

## **RFP Questions: Third Party Administrator for FSA Programs**

1. Can companies from Outside USA can apply for this? (like, from India or Canada)

*It is unlikely that the State of Connecticut would select an offshore vendor for a project of this nature. Nevertheless, you are eligible to submit a proposal.*

2. Do we need to come over there for meetings?

*It is contemplated that during the course of the contract that the contractor's personnel would be required to be present for on-site meetings.*

3. Can we perform the tasks (related to RFP) outside USA? (like, from India or Canada)

*It is unlikely that the State of Connecticut would select a vendor that uses offshore personnel to perform its contract responsibilities. Nevertheless, you are eligible to submit a proposal.*

4. Can we submit the proposals via email?

*No, see Instructions to Bidders, V.F.*

5. How many people are currently enrolled in the FSA and what current rates are you paying? Does it include debit card fee?

*There are 3195 participants enrolled in the Medflex and 1035 enrolled in the DCAP. The QTA has 263 members actively contributing to the plan. Another 126 employees have balances in the QTA but are not actively contributing.*

*We decline to provide current rates or pricing details as a matter of practice, based on the concern that disclosure of such details can lead to shadow pricing and noncompetitive responses.*

6. Who is your current vendor?

*Progressive Benefit Solutions, Inc., Branford, CT.*

7. Page 4, Number III, Scope of Work, Item D.: the RFP requires that the selected vendor prepare marketing materials “available to print electronically...” Are marketing materials required to be printed and distributed to each member?

*No. We expect the selected vendor to prepare appropriate marketing materials that can be distributed electronically and by print. It is contemplated that the selected vendor will be asked to attend All Agency Personnel Council meetings to be introduced to the*

*statewide personnel directors. At such meetings the vendor customarily would provide printed materials to approximately 150 individuals. If the vendor is attending open enrollments fairs for the medical plan we also would expect an adequate number of communication/marketing materials to be on hand for distribution to employees, possibly 50-100 per location).*

8. What are the expectations of the number of printed materials?

*See response to #7 above.*

9. How many drop locations should be included in our proposal? For instance, would it be sufficient to deliver 200 (or xxx number) communication kits to XYZ address?

*See response to #7 above. We have several agencies where employee access to on-site computers is limited. For approximately 10 agencies, it would be permissible to have communication kits delivered to a central office for distribution.*

10. Would the selected vendor be required to attend annual open enrollment meetings held for the medical plan?

*Attendance at open enrollment meetings for the medical plan is not customarily required, but has been encouraged in past years as a way of introducing employees to the medical FSA and increasing overall participation in all plans. If a new vendor is selected however, it would be expected for that vendor to attend as many medical open enrollment fairs as possible.*

11. If so, how many meetings during how many days are expected?

*See response to Question 10. As a matter of information open enrollment for the medical plan occurs over a 3-week period in May; 35 open enrollment fairs were held in 2016.*

12. Page 8, Number 10. Transition Plan: This section indicates that “Any costs associated with administering run-out claims submitted from January 1, 2017 – March 31, 2017 for Plan Year 2016 expenses must be clearly stated.” On page 4, Item H. indicates that the selected vendor will “Process all run-out period (January – March) claim reimbursements at no additional cost to the state.” If a new vendor is selected, will the incumbent process all run out claims incurred during the 2016 year? If so, will the new vendor only be required to process claims incurred on January 1, 2017 and later?

*It is our expectation that the selected vendor will process all eligible claims for 2016 plan year expenses that are submitted for reimbursement on or after January 1, 2017 and that the incumbent would process all 2016 claims submitted for reimbursement prior to December 31, 2016 (or the initiation of any blackout period).*

13. The cost of administration of the run out claims is greatly influenced by the quality of data available from the incumbent. Will the incumbent vendor provide all data needed to process run out claims? In what format? When will that data be provided?

*It is our expectation that as part of any transition the incumbent would provide all data needed to enable a new vendor to process run-out claims; however, the format of the data file and the date of transmission is presently undetermined. Vendors are encouraged identify the data specifications needed to enable them to process run-out claims beginning January 1, 2017 and to indicate a proposed timeline for receipt of data from the incumbent to accomplish that task.*

14. Will there be a black out period for submission of 2016 claims to enable the new vendor to build the database required to avoid paying duplicate charges?

*We expect to address the issue of a black-out period for submission of 2016 claims during the contracting and transition phase. All vendors are encouraged to identify the duration of any black out period they believe is appropriate.*

15. Page 9, number 11 Sales and Marketing: Please describe the past marketing efforts? Specifically, how many printed information kits are expected, how many in-person meetings, seminars, etc. are expected of the new vendor.

*Past marketing efforts have included participation in medical open enrollment fairs, attendance at large wellness fairs or benefit fairs organized by major universities, and large agencies, speaking at all agency HR and Payroll manager meetings. We are looking for bidders to give us their vision of the most effective marketing measures rather than to state our expectations of a minimum number of printed information and marketing activities to be provided.*

16. Page 17, Service details: The first few items indicate that the awarded organization will provide communication materials, handling of open enrollment information and marketing materials. What is the expectation of the amount of material that is printed vs. electronic? Since printed material is costly to produce and distribute, a very clear expectation in this area will help sharpen our bid numbers.

*We are looking for bidders to give us their vision of the most effective ways to market their services and the plans, rather than stating our expectations of a minimum number of printed information to be provided. We are interested in hearing about any mobile applications or other methods you have found to be effective. This is a diverse employee population. While we would expect about 80% of the communications to be electronic, there is a component of our workforce that continues to rely on printed materials.*

17. I tried locating a username and password to get into the links below (Production Supplier Portal and Test Supplier Portal), but wasn't able to find it. Would you be able to provide it to me to give us a chance to review the file layout requirements?

*Prospective vendors only need to confirm that they can navigate to the page. There is no requirement to log in at this point. File layout is included in Attachment 1.*

18. Why is the State shopping their FSA and QTP administration services?

*We are required by statute to conduct a competitive procurement for such services every five years.*

19. What is the current pricing schedule?

*We decline to provide current rates or pricing details as a matter of practice, based on the belief that disclosure of unit pricing details can lead to shadow pricing and noncompetitive responses*

20. What HRIS/Payroll platform is being used by the State?

*PeopleSoft Version 9.2*

21. Are there any pain points to be mitigated?

*The goal of the procurement is the selection of a vendor that can provide professional, tax compliant administration of the plans. Proposed customer service should address the quality and capacity of the vendor's available resources (systems and staffing) as well as the vendor's ability to correctly process enrollments, mid-year changes, and claims in a timely manner and its willingness to assume ownership of the process.*

21. Who will administer run-out - the current TPA or the new TPA?

*The new TPA.*

22. Is the State currently utilizing a debit card?

*Yes.*

23. If the State is using a debit card - what percentages of claims are auto-adjudicated?

*85-90% of claims are auto-adjudicated for the Medflex. For the QTA 75% of claims are electronic. The DCAP does not use a debit card.*

24. If the State is using a debit card – are copays available in your benefit structure?

*Yes.*

<b>RFP Section</b>	<b>Question</b>
Page 3 - I.	Is the transportation account a reimbursement arrangement? If not, please explain.

	<p>Yes.</p>
Page 3 – II.	<p>.How many employees participate in the transit/van pool account, and how many participate in the parking account?</p> <p><i>244 for Transit and 144 for parking (Of those only 169 are currently contributing to Transit and 75 are actively contributing to Parking)</i></p> <p>What is the total number of participants for all Section 125 and Section 132 accounts?</p> <p><i>There are 3981 unique participants enrolled in all three plans</i></p>
Page 3 – II.	<p>What are the actual open enrollment dates in October 2016?</p> <p><i>October 1 through October 31, 2016</i></p>
Page 3 – II.	<p>What support, if any, is needed from the TPA?</p> <p><i>It is assumed that this question relates to the open enrollment. The TPA processes all enrollment forms, responds to inquiries from potential participants. In advance of open enrollment the TPA sends a communication to currently enrolled participants informing them of the upcoming open enrollment period and the amount of any unspent balances in DCAP or Medflex accounts.</i></p> <p>Are there on-site meetings? If so, how many dates, are the dates consecutive, how many locations, expected attendance, meeting format (presentation or fair setting)?</p> <p><i>Open enrollment for the FSA plans is usually done without onsite meetings; however, the vendor will be expected to attend the All Agency Personnel Council meeting before open enrollment to educate HR and Payroll managers about the process. If a new vendor is selected, participation in the medical open enrollment meetings will be expected as well during the first contract year. Certain large agencies may request on-site meetings or participation in wellness/benefit fairs, which often occur during the same month as open enrollment.</i></p> <p><i>Employees interested in enrolling or continuing enrollment in the FSA plans for the following calendar year download forms and return them to the TPA; as open enrollment progresses the TPA will provide forms to OSC to verify the applicant's eligibility. The TPA prepares a preliminary enrolled participant list, which is audited by OSC prior to the start of the plan year; TPA prepares the payroll deduction file to be submitted to</i></p>

	<i>CORE-CT to obtain payment.</i>
Page 3 – II.	<p>Is payroll centralized or de-centralized?</p> <p><i>For the purpose of this RFP vendors should assume that processing for the payroll deduction function is centralized.</i></p> <p>How many state agency locations are included? <i>About 150</i></p> <p>Are payroll deduction files provided from one source? If provided from more than one source, please explain and quantify.</p> <p><i>Vendor supplies an inbound payroll deduction file to CORE-CT. Deduction remittance files are sent to vendor by CORE-CT. See attached.</i></p>
Page 3 – II.	<p>This indicates there is no reserve fund. What has the percentage of forfeitures been, and how have prior plan year forfeitures been used?</p> <p><i>Percentage of forfeitures has not been determined. The relevant forfeitures for 2015 were as follows: QTA-\$8913; Medflex--\$54,557; DCAP-\$93,694. Forfeitures are used defray plan administration expenses and to reimburse any funds advanced to Medflex at the beginning of the calendar year.</i></p>
Page 3 – II.	<p>Will other funding options be considered?</p> <p><i>Not at this time.</i></p>
Page 4 – II.	<p>Please provide the administrative fee(s) billed by the current TPA. Does the employer or plan participant pay the fee(s)?</p> <p><i>Administrative fees are paid by the State. We decline to provide current rates or pricing details as a matter of practice, based on the belief that disclosure of unit pricing details can lead to shadow pricing and noncompetitive responses</i></p>
Page 4 – III.F.	<p>Specific dedicated lines are not available. Will the State consider a general line?</p> <p><i>Vendors are strongly urged to present a proposal that includes establishment a specific telephone number to service this account.</i></p>
Page 4 – III.G.	<p>Please confirm if the State does, in fact, require all reimbursements to be made by direct deposit? <i>Not confirmed</i></p> <p>Does this mean there are no reimbursement checks to be issued?</p> <p><i>No, reimbursement checks may be issued.</i></p>

Page 4 – III. G.	<p>How many participants are signed up for direct deposit? How many participants are signed up for both direct deposit and email?</p> <p><i>1178 participants are signed up for direct deposit; 2,542 are signed up for email communications; 1109 are signed up for both e-mail and direct deposit</i></p>
Page 4 – III.L.	<p>Regarding debit card offering:</p> <ul style="list-style-type: none"> <li>• For what accounts is the card available? <i>Medflex and QTA.</i></li> <li>• Is the current card process compliant with IRS regulations? <i>Yes</i></li> <li>• Are there any dollar thresholds in place under which documentation is required but not requested? <i>No</i></li> <li>• Are there any copay parameters in place that differ from the employer plan copays? <i>No</i></li> <li>• For the 2015 plan year, how many card transactions were not substantiated? What was the dollar amount?  <i>For 2015 there were 57,096 debit card swipes; of those 52,528 card transactions did not require a receipt or substantiation. The dollar amount of automatically processed claims was \$2,912,288.12.</i></li> <li>• How many participants had unsubstantiated amounts added (or will be added) to Form W-2? <i>None</i></li> <li>• Is there a separate fee for cards or replacement cards? <i>There is a fee for replacement cards only.</i></li> </ul>
Page 5 – IV.2.	<p>Will the State consider limiting these costs to “reasonable costs” and allow the TPA to withdraw if the estimate of the costs seems excessive?</p> <p><i>It is unlikely that a site visit would be requested. However, if such site visit is contemplated, the State would agree to limit the cost of such visit to a “reasonable” amount and permit a bidder to withdraw to the extent it deems such costs to be excessive.</i></p>
Page 6 – V. D.	<p>Is there a specific form; or is an email acceptable?</p> <p><i>An email is acceptable</i></p>
Page 8 – V. 9.	<p>This refers to Attachment 1. Can you provide this attachment?</p> <p><i>Please see attached CORE CT data exchange protocols</i></p>
Page 9 – V.12.	<p>Is the “determinations” related to claims? Please explain.</p> <p><i>No, the “determinations” refer to the Comptroller’s selection of the successful vendor in this procurement.</i></p>
Page 9 – V.13.	<p>A State-specific number is not available. Will the State consider a general customer service line with experienced representatives specifically trained</p>

	<p>on the CT program to be available during extended servicing hours?</p> <p><i>Vendors are strongly urged to present a proposal that includes establishment a specific telephone number to service this account.</i></p>
Page 17 – VIII.B.1.	<p>Are any materials required as print material and/or required to be mailed? May we assume this refers to electronic PDF communications? If print material is required, please indicate the quantity. If mailed, indicate the frequency and number of locations/addresses. We are also interested in learning whether a vendor has developed mobile apps to communicate with members.</p> <p><i>Electronic communications are permissible. However, end of year notices are typically sent by mail to participants in the FSA plans.</i></p>
Page 17 – VIII.B.1.	<p>Can you explain or provide an example of what is expected for the “Fax and IVR capabilities and back-up in event of malfunction?” Are there any issues to be mitigated?</p> <p><i>We are looking for assurance that the selected vendor has systems in place to detect malfunctions in communications equipment as it occurs and sufficient back-up capability (and memory) to provide uninterrupted service.</i></p>
Page 17 – VIII.B.1.	<p>This refers to issuance of reimbursement drafts. Earlier the RFP seemed to indicate that reimbursement by direct deposit is required for all participants. Please clarify and confirm.</p> <p><i>Direct deposit is preferred for reimbursements but is not required. The selected vendor may also issue checks for reimbursement of eligible expenses.</i></p>
Page 18 – VIII.B.1.	<p>This refers to mail and mailings. Our firm communicates with participants based on his/her preference which may be electronic communication or USPS mail. Please confirm that this is acceptable.</p> <p><i>It is acceptable for communications to be conducted by electronic communication if the participant has selected that means of communication. Not all participants may provide email addresses or consent to receiving electronic communication only.</i></p>
Page 20 – VIII.D.9.	<p>What types of coverage changes are allowed due to salary changes? Please describe in detail and/or provide examples.</p> <p><i>The reference to salary changes (somewhat inartfully worded) was intended to elicit information about the vendor’s ability to identify instances where periodic deductions for the medial FSA must be</i></p>



	<i>recalculated mid-year due to changes in pay frequency, return from unpaid leave, etc.</i>
Page 21 – VIII.D.15.	<p>This section indicates “automatically enroll those who elect to continue to participate.” If an individual elects to continue, that would be an “enrollment” and not an “automatic enrollment.” Please explain in detail the expectation.</p> <p><i>Please disregard the question regarding auto enrollment.</i></p>
Page 21 – VIII.D.24.	<p>May we assume this requirement is necessary only after reasonable attempts are made to collect overpaid claims? What role will the State play if the participant is still a State employee?</p> <p><i>The TPA is responsible for amounts that it has paid out erroneously—for example, payments made 90 days after termination where COBRA continuation is not elected, payments in excess of participant’s account balance, etc. The State will not aid the TPA in collection of erroneously paid amounts, but will update W-2s in the event that a former or current employee has received reimbursements in excess of his or her account balance or contrary to plan/IRS rules.</i></p>
Page 22 – VIII.D.27.	<p>What is the expectation? What types of enrollment processing, transmission, email or fax issues has the State experienced?</p> <p><i>During open enrollment the incumbent’s fax machines malfunctioned—without detection—for a number of days. This caused a number of employees who had submitted enrollment forms by fax to not be included in the payroll deduction file.</i></p>
Page 25	<p>The Professional Liability Limit is excessive for a third-party administrator of FSAs. Will the State consider other readily available coverage amounts?</p> <p><i>If a vendor that is unwilling or unable to comply with the requested professional liability coverage, it may include in its proposal a statement of the amount of professional liability coverage it is prepared to offer. However, there is no guarantee that requirement will be waived by the State.</i></p>
N/A	<p>Can the RFP be provided in MS Word format please?</p> <p><i>It is not our practice to release the RFP in Word format.</i></p>
Page 8 V.9	<p>How does one obtain a login to the Production Supplier Portal URL? How do we confirm that we can access the Core-CT portal from the Production Supplier Portal URL since we do not have a login to the PSPR?</p> <p><i>Prospective vendors only need to confirm that they can navigate to the page. There is no requirement to log in at this point. File layout is</i></p>

	<i>included in Attachment 1.</i>
Page 8 V.10	<p>Transition plan. Earlier in the document, it is stated the contractor for the period that begins 1/1/17 will be responsible for claims run out processing at no extra charge. Is the current contractor responsible for claims run out for the period after 1/1/17 for claims incurred prior to 1/1/17?</p> <p><i>It is expected that the new vendor will be responsible for processing run-out claims that were incurred prior to 1/1/2017 but submitted for reimbursement on or after 1/1/2017.</i></p>
Page 19 C.6 & 12.	<p>Is there a difference between these two questions?</p> <p><i>There is no difference between the two questions; you have identified a case of unintended duplication.</i></p>
Page 20 3,5,6	<p>Will the TPA handle enrollments during the year or does the agency benefits staff handle these enrollments/changes?</p> <p><i>The TPA handles all enrollments, including those that occur mid-year.</i></p>
Pages 24 – 25 of the RFP & Pages 2 – 3 of the Agreement, B(iv) – (xiv)	<p>These sections do not appear to be necessary for this type of contract. Typically, the charges are based on a monthly charge per enrolled participant. Will this be modified?</p> <p><i>You are correct that sections iv through xiv do not apply this type of engagement. We expect that the scope of services and agreed charges will be tailored to fit the nature of the TPA services provided.</i></p>