

ADDENDUM ONE

DATE: February 1, 2012

TO: All Vendors

FROM: Michelle Musick/Mary Lanning, Buyers
 State Purchasing Bureau

RE: Questions and Answers for RFP Number 4203Z1
 to be opened February 15, 2013 2 PM Central Time

Following are the questions submitted and answers provided for the above mentioned Request For Proposal. The questions and answers are to be considered as part of the Request For Proposal.

QUESTIONS	ANSWERS
1. Rate and Plan Change By LTD Option History for the last 5 years	Attachment A shows the LTD rates for from 2008 through 2012. Since January 2008, the State has not had any plan changes.
2. Premium and Lives by LTD Option for the last 5 years	Attachment B shows the Premium and Lives by LTD Option from 2008 through 2012.
3. LTD Incurral Exhibit by Option which includes open and closed claims for the last 5 years	Attachment C shows the open and closed claims for 2008-2012

QUESTIONS	ANSWERS
<p>4. Open Claim Information to include option elected, reserves, DOB, Gender, Gross Benefit, Offset and Net Benefit; and</p>	<p>Attachment C shows the Open Claim Information with the option elected, reserves, DOB, Gender, Gross Benefit, Offset and Net Benefit</p> <p>The following codes represent the LTD option elected</p> <p>Subcode 0001:</p> <ul style="list-style-type: none"> Paypoint 0001 = LTD Plan Option 1 Paypoint 0002 = LTD Plan Option 2 Paypoint 0003 = LTD Plan Option 3 Paypoint 0004 = LTD Plan Option 4 Paypoint 0005 = LTD Plan Option 5 Paypoint 0006 = LTD Plan Option 6 Paypoint 0007 = LTD Plan Option 7 Paypoint 0008 = LTD Plan Option 8 <p>Subcode 0002:</p> <ul style="list-style-type: none"> Paypoint 0001 = LTD Plan Option 1T Paypoint 0002 = LTD Plan Option 2T
<p>5. Work locations on the census per employee.</p>	<p>Due to HIPPA requirements and the need to protect the PHI of individual employees the State cannot release this information.</p>
<p>6. Please provide a current Met LTD open and closed claims listing as well as the premiums paid and claims paid since inception on 1/1/2008.</p>	<p>See response to question #3</p>
<p>7. What are the current inforce rates for the different options and have the plan designs and rates remained the same for each option since inception?</p>	<p>See the response to question #1</p>
<p>8. Under what conditions does evidence of insurability apply under the current plan? It was not entirely clear from looking at the Met contract.</p>	<p>If employees enroll in LTD coverage when they are initially eligible (during their first 30 days of employment) they are not subject to any underwriting requirements. However, if they wait to enroll during any subsequent open enrollment period (or any other time during the plan year) they will need to provide evidence of good health and, be approved by the LTD carrier. However, during open enrollment or at any time during the year, employees can elect to change their plan that would be a lesser benefit (longer elimination period) without evidence of good health.</p>
<p>9. Can a copy of a recent bill be provided which shows the breakouts of the lives and premiums on the different options?</p>	<p>Attachment D shows the billing information provided to the State's current provider.</p>

QUESTIONS	ANSWERS
<p>10. For the 66 2/3% - 6 month wait option which is extended under both Option 7 and Option 2T, how many of the 1,839 people in this option shown on the census are the Temporary employees with plan 2T?</p>	<p>The number of Temporary Employees that have elected Option 2T is 23</p>
<p>11. Are the options shown on the Plan Option/ Cost Proposal pages (all 60% benefits) the only ones desired or do you also want rates for the inforce lans?</p>	<p>All of the options shown on the Option/Cost Proposal are for a 60% benefit. The State is not requesting rates for the current in-force plan options</p>
<p>12. The Plan Option/ Cost Proposal page references that composite <u>premiums</u> are desired for each option and age band rather than individual age banded rates? is this for comparison convenience and the actual true age banded step rates will be provided separately?</p>	<p>The State expects the bidder to propose the actual rates each individual will pay each month based on the age bands shown for the elimination period option they have elected on the Plan Option/Cost Proposal form. No other rates will be accepted separately. These will be the final rates guaranteed by the contractor for providing LTD coverage to the State.</p>
<p>13. How many of the state employees are eligible for LTD under the current plan?</p>	<p>Approximately 17,000 full time and part time State employees are eligible for LTD under the current plan.</p>
<p>14. Can you provide an approximation of the number of lives that were covered in each of the years since 2008?</p>	<p>See response to question #2</p>
<p>15. Will you be able to provide the claim report from Jan '08 to present which includes open & closed claims?</p>	<p>See response to question #3</p>
<p>16. Are you able to provide a census with occupations?</p>	<p>Attachment E is a revised census with the current occupation listed by class.</p>
<p>17. Are there police and fire employees covered under the LTD insurance? If so, can they be identified on the census?</p>	<p>The State does not employ police or fire employees. The State Patrol management level employees are eligible to be covered under the LTD plan</p>
<p>18. What are the inforce rates?</p>	<p>See response to question #1</p>
<p>19. Have the rates changed since the 1/1/2008 effective date?</p>	<p>Yes there has been a change since 1/1/2008. See response to question #1</p>
<p>20. How are the LTD benefits enrolled and administered today?</p>	<p>New employees can make their new hire elections within 30 days of their hire date via the current State system. The only other time LTD elections can be made is during open enrollment. Any changes/revisions made during the open enrollment process are made via a paper enrollment form and any new elections, once approved by the LTD carrier, are entered by human resource staff into the State system.</p> <p>Currently, the LTD enrollment is a self-administered plan, the insurance carrier does not receive specific enrollment information.</p>

QUESTIONS	ANSWERS
21. Is the client currently satisfied with the way their benefits are administered today? Are they looking for any particular areas of change or improvement?	The State is currently satisfied with the way benefits are administered. There are no specific areas of change or improvement being considered.
22. What are the inforce rates for all ten options?	See response to question #1
23. Please provide any rate changes from 1/1/2008 to present.	See response to question #19
24. Please provide experience from 1/1/2008 to 1/1/2013 that includes premium, paid claims, and enrollment on carrier paper.	See response to question #2 for premiums paid and enrollment. See response to question #3 for paid claims
25. Please provide a paid and incurred claim exhibit available from 1/1/2008 to 1/1/2013 on carrier paper.	See response to question #3
26. If available, please provide a report that splits the paid claims between the first 12 months vs. paid claims after the first 12 months from 1/1/2008 to 1/1/2013?	This information is not available.
27. Please provide an open claims list from 1/1/2008 to present that includes date of birth, date of disability, gender, gross monthly benefit, net monthly benefit, and the LTD Option Number to reflect the elimination period and benefit percentage.	See response to question #4
28. Are there any employees in Option 2T? If so, can they be added to the census? If they are already on the census, please identify them.	See response to question #10. They are already included in the census. Due to HIPPA requirements and the need to protect the PHI of individual employees, the State cannot identify these individuals.
29. Please add the Class 2 state legislators to the census with all of the related census fields.	See response to question #16
30. What months of the year are the state legislators in session and working a minimum of 20 hours per week?	The State Legislature is in session January through April in their short session and from January through May in their long session.
31. Does the minimum benefit on page 22 of the current booklet apply to Option 2T only or to all ten options?	The minimum benefit amount applies to all plans currently offered; this includes plans for permanent employees and temporary employees.
32. On the census can you provide the class of employee (1, 2 or 3) and occupation?	See response to question #16
33. On the Claims experience can you please provide a list of open and closed claims and the reserves for past 2 to 3 years?	See the response to question #3

QUESTIONS	ANSWERS
34. Can you please provide the paid premium by month by plan option for past 2 to 3 years?	See response to question #2
35. Can you please provide the rates per plan option for past 2 to 3 years?	See response to question #1