

# Solicitation Amendment

SEBB Program Fully Insured Medical Plans

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**RFP No. 2716**

Amendment No. 3

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**Date Issued:** June 28, 2018

**Purpose:** Round 1 Questions and Answers

Amendment need not be submitted with Proposal. All other Terms, Conditions, and Specifications remain unchanged. The above referenced solicitation is amended as follows:

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The following are the questions and answers from the *Round 1 Questions* period and the *Pre-Proposal Conference*.

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#	Section	Bidder Questions	HCA Answers
1	N/A	Will HCA please share the list of AV % currently used for the self and fully insured PEBB offerings; were these AV % pre-set for the PEBB Carriers?	HCA did not pre-set the AV for the PEBB carriers. The 2018 AVs in the PEBB portfolio are as follows: UMP Plus 89.85% UMP Classic 88.06% Kaiser WA Classic 87.57% Kaiser NW Classic 87.33% UMP CDHP 87.22% Kaiser WA CDHP 87.03% Kaiser NW CDHP 85.16% Kaiser WA Value 82.69%
2	N/A	Will HCA share the approximate number of enrollees in the retired/disabled school employees' risk pool in question for potential inclusion in the SEBB program?	Retired and disabled school employees will remain in the PEBB risk pool unless and until the legislature takes explicit action to move them to a different risk pool. However, the total number of retired/disabled school employees enrolled in the PEBB Program is 51,784. Subscribers make up 36,648 of this total and Dependents make up the other 15,136 (66 of these Dependents qualify because they are disabled).
3	N/A	Will letters of support be allowed as supplemental attachments to this RFP?	The only reference information allowed is that which is requested in section 3.4.7 of the Master Letter of Submittal.
4	N/A	Will HCA address the disparate treatment of self-funded and fully insured plans with regard to premium and insurer taxes?	HCA has no factor within our rate development/procurement methodology tied to the payment of premium or insurer taxes.
5	N/A	Is it HCA's expectation that the SEBB self-funded offerings utilize the current negotiated PEBB provider rates?	Yes. It is the HCA's expectation that the Uniform Medical Plan(s) provider network contracts will be used for SEBB self-funded plans.

6	N/A	How will the SEBB fully insured offerings inform the service provisions of self-funded plan designs; put another way, does the SEB Board have an opportunity to not offer a self-funded plan(s) if the fully insured offerings are comprehensive and sufficient for the SEBB population?	The SEB Board has voted to offer a self-insured plan that is available statewide, regardless of where a Subscriber lives or works. A self-insured plan will be offered in every county irrespective of any fully insured plans which are available, and if for any reason, there is no fully insured plan offered in a county, Members can enroll in a SEBB self-insured plan.
7	N/A	Is it HCA's intent for 1/1/2020, to have SEBB fully insured Carrier(s)/plans available to PEBB program members; by which date should we expect such a decision to be made for years beyond 2020?	At this time there is no intent to have the SEBB fully insured Carrier(s)/plans available to PEBB Program members. There is no estimated timeline as to if or when the PEB Board will vote on whether or not to leverage these contracts. The earliest the vote could occur is summer of 2019.
8	N/A	Will the self-funded Uniform Medical Plan be offered alongside the fully-insured plan offerings to SEBB employees and their dependents come 1/1/20?	Yes, the SEBB self-insured plan will be offered alongside the SEBB fully insured plans starting 1/1/2020.
9	1.6.E.	Page 16, E. Data Reporting and Analytics, Question 5, states that a template report will be provided. Can you please provide as an attachment?	This template is being built and will be provided to ASB(s) at a later time. The language in the RFP will be updated accordingly by way of an amendment that HCA anticipates posting early next week.
10	1.7 Minimum Qualification #8	<p>The question below relates to Minimum Qualification #8 - <i>"Must meet an A.M. Best financial rating of A- at the time of Proposal submittal. (Bidder to provide a copy of their most recent A.M. Best rating report.)"</i></p> <p>In Section 2.26.4 (d) of the RFP it states <i>"Any exception must be reviewed and approved by the Health Care Authority Risk Manager, or the Risk Manager for the state of Washington, before the Contract is accepted or work may begin."</i> Can Health Care Authority provide what alternative documentation is acceptable in lieu of an A.M. Best Financial rating if the carrier does not participate in the A.M. Best Financial rating process?</p>	<p>The Health Care Authority will amend Minimum Qualification #8 to allow bidders an opportunity to provide all of the most recent documentation they have from the several major companies that rate the financial strength and credit worthiness (e.g., Standard &amp; Poor's, A.M. Best Company, Weis Research, Fitch, Moody's, Kroll). This amendment will give bidders who do not participate in A.M. Best, an opportunity to respond to Minimum Qualification #8 with other comparable information they have.</p> <p>HCA anticipates posting the amendment that will update this Minimum Qualification early next week.</p>

11	1.7 Minimum Qualification #8	Our organization has adopted S & P, Moody's and Fitch to monitor and measure our financial health organization-wide. As it relates to the carrier minimum qualifications, will one these financial rating institutions suffice?	<p>The Health Care Authority will amend Minimum Qualification #8 to allow bidders an opportunity to provide all of the most recent documentation they have from the several major companies that rate the financial strength and credit worthiness (e.g., Standard &amp; Poor's, A.M. Best Company, Weis Research, Fitch, Moody's, Kroll). This amendment will give bidders who do not participate in A.M. Best, an opportunity to respond to Minimum Qualification #8 with other comparable information they have.</p> <p>HCA anticipates posting the amendment that will update this Minimum Qualification early next week.</p>
12	2.20	Following rate development and financial modeling, what opportunities will the SEB Board and Carriers have to revisit plan design ahead of open enrollment?	After a Carrier is announced as an ASB, and Contract negotiations start, there will be an opportunity for HCA and the Carrier to alter the submitted plan designs. The plan designs finalized between HCA and the Carrier will be presented to the SEB Board for approval. The SEB Board could ask for some things to change about the plan designs, at which time HCA and the Carrier would revisit the plan designs to update them based on SEB Board input. There will likely be no changes prior to the Annual Open Enrollment for Plan Year 2020. However, each year thereafter, there is the opportunity to revisit plan design through the Request of Renewal process.
13	2.20	How, if at all, will the geographic rating regions be different than OIC's rating regions?	At this time, it is HCA's intent to use the OIC rating areas.
14	2.20	What are SEBB's financial goals around rates over this initial 3 year contract term?	Stability, sustainability, and value-based purchasing.
15	2.20	What kind of data will be included in the " <i>data book that contains summarized school employee data</i> " that is to be released in December?	Summarized cost models representing the allowed patient pay and paid claim amounts by category of service, additional summaries relating to the level of unit cost performance, and risk relativity of geographic areas.

16	3.3.1	Regarding Section 3.3.1, what is HCA's size limit for external emails? Will HCA accept electronic submission of the proposal via multiple emails?	HCA's size limit for external emails is 25MB. If your proposal is too large for this limit it may be submitted as multiple emails. If submitted this way, all emails must be submitted by the Proposals Due date and time in the Procurement Schedule (section 2.2) and clearly labeled as a set (i.e., 1 of 2 and 2 of 2).
17	3.4.4	When will the fully insured SEBB Apparently Successful Bidders be expected to attest on their ability to meet the 41.05 RCW requirement of offering a Silver and Gold plan on the individual ACA market?	<p>The Bidder's RFP response, within the Master Letter of Submittal (section 3.4.4), should: a) acknowledge the requirements and intent of ESHB 2408 (2018); and b) the Bidder's intent to comply with the requirements.</p> <p>Based on the Service Area counties submitted by the Bidder, HCA will presume the Bidder's intent to comply with ESHB 2408 in those counties. The Bidder's response to the Master Letter of Submittal and the Service Areas proposed within the RFP proposal will be considered the Bidder's attestation to comply with ESHB 2408. HCA understands that this is in advance of many necessary steps the ASBs must take to ensure plan offerings on the Washington Health Benefits Exchange in a county. Additional compliance requirements, such as filing times, will be in Exhibit K – Draft Contract.</p>
18	Exhibit B	Exhibit B – Diverse Business Inclusion Plan, does the RFP require we utilize a Diverse Business Enterprise? If so, will there be a specific percentage requirement that we need to meet in order to fulfill a future evaluation criterion?	Exhibit B, Diverse Business Inclusion Plan is used for informational purposes only. HCA does not require that Bidders utilize a Diverse Business Enterprise.
19	Exhibit D	What is the minimum number of counties that HCA is looking for carriers to participate in?	<p>Although HCA would like to have fully insured coverage in every county, there is no minimum number of counties or plan options. HCA is interested in knowing what counties Bidders want to participate in based on where they are legally able to do so.</p> <p>There may be a maximum number of Carrier options and plan options depending on final SEB Board vote, but at this time there is not.</p>

20	Exhibit D	Is there a minimum or maximum number of carrier and plan options by county?	<p>Although HCA would like to have fully insured coverage in every county, there is no minimum number of counties or plan options. HCA is interested in knowing what counties Bidders want to participate in based on where they are legally able to do so.</p> <p>There may be a maximum number of Carrier options and plan options depending on final SEB Board vote, but at this time there is not.</p>
21	Exhibit E 2.a.	<p>The questions below relate to Exhibit E, #2(a) - <i>“Complete Table 1 below by providing information regarding how many large employer accounts (5,000 or more covered lives) the Bidder is contracted with to provide the fully insured medical plan types listed below.”</i></p> <p>a. For Employer groups that have multiple carriers offered to their employees, does HCA want total subscribers in the employer’s eligible employee population or total subscribers covered under the carrier’s plan?</p> <p>b. Is HCA asking for all large employer accounts (including National accounts) or Washington employers only?</p> <p>c. Should the counts include Retiree (Medicare and Non-Medicare) members?</p>	<p>a. Only include those accounts in which the Bidder has 5,000 or more of the covered lives eligible under an employer group.</p> <p>b. Employers who receive services from the same locations (Member customer service, online support, Claims processing, etc.) that would be providing services to SEBB Program Members.</p> <p>c. Yes.</p>
22	Exhibit F 1.f.	In regards to Exhibit F, Innovative Leadership and Administrative Support question f, please confirm that we do not need to respond to Appendix 8 in response to this bid. Please also confirm when the survey will be released and the due date.	Bidders are not required to provide a response to Appendix 8 - <i>2017 Paying for Value Survey</i> as part of their proposal. The language in this section of the RFP will be updated by way of an amendment that HCA anticipates posting early next week.
23	Exhibit H 11.c.iii.	Page 71, second bullet (top of page) references a “HCA clinical audit” – Can you please define the clinical elements included in the audit?	This requirement will be removed by way of an amendment that HCA anticipates posting early next week.

24	Exhibit I 1.i.	How will network adequacy be accounted for in both Benton and Franklin Counties given the Carrier-wide lack of access to ophthalmology and optometry?	Network adequacy is not limited to county. It is only limited by the OIC's standards. If a Carrier does not have providers within the mileage standards required by the OIC a Carrier may need to contract with providers to meet the standard(s).
25	Exhibit K	The RFP mentions we will be receiving a contract, Exhibit K – Draft Contract, when do you think the draft contract will be ready?	This is currently being developed. HCA has a goal of releasing this as an amendment next week.
26	Appendix 2	This question relates to the OCIO Standard 141.10 - Securing IT Assets. Pending signing a Non-Disclosure Agreement, will the HCA accept a SOC 2 report in lieu of questionnaire completion?	No. The questionnaire required as part of the OCIO security design review will still need to be completed. A SOC 2 Type II report may answer many of the included questions, but cannot replace the questionnaire itself. HCA will facilitate the security design review process, and will assist in the completion of the questionnaire.
27	Appendix 6	Please provide 5-digit zips for the defined service area(s) in Appendix 6.	HCA anticipates posting an amendment that will include this early next week.
28	Appendix 8	Please provide the Excel version of Appendix 8.	The RFP Coordinator emailed this to all potential Bidders on Thursday 6/14/18 at 7:21 am PT. If you have not received it or are still having difficulty, please contact the RFP Coordinator for assistance.
29	Appendices 10 & 11	<p>In Appendices 10 and 11, it looks like the following services are listed twice on the grids:</p> <ul style="list-style-type: none"> <li>- Immunizations</li> <li>- Mammograms (diagnostic)</li> <li>- Mammograms (screening)</li> </ul> <p>Is this is an error? I do see Joint replacement surgery listed twice, however the second line calls out joint replacement surgery under the COE program so I understand this is a different service.</p>	Yes, this was done in error. HCA anticipates posting an amendment that will correct this error early next week.

30	Pre-Proposal Conference Question	What changes does HCA anticipate making to plan design during negotiations? Or will the plan designs Bidders propose be considered pretty much set and final?	Bidders should not assume the plan designs they propose are set and final. Final plan designs will be subject to SEB Board decisions. At this point, HCA is asking that Bidders provide plan designs they believe most appropriate based on their understanding of the population. Some adjustments may need to be made but we don't know what, or how significant, those will be at this time.
31	Pre-Proposal Conference Question	Can HCA provide more information regarding how risk adjustment will be applied?	Risk adjustment will be applied concurrently to 2020 and possibly prospectively to 2021.
32	Pre-Proposal Conference Question	The timeline for the RFP seems to be very condensed. Does HCA anticipate any changes to the timeline?	HCA is committed to the timeline outlined in the RFP. It is important that HCA stick to this timeline to reach the milestones necessary to get the SEBB Program launched. No changes to the timeline are anticipated.
33	Pre-Proposal Conference Question	Does HCA have any rough financial goals over the initial three (3) year contract time period? Has the agency been given any guidance as to budget and rates, and how those will progress over the years?	No, not at this time. Currently the focus is on the launch and initial plan year. After that we can look further down the road. Additionally, the initial contract term HCA has identified at this point is a four (4) year term from January 1, 2020 through December 1, 2023.
34	Pre-Proposal Conference Question	When does HCA plan to release the Vision RFP?	HCA is working towards releasing the Vision RFP by the end of June 2018. However, this is still a work in progress. Those Bidders interested in providing the benefits/services requested in the Vision RFP 2272 must respond specifically to the Vision RFP. Responding to RFP 2716 - <i>SEBB Program Fully Insured Medical Plans</i> will not qualify Bidders for consideration in the Vision RFP.
35	Pre-Proposal Conference Clarification	HCA clarification regarding the use of PEBB's UMP Classic benefit design as a benchmark (as outlined in Exhibit B section 1).	HCA would like to clarify that we are not trying to send Bidders the message that we want to match their plan designs to UMP Classic. We are simply using UMP Classic as a benchmark in order to have a standard format from which we can organize and digest the plan design information proposed by Bidders.