MISSISSIPPI STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE MANAGEMENT BOARD

REQUEST FOR PROPOSAL FOR THIRD PARTY ADMINISTRATION SERVICES

Vendor Questions and Board Responses Number 3
January 29, 2016

1. **What are the current monthly and/or annual out-of-state provider charged and paid medical claim amounts?**

   The State and School Employees' Health Insurance Plan (Plan) paid approximately $67 million in out of state medical claims during calendar year 2015.

2. **What is the total monthly and/or annual total charged and paid medical claim amounts?**

   The Plan processed approximately 2.5 million medical claims, resulting in payments of nearly $515 million, during calendar year 2015.

3. **Out of the 200,000 annual provider calls, how many were serviced through IVR vs. live representative?**

   *Of the 200,000 provider calls averaged per year, approximately 90,000 of these inquiries were serviced by an automated system***.**

4. **How many COBRA notifications are expected annually?**

   Although the number may vary, the Plan currently averages issuing between 10,000 and 15,000 COBRA notices per year.

5. **Section 5.10; question #135: We follow NCQA guidelines, but we are not accredited. Is this a requirement of the Board?**

   Please refer to SECTION 3 SCOPE OF SERVICES, Item 3.79 of the Request for Proposal for Third Party Administration Services. "If not already accredited, the vendor agrees to actively seek within the first six months of the contract and achieve URAC accreditation, or comparable, within the first twelve months of the contract. The vendor must meet URAC's Health Network Accreditation standards, or equivalent, and must maintain such accreditation for the life of the contract."

6. **We have developed a Network exclusively for the State of Mississippi that will feature exclusive rates for the health plan. Given that, there is no historical data that can be produced for the following attachments required in the RFP. These attachments ask for historical claims data and discount information:**
    - **Attachment E1 with exhibits E1a and E1b requests the last twelve months of paid claims for participating providers and nonparticipating providers.**
    - **Attachments E2a and E2b requests the last twelve months of paid claims for the top 50 hospitals in Mississippi and outside Mississippi.**
    - **Attachment E3 requests the last twelve months of paid claims for ancillary providers.**

    With all the information above taken into consideration, how are we to proceed?

    In order to comply with the requirements of this RFP, vendors are expected to complete all attachments in Appendix E as directed. If a vendor cannot accurately complete an attachment because he/she does not have the related experience in the State of Mississippi, he/she should respond as such in Exhibits E1a, E1b, E2a, E2b and E3.

7. **Will the Board ensure that the hospital, provider and ancillary rates we propose will be held confidential?**

    Please refer to SECTION 1 INTRODUCTION Item 1.3(6) and Item 1.13 of the RFP, regarding the Board's treatment of confidential information. Subject to the applicable laws of the State of Mississippi, it is the Board's intent to comply with a vendor's request for any information identified as such to remain confidential. Please note that the vendor selected as a result of this RFP will be required as a contract condition to fully cooperate with the Board's healthcare transparency initiative, which includes disclosure of all necessary provider pricing information to generate the accurate search results on the transparency website.

8. **Are the current administrative fees charged by AHS based on the number of employee lives or the total number of members? If neither, please clarify.**

    The Board does not consider information regarding current administrative fee structure to be pertinent for the submission of a response to this Request for Proposal for Third Party Administration Services. Proposers are expected to submit their most competitive proposal for consideration.

9. **In 3.57 Adequate Provider Access, and the following sections 3.58, 3.59 & 3.60, would you plan to provide specific access criteria overall and by PCP, Specialists and Hospitals for these sections? Are the access standards provided in 4.13 the criteria we shall use for PCPs and Hospitals for the question above? How about specialists? Would the standards (A & B) supplied in 188 (page 60 of 88) all that we need to provide for this RFP?**

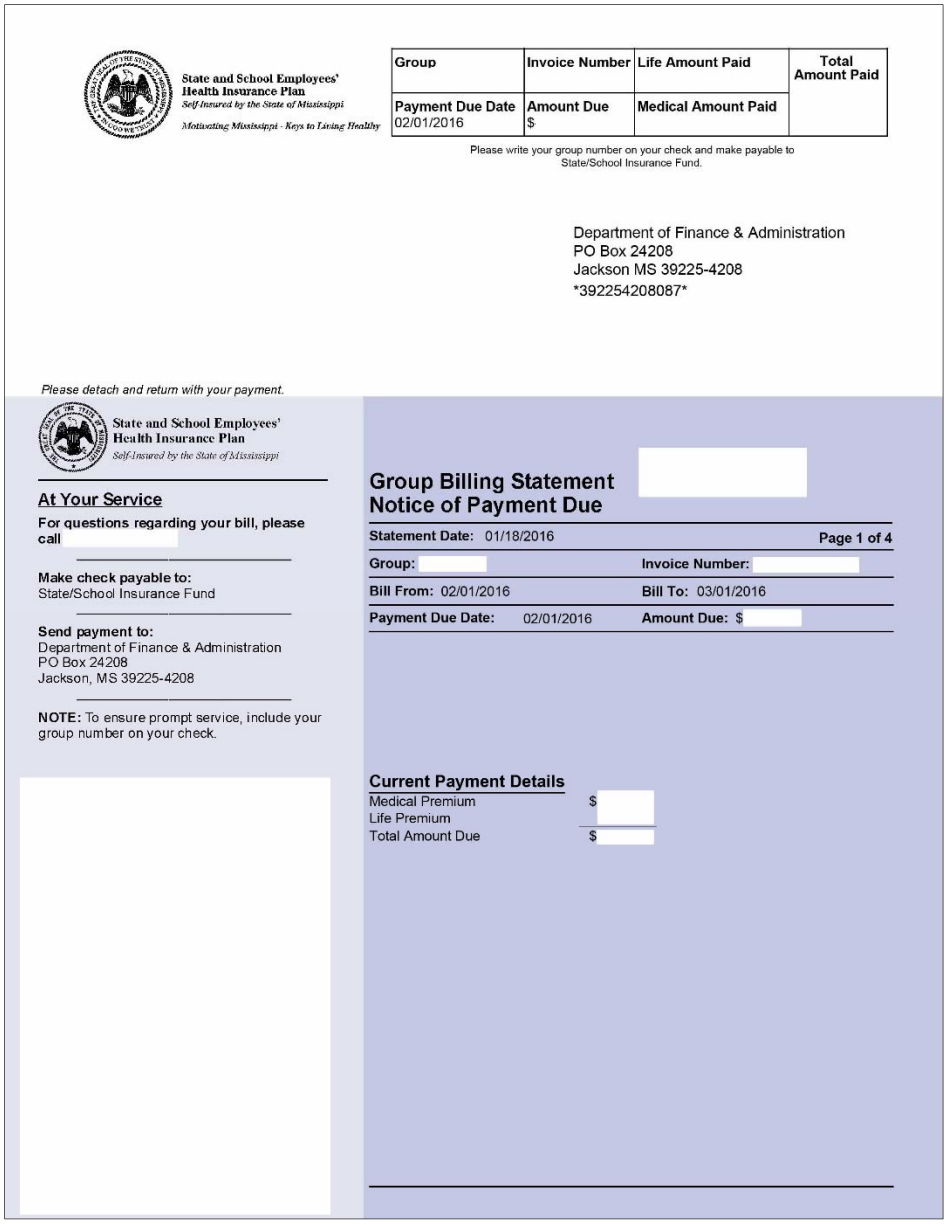
Actual access standards will be mutually agreed upon by the selected TPA and the Board, subject to minimum access standards stated in Item 4.13. Question 188 refers to the provider access in the proposing vendor's current contracted network(s).

10. **In 202 & 203 (page 65 of 88), please define number of providers. Are they defined as provider locations (as a distinct provider may have multiple locations) or distinct providers?**

    The hospitals should be identified by facility location. Providers should be identified by distinct provider.

11. **Please provide sample copies of the current three section employer unit bill and individual bill as outlined in Section 3.23.**

    A sample of the current employer premium billing is provided below:



State and School Employees' Health Insurance Plan
Self-Insured by the State of Mississippi
Motivating Mississippi - Keys to Living Healthy

Group	Invoice Number	Life Amount Paid	Total Amount Paid
Payment Due Date 02/01/2016	Amount Due $	Medical Amount Paid	

Please write your group number on your check and make payable to State/School Insurance Fund.

Department of Finance & Administration
PO Box 24208
Jackson MS 39225-4208
392254208087

Please detach and return with your payment.

State and School Employees' Health Insurance Plan
Self-Insured by the State of Mississippi

At Your Service

For questions regarding your bill, please call

Make check payable to:
State/School Insurance Fund

Send payment to:
Department of Finance & Administration
PO Box 24208
Jackson, MS 39225-4208

NOTE: To ensure prompt service, include your group number on your check.

Group Billing Statement
Notice of Payment Due

Statement Date: 01/18/2016 **Page 1 of 4**

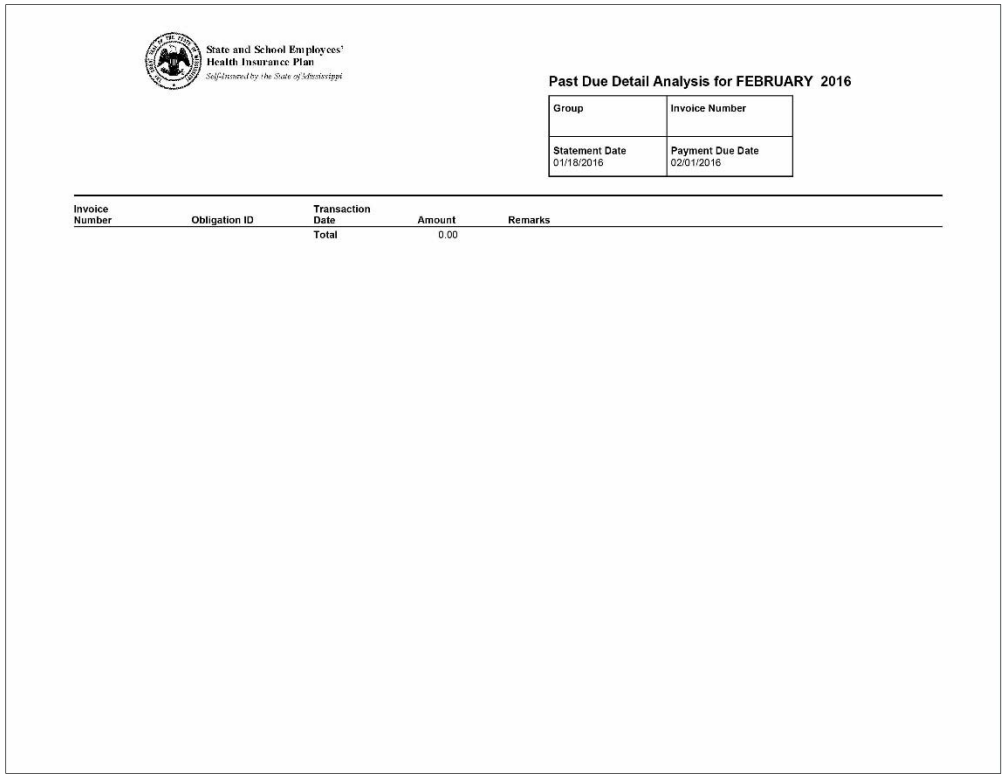
Group: **Invoice Number:**

Bill From: 02/01/2016 **Bill To:** 03/01/2016

Payment Due Date: 02/01/2016 **Amount Due:** $

Current Payment Details

Medical Premium	$
Life Premium	
Total Amount Due	$

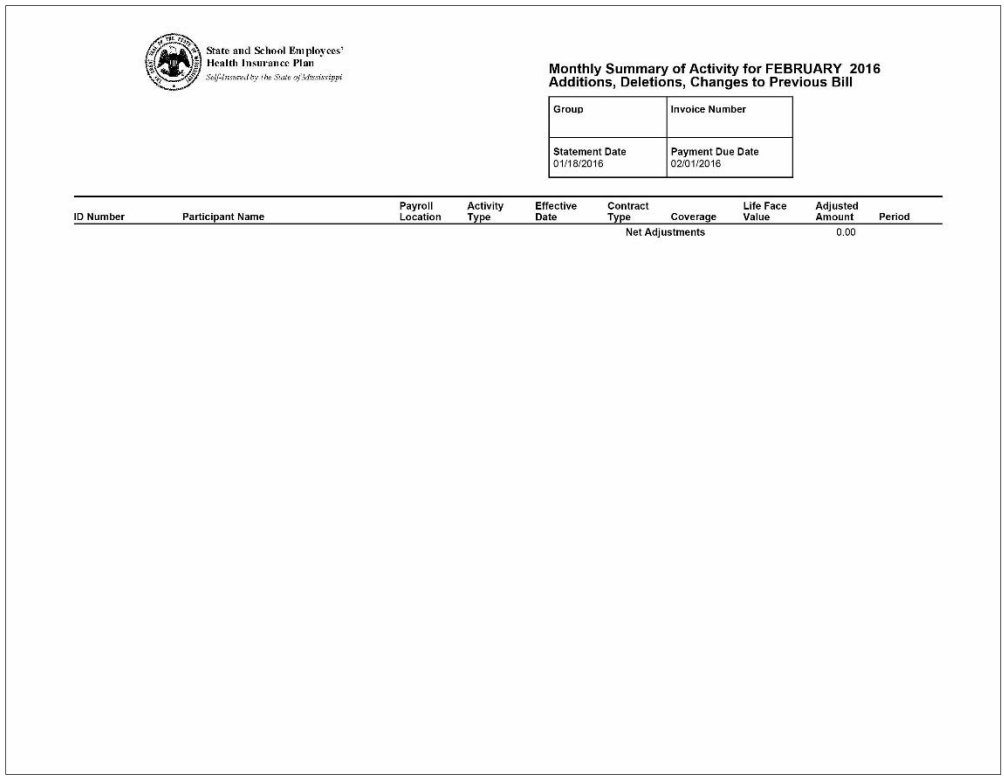


State and School Employees' Health Insurance Plan
Self-Insured by the State of Mississippi

Past Due Detail Analysis for FEBRUARY 2016

Group	Invoice Number
Statement Date 01/18/2016	Payment Due Date 02/01/2016

Invoice Number	Obligation ID	Transaction Date	Amount	Remarks
		Total	0.00	

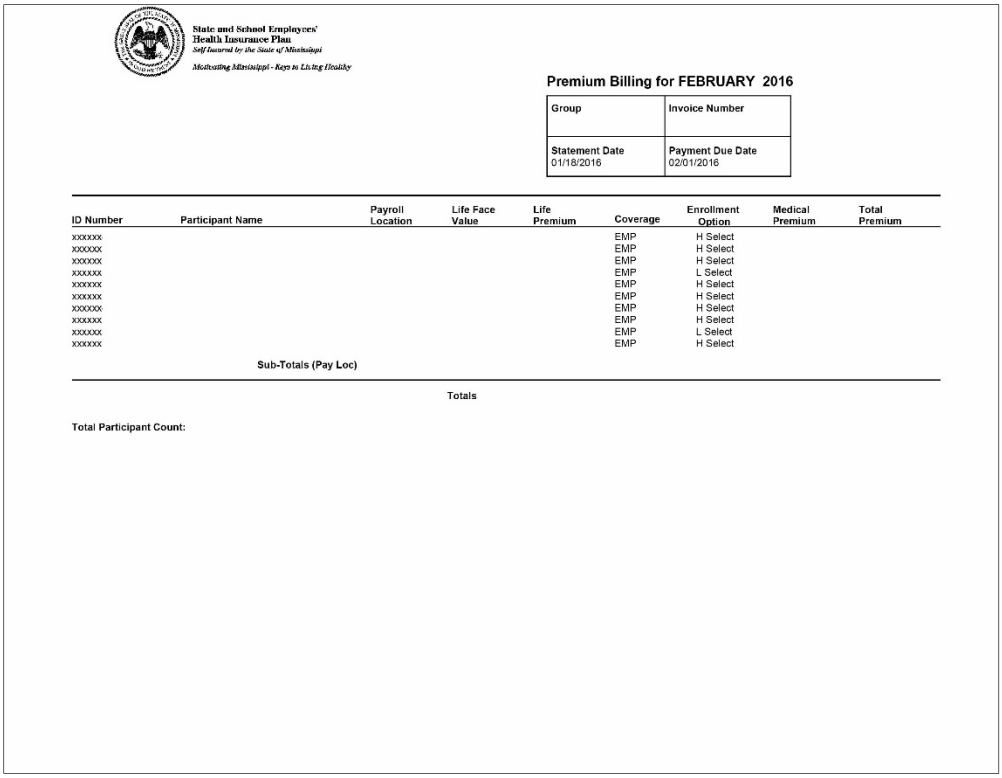


State and School Employees' Health Insurance Plan
Self-Insured by the State of Mississippi

Monthly Summary of Activity for FEBRUARY 2016
Additions, Deletions, Changes to Previous Bill

Group	Invoice Number
Statement Date 01/18/2016	Payment Due Date 02/01/2016

ID Number	Participant Name	Payroll Location	Activity Type	Effective Date	Contract Type	Coverage	Life Face Value	Adjusted Amount	Period
					Net Adjustments			0.00	



State and School Employees' Health Insurance Plan
Self Insured by the State of Mississippi
Motivating Mississippi - Keys to Living Healthy

Premium Billing for FEBRUARY 2016

Group	Invoice Number
Statement Date 01/18/2016	Payment Due Date 02/01/2016

ID Number	Participant Name	Payroll Location	Life Face Value	Life Premium	Coverage	Enrollment Option	Medical Premium	Total Premium
xxxxxx					EMP	H Select		
xxxxxx					EMP	H Select		
xxxxxx					EMP	H Select		
xxxxxx					EMP	L Select		
xxxxxx					EMP	H Select		
xxxxxx					EMP	H Select		
xxxxxx					EMP	H Select		
xxxxxx					EMP	H Select		
xxxxxx					EMP	L Select		
xxxxxx					EMP	H Select		
	Sub-Totals (Pay Loc)							
			Totals					

Total Participant Count:

12. To better assess the value of the network pricing associated with the weighing in this category, a claims re-pricing conducted by a proposing TPA will correlate the State's membership to highest cost providers therefore enabling a clearer projection of health care costs and trends via those utilization patterns. Would the State make available a significant sampling of claims to bidders for the purposes of repricing and demonstrating the relative value and additional network savings that could be realized utilizing a non-exclusive statewide and national network?

*Please refer to **SECTION 2**Error! Reference source not found. **MINIMUM VENDOR REQUIREMENTS** in the Third Party Administration Services Request for Proposals, including but not limited to the following:*
*"The following proposal requirements are **mandatory** **(Emphasis added)**. Failure to meet any of these requirements will result in disqualification of the proposal submitted by your organization..."*

*5. Agree to provide and manage a comprehensive provider network in the State of Mississippi that will serve the State and School Employees' Health Insurance Plan (Plan) **exclusively** **(Emphasis added)**, and agree that the Board will have approval authority for any or all contracted rates and terms of the provider contracts for purposes of assuring that the contracted providers agree to participate in or cooperate with the Plan's medical management and utilization review programs, health and wellness promotion programs, and all other features and programs of the Plan as appropriate.*

13. **Can COBRA and Retiree/Direct Billing services and mailings be provided from the Wausau, Wisconsin office?**

    The Board does not require that these services be provided by an office in Mississippi.

14. **In reference to Section 3 Scope of Services – 3.4 Welcome Packets & Identification (ID) Card: Does this section also apply to COBRA participants and retirees?**

    Unless otherwise noted, this requirement applies to all Plan participants.

15. **In reference to Section 3 Scope of Services – 3.5 Vendor System Interface; Department of Finance & Administration - daily exchange of files of premium receipts and related information. In order to ensure our proposal fully includes all required vendor system interfaces, would the DFA provide a detail listing of the claim and eligibility data that requires verification of premiums and details to meet this specification within the Scope of Services?**

    The daily exchange of files between the TPA and the Department of Finance and Administration (DFA) includes sharing of premium collection details, claim payment totals, and related financial transactions designed to maintain reconciliation of bank account balances. Details regarding the content and format will be mutually agreed upon by the selected vendor and the Board.

16. **In reference to Section 3 Scope of Services – 3.23 Premium Billing and Account Reconciliation: Please clarify if the selected vendor would bill individual active members for their life premium, or would this premium amount be included on the employer bill to the employer units?**

    Life insurance premiums for active employees are included in employer unit billings.

17. **How many retirees are direct billed and/or how many retirees elect to have their contributions deducted by the Public Employees Retirement System (PERS)?**

    Currently, approximately 29,000 retirees have life and/or health insurance premiums deducted by PERS, while approximately 1,300 retirees are direct billed.

18. **In reference to Section 3 Scope of Services - 3.28 COBRA Administration: Is the DFA the responsible party for determining when a member has experienced a COBRA qualifying event and for reporting the qualifying event to the TPA?**

    DFA does not make such determinations. Employer units notify the TPA of coverage terminations for active employees and/or their dependents. In addition, the TPA may receive such notifications directly from the participant.

19. Is the TPA required to furnish COBRA notifications electronically to the members?

The Board does not currently require that COBRA notifications be made electronically.

20. In reference to Section 3 Scope of Services - 3.28 COBRA Administration: Is the "60 Day Notice of End of Election Period" a reference to the COBRA Election Notice or is this a notice sent at the end of the COBRA election period?

Please disregard Item 5 in this section. The selected TPA will be expected to comply all applicable COBRA administration laws, rules, and regulations.

21. The plan document indicates that continuation coverage includes:

- **Up to 12 months for both the employee and his covered dependents for an employee on an approved leave of absence.**
- **For an employee on an involuntary furlough without pay until the employee returns from furlough to full-time employment.**

Is the DFA the responsible party for administration of this continuation coverage?

DFA does not administer continuation of coverage. Employer units are responsible for reporting coverage changes for their respective employees.

22. What is the approximate number of COBRA Election Notices sent per year?

Please refer to the Question 4 above.

23. Is the DFA the responsible party for providing COBRA General Notices to employees and spouses when they first become covered under the Plan?

Employer units are responsible for providing employees with COBRA General Notices.

24. How many staff members perform eligibility and premium billing/reconciliation functions with your current COBRA administration vendor?

Information regarding the current TPA's employee/resource deployment is not available. The Board does not consider this information to be pertinent for the submission of a response to this Request for Proposal for Third Party Administration Services.

25. In reference to Section 3 Scope of Services - 3.33 Satisfaction Surveys: What percent of the State's population and what percent of network providers would need to be surveyed or what number of surveys for each population is expected each year?

The specific sample sizes for participant and/or provider surveys will be mutually determined between the selected TPA and the Board.

26. In reference to Section 3 Scope of Services – 3.40 Training Personnel: Can training specific to COBRA policies and procedures and Retiree/Direct Billing policies and procedures be provided via WebEx?

The methodology and respective delivery media for providing training will be mutually determined between the selected TPA and the Board.

27. In reference to Section 3 Scope of Services – 3.45 Standard/ad hoc Reporting: Is Web-based reporting required for COBRA and Retiree/Direct Billing services or is provision of reporting in Excel format sufficient?

The Board prefers web-based reporting access. Exceptions may be considered upon discussion between the selected TPA and the Board.

28. In reference to Section 3 Scope of Services - 3.46 Benefit Fairs: The TPA agrees to participate in benefit fairs as requested by employer units to educate participants. How many annual Benefit Fairs will be expected for TPA participation?

The actual number of benefit fairs in which the TPA is required to participate will be mutually determined between the selected TPA and the Board. Historically, such participation has averaged fifty fairs per year.

29. In reference to Section 3 Scope of Services – 3.65 Network Provider Requirements: Can details surrounding the Board's electronic business model requirements be provided to vendors for review and agreement?

This refers to the Board's intent that to the extent practical, TPA services be paperless, including receipt and payment of claims, enrollment data, etc. Specific details and expectations as to any exceptions and/or alternatives will be discussed with and mutually agreed to by the selected TPA and the Board.

30. In reference to Section 6 – Financial Proposal, we understand that the State and School Employees Health Insurance Management Board and Department of Finance and Administration strive to provide open access to competitive opportunities and transparency in overall pricing and structure. The information we seek with this request is necessary to create that level of competition and withholding information discriminates against other bidders to quote a fair and accurate price for services per the scope of the RFP preventing the State of Mississippi from obtaining the best value for its citizens. Would the DFA please provide all current Third Party Claims Administration (TPA) and Provider Network (DCA) service fees; to include current base fees plus outlining any shared savings network arrangement fees and any miscellaneous services fees currently being paid to vendors for services requested in the RFP?

The Board does not consider information regarding current administrative and/or network fees to be pertinent for the submission of a response to this Request for Proposal for Third Party Administration Services. Proposers are expected to submit their most competitive proposal for consideration.

31. Are the current fees the same for active and COBRA employees, non-Medicare retirees and Medicare retirees, not including dependents?

Please refer to Question 30 above.

32. Are the current fees bundled into one per employee per month fee or unbundled? Are the fees currently guaranteed through a specific date?

Please refer to Question 30 above.

33. In reference to Section 6 – Financial Proposal, would the DFA please provide a census in excel format with gender, date of birth, coverage type, zip code and status? These specific demographic details are used in our rating tools and algorithms to establish competitive rates for proposal bid opportunities.

This RFP is for TPA services for a self-insured plan, and is not a solicitation for insurance quotations and/or underwriting services. As such, detailed demographic data is not deemed to be pertinent for the submission of a response to this Request for Proposal for Third Party Administration Services. For budgetary purposes, proposers should assume the following participant population: Active Employees – 116,000, Retired Employees Non-Medicare – 10,000, Retired Employees Medicare – 14,000, COBRA – 1,000, Dependents – 45,000, for a total Plan enrollment of 186,000 covered lives.

34. In reference to Section 7.1 through 7.6: Provider Costs and Discounts: As noted in the RFP, the Board negotiates and contracts its network today and is essentially viewed as a competitor of the bidding TPA for the purposes of this RFP. This bidder has a concern with the incumbent's participation in review and analysis of the RFP; this bidder's provider contracts prevent the release of contract details given the current structure of the State of Mississippi's DCA arrangement and the data requested in this RFP. In order to ensure complete confidentiality of proprietary and trade secret information specific to a bidders network contracts and as required by this bidder's Legal Department for the information requested in these sections and the Financial Exhibits in Appendix E, will the Board agree to executing a one-way Non-Disclosure Agreement between the bidder and the Board's consultant: PricewaterhouseCoopers, LLP? If awarded and an executed contract is in place, then this TPA's view of the current situation regarding the confidentiality of this information would no longer be a concern and the sharing network data would occur directly with the Board.

Please note that the Board does not directly negotiate and contract for a provider network. These services are currently performed by a third party vendor under contract with the Board. The incumbent vendor currently providing such services has not been involved in the preparation of this RFP and will not be involved whatsoever in the review and analysis of proposals received.

Please refer to SECTION 1 INTRODUCTION Item 1.3(6) and Item 1.13 of the RFP, regarding the Board's treatment of confidential information. Subject to the applicable laws of the State of Mississippi, it is the Board's intent to comply with a vendor's request for any information identified as such to remain confidential.

Please refer to SECTION 1 INTRODUCTION Item 1.3(13) of the RFP, which reads as follows: All documentation submitted in response to this RFP and any subsequent requests for information pertaining to this RFP shall become the property of the Board and will not be returned to the proposer.

As advised in the RFP, the Board is being assisted by its consultants, PricewaterhouseCoopers, LLP (PwC), in the coordination of this RFP. Among other tasks, PwC will be assisting in the evaluation of the proposed provider network. The Board has determined that certain information requested in the RFP may be submitted directly PwC, rather than be included in the response to be provided to the Board. To that end, the Board has issued Amendment Number 2 to the RFP, instructing vendors what information may be submitted directly to PwC, how such information is to be submitted, and when and where such information is to be submitted. Included with this Amendment Number 2 is an optional Nondisclosure Agreement (NDA) that a submitting vendor may choose to execute with PwC. The NDA is non-negotiable and any other proposed agreement submitted by a vendor will not be accepted.

Please note that neither this alternative submission option, nor the NDA are required, and vendors are free to submit their entire proposal directly to the Board, as instructed in Item 1.3 of the original RFP document. Refer to Amendment Number 2 for detailed instructions on this alternative submission option and note that no other terms, conditions, and/or submission deadlines are amended, except as stated in Amendment Number 2.

35. Upon review of the *Vendor Questions and Responses from the Board, Number 2*, Jan. 20, 2016, and the response to the listed question 3 – Please refer to Appendix B – Plan Document, if a vendor can support the State's plan as described with a non-exclusive network, will the Board accept that arrangement?

Please refer to Question 12 above.