



CITY OF HOUSTON

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September 11, 2013

SUBJECT: Letter of Clarification No. **11** 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 September 9, 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:** How many current COBRA participants do you have?

Answer: [The City of Houston has 57 Cobra participants](#)

2. **Question:** Will you need direct billing services for non-COBRA participants, i.e. disabled, surviving spouses etc.

Answer: [No.](#)

3. **Question:** If so direct billing is needed, can you confirm the number of participants that are currently direct billed?

Answer: [N/A.](#)

4. **Question:** Will you want initial HIPAA notification services?

Answer: [Yes.](#)

5. **Question:** If you would like initial HIPAA notification services, can you provide an estimate of number of initial notifications sent per month?

Answer: 100-120

6. **Question:** Would you like HIPAA termination notifications for participants whose COBRA period has ended?

Answer: Yes.

7. **Question:** Is your COBRA vendor expected to provide annual enrollment services for COBRA participants?

Answer: Yes. The COBRA vendor will be expected to provide annual enrollment services for COBRA participants.

8. **Question:** Average number of COBRA members per month.

Answer: The City of Houston averages between 50-80 COBRA participants per month.

9. **Question:** Average number of COBRA Qualifying Event Notices per month.

Answer: Approximately 100-120 notices.

10. **Question:** Are current COBRA fees available?

Answer: Yes

11. **Question:** What is approximate turn-over for the customer?

Answer: The average turn-over is between 6-10%.

12. **Question:** What is the current number of COBRA participants? And, what is the current number of pending COBRA participants?

Answer: There are 57 COBRA participants. Monthly, the City of Houston sends up 120 COBRA notices to terminated employees. .

13. **Question:** For the "repriced claim" file requested in question 5.1.10, please advise if a summary report is sufficient for our submission. If not sufficient, please advise who we may email Aetna's NDA to in order for us to release line-by-line claims detail as requested. The NDA must be signed and executed by 9/24/13.

Answer: A summary report is insufficient. The NDA may be e-mailed to Joyce Hays at joyce.hayes@houston.tx.gov.

14. Question: We had original asked a question regarding 8.2.1 in that the files (15D.i and 15D.ii) were missing the data necessary to provide analysis on the number of members, claims and claim dollars that would be disrupted. The response received on September 4th directed us to use the claim file provided through the secure site. After receiving and reviewing the claim file, we are able to provide disruption for the number of claims and the claims dollars. However, neither file (claims or 15D.i/15D.ii) contain number of members for us to provide disruption on. Please advise how you would like handled.

Answer: The line item eligibility files on the secure website provide data from which you can determine the number of members in each plan.

15. Question: Please advise how many potential medical vendors we should assume for the monthly claims data transfers in 12.2.5.

Answer: The City expects to have one data warehouse to which claims data will be transferred. If the City selects a Prescription Benefits Manager, the City may also negotiate periodic integration of claims and prescription drug data, requiring data transfer between the medical plan vendor and the Prescription Benefits Manager.

“Proposer must agree to provide claims data on a monthly basis to the City and their other medical vendors and the City’s data warehouse at no cost to the City.”

Sincerely,

Gerri R. Walker

Gerri R. Walker
Assistant Director, Human Resources

END OF LETTER OF CLARIFICATION 11