



CITY OF HOUSTON
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September 8, 2015

SUBJECT: Letter of Clarification No. 1 Dental – DHMO and Indemnity/DPPO for the City of Houston Human Resources Department

REFERENCE: Request for Proposal No. S69-T25540

TO: All Prospective Proposers

This Letter of Clarification is issued for the following reasons:

1. To Add Exhibit 1A – Sample Contract-DHMO
2. To Add Exhibit 1B – Sample Contract-Indemnity DPPO Plan
3. To Add Exhibit 11 – DHMO Copayment Schedule
4. To Add Exhibit 12A – DHMO Plan Summary
5. To Add Exhibit 12B – DPPO Plan Summary
6. To provide proposer's with a response to the following:

1. It appears that Exhibit 2A and 2B seem to be the same file, DHMO Experience. Will a new Exhibit 2B that shows the Indemnity/DPPO experience be posted soon?

Answer: A corrected copy of Exhibit 2B – Indemnity/DPPO Experience was posted under the "Manage Documents" section on ProposalTech on September 3, 2015.

2. When will the DHMO and Indemnity/DPPO contracts be released?

Answer: The sample contracts were released on Friday September 4, 2015 and posted under the "Manage Documents" section on ProposalTech.

3. When will the DHMO copayment schedule be released? Will it include exclusions and limitations?

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Answer: The DHMO copayment schedule was released on Friday September 4, 2015 and posted under the “Manage Documents” section on Proposal Tech.

4. We also would like a copy of the full DPPO summary plan description to also include exclusions and limitations as well as confirmation of the out of network R&C percentile (i.e. 80th or 90th percentile).

Answer: Copies of both the DHMO and DPPO Plan Summaries were posted as Exhibits 12A and 12B under the “Manage Documents” section on ProposalTech. Posting occurred on Friday, September 4, 2015.

The Indemnity/DPPO Plan currently pays at the 85th percentile; however, we are interested in evaluating the premium cost differences at the 80th and 90th percentiles. Additional cost quotation sheets will be provided for the 85th percentile.

5. From the rate history and the exhibit on the employee cost, it would appear that the employee pays for all of the cost of coverage; yet, the data in the census indicates that the current participation is 86%. This is extremely high participation for an employee pay all plan. Does the employee pay the entire cost?

Answer: As indicated in paragraph 1.1 of the RFP, the dental plans are voluntary and employee paid. The City of Houston makes no contributions toward the dental plans and does not plan to contribute in the future.

6. Are the plans offered as part of a cafeteria plan where the employee has a pool of funds to offset the cost of the plan? If so how much is available and will that continue over the life of the contract?

Answer: The City provides employees with a Section 125 Plan which permits employees to pay their premiums on a pre-tax basis. A Health Flexible Spending Account (FSA) is also offered through which employees can defer up to \$2,500 of their annual pay on a pre-tax basis. The deferred monies can be used to pay eligible health care expenses. The City does not contribute to either plan.

7. Please provide the DPPO and DHMO provider disruption files and Exhibits 6A and 6B, DHMO and DPPO cost quotation sheets in Excel format.

Answer: The DPPO and DHMO disruption files are in Excel format (Exhibits 5A and 5B) as are Exhibits 6A and 6B, the cost quotation sheets.

8. Please clarify how you want us to respond to the following question, as it is not applicable to fully insured business: Allow an annual third party dental claim audit at no charge for internal claims audit support.

Answer: The City of Houston reserves the right to have auditing firms conduct claims audits for both fully insured and self-insured benefits plans and we expect our vendor(s)

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to provide internal support at no charge to the City. Please respond to this question as best fits your company's circumstances.

9. Please clarify how you want us to respond to the following question as it is not applicable to fully insured business: Banking arrangements established.

Answer: The City of Houston pays premiums via wire transfer or ACH directly to the vendor's bank account. You will have to agree to provide your banking and tax ID information to the City in order for premiums to be paid. Indicate your willingness to do so or explain why you will not.

10. Please clarify how you want us to respond to the following question as it is not applicable to fully insured business: Do you agree with the Indemnification and Release language which will be included as part of the Agreement between the City and Proposer?

Answer: The Indemnification and Release language is included in the RFP and concurrence is mandatory. Indicate your agreement to accept this language or explain why you cannot.

11. In reviewing the provider information, it appears that the same Tax ID is used for different providers in different locations within the reports. Is this accurate?

Answer: We have provided data as supplied by UnitedHealthcare. It may be possible that the Tax ID number represents the dental practice rather than the individual dentist.

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.

If you have any questions or if further clarification is needed regarding this Request for Proposal, please contact me.

Regards,

Regina Spencer

Regina Spencer
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END OF LETTER OF CLARIFICATION 1