm that the cost of all communication materials is included in your response to Appendix Q, Fee Quote. This should include postage fees. Please separately itemize the cost to develop any custom communications for the State.</p>		
33	<p>Page 50, 4.33 of the Minimum Requirements</p> <p>Do you have a toll-free number to handle provider questions regarding the FSA debit card? If so, what is the location of the office, the service hours, and the current staffing for this function? If not the same as the FSA member services office, how are the two call centers integrated?</p>	<p>What types of “provider” questions are anticipated?</p>	<p>Possible questions would be related to the Inventory Information Approval System (IIAS), Health Care Merchant Category Codes (MCC), instances of insufficient funds or deactivated cards. In most cases, it is the employee’s responsibility to contact the toll free number. There haven’t been many instances where the provider has inquired about the debit card.</p>
34	<p>Page 56, Section 6.07 of Minimum Requirements</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. Also, confirm that any fines related to non-compliance will be your sole responsibility.</p>	<p>This requirement is not an industry standard as COBRA TPAs typically act as the agent of the employer or plan administrator; the TPA is merely performing ministerial duties. The indemnification provision in the contract or a breach of contract claim could be used to hold the TPA liable for its failure to adequately perform its contracted services. In addition, the court in <i>Crawford v Pa. Employees Benefit Trust Fund</i>, 18 EBC 1392, found that a current plan administrator was liable for the initial plan</p>	<p>A response was provided in Addendum #2.</p>

		<p>administrator’s failure to provide an initial notice. The vendor has no way of determining whether the State’s current plan administrator has been compliant or what issues might be waiting to be discovered. Will the State consider removing this minimum requirement?</p>	
35	<p><u>Insurance Coverage:</u> If the contractual service requires the transportation of State employees, the vendor shall secure at its own expense the following coverage;</p> <p>i. Automotive Liability (Bodily Injury) \$100,000/\$300,000. ii. Automotive Property Damage (to others) \$25,000.</p> <p>Additionally, the successful vendor must carry the following coverage:</p> <p>a. Comprehensive General Liability \$1,000,000 per person / \$3,000,000 per occurrence and/or b. Professional Liability \$1,000,000 per person / \$3,000,000 per occurrence and/or c. Miscellaneous Errors and Omissions (E&O) \$1,000,000 per person / \$3,000,000 per occurrence.</p> <p>If you believe that a type of coverage would not apply to your service, please explain. If awarded the contract, the State of Delaware shall NOT be named as an additional insured.</p>	<p>1) This bid would not require transportation of State employees, so we assume that there is no automotive coverage required. Is that correct?</p> <p>2) Will the following limits be acceptable for the remaining required coverage? General Liability - \$2,000,000 occurrence/\$2,000,000 aggregate Umbrella Liability - \$2,000,000 occurrence/\$2,000,000 aggregate Professional Liability (inclusive of E&O)- \$5,000,000 occurrence/\$5,000,000 aggregate</p>	<p>Correct, the services do not require transportation of State employees.</p> <p>We cannot respond whether or not those specific coverages and limits are applicable. For example, the type of coverage in an Umbrella policy is unknown to the State. Please confirm whether or not you have, or would obtain, the minimum coverage requirements. The question states that proof of insurance is required before the effective date of the contract.</p>

36	Page 12, section B. Proposal Objectives – C. Scope of Services, COBRA	<p>What is the preferred method of delivering COBRA eligibility updates to the state? Report, file transmission, etc.</p> <p>Is the State open to the COBRA vendor transmitting eligibility directly to the insurance carriers?</p>	The preferred method of delivery is a weekly email report or transmission of enrollment from the COBRA vendor directly to the insurance carrier with SSNs removed.
37	Minimum Requirement 4.20, Carrier Integrations	<p>Is the State of Delaware currently having claims paid by receipt of files from carriers?</p> <ul style="list-style-type: none"> – If yes, are consumers automatically enrolled in this auto payment option or must they select it? – If yes, is the debit card also made available to participants who use the auto payment feature? – If yes, which existing vendors are files in place? – 	No, there are no carrier files currently in place to substantiate debit card claims requiring receipt. Transmission of member data to a third party would not be efficient or cost effective.
38	Minimum Requirements 4.20 Carrier Substantiation Files	Are there any carrier files currently in place to substantiate debit card claims requiring receipt? If yes, with which vendors?	No, there are no carrier files currently in place to substantiate debit card claims requiring receipt. Transmission of member data to a third party would not be efficient or cost effective.
39	Minimum Requirements 4.34 Debit Card	The (vendor’s) card is intelligently stacked in a manger that transit and parking balances can also be utilized by accessing the debit card. Is the State of Delaware open to utilizing debit cards for transit/parking services that can work real time at the merchant of the employee’s choice as an alternative to voucher systems?	Yes, the State is open to considering this option.
40	6.03, Page 55 COBRA	What is the reason why the state hasn’t automated its COBRA processes?	The file feeds have been cost prohibitive due to the low number of accounts.

41	6.05, Page 55 COBRA	Are paper forms actually submitted or are events (e.g. new hires and terminations) typically entered into the current vendors system by the divisional benefits representatives?	Currently, new hires and terminations are entered into the current vendor's system by the benefits representatives. The State is seeking a solution so that the eligibility file feed for FSA can be used to capture COBRA new hire and qualifying events.
42	6.13, Page 57 COBRA (notifications, monthly invoices and annual enrollment notifications)	Please describe the type of content the State may wish to customize (e.g. formatting vs. legal or regulatory requirements)	This is an open ended question, intended to have vendors describe their capabilities to customize COBRA notifications, monthly invoices, and annual enrollment notifications. The customization applicable to COBRA notifications or any other documents should not interfere with legal and regulatory requirements.
43	C-1, Page 75 COBRA	What HCM/HRIS systems are currently being utilized by the State that would house the necessary core COBRA data elements?	The State's benefits administration system is known as PHRST, an Oracle-based PeopleSoft system. Please see Appendix O for the data file descriptions and layouts. If there is a solution to use the FSA enrollee and eligibility files for new hire and termination events, those data fields would be used.
44	Section A, Page 7 FSA	Do you require your administrator to send you per pay period payroll deductions, or can you accept a goal amount file and payroll does the per pay period calculations and makes the payroll adjustments when a person returns from leaves, or increases/decreases their goal amounts?	The file that is required from the administrator must be "payroll ready". The State's payroll department cannot make the manual entries.
45	4.02, Page 46 FSA	Will you be making any changes to the short plan year contribution maximum such as limiting the election amount to 50% of the annual maximum?	Yes, it is the State's intent to decrease the HCFSA and DCFSA maximum by 50% for the short year. The State is interested in understanding vendor capabilities to support the administration of a 50% decrease in HCFSA/DCFSA maximums for the short year as well as the scenario where the State does not limit the election amount (i.e. how the vendor can ensure repeat enrollees maximum contribution limits).

46	4.22, Page 49 FSA	Since you plan to have a short plan year in 2020, can we assume the plan year extension will not apply to the short plan year?	The State will offer the 2 ½ month Grace Period for the short plan year.
47	Section c. Scope of Services - FSA Provide confirmation statements after the Open Enrollment period to each enrolled participant. Produce all communication materials for Open Enrollment and ongoing administration of the plan.	<p>1) Can we collect email addresses through the enrollment process/call center and purpose those for future mailings? If so, can we use email instead of mail when we do have an email address?</p> <p>2) Does the incumbent have any emails and would they be willing to provide?</p> <p>3) Are there any other required mailings besides the open enrollment packages?</p>	<p>1) Employees can elect to provide an email address during the enrollment process and receive electronic communications. The State currently uses email instead of mail, when an email address is available, for the distribution of Debit Card and Direct Deposit notifications.</p> <p>2) Currently all Open Enrollment communications are through mail and email. If the incumbent has an email address for a current participant, Open Enrollment communications would be through both channels.</p> <p>3) Quarterly Account statements would require mailing if employees do not elect electronic communication.</p>
48	Page, 16, Topic Section, COBRA Administration Ability to leverage FSA enrollment file to support COBRA administration for State employees and their dependents (excludes non-payroll groups).	Is the question regarding seeding as an Active Employee in the COBRA system prior to a COBRA Qualifying Event, in order to move it from Active to COBRA?	Yes, along with any other COBRA functions that can be automated by using the FSA enrollment file for qualifying events.
49	Page 9, PTC Administration, Paragraph 5 It is then the Plan Administrator's responsibility to upload that information in a timely manner and take the proper deductions.	We want to understand what they mean by "it is the Plan Administrator's responsibility to upload that information in a timely manner and take the proper deductions." Are we uploading this to their payroll system and therefore authorizing a deduction?	Yes, processing the entries from the Excel file received from Fleet Link.

50	<p>Page 42, Minimum requirements section- Question 3.06</p> <p>Open Enrollment should be web based directly to the vendor. The vendor will capture the information and send an electronic file to the State to upload into the State’s payroll system. State of Delaware will supply the eligibility file.</p> <p>The State prefers not to provide SSNs. Please confirm if you can accommodate unique identifiers such as date of birth or a combination of employee ID number and last four numbers of SSN. If you need the full SSNs, please explain why.</p>	Will the State provide the unique ID?	Yes, the State uses Employee IDs (“EmplID”), a six-digit number.
51	<p>Page 53, PTC Minimum Requirements, Question 5.04</p> <p>How do employees make monthly pass/voucher requests?</p>	Can you explain the current process for employees requesting monthly pass/voucher?	Employees request a pass/voucher and deduction amount online. The request carries over each month until the employee elects to cancel the election online.
52	<p>Page 53, PTC Minimum Requirements, Question 5.05</p> <p>What is your procedure for handling requests for vouchers from terminated employees?</p>	Can you explain the current process for handling requests for vouchers from terminated participants?	Terminated employees would be unable to request pass/vouchers through the online enrollment. Their eligibility/access is removed upon termination through a biweekly eligibility file.
53	<p>Page 53, PTC Minimum Requirements, Question 5.06</p> <p>How are passes and vouchers distributed?</p>	Can you explain the current process for distributing vouchers and passes?	Employee pass/vouchers are mailed each month to the mailing address provided during the enrollment process.
54	<p>Page 53, PTC Minimum Requirements, Question 5.07</p>	Can you explain the current process for reporting and managing lost or stolen passes/vouchers?	DART cards are used just like cash, and cannot be replaced or refunded by the vendor if lost, altered, stolen, or misplaced. SEPTA provides their own 800 number for lost cards.

	What is your process for reporting and managing lost or stolen passes/vouchers?		If cards are returned to the vendor, the State is contacted to confirm the employee's mailing address.
55	Page 46, Section 4.07 Please confirm that your organization offers a debit card to the HCFA and DCFSA participants and describe how the employer/employee funds the accounts.	This requirement for DCFSA card is not a standard offering within the FSA industry as it is difficult to comply with, and is cumbersome and confusing for DCFSA participants.	The State does not currently allow for DCFSA charges. A response was provided in Addendum #2.
56	Appendix C - Performance Guarantees	Request adjustments to emphasize customer service and less on meeting deadlines and artificial content requirements.	Please see the directions at the top of Appendix C if you propose alternatives. Please be sure any alternative Fee at Risk percentages still total correctly or is a greater total. Corresponding minimum requirement 9.30 states that if your offer does not receive a clarifying question or any other response from the State, it does not infer acceptance. Referring again to the directions, it states that the State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendor.
57	Background and Overview, Page 5, 1.0 Organization Description 2 nd paragraph	Is there one central payroll entity for all separate business units or multiple payroll centers? If multiple, how many unique payroll centers should the winning bidder expect to interface?	There is one central payroll entity. The State's benefits administration system is known as PHRST, an Oracle-based PeopleSoft system.
58	General Question - COBRA	Please identify all current fees associated with the COBRA administration and the current pricing model utilized. Additionally, is the 2% retention fee, retained?	See chart at the end of this document. The 2% retention fee is a pass-through cost to the State to be retained by the vendor
59	2.0 Background Information, Page 6 HSA paragraph	What does the State's consultant project the HSA participation to be when the HDHP plan is adopted (at the later date)?	At this time, the potential offering of an HDHP is still under discussion with a number of elements that normally drive enrollment still yet to be finalized (i.e., plan design,

			HSA seed, employee contributions, etc.) As such, please provide your fee quote based on enrollment tiers specified in Appendix Q, Fee Table 3: HSA Administration, page 134
60	PTC Administration, Page 9 Last paragraph	Are the 2,841 State employees who work in downtown Wilmington (that may utilize parking services) included in the 566 PTC participant count?	Yes.
61	Benefits Administration (all programs), Question 2.01, Page 41	Please confirm that email communication materials is/or is not acceptable if selected by the participant (in combination with hard copy materials)?	See response to #47.
62	4.0 Flexible Spending Account Administration, Question 4.08, b, Page 47	Does the incumbent FSA/PTC vendor charge a Card fee?	Yes, \$6 annually for one card and \$5 for an additional card.
63	4.0 Flexible Spending Account Administration, Question 4.08, b, Page 47	Does the incumbent FSA/PTC vendor subcontract its Card out to a third-party vendor? Additionally, is the incumbent's FSA/PTC administrative platform that the State utilizes subcontracted to another third-party?	It would not be appropriate for the State to disclose the incumbent's business model.
64	4.0 Flexible Spending Account Administration, Question 4.09, Page 47	<p>1) Please identify the current communication materials mailing and printing fees.</p> <p>2) How many packets were mailed out in the most recent reporting year?</p> <p>3) What materials were included in this mailing?</p>	<p>1) A single sheet welcome letter at no cost.</p> <p>2) 6,113 welcome letters were mailed following the conclusion of Open Enrollment.</p> <p>x-3 <u> </u> Packets include a single sheet welcome letter.</p>
65	6.0 COBRA Administration, Question 6.15, Page 57	Does the incumbent COBRA administrator send Open Enrollment communication packets via mail? If so, how many	Yes, 643 Open Enrollment packets were mailed in 2018. Please refer to question 21 for the list of documents

		typically? What are the current associated fees with this service?	included in Open Enrollment communication packets. For current fees, see chart at the end of this document.
66	General Question	What does the State's consultant anticipate the Limited Purpose FSA reimbursements to be restricted to?	An example of Limited Purpose FSA reimbursements would be vision and dental expenses.
67	Benefit Administration (All) Page 46, Question 3.36 Please confirm any overpayments to the participants as a result of processing errors will be your responsibility and any resulting charges will be at your expense.	Please confirm that we will be responsible for requesting repayment for the overpayments.	Yes, you are responsible for requesting repayment for the incorrect overpayments you made.

CURRENT FEES:

FSA/PTC

Monthly Fee per Flexible Spending Account Plan participant	\$2.50
Monthly Fee per Pre-Tax Commuter Benefit Program participant	\$2.50
Annual Fee per employee participant for the optional Health Care FSA or Commuter Benefit Debit Card	\$6.00
Replacement and/or additional debit cards	\$5.00
One Open Enrollment postcard and associated mailing costs	Included at no cost to State
Hard copy enrollment materials	Billed as incurred

COBRA Direct Bill Services (for the retirees of the participating group Diamond State Port):

\$500 one-time implementation fee and \$5.00 PPPM (per participant per month) with a monthly minimum charge of \$100.00

COBRA

Monthly Recurring Fees	Rate	Charge
Qualifying Event Charge (per event)	\$16.96	Each
New Hire Notification	\$ 2.95	Each
Optional Fees Not Applicable or Not Currently Being Charged		
Eligibility Report, electronic and/or paper (n/a due to manual process)	\$10.00	Each
Open Enrollment Package Set Up Fee		\$125.00
Open Enrollment Package (Includes the distribution and processing of standard Open Enrollment selection form. Does not include the distribution of client-provided inserts. Printing and mailing of customized plain paper open enrollment notification to all qualified beneficiaries.)	\$10.00	Per packet/ notice
Annual Renewal		\$675.00
Ad Hoc Reporting	\$150.00	Per Hour