

State of Mississippi State and School Employees Health Insurance Management Board

**Request for Proposal
For
Health and Life Insurance Consulting Services**

**Amendment Number One
Vendor Questions and Board Responses
June 13, 2017**

1. Why is the Board putting this work out to bid via an RFP process?

*As stated at the bottom of page 4 in **Item 1.1 Overview and Process** of the Request for Proposal for Health and Life Insurance Consulting Services, “The Board’s current consulting contract with PricewaterhouseCoopers, LLC, is scheduled to expire on September 30, 2017, necessitating the need for this RFP.”*

2. Who currently provides the Board with health and life insurance consulting services?

See response to Question 1.

3. How long has the current consultant been providing this service?

The Board’s current four-year contract with PricewaterhouseCoopers, LLC (PwC) began on October 1, 2013. PwC has provided related consulting services to the Board since 1998.

4. Does the current consultant provide the same scope of services that are included in this RFP? If not, what was added/changed?

*The services provided by the current consultant are very similar to, but may not be exactly the same as those listed in the RFP’s **SCOPE OF SERVICES**.*

5. Has the Board had any performance issues with the current carriers/vendors?

The Board’s satisfaction with the performance of its current vendors is not considered relevant to this RFP.

6. Does the Board have an actuary who performs the annual OPEB valuation?

*As reflected in the table at the top of page 5 in **Item 1.1 Overview and Process** of the Request for Proposal for Health and Life Insurance Consulting Services, the Board currently contracts with Cavanaugh Macdonald Consulting, LLC for OPEB actuarial services.*

7. Does the Board have an actuary who performs the annual RDS attestation?

The State and School Employees’ Health Insurance Plan does not provide prescription drug benefits to Medicare-Eligible retirees, and as such, does not participate in CMS’ Retiree Drug Subsidy program.

8. Are the current services provided via a fixed fee arrangement, on a time-and-expense basis, or on a commission schedule? If services are provided via a fixed fee arrangement, what is the most recent fee arrangement? If services are provided on a time-and-expense basis, what are the current hourly rates? What were the total fees charged in 2016? If services are provided on a commission schedule, what is the schedule? How much was paid to the consultant in 2016?

The financial compensation terms and conditions of the current consulting contract are not considered relevant to the RFP.

9. **What were the fees paid for the “in scope” and “out of scope” items for 2014, 2015 and 2016?**
*The Board makes no distinction between “in scope” and “out of scope”, as all such services provided by the consultant are deemed to be in accordance with the contractual scope of services. As reflected on page 5 in **Item 1.2 Purpose and Goals**, of the Request for Proposal for Health and Life Insurance Consulting Services, the Board has utilized an average of 650 hours per year in similar consulting projects and related services over the past five years. The amount of actual fees paid for these services is not considered relevant to the RFP.*
10. **Approximately how many meetings per year has the attendance of the consultant been requested?**
While specific projects and needs can and will vary from year to year, on-site meetings that require the consultant’s physical attendance have averaged less than six per year. Teleconferences and other such methods are typically utilized to avoid the unnecessary time and expense of travel.
11. **Are all meeting attendances expected to be in-person, or are telephonic opportunities available?**
See response to Question 10.
12. **Traditionally, has the attendance of the consultant been requested during the open enrollment period?**
The consultant is not expected to be required to assist with enrollment activities.
13. **Approximately how many annual enrollment meetings are historically offered?**
N/A. See response to Question 12.
14. **Has the current consultant conducted annual enrollment meetings and assist with employee forms completion and collections?**
N/A. See response to Question 12.
15. **Can the Board provide a copy of the deliverables produced in the last fiscal year for employee benefits consulting services?**
*N/A. Vendors should refer to **Section 3. SCOPE OF SERVICES** of the Request for Proposal for Health and Life Insurance Consulting Services for a description of the expected deliverables contemplated under the contract to be awarded. While not every project/service will be required each year, the Board anticipates the need for consultant services relative to each of the areas listed at one or more times during the total life of the contract.*
16. **Page 24 of the PDF, Section 4.6 Financial, letter b. is cut off. Please advise.**
*Item 45.b of **Section 4.6 Financial** of the Request for Proposal for Health and Life Insurance Consulting Services in its entirety should read “The fees listed in **Section 5 – FEE SCHEDULE** are firm for the duration of the contract.”*
17. **Can we use the same client references from the Minimum Requirements (page 14) for Section 4.5 References (page 22)?**
*To the extent the references provided satisfy the specific information requests in **Section 2 MINIMUM VENDOR REQUIREMENTS** and the respective questions in **Section 4.5 References**, the same client(s) may be listed in response to both sections of the Request for Proposal for Health and Life Insurance Consulting Services. Additional unique references are preferred if available.*
18. **For Section 4.5 References, if the same client is used as a reference for #1 and #2, for example, please clarify if we need to provide an extra client for #2 to meet the requirements on page 22.**

As stated in **Item 4.5 References** of the Request for Proposal for Health and Life Insurance Consulting Services, “If two or more of the following reference requirements are met by the same client, list additional clients so that there are at least three (3) clients listed for each section. If you are unable to provide three (3) clients for each reference, provide as many as you have and indicate in the response additional references meeting this requirement are not available.” Additional unique references are preferred if available.

- 19. What are the expectations for the fee schedule? Can we use our own fee schedule that includes our client staffing levels?**

Section 5 FEE SCHEDULE should be completed as a part of your response to the Request for Proposal for Health and Life Insurance Consulting Services. If you wish to include additional staffing levels which do not comport with the categories listed in Section 5 FEE SCHEDULE, or if you wish to further define the staff categories included therein, you may footnote same and add this information as an appendix to your proposal. Note, however, that the Board is seeking to procure the services of qualified, senior-level professionals, as described in the RFP, and is not interested in receiving an expanded fee schedule for all subordinate staffing levels within your organization, some or all of which whose services are assumed to be incorporated into your hourly fee proposal stated in Section 5 FEE SCHEDULE.

- 20. In Section 7 for Statement of Compliance, how do you define appropriate officer?**

The appropriate officer or employee would be someone who is authorized to sign the proposal and bind the company.

- 21. How many references should we provide for Section 2, question #1 and questions #2?**

In order to document compliance with these mandatory minimum vendor requirements, a responding vendor must provide a least one reference that meets or exceeds the respective quantitative and qualitative criteria described in the respective questions. Vendors may at their option provide more than one client reference so long as each meet or exceeds the respective criteria.

- 22. Who currently does your disability work? Could this be added to the scope of services? If no, when might this likely be coming out to bid?**

Interested vendors should refer to the services description in Section 3 SCOPE OF SERVICES. Disability insurance is not a component of the RFP nor is it contemplated to be added to the selected vendor’s contractual scope of services upon award.

- 23. Please describe the roles of the consultant vs. consulting actuary and which projects are typically done by each party. Will the consulting actuary be the same throughout the duration of this contract? Would you be open to an alternative proposal that included the consulting actuarial services?**

Interested vendors should refer to the services description in Section 3 SCOPE OF SERVICES. The Board’s consulting actuary is primarily responsible for conducting semiannual actuarial reviews, providing recommendations on Plan reserves and premium rates/structures, and assisting in the evaluation of potential benefit changes. The consulting actuary is selected through a comprehensive RFP process, resulting in a contract typically not to exceed five years. The Board is not interested in receiving unsolicited alternative proposals for services not requested in this RFP at this time.

- 24. For the estimated 650 hours, can you break that down by project type? Are there certain projects that may differ year to year (for example, medical RFP where it is done every couple of years)?**

*As described in **Section 3 SCOPE OF SERVICES**, the consultant may be requested to provide assistance to the Board in preparation of Request(s) for Proposals that include, but are not limited to, third party medical claims administrator, medical management/population health vendor, pharmacy benefit manager, decision support system vendor, and life insurance company. As the Board's contracts typically are five years or less in duration, the procurement and implementation for each of the aforementioned services is expected to occur at least once within the consultant's contract period. The majority of the other services listed, including recommendation/evaluation of potential benefit design and coverage changes, is expected to be performed annually. Ad hoc projects and information requests/reviews occur as needed. For these, and all other sample projects listed in the RFP, the number of hours and actual frequency will vary based on a number of factors.*

25. In relation to each of the projects, how many on-site meetings do you anticipate?

See response to Question 10.

26. When conducting RFPs, can the output of information be in our proprietary databases (such as market discount information or proprietary analysis of network access), be exempt from Open Records Act?

*Refer to the specific sections of the RFP and **Appendix A – Draft Consulting Services Contract** for information regarding confidentiality and protection of proprietary/trade secret information. Records maintained by the Mississippi Department of Finance and Administration and the Board are subject to the Mississippi Public Records Act. We are not able to express an opinion regarding the scope and extent to which this Act applies with regard to information collected and maintained on behalf of the agency by a Board vendor.*

27. How long has the incumbent consultant been in place? What are the current fees/hourly rates?

See response to Question 3. The compensation for the current consultant is not relevant to this RFP.

28. Are there requirements around MWBE participation? If so, what are they? Are those requirements or goals?

The Board has not established any such requirements with regard to this procurement process. For additional information regarding applicable procurement guidelines, vendors may wish to review the Mississippi Personal Service Contract Review Board's Rules and Regulations at www.mspb.ms.gov.

29. How frequently do ad-hoc projects occur? Over the last five years, please provide a sample list of these projects.

See response to Question 24. Examples of previous projects include HIPAA compliance reviews, strategic planning sessions, provider network evaluations, ACA readiness/compliance assistance, etc.

30. When is the last time you marketed each of your health and welfare coverages and when are you required or anticipated to market them again?

N/A. Refer to Section 1.1 Overview and Process. Health insurance benefits are provided within the self-insured structure described in the aforementioned section.

31. Please describe the intensity of vendor management being requested. For example, ongoing vendor meetings, annual review meetings, significant involvement in ad-hoc and escalated issue resolution.

*Refer to **Section 3 SCOPE OF SERVICES**. The consultant's direct involvement in vendor management post selection/implementation is expected to be on a limited, ad hoc basis.*

- 32. In regards to Section 4.3 Consulting Services #24, is the State looking for our firm to help with the procurement of a decision support system vendor?**
The consultant is expected to assist as needed in the selection process of a decision support system vendor, as well as the other services listed in Item 1. of Section 3 SCOPE OF SERVICES, if and when the Board determines such a procurement is needed.
- 33. In regards to Section 4.3 Consulting Services #28, is the State looking for us to evaluate provider contracting approaches or are you interested in direct contracting approaches?**
The Board is interested in contracting with qualified, experienced vendors with the ability and capacity to provide the services described in Section 3 SCOPE OF SERVICES. Interested vendors are encouraged to provide direct and comprehensive responses to each question within the RFP to assist the Board in determining the vendor's relative experience and qualifications.
- 34. In regards to Section 4.3 Consulting Services #29, can you provide some background on the interest of the capitated rates? According to 1.1 Overview and Process, the Plan's health insurance component is self-insured. Are there capitated arrangements in place today or any recent changes to provider payments for the Plan?**
See response to Question 33. The Board's provider network vendor currently utilizes capitated and/or bundled payment rate structures for targeted categories of services and is considering potential expansion for these types of pricing arrangements.
- 35. Is it acceptable for the entire response + appendix be provided singular PDF file on the flash drive/CD?**
Refer to Section 1.3, Instructions to Proposers. Proposals must be submitted in writing to the address provided therein. In addition to the hard copy original and four hard copy duplicates, vendors should "include one electronic copy of the complete proposal...." The RFP also requests in Section 1.12, Mississippi Public Records Act/Confidentiality of Proposals, that the "...proposer provide one electronic copy in portable document format (.PDF) of the complete proposal, including all exhibits and appendices, with all trade secrets or confidential commercial or financial information redacted to be released immediately upon receipt of a public records request for proposals.
- 36. How long has the State contracted with PWC to provide the Health and Life Insurance Consulting services?**
See response to Question 3.
- 37. Is the State fulfilling its obligation to check the market, or is there another reason for the bidding opportunity?**
As stated at the bottom of page 4 in Item 1.1 Overview and Process of the Request for Proposal for Health and Life Insurance Consulting Services, "The Board's current consulting contract with PricewaterhouseCoopers, LLC, is scheduled to expire on September 30, 2017, necessitating the need for this RFP." For additional information regarding applicable procurement guidelines, vendors may wish to review the Mississippi Personal Service Contract Review Board's Rules and Regulations at www.mspb.ms.gov.
- 38. Does the State plan to request RFPs for all or some of the coverages?**
a) **If so, which coverages will require an RFP, and**
b) **Which ones are due in specific years ahead---2018, 2019, 2020 and 2021?**
See response to Question 24. N/A as related to "coverages". Notwithstanding the maximum five year limit on most service contracts entered into by the Board, the timeline for future such RFP projects has not been determined at this time.

39. Will these vendor/carrier RFPs be to fulfill the States obligation to check the market, or are there other reasons for soliciting bids?

See response to Question 37.

40. Beyond negotiations with BCBSM for improved network arrangements for medical claims, has the State adopted High Performance Networks, Reference Based Pricing or other direct contracting which has contributed to improved performance beginning in CY14?

N/A. The Board's experience relative to network performance is not considered relevant to this RFP.

41. In the change from OPTUM Rx to Prime Therapeutics, was a therapeutic alternative substitution program implemented?

N/A. The structure and content of the Board's pharmacy benefit program, including any formulary changes, are not considered relevant to this RFP.

NOTE: This amendment is hereby made a part of the State and School Employees Health Insurance Management Board's Request for Proposal for Health and Life Insurance Consulting Services (RFP). This document must be signed and returned with your response to the RFP to acknowledge that you received the amendment and that you have accounted for it in your response to the Request for Proposal.

Authorized Signature of Proposer

Date

Printed Name of Proposer