

# Request for Proposal (RFP) for COBRA/HIPAA Administrative Services for the State of Delaware Group Health Insurance Program

*All shipping packages should be clearly labeled as*  
**“COBRA/HIPAA ADMINISTRATIVE SERVICES REQUEST FOR PROPOSAL”**

***Bid responses received after 4:00 p.m. on Monday, April 29<sup>th</sup>, will not be accepted.***

## Response to Questions (Q&A)

**April 19, 2013**

No.	If Applicable, a Copy of the Question or Requirement in the RFP for Reference:	Question:	Answer:
1		Why is the State of Delaware putting this out for bid?	The State of Delaware issued this RFP because the current vendor's contract is in the fifth year. State procurement rules require that all contracts go out to bid after five years.
2		Is it due to a mandatory requirement?	Yes, State of Delaware procurement rules require that all contracts go out to bid after five years.
3		Is there a service or cost issue?	No, there are no significant issues with the current vendor. However, the SEBC (State Employee Benefits Committee) is looking for opportunities for improved services and cost competitiveness.
4	Reference Paragraph 17 at the bottom of Page 13	Is there a current employee benefit broker or advisor involved?	No, the SEBC did not, and will not, pay a commission or percentage, brokerage, contingent or advisor fee. (See Paragraph 17 at the bottom of Page 13.) However, we have a contract with The Segal Group as an advisor for the RFP and contracting processes.
5		What is the State of Delaware currently paying for COBRA services?	Please see the table at the end of this document (and also referenced as a response to Question #16).

6		Does the State of Delaware have an HRIS system or enrollment system that eFlex would integrate with i.e. EDI	No. There is no requirement to interface with the State's internal systems. We are interested in your EDI capabilities for purposes of ensuring that you will be able to conduct HIPAA EDI compliant transactions with our external carriers in the future, if needed.
7	Scope of Services section on Page 5	Is there one central location we are going to get data from?	Not applicable – see response to question 6. The selected vendor will be the data repository for the State.
8	Timetable on Pages 7 and 8	What is the proposed effective date should we (be) earn the right to be chosen as your COBRA administrator?	The SEBC will consider the PRC's (Proposal Review Committee) recommendation to award the contract in August or September. All implementation processes must be in place for a January 1, 2014, go live and contract effective date. (See the Timetable in the RFP on Pages 7 and 8)
9	Section IV.C.40.p., Page 29: Please confirm that you are able to provide the following COBRA/HIPAA administration (services) . . p) Providing COBRA coverage rate projections to the State annually (for four tiers – employee, employee and spouse, employee and children, family)	Can you provide additional clarification on the expectations for “coverage rate projections”?	We apologize. This sentence should have referenced “enrollment”, not “rate” and read:  Providing COBRA coverage <u>rate enrollment</u> projections to the State annually (for four tiers – employee, employee and spouse, employee and children, family)
10	Section IV.C.54, Page 30: Indicate the ways in which your organization is able to accommodate any telephonic special needs of participants. . .	What % of the group is non-English speaking?	We are exploring the vendors' foreign language translation capabilities but this service is not required at this time.
11		May we reformat the HIPAA privacy notice?	Reformatting is acceptable, subject to review and approval by the State, but the content of the HIPAA privacy notice must remain as written because it has been modified to include information required by the State of Delaware.

12	Section IV.C.40.g., Page 28: Please confirm that you are able to provide the following COBRA/HIPAA administration (services) . . . g) Premium remittance to State or carriers	Would the State prefer that participant remittance go to each unit of the 165 employer units or to the SBO only?	Participant remittance is required to be sent on a monthly basis only to the Office of Management and Budget's accounting office for the SBO.
13	Scope of Services, #17, Page 7: Provide COBRA coverage rate projections to the SEBC annually for each plan and their corresponding four election tiers – employee, employee and spouse, employee and children, and family	Are you referring to the vendor hiring an underwriter to calculate the COBRA coverage rate projections?	See response to question 9 above. We apologize. This sentence should have referenced “enrollment”, not “rate” and read:  Providing COBRA coverage <del>rate</del> <u>enrollment</u> projections to the State annually (for four tiers – employee, employee and spouse, employee and children, family)
14	Section IV.A.17, Page 25: Provide the latest annual report or other financial reports (including audited financial statements) that indicate the financial position of your organization. If your company is privately held, list owners with five (5) percent or more of equity.	If we are privately held is it required that we include (an) audited financial statement? Would reviewed financial statements meet this requirement?	Yes, reviewed financial statements would be acceptable.
15	Section IV.B.34, Page 27: Has any client terminated COBRA/HIPAA administration services provided by your firm during the last five (5) years? If so, please provide the names along with the reason for each termination (please limit your response to former clients who had similar services to the ones requested by the State). May they be contacted? If so, provide the information as requested above.	May we limit this also to clients of similar size?	Please provide references that meet the criteria of clients who had similar services, regardless of the size of the account, that terminated COBRA/HIPAA administration services during the last five (5) years.
16		Who is the current COBRA/HIPAA vendor and what are the current administration fees?	The current COBRA/HIPAA vendor is Ceridian Benefit Services, Inc. Please see the table below (as referenced as a response to Question #5 also).
17	Section V, Table 1 - Summary of Fees, #8	What is meant by #8 - Current Employee and Dependent Notices?	Based on a mailing list provided by the State via an electronic file, this service would be to mail all current

			covered employees and dependents a notice of their rights and obligations via USPS First Class Mail with proof of mailing, document archiving, and access to a toll-free information number. This service has not been required of the current vendor and we do not anticipate it would be in the future. However, we are asking for a fee quote in the event we do wish to utilize this service.
18	Appendix B, Transaction Volumes for 2012, Page 41	Is the 1,465 monthly invoices sent to continuants for the entire year averaging 122 per month?	Yes, 1,465 is the number of invoices sent during 2012 and the monthly average would be 1,465 divided by 12.
19		Was the RFP written internally or externally? If externally, who wrote it?	The RFP was a collaboration between the Statewide Benefits Office on behalf of the SEBC and its consulting company, The Segal Group.
20		Our normal procedure is to retain the 2% administration fee received by COBRA participants to offset our administrative fees to the State. How would the State prefer the 2% be handled...a. the vendor retains or b. the 2% is collected and remitted to the state?	As stated in the Scope of Work on page 6, #7: Collect premiums and forward the amount of paid premiums (less the 2% administrative charge) to the State.

**Question 5: What is the State of Delaware currently paying for COBRA services? Question 16: . . . what are the current administration fees?**

The current vendor includes the cost of a customer service toll-free line, routine faxes, printing of notices, and first class mailing for notices and monthly premium billings. The State will not pay for itemized costs of these routine services.

<b>Service: (See Cost Quotation Table for Details)</b>	<b>Fee For <u>Each</u> Service:</b>
Qualifying Event Notification	\$ 17.00
Takeover	\$ 25.00
Annual Renewal	\$ 0.00
HIPAA Privacy Notices (State's form – Appendix E)	\$ 2.10
New Hire Notices	\$ 2.00
Current Employee and Dependent Notices	\$ 2.75
Carrier Eligibility Reporting (both EDI and hard copy)	\$ 20.00
HIPAA Notice of Creditable Coverage	\$ 4.00
Reports (Appendix G)	\$ 0.00