

ADDENDUM TO
REQUEST FOR PROPOSALS FOR PROFESSIONAL SERVICES
DELAWARE PREMIUM RATE REVIEWS
ISSUED BY GOVERNMENT SUPPORT SERVICES
CONTRACT NUMBER DOI15001-RATE REVIEW

Pursuant to Section IV.B.14 of the Request For Proposals For Professional Services Delaware Premium Rate Reviews Issued By Government Support Services Contract Number DOI15001-Rate Review (the “RFP), the Delaware Department of Insurance (the “Department”) received the following timely questions related to the RFP. The Department’s answers to the questions are in bold below each question.

1. The RFP appears to contemplate both actuarial services and IT related services including web design, which are very different disciplines. Does the DOI anticipate entering into a single contract with one entity for both types of services? Or, may a firm submit a proposal for only actuarial services, which may include assistance with the development of analytical tools for actuarial rate review and reporting, but not web design and still have their proposal considered?

ANSWER: The DOI anticipates entering into a single contract. The proposal must include all services including actuarial and the development of analytical tools. Web design does not necessarily have to be a part of the proposal.

2. If a single contract will be awarded, may the firm contracting with the State utilize subcontractors for the services that are outside of its standard business functions?

ANSWER: Pursuant to RFP Section IV.12.b and IV.13, Subcontractors may be used, but any subcontractors used must be approved by the State of Delaware.

3. Please provide the anticipated timeframe for the services being requested. The notification of award is anticipated to be April 3, 2015, however when is the State hoping for the work to begin? Do any of the services being requested have specific completion dates and if so what are they?

ANSWER: Deliverables and completion dates will be determined upon awarding of the contract. The completion date for the contract is September 30, 2016.

4. Please confirm whether for this task the State would be looking for recommendations of tools that could improve stakeholder and consumer engagement or whether this task would also contemplate the development of tools.

ANSWER: The State contemplates that a complete product will be the result of this contract including both recommendations of tools and development of tools as appropriate.

5. Should the cost proposal be submitted in a sealed envelope, separate from the technical proposal?

ANSWER: This is not a requirement outlined in the RFP unless the company deems the cost proposal confidential. If so, the company should follow the procedures set forth in the RFP at Section IV.B.11.

6. How should respondents present their cost proposal? Should hourly billing rates be provided for each job classification level along with an estimated budget for various potential tasks (e.g., assessing the DOI's current capabilities with regard to rate review, developing a rate review procedures manual) or are there specific tasks for which you are seeking a fixed cost not to exceed bid?

ANSWER: Hourly billing rates for each job classification along with the estimated budget for potential tasks should be included.

7. If you are seeking a fixed cost not to exceed bid, please provide more specificity around the tasks that should be performed for a fixed cost. The scope of services discussed on pages 2 – 4 include a wide range of potential services contemplated by the State but includes broad tasks without clear definition around the work to be performed such as “assessing the impact of the ACA and Marketplace standards on QHP rates.” In this example the work could range from an objective analysis of the current marketplace and rates to very detailed quantitative modelling. Another example is “improving DOI stakeholder and consumer engagement through enhanced communication protocols and tools” however there is no discussion of the type or number of tools that might be developed.

ANSWER: As indicated in the response to Question #6 above, the RFP contemplates billing by the hour.

8. Does the State have a budget for this work and if so please provide the budget. If vendors may bid on only the actuarial components or only the IT components, please provide the budget separately for each.

ANSWER: The overall contract budget will be subject to the amount of a federal grant awarded to Delaware in the amount of \$1.178 million over a period that expires on September 30, 2016. Vendors are required to bid on total components. The RFP contemplates a vendor with capability for both actuarial and IT components.

9. The RFP discusses the fact that Delaware currently has an effective rate review program in place for conducting health insurance premium reviews. Did the State utilize an outside actuarial consulting firm in determining and implementing any enhancements that were made to

the rate review program over the past few years? If so, is that consulting firm eligible to bid on this work?

ANSWER: No. The State has not used an outside actuarial consulting firm.

10. Does the state currently utilize an outside actuarial consulting firm for any actuarial services? If so, please describe the type of services that were provided and how long has that consulting firm been providing these services to the State?

ANSWER: The state has used several contracted actuarial firms over many years, such as INS and Milliman, for its actuarial reviews of various rate filings. As an example, both INS and Milliman were contracted to review the most recent DCRB filing.

11. The State of Delaware currently has an approved Rate Review Program in place for conducting health insurance premium rate reviews. In the past three years, has the State previously engaged actuarial consultants to assist in the development of the current Rate Review Program?

ANSWER: No.

12. How many Individual rate filings are expected to be reviewed annually during the contract period? How many Small Group rate filings?

ANSWER: Approximately 21 small group rate filings and approximately 16 individual rate filings.

13. Does the DOI expect to award contracts to multiple vendors in order to avoid potential conflicts of interest arising from a vendor reviewing a rate filing from an organization with which it has a conflict? How will potential conflicts of interest be mitigated?

ANSWER: No.

14. List the insurance carriers for which rate filings have been reviewed in the past three years.

ANSWER: Highmark Blue Cross Blue Shield of Delaware; Aetna, Coventry, UnitedHealthcare, Golden Rule.

15. Would the DOI consider including a commercially standard limitation on contractor liability for direct damages, other than for damages due the contractor's recklessness, bad faith, or intentional misconduct?

ANSWER: No.

16. Is DOI requiring vendors to provide excerpts and/or finished deliverables?

ANSWER: It will depend on the requirements approved in any awarded contract.

17. Is DOI requiring an actuarial certification in addition to the State of Delaware Business License?

ANSWER: Yes. In addition to business license the respondent will need to provide Certifications necessary to complete the assignments.

18. Are vendors encouraged to address each individual bullet 2a – 11 found on pages 2-4?

ANSWER: Yes, proposals are encouraged to address each point as fully as they deem advisable.

19. How will vendors be evaluated on their price and project change management process? What information is the DOI looking for in the vendor's response?

ANSWER: Pricing and Project Change management Process is set forth in Section III.C.2 of the RFP. DOI will evaluate any pricing or change request when/if received.

20. Is the DOI requiring a line-item budget?

ANSWER: Yes.

21. What information is required to be included in the cost summary?

ANSWER: A summary of the line item costs used by the vendor to calculate the total bid.

22. The text in question requires one (1) paper copy one (1) electronic copy, but on pg. 48 the State requires two (2) paper copies and one (1) electronic copy. Can the DOI confirm the correct number of copies required for a successful proposal submission?

ANSWER: One paper copy and 1electronic copy as indicated in Section IV.B.2.

23. Can the DOI confirm that chronologically, the proposal format needs to include:
A) Minimum Requirements and all sub-items; followed by B) General Evaluation Requirements and all sub-items; then followed by C) Technical Proposal?

ANSWER: The Technical Proposal Format is set forth in Section III.C of the RFP.

24. As a follow up question, in cases where there may be overlap among the sections, can vendors reference in one section that additional detail is provided in another?

ANSWER: Yes.

25. Is the interactive rate comparison tool intended to compare rates for plans both inside and outside the Delaware Marketplace?

ANSWER: Yes. The tool is intended to compare rates for all carriers regardless of participation on the Delaware marketplace. However, the tool will only be used for full medical plans.

26. Can the DOI clarify if the tool would be used to compare rates for consumers in the Individual market, Small Group market, or both?

ANSWER: The tool would be for rate comparison in the individual market.

27. Can the DOI also clarify if the tool would need to estimate any federal subsidies, such as the Advance Premium Tax Credit, that consumers may be eligible for through the Healthcare.gov?

ANSWER: No. It will not need to estimate federal subsidies.

28. Can the DOI clarify whether it is the agency's intent for the winning vendor to meet the objective of developing a robust database by leverage DOI's existing, in-house technology infrastructure, such as specific database servers, software and reporting applications; or, does the DOI wish the vendor to include technology infrastructure as part of its proposal?

ANSWER: The objective may be met by using a combination of in-house infrastructure along with technology not currently available to the Department.

29. If leveraging current infrastructure, can the DOI provide a list of existing technology assets that will be used?

ANSWER: Excel, Access and State-based electronic rates and forms filing system.