

# **FLEXIBLE SPENDING ACCOUNTS AND TRANSPORTATION FRINGE BENEFIT PROGRAM**

## **THIRD PARTY ADMINISTRATION**

### **REQUEST FOR PROPOSAL VENDOR QUESTION RESPONSES**

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1) Contractor has an immediate and urgent request for clarification around Section VII, Standard Contract Terms and Conditions, indicating that the State contract contain limited liability provisions. Can we see the statutory provision that is the basis for this requirement?

**Answer: The state has sovereign immunity. There is no statutory requirement for this provision.**

2) One of the requirements in the FSA - Commuter RFP deals with the area of liability. It states:

In addition, the Contractor must agree that the contract shall be governed by, construed, and enforced in accordance with the laws and court decisions of the State of Connecticut without giving effect to its principles of conflicts of laws. Under no circumstances may a State contract contain limited liability and/or binding arbitration provisions. The State will not indemnify a Contractor or waive its sovereign immunity.

Contractor has never entertained a contract that does not allow us to limit our liability or have indemnity protection. Is this a show stopper?

**Answer: State of Connecticut standard contract language is:**

**Contractor hereby agrees to indemnify and hold harmless the State, including its officers, employees and agents from and against any and all loss, liability, claim, suit or judgment, including reasonable attorneys fees arising out of the performance of this Agreement, including those arising out of injury to or death of Contractor's employees or subcontractors, whether arising before, during or after completion of the services hereunder and in any manner caused, occasioned or contributed to by reason of any act, omission, fault or negligence of Contractor or its employees, agents or subcontractors.**

**Any changes to the above language would have to be justified on a sound business reason for the State.**

3) Are the universities included in the contract?

**Answer: All permanent active employees working 17.5 hours or more per week are covered under the Program; this includes all State run colleges and universities.**

4) Are there multiple pay-centers reporting payroll data?

**Answer: The Core-CT system is the State of Connecticut's single integrated PeopleSoft financial, human resources and payroll system. Agencies and vendors feed information to Core-CT that affects an employee's pay.**

5) Will there be onsite meetings for open enrollment?

**Answer: Typically there are onsite meetings for open enrollment however it is not expected that there be any onsite meetings for the Plan Year 2009 open enrollment period.**

6) Will onsite meetings be required for the newly contracted TPA?

**Answer: Onsite meetings may be required for the newly contracted TPA.**

7) Who is the incumbent(s) that would be involved in the transition plan if a new administrator is selected?

**Answer: Brokerage Concepts, Inc. is the incumbent that would be involved in a transition plan if a new administrator is selected.**

8) What are the current rates associated with DCAP and Transportation benefits (pppms-per participant per month)?

**Answer: Current rates are irrelevant to this RFP. The OSC expects the respondent's best possible pricing structure which is not to be based on current arrangement.**

9) Is a debit card utilized for the current administration of DCAP or Transportation benefits?

**Answer: A debit card is not used for the current DCAP and Transportation Fringe Benefit administration.**

10) When OSC institutes the Health Care FSA in conjunction with the debit card, does it expect to pre-fund (as is commonly done) the card for the universal availability rule (an initial deposit required by cards' banking institution to cover all employees annual elections being available on day one of the plan year regardless of the actual payroll deductions that have occurred)?

**Answer: There will not be a pre-fund. As indicated on page 2 of the RFP - If the Health FSA is added during the contract year then (1) the selected vendor will bill OSC weekly for participant claim reimbursements and (2) participant claim reimbursements will be forwarded to the selected vendor in aggregate on a weekly basis by the State. There will not be a reserve fund rather the OSC will use the monies taken from participant bi-weekly payroll reductions to fund the Program. If determined that a reserve fund is necessary, such fund will be maintained solely by the OSC.**

11) When is the Open Enrollment held? Is the selected vendor's physical presence required at these meetings? How many meetings are scheduled? Is there a schedule of these meetings available? What has OSC been charged for a physical presence for these meetings by the incumbent if applicable (i.e., daily rate, expenses, travel, lodging, etc)?

**Answer: Open Enrollment is typically held during the month of November. If open enrollment meetings are scheduled, the selected vendor may be required to be physically present to answer employee questions and enroll employees. Meetings are scheduled throughout the State. The number of meetings may vary however, typically there are no more than 20 meetings scheduled. The OSC has never been assessed any charges for a vendor's physical presence at enrollment meetings. As indicated in Section VI. 18 of the RFP, all services provided by the Contractor must be rolled into the pricing structure.**

12) Could OSC please elaborate on what type of health plans are available to employees (deductibles, out-of-pocket maximums, co-pays, drug benefits, etc)?

**Answer: Please refer to the OSC Health Insurance Planner <http://www.osc.state.ct.us/empret/healthin/2008hcplan/SOCEMPLHCOP2008finalrev.pdf> for general information relative to our health insurance offering.**

13) What program(s) does OSC expect the debit card to be used for (Health Care FSA, DCAP, Transportation benefits, all the above, FSA's only, etc)?

**Answer: If a debit card is incorporated into our Program, the debit card is to be used for all programs which can accommodate the use of a debit card.**

14) Is OSC looking to improve the level of service it currently receives and if so, what are the areas of discontent?

**Answer: The OSC would like an integrated program which currently does not exist.**

15) Why does the Transportation benefit has an almost statistical 0 percent participation rate? Is there some type of other benefit/subsidy being offered to account for none utilization?

**Answer: There is no data available to account for Program participation levels. There is no other type of benefit/subsidy offered for commuters through the OSC.**

16) What percentage of employees have access to the internet?

**Answer: While we currently do not have this service available in our FSA Program, our State of Connecticut Defined Contribution Plan (CTdcp) does have many of their services available via the internet. Out of a participant base of 40,000, a monthly average of the CTdcp internet usage during the time period of 1/1/08 – 6/30/08 indicates that approximately 17,228 participant's query information via the internet and 1,287 transactions are conducted via the internet.**

17) Is a toll-free hotline with dedicated lines for inbound calls to eliminate call blockage acceptable or does the hotline's number have to be specific to just the State and not shared?

**Answer: The toll-free hotline must be specific to the State and not shared.**

18) Does a Program State specific website relate to Plan differences from other clients such as minimum and maximum contributions, inclusion of grace and run-out periods, special auto-adjudication rules, FY dates, State transit agencies, etc, or is this pertaining to the overall look and feel (State's seal, colors, customized messages, etc)? For the purpose of vendors responding is it alright to provide samples (screenshots) in a generic form from our demonstration customer website for the programs requested by OSC in the RFP?

**Answer: The Program State specific web site will be specific to our State of Connecticut participants and should include all Program parameters (eligibility, enrollment, claim information, etc.) with the ability for participants to access their specific account information. Web site samples are acceptable and recommended however respondents may not use the State seal on any sample information.**

19) What is OSC's preferred method of enrollment (paper forms, State's website, vendor's website, etc)?

**Answer: While forms may be downloaded from either the State or vendor web site, due to State statute, all signatures must be in hard copy form; therefore, a paper form must be submitted by the participant. However, a waiver can be applied for from the State's Department of Labor (DOL) and vendor would be required to meet State DOL requirements for electronic signatures.**

20) How is the Transportation fringe benefit currently being marketed?

**Answer: Currently there is no marketing plan for the Transportation Fringe Benefit Program. Information relative to the Program is on the OSC web site at <http://www.osc.state.ct.us/empret/transfben/index.html>**

21) What geographic location {city(s)} utilizes the Transportation benefit the most now?

**Answer: There is currently no data available to determine which geographic location uses the Transportation Fringe Benefit Program the most at this time.**

22) In Section VI.5 Computer Systems on page six of the RFP, it makes reference to "on-site", does this relate to the computer system at our facility used for administration or a computer system located physically on the State's property?

**Answer: The "on-site" computer system reference refers to the system used at the Contractor's facility.**

23) Why has OSC released this RFP (contract expires, dissatisfaction with incumbent, looking for enhancements, etc)?

**Answer: The RFP has been released due to the current contract expiring 12/31/08.**

24) How long has the incumbent(s) been the administrator? How old is the current contract? How many times under the incumbent's administration has OSC been out to RFP or how many times has the contract been renewed through the incumbent without a formal bid?

**Answer: The incumbent has been the administrator since 2001. Under the incumbents' administration the OSC has been out to bid once.**