



CITY OF HOUSTON

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September 3, 2013

SUBJECT: Letter of Clarification No. 4 Third Party Administrator for Self-Funded Medical and/or Pharmacy Benefits Plans for the City of Houston

REFERENCE: Request for Proposal No. S37-T24702

TO: All Prospective Proposers

This Letter of Clarification is issued in response to proposers' questions posted on the RFP website as of August 30, 2013.

When issued, Letter(s) of Clarification shall automatically become a part of the proposal documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. All revisions, responses, and answers incorporated into the Letter(s) of Clarification are collaboratively from both the Strategic Purchasing Division and the applicable City Department(s). It is the responsibility of the proposers to ensure that it has obtained all such letter(s). By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this proposal

1. Question: 1.0 Submittal Proposal, 1.3: Instructions indicate that we must submit eleven (11) binder copies and eleven (11) electronic CD copies of the Proposal per health plan? Please elaborate.

Answer: The City of Houston is requesting a total of 11 copies of one binder for the medical and pharmacy benefit plans as follows:

- TPA services / network management for integrated medical and pharmacy benefit plans (one proposal binder); or
- TPA services / network management for the medical plan only (one proposal binder); or
- TPA services / network management for the pharmacy plan only (one proposal binder).

- Does the City wish to obtain a total of forty-four (44) binders in total, eleven (11) for each of the four (4) plans?

Answer: The CDHP, Limited, Open Access and Retirees of Texas plans are considered benefit options under one medical plan, so only one medical proposal is required and should be included in one binder.

- If the answer to the above is 'yes', please advise how we should handle the Proposal Tech system and generated/printed report. As a whole, our responses would not vary between these plans, is it the City's intention to receive forty-four (44) binders with the same Proposal Tech report generated and printed?

Answer: It is only necessary to provide responses to the medical questionnaire one time, and the City requires only 11 binders, not 44.

- In an effort to remain 'green' and conserve resources, would it be possible to only submit the requested eleven (11) binders, but clearly delineate/label the different plans being offered?

Answer: Since the City only requires 11 binders, delineating the plans with tabs is acceptable.

2. **Question:** 1.0 Submittal Proposal, 1.4: Does the City wish only to receive a "redacted" version of our response on CD?

Answer: No, the City is requesting both a complete proposal and a redacted proposal on CD.

3. **Question:** Please confirm that a non-officer individual with the authority to bind the proposer to a contract is sufficient to sign any and all signature documents associated with our proposal response.

Answer: A non-officer may execute the required documents provided this individual has the authority to bind the proposer to the proposal responses for a period of 180 days.

4. **Question:** Will responses to vendor questions be posted to Proposal Tech as answered by the City? Or will all answers be held and posted at once on September 23rd? If the later, we are concerned with this timeframe as the requested due date of the response is September 26th. In order for our binder mailing and the Proposal Tech upload to be completed by the 12 noon deadline on the 26th, we need to complete final items by September 24th. Would an extension be considered if all responses are not posted until September 23rd?

Answer: The responses to questions will be posted daily so that all vendors can view the questions and responses. No additional questions will be accepted after Thursday,

September 19th, and responses to the questions received on September 19th will be posted no later than September 23rd. An extension is not under consideration.

5. Question: Special Terms and Conditions, 1.2: In the packet of materials provided on Proposal Tech, we see the MWBE exhibits labeled as “Exhibit B”, not Exhibit II as listed in this section. Please confirm.

Answer: This discrepancy has been corrected in Proposal Tech. Exhibit B includes the required MWBE forms.

6. Question: Special Terms and Conditions, 2.1: In the packet of materials provided on Proposal Tech, we see the Pay or Play Program exhibits labeled as “Exhibit J”, not Exhibit X as listed in this section. Please confirm.

Answer: This discrepancy has been corrected in Proposal Tech. Exhibit J includes the required Pay or Play forms.

7. Question: Special Terms and Conditions, 3.2: In the packet of materials provided on Proposal Tech, we see the City Contractor Ownership Disclosure Ordinance exhibits labeled as “Exhibit F”, not Exhibit VI as listed in this section. Please confirm.

Answer: This discrepancy has been corrected in Proposal Tech. Exhibit F includes the Ordinance referencing Contractor Ownership Disclosure and the Affidavit of Ownership or Control.

8. Question: Special Terms and Conditions, 4.1: In the packet of materials provided on Proposal Tech, we see the City Fair Campaign Ordinance exhibits labeled as “Exhibit E”, not Exhibit V as listed in this section. Please confirm.

Answer: This discrepancy has been corrected in Proposal Tech. Exhibit E includes the City of Houston Fair Campaign Ordinance and related forms.

9. Question: 3.1 Requirements for All Proposers, 3.1.1, uu. Please advise if the City has a specific tax delinquency rule that we must satisfy. If so, please provide.

Answer: The Tax Delinquency Ordinance can be found on the City of Houston’s website under the Code of Ordinances, Section 15-124(e).

10. Question: 3.2 Data and Reporting Requirements, 3.2.1: The reporting package sections outlined in this language is not accurate to the Proposal Tech System. We believe you are referring to Section 11 and 14.6 (not Section 10 and 13.6). Please confirm.

Answer: This discrepancy has been corrected in Proposal Tech. The sections now read as 11 and 14.6.

11. Question: 3.2 Data and Reporting Requirements, 3.2.1: Please confirm that providing our responses to Sections 3.2.1, 11 and 14.6 are sufficient “certification” that our proposal meets the criteria.

Answer: The City is not requesting certification of each proposer’s reporting package, only positive responses to the questions listed under Sections 11 and 14.6, indicating the vendor’s ability to meet the city’s reporting needs.

12. Question: 4.3 Staffing, 4.3.10: This question indicates that the implementation would be effective May 1, 2015. Please confirm that this is not accurate and that the correct date is May 1, 2014.

Answer: The implementation date is May 1, 2014.

13. Question: 4.8 Member Identification (ID) Card, 4.8.9: To protect the privacy of our existing customers, please confirm that a front and back sample of a member ID card presented in our response can contain dummy customer and client information.

Answer: It is acceptable to use dummy customer / client information.

14. Question: 4.11 Pre Implementation, 4.11.1: Please confirm that this statement should have read, “During the 4th calendar quarter of 2013....” And not 2014 as stated.

Answer: This discrepancy has been corrected in Proposal Tech and the time period is reflected as the 4th quarter of 2013.

15. Question: 7.1 General and Background, 7.1.28: Please confirm what attached provider and facility files we should be using to determine what percentage of claims can be auto-adjudicated.

Answer: See Exhibits referencing Eligibility and Medical / Rx Claims detail posted to the secure website (providing you have executed the Non-disclosure Agreement, NDA).

Sincerely,

Gerri R. Walker

Gerri R. Walker
Assistant Director, Human Resources