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| SOLICITATION ADDENDUM ONE  QUESTIONS AND ANSWERS |

Date: December 4, 2024

To: All Bidders

From: Connie Heinrichs / Brook Taylor, Procurement Contracts Officers

AS Materiel State Purchasing Bureau (SPB)

RE: Addendum for 120084 O5

to be opened December 19, 2024 at 2:00 p.m. CST

#### Questions and Answers

Following are the questions submitted and answers provided for the above-mentioned solicitation. The questions and answers are to be considered as part of the solicitation. It is the responsibility of bidders to check the State Purchasing Bureau website for all addenda or amendments.

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| Question Number | RFP/ITB  Section  Reference | RFP/ITB  Page Number | Question | State Response |
| 1. | Cost Proposal | Line 9 | Please confirm that (after the first 2 years of contact) rates can be increased by up to 4% for each renewal. | Yes, rates can be increased by up to 4% for each renewal after the initial 2 years as stated in Section III.G. Prices of the RFP and the Cost Proposal. |
| 2. | RFP Section V D.3. | 25 | Please confirm that the UHC Certificates for STD and LTD dated 7/1/23 are the most current plan documents available. | Yes, please refer to the following links:  <https://das.nebraska.gov/personnel/docs/NE_DAS_Personnel_Wellness_and_Benefits-2024_2025_Short_Term_Disability_Certification_of_Coverage.pdf>  <https://das.nebraska.gov/personnel/docs/NE_DAS_Personnel_Wellness_and_Benefits-2024_2025_Long_Term_Disability_Certificate_of_Coverage.pdf> |
| 3. | RFP Section V D.4. | 25-26 | The employee premium payments are described as being 'post-tax'.  As such, please clarify expectations around W-2 preparation and FICA costs. | The premiums are taxed. Payments for processed claims are paid directly from the vendor to the employee and are tax free. |
| 4. | RFP Section III G | 17 | Please clarify the proposed restriction on rate increases after the first two years of the contract.  Is the 4% cap applied just to the third year of the contract or is that intended to be a cap for every year following the initial two years? | Please refer to answer for question #1. |
| 5. | Attachment M | N/A | Please describe what the Sick Leave Balance represents -- are those numbers the accumulated hours of sick leave? | Yes, Sick Leave Balance represents accumulated hours of sick leave. |
| 6. | N/A | N/A | Please provide UHC's LTD Paid & Incurred Experience Exhibit covering the time period 7/1/2019 - 6/30/24.  The exhibit should be on an incurred basis and should include the following data for each 12-month period: average lives, average volume, paid premium, adjusted premium (adjusted to current rate level), paid claims, open claim reserves and number of claims per period (open, closed, denied).  We understand that some of this data has been provided in other reports, but the underwriting of the plan is more effective with UHC's Paid & Incurred Experience Exhibit. | See Attachment D along with attachment P for additional information. |
| 7. | N/A | N/A | Please provide the claim listing that supports UHC's LTD Paid & Incurred Experience Exhibit.  The claim list should contain the following data for each LTD claim: date of birth, gender, date of disability, claim status (open, closed, pending), gross monthly benefit, offset amount(s), offset type(s), net monthly benefit, amount paid to date, closed date (for closed claims) and individual reserve amount (for open claims).  We note that Attachment D has some of these data elements, but is missing the monthly gross benefit, offset amounts and types, net monthly benefit and individual reserve amounts. | Attachment D contains the information that can be provided at this time. |
| 8. | N/A | N/A | Please confirm that the original plan effective date with UHC was 7/1/2019 | This is correct. |
| 9. | N/A | N/A | Please provide a description of any STD or LTD plan changes that took place during the period 7/1/19 - 6/30/24 | There have been 3 COC amendments:  #1 Effective 1.1.2021- rehire period updated to 6 months (instead of 14 days) “**If the Covered Person’s employment ends and the same employer rehires him within 6 months, the State will apply Covered Person’s previous employment in an eligible class toward completing the Waiting Period.**”  #2 Effective July 1, 2023, the below language has been added to the STD and LTD COC schedules**.** Benefits begin the day after completion of the Elimination Period or the exhaustion of any available sick or donated leave – whichever comes later.  #3 Effective January 18, 2024, the **Maximum Benefit Period section** on the certificate’s Schedule of Benefits is updated to add: “Employees who have an Extended Illness Leave Bank are required to use this bank first, but in no event will the total amount of extended illness leave, plus Short Term Disability, exceed 26 weeks.” |
| 10. | N/A | N/A | Please provide a recent UHC monthly invoice showing total lives, volume and premium for STD and LTD | Attachment O is a recent monthly invoice received from UHC, however the current process is to return information that is provided on an excel spreadsheet. \*Example of this is on the last page of the invoice on the attachment. |
| 11. | N/A | N/A | Please provide STD and LTD rate history for the period 7/1/19 – 6/30/22 | Per the initial contract STD rates were supposed to increase by 5% each year starting with the 3rd year of the contract, PY 21/22.  However, the vendor lowered the rates for PY 21/22, and they remained the same for each of the renewal periods through PY 24/25.  Per the initial contract LTD rates were supposed to increase by 5% each year starting with the 4th year of the contract, PY 22/23.  However, the vendor did not raise rates for any subsequent renewal period of the contract, for PY 22/23, PY 23/24 and PY 24/25. |
| 12. | N/A | N/A | Is the State also requiring carriers to quote an EAP service?  If so, is the EAP only available to employees enrolled in LTD? | No, EAP services are not part of this RFP. |
| 13. | N/A | N/A | If the State would like an EAP quote, please advise on specifics of current program (number of visits, in person or telephonic, other services, etc.) and please advise on current rate or pricing for the existing program. | EAP services are not part of this RFP. |
| 14. | N/A | N/A | Do all employees eligible for LTD participate in Social Security?  If so, is participation mandatory or voluntary? | Yes  Currently if an employee is eligible for SSDI, then yes, it is mandatory.  The State would not require SSDI application if the employee did not meet the eligibility requirements. This would also not be required if the employee is expecting to be back at work within the first year of the disability. |
| 15. | N/A | N/A | Do all employees eligible for LTD participate in a State plan such as PERS / STRS which provides Disability benefits?  If so, is participation mandatory or voluntary? | Currently if the employee is eligible for PERS/STRS, then yes, it is mandatory. |
| 16. | N/A | N/A | Please provide benefit booklets that detail Disability benefits for any PERS or STRS programs in which State of Nebraska employees are enrolled. | See following links to the benefits:  <https://npers.ne.gov/SelfService/>  State: <https://npers.ne.gov/SelfService/public/planInformation/state/statePlanInfo.jsp> |
| 17. | N/A | N/A | Please provide STD and LTD plan certificates so we may do a full review. | LTD certificate:  <https://das.nebraska.gov/personnel/docs/NE_DAS_Personnel_Wellness_and_Benefits-2024_2025_Long_Term_Disability_Certificate_of_Coverage.pdf>  STD certificate:  <https://das.nebraska.gov/personnel/docs/NE_DAS_Personnel_Wellness_and_Benefits-2024_2025_Short_Term_Disability_Certification_of_Coverage.pdf> |
| 18. | N/A | N/A | Please describe your current EOI process eg paper, batch, SSO ect. | The link to the form is on DAS Personnel Wellness and Benefits website. The form is automatically sent to Underwriting once it is completed online. When DAS Personnel Wellness and Benefits receives emailed/paper copies from EE’s, they are faxed to Underwriting.  The form for both STD/LTD can be found at this link:  <https://das.nebraska.gov/personnel/docs/NE_DAS_Personnel_Wellness_and_Benefits-Short_Term_Disability_Group_Disability_Insurance_Evidence_of_Insurability_Form.pdf> |
| 19. | N/A | N/A | Are there any specific service issues with your disability vendor you would like specifically addressed or that are of particular concern? | Expectations for this contract are addressed within the RFP. |
| 20. | N/A | N/A | Are you able to provide an ongoing eligibility file for Disability? | No, scheduled eligibility file is provided following OE which occurs in May. |

This addendum will be incorporated into the solicitation.