

**CITY OF HOUSTON  
REQUEST FOR PROPOSAL – MEDICARE PLANS  
13.A. ADDENDUM #1 (June 19, 2009)  
RESPONSES TO QUESTIONS FROM PRE-PROPOSAL  
CONFERENCE**

<b>ADDITIONAL INFORMATION FROM THE CITY OF HOUSTON</b>
<p>Click on the attached links to view the City of Houston’s May 2009 Open Enrollment Guide and Comparison for Medicare Advantage Plans.</p> <p><a href="http://www.houstontx.gov/hr/oe09/files/Medicare%20Advantage%20Guide.pdf">http://www.houstontx.gov/hr/oe09/files/Medicare%20Advantage%20Guide.pdf</a></p> <p><a href="http://www.houstontx.gov/hr/oe09/files/Medicare%20Advantage%20Chart%202009.pdf">http://www.houstontx.gov/hr/oe09/files/Medicare%20Advantage%20Chart%202009.pdf</a></p>

<b>QUESTIONS FROM PROPOSERS</b>	<b>CITY’S RESPONSES</b>
<p>1. Should we propose Medicare plans which are similar to the plans currently in place at the City or may we provide other options?</p>	<p>1. We would like you to propose on both if applicable; i.e.,:</p> <p>a) Group Medicare Advantage plans that are as similar as possible to the plans currently in place at the City of Houston, and</p> <p>b) Any group Medicare plans that are innovative, with the potential of providing high quality benefits in addition to cost savings for both the City and its retirees.</p>
<p>2. What is the difference between columns “I” and “J” under the “Retiree” tab of the Census Data? Is there a key?</p>	<p>2. Column “J,” Coverage Category,” defines column “I,” so a key is not necessary.</p>
<p>3. RFP questions primarily focus on plans in the RFP with reference to alternative cost-savings approaches. We are a carve-out disease management and wellness vendor and would like confirmation that a stand-alone bid for disease management and wellness programs (with no medical coverage capabilities) is welcome. Please confirm.</p>	<p>3. Although, this Request for Proposal is not for vendors who are proposing stand-alone disease management and wellness initiatives, these programs are vital parts of a successful proposer’s Medicare plan. The City is very interested in innovative wellness / disease management programs that are partnered with the health plans in an effort to contain costs.</p>
<p>4. Will responding to non-applicable questions outside the scope of what we do as a core competency result in a penalty from a scoring perspective?</p>	<p>4. Responding to non-applicable questions outside the scope of your core competencies will not result in a scoring penalty.</p>

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5. A quick comparison of the prescription drug plans shows there may be differences in the Part D benefits (copays, preferred networks, etc.). Which plan should we replicate?	5. The differences between the Rx plans are minimal. Use the HMO/PPO copayment structure below as your baseline in establishing your Medicare Part D proposals and in your MA-PD proposals: Retail: <ul style="list-style-type: none"> <li>• \$10 for generic</li> <li>• \$30 for preferred brand</li> <li>• \$45 for non-preferred brand</li> </ul> Mail order <ul style="list-style-type: none"> <li>• \$20 for 3-months generic</li> <li>• \$60 for 3-months preferred brand</li> <li>• \$90 for 3-months non-preferred brand</li> </ul> The formularies differ from plan-to-plan.
6. We cannot meet your indemnity and release requirements. What should we do?	6. Itemize your objections to the City's requested indemnity and release requirements. We will forward your issues to the City Attorney for review.
7. I was unable to locate claims and premium histories in the documents I downloaded from the RFP website. Please tell me where I can obtain this information.	7. Document #6, Data and Management Reports, tabs 10.C.1 (Medical Claims), 10.C.2 (Rx Claims), and 10.D (Contributions), display five-year histories.
8. In reference to p. 3, Section 2 which indicates that the City is asking for Medicare Advantage Plans that include a Part D prescription drug plan and p. 5, Section 8 states that they want Medicare Part D only with the Medicare Supplement plans. Please clarify the contradiction between these 2 requests.	8. The City seeks proposals for two types of plans: Medicare Advantage plans and Medicare Supplement plans. To be perceived as a competitive option by city retirees, Medicare Supplement plans should partner with a Part D plan. The City may award proposals for both kinds of plans.
9. In reference to pages 8 and 9, which individual's signature will satisfy the requirements to bind the proposal?	9. The City will accept the signature of individual(s) legally authorized to bind the Proposal, and commit that the prices contained therein shall remain firm for a period of one hundred-eighty (180) calendar days after receipt of best and final offer.

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10. In reference to page 23, #9, “Claims administrators must be able to maintain eligibility files and receive updates from the City as required,” clarify “as required.”	10. The City of Houston currently provides eligibility updates to the vendor on a monthly basis.
11. Please clarify whether failure to meet the 5% MWBE goal will disqualify a bidder.	11. The City requires that you provide proof of your good faith efforts to subcontract with MWBE vendors. Failure to meet the 5% MWBE goal may make proposals less competitive.
12. Please describe what types of entities would be included in the list of MWBE subcontractors.	12. City of Houston certified MWBE subcontractors can include IPAs, DME providers, pharmacies, home health facilities, clinics, printers, caterers, couriers, etc. Excluded subcontractors are hospitals and outpatient surgery facilities. Consult the MWBE Directory at the link below: <a href="http://www.houstontx.gov/aacc/index.html">www.houstontx.gov/aacc/index.html</a>
13. Please describe the intent of the pay or play program.	13. Authorized by Ordinance 2007-534 and Executive Order 1-7, the purpose of the Pay or Play Program is (1) to create a more level playing field among competing contractors so that those who provide health benefits to their employees are not disadvantaged in the bidding process; and 2) to recognize and account for the fact that there are costs associated with the health care of the uninsured.
14. In reference to p. 28, #4, As a service (versus a product) provider, would labeling confidential information as "Confidential" rather than "Trade Secret" comply with stated condition?	14. You may label any proprietary information as a “Trade Secret” in order to comply with your need to protect your company’s confidential information from requests under the “Public Information Act.” If information is requested, you are required to justify to the State Attorney General why it should be protected.

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15. In reference to p. 29, #22 (Certificate of Registration), please confirm that our Certificate of Authority, which has authorized us to conduct the business of health insurance in the state of Texas since 1960 complies with this requirement.	15. The Certificate of Authority and the Certificate of Registration are two different documents. The Certificate of Authority only deals with health insurance, while the Certificate of Registration shows how to serve the vendor in the event of a lawsuit. At this stage, we do not require the Certificate of Registration; however, if selected, we will require one. It is also to the vendor’s advantage to register with the state of Texas as a foreign corporation doing business in Texas.
16. In reference to p. 31, E. GeoAccess reports, please clarify due date for the electronic copy of the entire report. Prior to or with the RFP submission?	16. The GeoAccess reports should be provided in electronic format with the rest of your proposal which is due on Tuesday, July 7, 2009.
17. In reference to Section 7, #94, please clarify what “QvT” refers to.	17. QvT refers to “Quantity vs. Time” limits.
18. Is the City willing to consider replacing all the current plans with one Retiree Medical plan?	18. There are no predetermined conclusions to this RFP process.
19. Will the current enrollees be automatically rolled into the new plan(s)?	19. Plans that are contracted during this process will be offered during an enrollment period for January 1, 2010. Eligible retirees may choose among all options contracted.
20. In regard to the census, we understand that a coverage indicator left blank means that the retiree is not eligible. Can you clarify what the coverage indicators N and U represent?	20. N = Retiree, Survivor or Dependent is not eligible for Medicare; U = Medicare for Retiree, Survivor or Dependent is Unknown.
21. Please provide claims for the Blue Cross HMO, PPO and Indemnity Plans that are specific to the Medicare retirees on a monthly basis (24 months if available). Please include the corresponding enrollment.	21. Please click on the link below for claims and enrollment information requested:  RFP - Retiree Claims paid by Month by BCBSTX.xls.Ink

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22. The RFP is silent regarding mental health coverage. Please confirm that mental health benefits should be included in the proposal submission.	22. Mental health is a covered benefit for retirees.
23. Question 82C references a Retail Card Program. Please define Retail card program.	23. A retail card program provides discounts on drugs obtained from a preferred pharmacy or mail order plan.
24. Please confirm the City of Houston's geo access standards are 2 PCPs/Ob-Gyns within 5 miles and 2 Specialists within 10 miles. CMS provider availability standards are 2 providers within 30 minutes / 30 miles.	24. The City prefers the following geo-access standards requested in the proposal: <ul style="list-style-type: none"> <li>• PCPs 2 within 5 miles</li> <li>• Ob-GYNs 2 within 5 miles</li> <li>• Specialists 2 within 10 miles</li> <li>• Hospitals 1 within 10 miles</li> </ul> However, if these standards are not possible, we will accept the CMS standards of 2 providers within 30 miles / 30 minutes.
25. Will the City accept General Liability / Professional Liability insurance policies provided through a captive insurance company if all other requirements except the BEST rating are met?	25. We will accept captive insurance so long as it meets the city's criteria.
26. In Section 5. Conditions, all vendors that are awarded a contract must maintain City files for seven (7) years from the date of service. Please define the type of files or records that must be maintained.	26. "Files" refers to any pertinent records used to administer the plan for city members.
27. Will the City consider extending the due date for this RFP?	27. Proposers should plan to meet the required due date. If there is sufficient reason, an extension might be granted.
28. Please confirm that there is no Part D mail order option for Texan Plus.	28. TexanPlus has no Medicare Part D Mail Order option; however retirees can purchase a three-month prescription for two-months copayment at any network retail pharmacy.
29. What is the probability that the City will require an on-site service team?	29. The probability the City will require a full-time on-site service team for Medicare plans is very low.

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30. Are electronic copies available of the forms under Section 11, Other Requirements/Related Forms?”	30. Many of these forms can be found at the web address below: <a href="http://purchasing.houstontx.gov/solicitation_forms.htm">http://purchasing.houstontx.gov/solicitation_forms.htm</a>
31. Please define safety impact positions as referenced in Document 11.F, Drug Detection and Deterrence Procedures for Contractors.	31. 5.18 SAFETY IMPACT POSITION means a contractor's employment position involving job duties that if performed with inattentiveness, errors in judgment, or diminished coordination, dexterity, or composure may result in mistakes that could present a real and/or imminent threat to the personal health or safety of the employee, co-workers, and/or the public.
32. Does the City want page numbers included on the Table of contents or is a Tab reference sufficient.	32. A tab and page reference is preferable.
33. Can the requested lists and documents, i.e., Rx provider network listing, contract samples, guidelines, etc. be submitted on a CD vs. paper copy?	33. We require paper copies, but you may also submit a CD.
34. Regarding the M/WBE Participation, if contractor does not currently comply but is willing to comply is Exhibit B Letter of Intent the document that should be executed?	34. Yes, the MWBE Letter of intent should be executed by both parties. The Schedule of MWBE Participation should also be completed and submitted with your Proposal. We understand that this information is an estimate of the costs you anticipate subcontracting to a City certified MWBE vendor.
35. We would like census, plan designs and medical and Rx claims separated for Medicare and non-Medicare eligibles for the BlueCross BlueShield plans.	35. Census data includes all individuals over age 65, including those in the HMO and PPO. The response to question #21 above separates the claims data between over and under age 65 retirees. The HMO/PPO plan designs will be included in a separate addendum.
36. May we get a census with all eligible retirees included in one file?	36. You can combine the “Active” and “Retiree” spreadsheets in the Census file.

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37. Are paid claims data for the Aetna PFFS plan available for both Medical and Rx claims?	37. The only claims data available for the Aetna PFFS plan are “incurred claims,” which are available in document #6, Data and Management Reports, under tabs 10.C.1 (Medical Claims), 10.C.2 (Rx Claims).
38. Are the CMS medical and Rx reimbursements available for all MA plans?	38. No, the CMS reimbursement rates are not available, as this information is considered by the plan vendors to be proprietary.
39. Under the Data Management Report File, there is a tab with contributions. Are these premiums correct and do they include Part D prescription drug benefits?	39. Yes the quoted premiums are correct for both retirees and the City. The three Medicare Advantage plans are MA-PD plans and they do include Part D prescription drug benefits.
40. Are more up-to-date SPDs available?	40. There have been minimal plan design changes since 2006. Please click on the second link in the box entitled, “Additional Information from the City of Houston,” to obtain a comparison of May 2009 benefits.
41. Are your prescription drug formularies open or closed?	41. See below: <ul style="list-style-type: none"> <li>• HMOBlue Texas: Open</li> <li>• BCBSTX PPO: Open</li> <li>• Aetna PFFS: Open</li> <li>• TexanPlus: Closed</li> <li>• Texas HealthSpring: Closed</li> </ul>
42. The census shows 3,400 people over age 65 but the coverage indicator is blank. The proposal states there are over 5,500 people covered in the existing plans (thus Medicare eligible). Can you help clarify the discrepancy?	42. We will provide adjusted census information in a separate addendum.
43. We would like census of dependents to include age and gender.	43. Dependent census information will be provided in a separate addendum.