



STATE OF WASHINGTON
HEALTH CARE AUTHORITY

626 8th Avenue • P.O. Box 42702 • Olympia, Washington 98504-2702

May 23, 2018

TO: Potential Bidders
FROM: RFP Coordinator
SUBJECT: RFP 2619 – SEBB Short and/or Long Term Disability Insurance

The purpose of Amendment one (1) to RFP 2619 is as follows:

- HCA's responses to the submitted questions.
- Amended RFP 2619, attached as a separate document, to update the RFP due to submitted questions (all edits are in redline strikeout).

Please note:

- All communication regarding this RFP must be directed to the RFP Coordinator at contracts@hca.wa.gov. All other communication will be considered unofficial and non-binding on HCA. Communication directed to parties other than the RFP Coordinator may result in disqualification of the potential Bidder.
- Proposals are due June 13, 2018 by 2:00 p.m. PT.

Thank you,

Laura Shayder
RFP Coordinator
contracts@hca.wa.gov

Amendment 1

RFP 2619

#	RFP Section	Bidder Questions	HCA Response
1	1.1	How does the population that will comprise the SEBB risk pool currently enroll in STD and LTD benefits?	At this time this information is unknown.
2	1.1	Will Life/AD&D benefits be included as part of this benefit package?	No, see RFP Section 1.1.
3	1.1	Will any coverage (STD or LTD) be offered to the 10,500 subscribers who work less than 630 hours a year?	No, see RFP Section 1.1.
4	1.1	Please confirm all entities would be required to offer the plan to their employees.	Yes.
5	1.3	The RFP states that the estimated total SEBB enrollment will be roughly 200k-300k lives (including dependents). Since this RFP wouldn't cover dependents we still would have expected a census of ~200k, but it only had 75,696 lives. Please explain the variance.	The Demographic Data provided in Exhibit C is a snapshot of the data available during the 2016 Open Enrollment. Due to eligibility changes total enrollment numbers may change.
6	1.5	Section 1.5, states "In its sole discretion, HCA reserves the right to extend the contract for up to fifteen (15) additional years in whatever time increments HCA deems appropriate." Please confirm that the decision to extend the contract will be based on mutually agreeable terms between the winning carrier and the HCA, with the HCA initiating those discussions.	HCA will negotiate all terms during the contracting process.
7	2.13	RFP Section 2.13 states that exceptions to the contract terms and conditions must be submitted as an attachment to Exhibit D. Is a 'track changes / commented' version of the contract an acceptable / responsive attachment? AND Is the expectation that the Proposer will only comment within Schedule A: Statement of Work when unable to agree to an Obligation or can Proposer include confirmation or explanation to substantiate their ability to comply or to offer an alternative? Can responses be included within Schedule A via 'track changes / comments' or should this be included as a separate attachment to Exhibit D?	Yes, please utilize the "track changes/ comment" function within Exhibit D. Please make edits anywhere within the document noting that it will assist during the contract negotiation process.

8	2.3	<p>Please provide a census file that includes the following information (also, confirm the date the report was produced):</p> <ul style="list-style-type: none"> • Gender • Zip Code • State of Residence • Work State • Plan Election (if multiple plans are offered) • Date of Birth • Annual Salary • Job Title • Population Identifier (location code and/or entity code) • Descriptions of abbreviations in any of the provided fields (such as "Status", "Coverage Option", etc.) 	<p>Per the RFP Section 2.3.: Bidders must submit a Letter of Intent (LOI), and a signed Non-Disclosure Agreement (NDA) found in Exhibit B of this RFP, to be eligible to submit a Proposal in response to this RFP. A signed NDA is required in order to receive the Demographic Data, Exhibit H.</p>
9	2.3	<p>Please provide a census that identifies entities separately.</p>	<p>Per the RFP Section 2.3.: Bidders must submit a Letter of Intent (LOI), and a signed Non-Disclosure Agreement (NDA) found in Exhibit B of this RFP, to be eligible to submit a Proposal in response to this RFP. A signed NDA is required in order to receive the Demographic Data, Exhibit H.</p>
10	2.3	<p>On census please include gender, date of birth, salary, job title, work zip code, entity name, current STD election (if appropriate) and current LTD election (if appropriate).</p>	<p>Per the RFP Section 2.3.: Bidders must submit a Letter of Intent (LOI), and a signed Non-Disclosure Agreement (NDA) found in Exhibit B of this RFP, to be eligible to submit a Proposal in response to this RFP. A signed NDA is required in order to receive the Demographic Data, Exhibit H.</p>
11	1.2.10	<p>RFP Section 1.2.10 Subscriber communications includes ‘Robo-calls’. Is that a requirement or just an example?</p>	<p>It is a requirement.</p>
12	1.2.10	<p>How do you educate and communicate to your employees about benefits and benefit changes? Please be specific.</p> <ul style="list-style-type: none"> - In person (benefit fairs, group meetings, other) - Paper (benefit guide, posters, postcards, other) - Electronic strategy (email, webinars, text, social media, other) - Are any decision support tools used? If so, please describe. 	<p>At this time this is a new plan with no existing information, however it does seem possible that elements of this list would be included.</p>

13	1.2.3	Does the HCA/SEBB have a single payroll system through which benefit deductions are maintained?	This is a new program with no existing payroll system.
14	1.2.3	If there is not a single payroll system, please describe how SEBB would like payroll deductions established for employee-paid coverages.	This is a new program with no existing payroll system.
15	1.2.3	Will the Disability plan designs requested be offered on a menu basis, i.e. where employees will get to pick a plan (if contributory), the SEBB school group will pick the plan, or HCA/SEBB will pick the plan.	The SEB Board will choose one plan for HCA to offer. See RFP Section 1.1.
16	1.2.3	Will you accept bids that only include quotes for Non-Participating plans?	See RFP Section 1.2.3.
17	1.2.3	Is it SEBB's intent on providing Subscribers with 2 STD and 4 LTD plan options as a choice or is SEBB simply evaluating the pricing for the different plans and plan on picking just one option for each coverage?	See RFP Section 1.2.3.
18	1.2.3	What are the current subscriber contributions for each plan (i.e. what % of schools provide ER paid LTD or STD)? What are the expected contributions by plan?	Unknown.
19	1.2.3	What, if any, changes to the current financial arrangements are being requested?	Per RFP Section 1.2.3 Plan funding has not been decided.
20	1.2.3	Please confirm the intent of requesting a Participating contract pricing on subscriber paid STD and LTD? If there are dividends, we assume these will this go into a PSR to be held by the insurance carrier?	Historically HCA has participated in both optional and basic PSRs.
21	1.2.3.1	Would HCA be interested in an Administrative Services Only plan for the STD instead of being fully insured?	No.
22	1.2.6	The RFP is for STD and LTD only. A key administrative function listed in Section 1.2.6 of the RFP includes "Electronic Beneficiary designation as an option to Subscribers". Please confirm this is not applicable, or explain HCA's expectation.	HCA expects Subscribers to be able to name a beneficiary for the final month of disability payments if the Subscriber happens to die while disabled and receiving disability payments.
23	1.2.6	Please clarify the request for a 'dedicated local representative'. Would an account manager located in Washington State fulfill this?	Yes.
24	1.2.6	The RFP mentions the possibility of the HCA asking the ASB to take on recordkeeping services in the future. Please confirm that the HCA recognizes that this will result in increased costs and that pricing will need to be adjusted to account for future added record keeping services.	This may be negotiated with the ASB.

25	1.2.8	If the SEBB data is not consolidated, please describe how the data would be sent to the ASB.	See RFP Section 1.2.9.8.
26	1.2.9	Does the HCA expect the ASB to provide an online enrollment system for SEBB Subscribers? If so, by what date?	No.
27	1.2.9	If the ASB is expected to provide an online enrollment system, will the HCA have a consolidated source of SEBB Subscriber data?	Not relevant, no online enrollment system is requested.
28	1.2.9	Is your upcoming Annual Enrollment going to be an active (all employees must take action and accept/decline benefits) or passive (only employees that need to make a change need to take action) enrollment? - If passive – what % of your employees usually make a change during their Enrollment period?	Yes, active.
29	1.2.9	During your previous annual enrollment was it: - Open – where all employees were able to elect coverage without? - Traditional Underwriting – where all employees submitted EOI?	SEBB is a new plan with no historic annual enrollment.
30	1.2.9	When was the last true “open enrollment”?	SEBB is a new plan with no historic annual enrollment.
31	1.2.9	Are you interested in supplementing your current enrollment process with a carrier sponsored enrollment platform and/or call center enrollment strategy?	No.
32	1.2.9	Is the HCA expecting the ASB to perform enrollment services or will the HCA and/or participating K-12 schools be performing the enrollment function?	To be determined.
33	1.2.9.3	In regard to STD and LTD coverage please clarify item 1.2.9.3 - does this pertain to late enrollment for contributory plans?	Section 1.2.9.3 of the RFP is referring to existing enrollees.
34	1.2.9.5	RFP Section 1.2.9.5 requests mailing of a coverage confirmation letter. Is this referring to notification following submission of EOI and/or following Subscriber enrollment?	Both.
35	1.2.9.8	Section 1.2.9.8 indicates that the ASB shall also offer payment methods other than payroll deduction to Subscribers. Is the intent of the alternative method for Subscribers to continue to pay premiums while they are on Leave or other absence where they are not being	To be determined.

		paid via payroll? Please clarify the scenarios under which an alternative method shall be used.	
36	1.2.9.8	RFP Section 1.2.9.8 requests ASB to offer payment methods other than payroll deduction. Are you requesting billing method other than Direct Bill to Subscribers? AND This section also states that you currently provide IRS 834-compliant files. We do not typically accept these files as HIPAA does not apply to STD and LTD. Is HCA able to provide files in other formats? Please provide a sample of your file feed layout(s).	Yes and yes. A sample is not available at this time.
37	1.2.9.8	For those current plans that are voluntary (Subscriber Paid), do subscribers pay premiums on a pre-tax or post-tax basis?	SEBB is a new plan with previous plans.
38	1.2.9.8	Please list your thoughts on other potential methods to collect premium outside of payroll deduction?	Examples include: Direct bill, Electronic Funds Transfer, online payment portal.
39	Exhibit B	In reading the RFP for the Disability bid for SEBB (Request #2619), it mentions both an LOI and a NDA on Exhibit B. However, I do not see an Exhibit B. Would it be possible to email me a copy of both?	Exhibit B, the NDA, can be located on page 42 of the RFP.
40	Exhibit C	What eligibility does the census provided represent?	See RFP Exhibit C, "Notes" sheet.
41	Exhibit F	We are currently reviewing the RFP documents for the STD and LTD RFP for SEBB and would like to ask if we can obtain a printable Exhibit F – OCIO Requirements pdf . The one uploaded is password protected and cannot be printed. Please advise if the password can be provided to allow for printing, or if a new document can be provided that will allow for printing.	A printable version was uploaded to WEBS on May 9, 2018 and was also be uploaded onto our website.
42	Exhibit F	Security and system controls are increasingly becoming an important part of an employer's evaluation criteria for carrier selection. We did not see mention for the need for a carrier's compliance with SOC 2 Type II auditing and systems controls. Will the HCA expect its carriers to be SOC 2 Type II compliant and introduce this as a requirement to the SEBB Disability RFP?	See RFP Exhibit F, OCIO.
43	Exhibit G	Should rates be provided based on 10thly, 9thly or 12thly premium payment schedules?	12th monthly premium payment schedule.

44	General	School groups typically experience employees retiring at younger ages than private employer groups due to having STRS/PERS benefits. LTD is intended to provide income replacement – if an employee retires there is no longer the need to replace income. A discount can be provided for shorter Maximum Benefit Periods. Please confirm if you would like quotes based on a SSNRA maximum benefit period, or less than SSNRA. If less than SSNRA, what Maximum Benefit Period would you like to see quoted?	Quotes should be based on maximum benefit period.
45	General	Please confirm if all participating SEBB school districts currently participate in Social Security or not. If not please provide detail around which ones do not participate.	To our knowledge, all school districts do participate and will participate.
46	General	Is there a consultant engaged in this procurement working with HCA? If yes, can you identify them?	No.
47	General	For participating contracts that are Employer paid, how will any refunds be dispersed back to the individual school districts if HCA is the policyholder?	To be determined during negotiation.
48	General	For participating contracts that are Employee paid, how will any refunds be dispersed back to the individual employees?	To be determined during negotiation.
49	General	Please provide experience for all groups that are a minimum of 1000 lives. o STD- Paid premium for 24 months, rate history and plan design. o LTD- Paid premium for 60 months, rate history, plan design, open and closed claim listing that includes date of birth, gender, date of disability, gross benefit, net benefit and Social Security approval status.	SEBB is a new program with no historical information.
50	General	What are the current rates (or fees) for each plan? Are the prior years' rates (rate/fee history) available? Are the renewal rates available?	SEBB is a new program with no historical information.
51	General	What is the current (aggregate) commission level included in the rates? What level of commissions should be included in the proposed rates?	SEBB is a new program with no historical information.
52	General	Are booklets, SPDs, or certificates available describing the current plan design for groups over 500 subscribers where experience will be provided (see below)? Plan documents are necessary to properly understand the current plan provisions and details. If not available, please confirm: • Current plan design • Eligible subscriber definition	SEBB is a new program with no existing materials.

53	General	<p>In addition to the requested STD and LTD experience data we are requesting below for any entity/location that has greater than 500 participating subscribers, can bulk experience data also be provided for the following:</p> <ul style="list-style-type: none"> • Total combined experience for the Washington Education Association (WEA) population. • Total combined entity/location experience by current carriers. • Is a recent billing invoice available including the subscriber lives and current rates for entities with greater than 500 Subscribers? • What are the current participation levels by entity for any plans that are contributory or voluntary. • What is the current financial arrangement for each coverage? If some plans are Participating and Subscriber Paid, how are surplus monies used if accrued? • If plans are core/buy-up, please describe the billing process. 	SEBB is a new program with no historical information.
54	General	<p>Short Term Disability Plans: Last 5 years of premium and claims experience broken out by class/plan as needed:</p> <ul style="list-style-type: none"> • Premium • Average Monthly Volume • Average Monthly Lives – Eligible and Enrolled • Monthly Rates or Administrative Fees • Claims Paid • Claim Count <p>o Detailed Plan Design Information (SPD, Certificate or Plan Documents)</p> <p>o Were there any plan changes during the experience period?</p> <p>o Were there any changes in rates?</p> <p>o STD claims list over the past 5 years showing date of disability, date of birth, gender, gross benefit, net benefit, termination date, class/plan indicator and total paid.</p>	SEBB is a new program with no historical information.
55	General	<p>Long Term Disability: Last 5 years of premium and claims experience broken out by class/plan as needed:</p> <ul style="list-style-type: none"> • Premium • Average Monthly Volume • Average Monthly Lives – Eligible and Enrolled • Monthly Rates or Administrative Fees • Claims Paid • Claim Count • Paid and Incurred Analysis 	SEBB is a new program with no historical information.

56	General	<p>Open and Closed detailed claim listing for the experience period that includes the following:</p> <ul style="list-style-type: none"> • Date of Disability • Benefit Start Date • Termination Date • Date of Birth or Age at Disability • Gender • Monthly Gross Benefit • Monthly Net Benefit • Accumulated Benefits Paid • Social Security Status • Claim Status (active, terminated, pending, etc.) • Class/Plan indicator • Reserve For Each Open Claim • PERS/STRS offset amounts for each claim (if applicable) 	SEBB is a new program with no historical information.
57	General	Please provide experience for as many groups as possible, inforce rates and plan designs.	SEBB is a new program with no historical experience.
58	Table A	For the STD plan EOI is being required for late enrollees. A Late Enrollment Penalty (longer Benefit Waiting Period for late enrollees) can be offered in lieu of EOI to ease administration. Can we propose the Late Enrollment Penalty as an option to EOI for STD late enrollees?	No.
59	Table A	We are aware that the State of Washington will be requiring paid medical leave starting 1/1/2020. Is it your intent to include that on a fully insured basis or get the coverage from the state?	To be determined during negotiation.
60	Table A	If sick banks will be used to extend the Elimination period on the STD or increase benefits to 100% during a claim, please provide sick bank information per employee on the census. If this is not available, please provide an average sick bank total for the SEEB group.	SEBB is a new program with no sick bank information.
61	Table A	Please explain how sick banks will be used/applied going forward to supplement the STD benefit or extend the Elimination period for STD.	Due to SEBB being a new program this information is currently unknown.
62	Table B	Providing LTD Benefit amounts over 60% income replacement on a tax free basis (i.e. contributory/employee paid) can result in over-insurance. Please confirm that you do or do not wish to see employee paid quotes for LTD coverage for the plans requested that provide 65% and 67% LTD Benefits.	Yes we do.

63	Table B	Please explain any offsets that will apply from the State Teachers Retirement program and how this will affect the LTD plan.	Retirees are not included in the risk pool.
64	Table D	Will the LTD plan automatically offset for PERS, SERS, and TRS disability benefits in cases where the claimant is receiving or eligible to receive the PERS/SERS/TRS benefits, i.e. 'no choice'?	No it will not.
65	Tables A & B	How will sick leave pay and other paid time off benefits offset and integrate with Disability benefits?	To be determined during negotiation.
66	Tables A & B	The STD and LTD Benefit plans requested have STD Maximum Benefit Periods and LTD Benefit Waiting Periods that do not dovetail. If a member purchases STD which has a 26 week maximum benefit period and then becomes eligible for LTD with a 60-day or 90-day benefit waiting period, is the intent for the Disability plan design requested that the LTD benefit would be delayed until the exhaustion of STD benefit payments?	During the negotiation phase of this RFP the ASB and HCA will work collaboratively to assure selected plan(s) dovetail.
67	Tables A & B	Please confirm that the note: "Integration- Primary Subscriber only" is referring to Social Security offset language. If not, please define what this note means.	Yes it is.
68	Tables A & B	Will the STD and LTD plans be allowed to offset any State Teachers Retirement System and Public Employees Retirement System benefits?	No.
69	Tables A & B	The STD plan has a 26-week maximum; however, the LTD plan has only a 60- or 90-day elimination period. Please explain the reason for this overlap and how it is administered.	During the negotiation phase of this RFP the ASB and HCA will work collaboratively to assure selected plan(s) dovetail.