

---

## Administration of Tax-Advantaged Accounts (Flexible Spending Arrangements, Dependent Care Assistance Program Accounts, Health Benefit Accounts and Health Savings Accounts)

### RFP No. 2020HCA2

#### Amendment No. 4

---

**Date Issued:** 10/21/2020

**To:** RFP Bidders

**From:** Julia Jacobs, RFP Coordinator

**Purpose:** To clarify the *Call Center Customer Service Satisfaction* performance guarantee and answer the second round of Bidder questions.

This amendment hereby modifies and is attached to RFP No. 2020HCA2. All other terms, conditions, and specifications remain unchanged.

---

The above referenced solicitation is amended as follows:

1. Exhibit F, *Draft Contract*, Section 4.1.5, *Call Center Customer Service Satisfaction*, is amended to change the last sentence of the section as shown in red below:

**Guarantee:** Contractor guarantees that 80% of responses on Participant surveys are "Satisfied" or better.

**Definitions:** A statistically significant number of annual Participant surveys, conducted by Contractor, indicating a "Satisfactory" rating or better.

**Tracking:** Account Type Specific

**Report:** Annually

**Measured:** Annually

**Refund:** If the Participant surveys do not meet the performance guarantee, Contractor will refund ~~one~~ two percent (2%) of the annual administration fee.

**RFP - 2020HCA2 - Tax-Advantaged Accounts**

#	Section	Subcategory	Bidder Questions	HCA Answers
1	1st Round Clarification	Claims	Does the current TPA provide claims integration with the FSA plan? Clarification: Claims integration is when a carrier processes a medical claim and the claim amount and information/EOB is automatically communicated to the FSA or HBA administrator. Claims are processed without the member having to submit a claim form or substantiation documents.	No, currently insurance carriers do not have a claims integration process.
2		Claims	Does HCA provide automatic approval and payment from a medical carrier vendor?	No, HCA does not provide automatic approval and payment from a medical carrier vendor.
3	1st Round Clarification	COBRA	These answers seem to conflict. Can you clarify? Q&A 41 indicates "COBRA is not currently administered by the FSA vendor." Can you confirm who administers FSA COBRA? Who is responsible for sending qualifying event election notices and collecting ongoing FSA COBRA premiums?	Current Administrator provides administration of COBRA continuation rights for the medical FSA. The Administrator sends the notification if the employee qualifies, and collects premiums.
4	1st Round Clarification	COBRA	Q&A 43 indicates the administrator sends a "COBRA booklet." Can you provide or direct us to a copy of this "booklet?"	HCA will not provide a copy of the COBRA booklet but the booklet outlines COBRA guidelines, eligibility, and enrollment information.
5		COBRA	Who drafts and maintains the COBRA booklet?	The current Administrator.
6		COBRA	Is the COBRA booklet mailed by itself or with other materials? If with other materials, what are the other materials?	Currently, along with the COBRA booklet, there is a custom 1-page COBRA insert outlining the premium amount, deadlines for opting-in, after which—if the individual wants the COBRA coverage for their FSA—they work directly with the Administrator's COBRA department.
7	1st Round Clarification	COBRA	In the Q&A response, it was noted HCA sends the Initial COBRA Rights notice, but the Administrator sends the participant a COBRA booklet explaining the COBRA benefit. Please clarify the content of this document and purpose.	The current notice states: "If you have questions about your rights to continue your Medical Flexible Spending Arrangement (FSA), contact the Administrator." The content outlines COBRA rights and ensures Participants know how to maintain COBRA eligibility.
8		COBRA	Please confirm if COBRA administration support is requested (e.g., terminated employee seeking to continue the Healthcare FSA) or the vendor with which integration is required for this purpose.	The Administrator participates in the administration of COBRA continuation rights for the medical FSA. After receiving a termination notice from the plan sponsor, the Administrator issues a COBRA continuation notice to the employee; a Participant may choose to maintain, or choose not to maintain their FSA under COBRA protection.
9		COBRA	Is the new administrator required to send the COBRA qualifying event election notice? Is the new administrator required to handle ongoing premium billing and collections?	Yes, the Administrator is required to send COBRA qualifying event election notices. Yes, the Administrator is required to handle ongoing premium billing and collections.
10	1.6, Scope of Work	Communication	What is the total volume of paper enrollment forms expected to be processed by the Administrator at Open Enrollment and what volume of paper enrollment forms are expected to be processed by the Administrator throughout the year for new enrollees and changes?	HCA estimates approximately less than 1,000 paper enrollment forms are processed by the Administrator during Open Enrollment. HCA also estimates less than 1,000 paper enrollment forms are processed throughout the year. The vast majority of enrollments that occur during Open Enrollment are via the Administrator's online portal.
11	1st Round Clarification	Communication	Are open enrollment packets and materials considered "custom communications" not paid for by the HCA? Question 178.	These are standard materials and the cost to produce should be calculated in the Bidder's rate(s).
12	Exhibit C, Written Response	Communication	Can the State elaborate on the term "Call triage process" process in this RFP?	Providing first-call-resolution where possible or a referral to appropriate resource.
13	Exhibit C, Written Response	Communication	Part 3 – Online Services and Security. On subsection (C) can you please provide more detail, clarification, or examples about the type of public information the HCA would like to be made available to account holders? Would access to this information on the Bidder's website meet the HCA's expectations?	Public information would be general background information about available accounts, otherwise secure or personalized information must be held on a microsite.
14	Exhibit C, Written Response	Communication	Part 3 – Online Services and Security. On subsection (E), can you clarify what is meant by "affinity" or "discount programs" in the context of an account-based plan contemplated in this RFP? For example, would access to the FSA Store through the participant portal be the type of program to which you are referring?	These would be any programs administered by, or programs available to all account holders from the Administrator. Yes, access to the FSA store through the Participant portal would be the type of program.
15	Section 1.6, SOW	Communication	SOW indicates confirmation letters sent electronically or hard copy with a supply of claim forms. Since use of manual claim filing is extremely low, is it acceptable to post the claim form and other documents online? Would it be acceptable to provide all confirmation letters electronically in order to promote sustainability, and save paper and the environment?	Yes, Administrator can make confirmations letters available electronically. However, since emails are not available for all Participants, Administrator must be willing to provide paper communication to any Participant by request. Administrator must provide debit cards to Participants who do not already have a debit card via mail.

16	Section 1.6, SOW	Communication	SOW indicates material is to be printed and distributed for each account type. Since this is voluminous, can you quantify the number of printed documents per account type, number of pages per account type, and method of distribution? Would it be acceptable to direct employees online for plan information?	Yes, it is acceptable to direct Participants to online plan information. However, Administrator must be willing to provide paper communication to any Participant if requested.
17	Section 1.6, SOW	Communication	Open Enrollment Requirements E. – Indicates welcome packets must be mailed. This seems to conflict with P. 14 3.9.6. Will electronic communication be acceptable in lieu of mailings?	Yes, it is acceptable to direct Participants to online welcome packets. However, Administrator must be willing to provide paper communication to any Participant if requested.
18	Exhibit C, Written Response	Communication	When is the disenrollment letter sent? Is this sent before the FSA effective date? Since this is not a recognized change in status event, an FSA election could not be changed after the effective date as a result of making contributions to an HSA.	A disenrollment letter is sent to PEBB and SEBB members who enroll in an FSA AND a High Deductible Health Plan (HDHP) with a Health Savings Account; per the HCA Cafeteria Plan, when employees do this, they are disenrolled from the FSA. Right after annual Open Enrollment, the HCA determines who has enrolled in both, and therefore who receives the FSA disenrollment letter.
19	Exhibit C, Written Response	Communication	Are paper enrollments allowed for HSAs today? Is this an expectation for this bid?	Yes, paper enrollments are allowed for HSAs. Yes, paper enrollment for HSAs are expected for this bid.
20		Communication	What is average monthly participant call volume for FSA? DCAP? COFA? For SEBB and PEBB? And for employers, too?	We do not have this information. Regarding COFA, the Administrator is not expected to set-up a customer service function to answer recipient questions; this is managed by the program within HCA.
21		Communication	How might municipality service or call volumes be different than state employees?	We do not have this information.
22		Communication	What is the projected print volume for the HCA's account-based plans?	As with paper enrollments, the expectation is that fewer than 1,000 enrollees will need printed plans.
23		Communication	What is the projected postage volume for the HCA's account-based plans?	As with paper enrollments, the expectation is that fewer than 1,000 enrollees will need printed plans or documents.
24		Communication	Please confirm who pays postage. Is this cost passed through and invoiced to the HCA?	This is a standard expense and should be calculated in the Bidder's rate(s).
25		Communication	How many new participants are expected next year that would require paper mailing?	Based on annual growth rate plus anticipated new recipients of CBA \$250 benefit, between 12,000 and 15,000 who would need a paper mailing to receive their debit card.
26		Communication	Who tracks and determines which participants need to be mailed a disenrollment letter?	A disenrollment letter is sent to PEBB and SEBB members who enroll in BOTH an FSA and a High Deductible Health Plan (HDHP) with a Health Savings Account, because employees cannot be contributing to both in a given plan year. Right after the annual Open Enrollment, the HCA determines who receives an FSA disenrollment letter.
27	1st Round Clarification	Communication	Your Q&A stated that telephone response is 99% within 30 seconds – this seems like a very high percentage. Please confirm this is the expectation. Please confirm that this is the expectation for your current administrator.	This is the expectation. Performance guarantees will be discussed as part of contract negotiations.
28	Section 1.6, SOW	Communication	According to SOW 5.A., Administrator will be “responsible for marketing, advertising, educating, or soliciting participation...with final approval of such efforts and materials from, and at the discretion of, HCA.” Are these materials distinguished from materials that are referred to in this statement: “HCA does not generally allow external vendor mailings to our entire client base, i.e. all employees”?	Yes, the first portion of this question is relating to expected benefit accounts, the second portion of this question is relating to additional products that the Bidder may have available but for which HCA does not generally allow external vendor mailings.
29	1st Round Clarification	Communication	Are the Administrator's HCA-approved “marketing, advertising, educating, or soliciting” materials included with or distributed separately from other HCA materials? Can these materials be made available on the ASB's website or portal as opposed to distributions in printed format? Please explain.	Yes, the approved marketing materials are separate than HCA marketing materials. However, Administrator must be willing to provide paper communication to any Participant upon request.
30		Data Sharing	Can we get any more info on the passing of SSN's between us and HCA vendors and subcontractors?	At this point there is no expectation of sharing SSNs with other HCA vendors and subcontractors.
31	1.6, Scope of Work	Eligibility File	Administrator must complete a quarterly full eligibility file match with HCA (and HCA's business partners, if applicable) and prompt reconciliation of any differences and reporting of any reconciled differences and any other discrepancies to HCA. We noticed similar requirements for the DCAP and HBA plans as well. QUESTION: Would HCA or HCA's business partners send a secure file to the Administrator quarterly to be compared to the Administrator's source system and any discrepancies reported back to the HCA? Is this how the HCA would envision this process working?	HCA does not send a secure file to the Administrator or business partner, instead HCA expects the Administrator to “pick up” the file from a secure file transfer (SFT) site. Otherwise, yes, HCA envisions this is how the file sharing process will work.
32	1st Round Clarification	Eligibility File	Please confirm all census data for PEBB, SEBB and COFA will be provided to the administrator will a single interface file from HRMS.	HRMS is the payroll system not eligibility. HCA will provide census files for PEBB, SEBB and COFA.
33	Exhibit C, Written Response	Eligibility File	5.C. indicates packets are sent pending HCA's delivery of the eligibility file. If the administrator handles all online enrollment, what eligibility file will the HCA send? Is this file limited to the HBA or CBA program?	Census files are sent to the Administrator prior to annual Open Enrollment indicating all employees who are eligible for the FSA/DCAP benefit; such files ensure the Administrator recognizes all eligible employees when they enroll online.

34		Eligibility File	Will HCA provide a census file of all eligible employees, including emails, in order to populate the online enrollment system?	Refer to response to question 33. Emails are not provided by all Participants and there is no obligation for Participants to share that information.
35	1st Round Clarification	Eligibility File	These answers seem to conflict. Can you clarify what is sent in the enrollment files from HCA? Q&A 75 indicates HCA sends the open enrollment file to the vendor. Q&A 77 indicates members enroll online through the administrator site. Q&A 92 indicates all enrollment information will be provided by HCA via file.	Census files are sent to the administrator prior to annual Open Enrollment indicating all employees who are eligible for the FSA/DCAP benefit; such files ensure the Administrator recognizes all eligible employees when they enroll online. When Q&A 92 "indicates all enrollment information will be provided by HCA via file," this is a reference to the pre-open enrollment census file, which includes, names, SSNs, DOBs, agency, etc. Rather than using the term "enrollment information," the response should have stated that the census files, provided by HCA, contain all the information the Administrator needs for online enrollment.
36		Eligibility File	Please describe the purpose of the eligibility transaction file, as we understand enrollment services are requested whereby the Administrator's system would be the system of record for election data (response to Question 76 in the first round of Q&A).	Refer to response to question 35.
37	1st Round Clarification	Eligibility File	Additionally, the response to questions 42/75 contradict the response to 76 noting an enrollment file will be provided from HCA. Please reconfirm HCA is seeking services for enrollment support, or please further clarify the responsibilities of each party.	Refer to response to question 35.
38	1.6, Scope of Work	HBA	Administrator must have the ability to refund Health Benefit Accounts when Participant inadvertently uses funds to pay for ineligible health plan premiums. Are you asking if the Administrator will be able to post a refund payment to the individual Participant's account when the Participant reimburses the Plan for having received an ineligible debit card payment?	HCA funds the disbursement account which is used for the COFA members' out-of-pocket expenses. If, for example, a COFA Participant inadvertently pays their premiums using their debit card, HCA's expectation is that the insurance carrier refund that payment to the original source of payment, i.e., the disbursement account. The Administrator is expected to credit that disbursement account to reflect the carrier's refund.
39		HBA	Can the State confirm that COFA accounts are intended to require healthcare expense adjudication, and are intended to provide a tax-free benefit per the code?	The COFA accounts that members use are intended to pay for in-network covered health and dental services. HCA expects the card cannot be used at facilities that do not provide these services.
40		HBA	On COFA, who works with OMEP to determine if benefits in excess of \$300 will be paid? Is the expectation that the Administrator will coordinate this effort?	It is the expectation that the Administrator will increase the limit when requested by OMEP. OMEP works with the members to ensure the benefits in excess of \$300 are eligible for the program.
41		HBA	Please confirm that COFA benefits are delivered via debit card only with a \$300 monthly limit and \$1200 annual limit loaded on cards.	The annual limit may be adjusted on a case-by-case basis to align with an individual's out of pocket maximum. A manual claim may be needed when a provider cannot accept the card or an individual uses their own funds before the card arrive.
42		HBA & FSA	Please explain process for recovery of benefits paid in error on FSA and COFA debit cards.	Refer to response to question 38.
43	N/A	HSA	What percent of HSA enrollees are dual enrolled in an FSA?	None, Participants enrolled in a High Deductible Health Plan with an HSA account are restricted from also enrolling in an FSA. Any Participants who enroll in both account types are identified and the FSA is removed.
44		HSA	These answers seem to conflict. Can you clarify which is correct? Q&A 119 indicates \$793.67 for annual average employee contribution Q&A 130 indicates \$196.60 for annual average employee contribution	Answer to 119 should say "\$793.67 total assets in 2019"
45	Draft Contract	Insurance	In review with our insurance agent, they have indicated "fines and penalties are not insurable on any policy." Will the HCA reconsider this provision?	Coverage of costs incurred due to fines and penalties by a Privacy Breach Response Coverage is a standard requirement in all vendor contracts. This is included in HCA's cyber policy.
46	Draft Contract	Insurance	Is Industrial Insurance Coverage required for Contractors (or subcontractors) who do not have employees who are Washington residents?	If services are being administered in Washington state, regardless of employee location, the Administrator must have a Washington based Industrial Insurance Coverage policy. However, some states qualify for reciprocal Industrial Insurance Coverage (sometimes referred to Worker's Compensation coverage). Please refer to the Washington State Department of Labor and Industry website link below to check your state's reciprocity status. <a href="https://lni.wa.gov/insurance/insurance-requirements/do-i-need-a-workers-comp-account/out-of-state-employers-and-out-of-state-workers">https://lni.wa.gov/insurance/insurance-requirements/do-i-need-a-workers-comp-account/out-of-state-employers-and-out-of-state-workers</a>
47		Open Enrollment	Please share the 2 dozen sites where your benefit fairs are typically held and the months during which the 5-6 week window occurs.	The sites change depending on availability and include both Eastern and Western Washington and are shared with vendors as soon as the locations are determined. The 5-6 week window usually occurs from mid October through the end of November.

48	1st Round Clarification	Payroll System	Please confirm the total number of payroll systems the administrator will interface with. Payroll files will go from the vendor to payroll with deduction instructions on FSA / DCAP elections. The answer is vague. For PEBB, HRMS is 1, 12 other with no interface to HRMS that will require the administrator to interface directly. Is Higher Education 1 or many systems? Total for PEBB is 14 payroll systems? For SEBB the total is one payroll system?	PEBB Payroll systems: One payroll system for state agencies and each of the seven higher education entities have their own systems.  SEBB Payroll systems: Only one payroll system currently interfaces with the Administrator (covering 290 entities), all of the other systems (28) are done via manual processes.
49	1st Round Clarification	Payroll System	These answers seem to conflict. Can you clarify the frequency and number of payroll files sent each month? Q&A 181 indicates HCA does not provide a payroll file. Q&A 185 indicates administrator does receive payroll/employer reports of payroll deductions.	The payroll files are referenced in question 48. The frequency is once a month.
50		Payroll System	Are municipalities' payroll systems separate from state PEBB and SEBB?	Yes, municipality payroll systems are separate from PEBB and SEBB.
51		Payroll System	Please confirm the payroll system(s) with which integration will be required for communicating benefit deductions based on employee enrollment/receiving actual payroll deductions withheld.	Refer to response to question 48.
52		PPPM	What are the current plan year rates / fees for each of the following plans: a. HSA b. FSA c. CBA FSA d. DCAP for both PEBB and SEBB populations e. Health Benefit Account – COFA Islander Healthcare	Pricing structure is proprietary information.
53	Exhibit C, Written Response	Reporting	Can you describe the reporting structure or provide a chart? Are reports provided by SEBB/PEBB, by agency, location, division, etc.?	The Bidders can create their own structure but must include the following reporting details: Last name First name SSN Agency (or work entity) Amount being reimbursed (that is, amount that Administrator paid/has to pay to account owner) FSA or DCAP Transaction date (when participant was reimbursed) ACH number or Check number
54	1st Round Clarification	Reporting	Q & A states 3 types of audits are conducted. Can you explain the types of audits in more detail? Are these audits specific only to forfeiture reconciliation?	The audits are not only specific to forfeiture, the audits compare what the Administrator billed HCA (what covered expenses) to what HCA shows was billed and paid.
55	Draft Contract	Solicitation	Please confirm how any comments or clarification to the Statement of Work should be supplied.	Bidder may elect to submit Contract exceptions with their response as outlined in RFP section 2.11, <i>Contract and General Terms &amp; Conditions</i> . Bidder may use the "comment" function in Word to represent their requested language changes.
56	Draft Contract	Solicitation	There is a typo in the refund section. Is it one percent or 2% refund? "If the Participant surveys do not meet the performance guarantee, Contractor will refund one percent (2%) of the annual administration fee."	The language should read "Contractor will refund two percent (2%) of the annual administration fee."
57	Exhibit A, Certifications and Assurances	Solicitation	Exhibit A Certifications and Assurances contains a statement which reads, "I/we grant HCA the right to contact references and other, who may have pertinent information regarding the ability of the Bidder and the lead staff person to perform the services contemplated by this RFP." Can you advise the number of references that you desire bidders to provide with their proposal response? Is there a specific form for providing this information or should we just incorporate client reference information into our proposal response?	HCA is not requesting references for this RFP.

58	Section 4, Exhibit C Written Response	Solicitation	<p>"The Scoring is based on innovative, detailed and thorough response, providing a complete description, describes approach in sufficient detail, or description is not sufficient or is marginally described." The RFP also indicates HCA is under no obligation to consider any supplemental materials.</p> <p>Since Exhibit C-Written Responses is extremely limited by page numbers, it is very difficult to provide sufficient and detailed information. Will HCA reconsider expanding the page limits, or clarify exactly where we may provide a narrative description or a supplement with Exhibit C? This would allow us to provide detailed and thorough responses.</p>	HCA believes the page limits are sufficiently generous for the Bidder to describe their services and operations, however, the page limits do not include flow charts, examples, etc.
59	Written Response	Solicitation	<p>Account Administration A. Table 1 – Since the HBA is not an HRA, and is unique to the State of Washington, only the incumbent could have a positive value.</p> <p>As this gives an unfair advantage to the incumbent, will the HCA consider deleting this from the table?</p>	For this table (A. 1. of the <i>Written Response</i> ) experience administering HRAs can be used interchangeably with administration of HBAs.