

ADDENDUM TWO, QUESTIONS and ANSWERS

Date: November 29, 2018

To: All Bidders

From: Teresa Fleming, Buyer
AS Materiel State Purchasing

RE: Addendum for Request for Proposal Number 5956 Z1 to be opened December 13, 2018 at
2:00 p.m. Central Time

Questions and Answers

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. It is the Bidder's responsibility to check the State Purchasing Bureau website for all addenda or amendments.

<u>Question Number</u>	<u>RFP Section Reference</u>	<u>RFP Page Number</u>	<u>Question</u>	<u>State Response</u>										
1.			Can we please have a census that is all eligible for the STD/LTD, Occupation, and Zip code?	Refer to Attachment G – Eligibility Census.										
2.			Please have the occupations added to the LTD enrolled census.	Refer to REVISED Attachment F Census Report.										
3.			The RFP reflects that there are 15,670 full time and temporary employees eligible for the STD and LTD coverages. Please provide a complete census for all of these employees. * Please also include a column to identify the full time verses temporary employees.	Refer to Attachment G – Eligibility Census.										
4.			Please provide a copy of the Mutual of Omaha VLTD plans	Here is the most recent version of the Certificate of Coverage										
5.			Please provide a key code for the “Class” codes on the LTD Open and Closed Claim Listing.	<table border="1"> <thead> <tr> <th>Class Code</th> <th>Definition</th> </tr> </thead> <tbody> <tr> <td>AX01</td> <td>2 Month Elimination</td> </tr> <tr> <td>AX02</td> <td>3 Month Elimination</td> </tr> <tr> <td>AX03</td> <td>6 Month Elimination</td> </tr> <tr> <td>AX04</td> <td>9 Month Elimination</td> </tr> </tbody> </table>	Class Code	Definition	AX01	2 Month Elimination	AX02	3 Month Elimination	AX03	6 Month Elimination	AX04	9 Month Elimination
Class Code	Definition													
AX01	2 Month Elimination													
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AX04	9 Month Elimination													
6.			If the “Class” on the Open and Closed Claim Listing does not identify which plan the claimants are enrolled in, please have the claims listings updated to reflect that information.	Refer to the response in Question 5.										
7.			Please provide any previous VLTD rates (rate history) and when those rates were in place (from – to)	Rates have not changed since 2013.										

8.			<p>Have there been any plan changes to the VLTD?</p> <p>If yes, please outline what provisions were changed, the date of the change and provide the previous plan provision. For example, the maximum was increased from 5,000 to 7,500 effective 1/1/2016.</p>	<p>No.</p> <p>N/A</p>
9.			Do the State of Nebraska employees participate in social security?	Yes.
10.			Do the State of Nebraska employees participate in the Public Employees Retirement System.	Yes.
11.			Do the State of Nebraska employees participate in the State Teacher Retirement System?	Yes.
12.			Please provide a Paid and Incurred Exhibit for the VLTD from Mutual of Omaha.	Refer to Attachment H – Paid Claims and Triangle
13.			Please provide the Offset Amounts for each of the VLTD Open Claims.	Refer to Attachments I, J, K and L (Payment Detail for Classes 1, 2, 3 and 4)
14.			Please provide the paid sick leave and/or salary continuation paid during 2017 for STD.	The State has not had a short term disability plan.
15.			Please provide the paid sick leave and/or salary continuation paid during 2018 for STD.	The State has not had a short term disability plan.
16.			<p>Please provide a census with the following information:</p> <ul style="list-style-type: none"> o All eligible employees. Currently the census only has those participating. They are asking us to change the plan design and add STD as first-time coverage, so we need the entire eligible population for rating purposes. 	<p>The State has not had a short term disability plan.</p> <p>Refer to Attachment G – Eligibility Census.</p>

			<ul style="list-style-type: none"> o Job descriptions. The State of Nebraska has different pension plans depending on the nature of employment. We need job descriptions to determine the proper pension plan offsets, as well as to get a clear picture of our exposure in the voluntary plan. 	
17.			Please provide an LTD certificate to determine the exact provisions of the inforce plan.	Refer to the response in Question 4.
18.			<p>Please provide a detailed claim listing with offsets and classes</p> <ul style="list-style-type: none"> o This is a four-tier voluntary inforce plan with differing elimination periods and a state pension. 	Refer to the response in Question 13.
19.			Does the group have any sort of ASO/Salary Continuation plan in place today as a placeholder for STD? If yes, can we get information on the plan?	No.
20.			Is the group eligible and participating in Social Security? It appears there is state-mandated plan.	Yes.

21.			<p>Please confirm the State is looking to completely move off of their current four-tier VLTD and move forward with ONLY the 180 day EP.</p> <ul style="list-style-type: none"> ○ If confirmed, would there be a mass re-enrollment for the whole group? <p>What will happen to the current enrollees that are not on the 180 day EP?</p> <p>Will they be shifted to this EP, or will they be disenrolled and have to re-enroll?</p>	<p>Yes.</p> <p>Yes, with EOI approval.</p> <p>All current (with any elimination period) will have to re-enroll with no EOI approval.</p> <p>Re-enroll.</p>
22.			<p>The State is requesting no pre-ex on both VLTD and VSTD. Is this a deal-breaker? This is highly risky for voluntary plans.</p>	<p>The State is requiring no pre-existing on LTD for currently enrolled employees.</p> <p>New enrollees on LTD and all enrollees on STD are subject to pre-existing limitations.</p>
23.			<p>Are there any union members in the group currently? If so, we would need them broken out on the census as well.</p>	<p>Refer to Attachment G – Eligibility Census.</p>
24.			<p>It appears that we did not receive the paid LTD claims on an incurred basis. Attachment E has premium and claims on a monthly cash flow basis, not incurred. Please provide paid claims, paid premium and reserves for the last 5 years.</p>	<p>Refer to Attachment H – Paid Claims and Triangle</p>
25.			<p>Detail any rate or plan changes since 2013.</p>	<p>None.</p>
26.			<p>Please provide a current premium statement.</p>	<p>Refer to Attachment O Invoice.</p>
27.			<p>Please provide the current Long Term Disability certificate.</p>	<p>Refer to the response in Question 4.</p>

28.	“		Are State of Nebraska employees eligible for any Public Employee Retirement Systems (PERS) benefits? Does the group participate in SSDI?	Yes. Yes.
29.	V. Project Description and Scope of Work A. Project Overview	32	Per the RFP, the Disability plans will cover temporary employees. How many temporary employees are eligible? Are these employees on a temporary assignment? How long is the average work period for temporary employees?	Refer to Attachment G – Eligibility Census. Temporary employees with an assignment of 6 months or longer they are eligible. The State does not have the average work period for temporary employees.
30.	Census		Please provide a complete eligible census including enrollment indicator with plan selection for the current Voluntary Long Term Disability plan. The census should include gender, date of birth, occupation and salary/earnings.	Refer to Attachment G – Eligibility Census.
31.	Cost Proposal		Please confirm the Voluntary Short Term Disability rate basis should be per \$100 monthly covered payroll instead of per \$10 weekly benefit.	STD should be priced on a “per \$10 of weekly benefit” basis; LTD should be priced on a “per \$100 of covered monthly payroll” basis. Refer to REVISED Cost Proposal.
32.	Attachments C &D		Please provide a Class Key for the Attachments C &D (AX01, AX02, etc.) Which LTD plans do these codes represent?	Refer to the response in Question 5.
33.	V. Project Description and Scope of Work C. Administration Requirements	25	Regarding: Coordinates with State’s online enrollment vendor. Please advise what will be expected of insurance carrier.	Enrollment is on-line in the State’s system and EOI is on paper which is submitted to the State and forwarded to the Contractor for processing.
34.	Attachment A Contractor	1	Regarding 3. There will be no restrictions or benefit	Refer to the response in Question 22.

	Requirements Matrix		limitations for pre-existing conditions applied to any employee under the plan. Please elaborate on the intent of this requirement; Voluntary Long Term Disability and Voluntary Short Term Disability plans typically include a pre-existing condition exclusion.	
35.	Attachment A Contractor Requirements Matrix	3	Regarding: 23. When customized printing is requested by the State, present a complete draft and subsequent proof to the State for sign-off. The Contractor must ensure that logo placement and color requirements are met. Contractor will be responsible for costs of printing booklets, certificates, or SPDs as required. Please advise approximate number of copies, and if the mailing should be to the State for distribution or to employee homes.	Flyers or informational materials to provide during Open Enrollment process. The quantity would be approximately 600 pieces. The certificate booklet or other items can be sent electronically to the State to post on the website. The distribution will not be sent to employee's homes.
36.	I. Procurement Procedure i. Submission of Proposals	3	Please confirm that only one (1) original hard copy binder is requested?	Confirmed.
37.	I. Procurement Procedure i. Submission of Proposals	3	Regarding the "Technical" and "Cost" sections of the response, please confirm that we can put both within the 1 requested binder but separated into separate sections?	Confirmed.
38.	Census		Please provide a census of all eligible employees for VSTD.	Refer to Attachment G – Eligibility Census.
39.	Census		Can the all eligible census show the amount of sick leave an employee has?	Refer to Attachment G – Eligibility Census.

40.	Census		Please provide a LTD census that shows occupations for the employees.	Refer to Attachment G – Eligibility Census.
41.	Contracts		Please provide the actual VLTD cert. What we have now is a benefits summary. We know that they are sliding to a 180 day ep plan but we want to make sure the benefits and provisions align well behind the ep.	Refer to the response in Question 4.
42.	V. Project Description and Scope of Work B. Current and Future Environment	24	How do they intend the STD and sick leave to integrate? They are not to be forced to exhaust sick leave before using STD; therefore, do they want a 100% integration layering effect?	The State requires that the short term disability run concurrently with the employees using at least 5 sick days (40 hours), so the duration starts on day one.
43.	V. Project Description and Scope of Work B. Current and Future Environment	24	What amount of sick leave will they accrue going forward?	There is no change in sick leave accrual at this time.
44.	V. Project Description and Scope of Work B. Current and Future Environment	24	Can the State define temporary employee, as they ask bidders to cover them?	Per the State of Nebraska Options Guide: “Temporary Employees: Eligible for the state’s group health, dental, long-term disability, HSA, and FSA dependent care plans if they work at least 20 hours per week and are placed in a position with a six-month assignment or longer.”
45.	VII. Cost Proposal Requirements A. Cost Sheet	30	Please confirm if you want STD billed as per 100 monthly covered payroll?	Refer to the response in Question 31.
46.	Experience		Please provide information and data on the STD utilization, including basic duration and incidence data.	The State has not had a short term disability plan.
47.	Experience		Do the class markers on the LTD claims reports correspond to the VLTD	Refer to the response in Question 5.

			enrollment options? If so, what is the 'key'?	
48.	Experience		Please provide the premium vs claims on an incurred basis.	Refer to Attachment H – Paid Claims and Triangle
49.	Experience		Please provide an open claims listing with 'total paid'.	Refer to Attachments I, J, K and L (Payment Detail for Classes 1,2,3 and 4)
50.	Experience		Does the open claims listing list gross or net benefit?	No. Refer to Attachments I, J, K and L (Payment Detail for Classes 1,2,3 and 4)
51.	Experience		Can we receive diagnosis, offset status or salary for the LTD open claims?	Diagnosis not available. Refer to Attachments I, J, K and L (Payment Detail for Classes 1,2,3 and 4)
52.	General		What are the State's intentions regarding enrollment?	Refer to the response in Question 33.
53.	General		Who would handle the enrollment? Are they enrolling online? What is the roll out like?	Refer to the response in Question 33.
54.	General		While this is a separate bid, what is the State's opinion of ██████ service on the Life side?	The State will not answer this question as it is not relevant to the RFP.
55.	General		Did this RFP go out to all carriers since this is a direct bid?	This is a public Request for Proposal.
56.	General		How does the State feel about their inforce carrier, ██████?	The State will not answer this question as it is not relevant to the RFP.
57.	General		Do employees participate in Nebraska PERS or Social Security or both?	Yes, both.
58.	N/A	N/A	Please provide a copy of the current LTD contract.	The current Contract is 55674 O4 .
59.	N/A	N/A	Who is the current administrator for your FML?	It is self-administered by the State.
60.	V. Project Description, Sub C Administration requirements, question #7	33	Who is the online enrollment vendor and explain "Coordinates with State's online enrollment vendor".	Refer to the response in Question 33.
61.	V. Project Description, Sub B Current and Future environment	32	What is the min and max for the current LTD and new STD plan?	Current LTD is: \$100 minimum and \$7500 monthly maximum The STD Plan will be:

				\$25/week and maximum of \$1,731/week.
62.	V. Project Description & Scope of Work (B.)	Pg. 24	Can an updated LTD Open Claims report (Attachment D) with net benefit and total paid amounts be provided?	Refer to Attachments I, J, K and L (Payment Detail for Classes 1,2,3 and 4)
63.	V. Project Description & Scope of Work (B.)	Pg. 24	Can The State confirm that Class code on the claim reports (Attachment C and D) corresponds to the Elected Elimination Period option (i.e. AX01 = EE elected LTD EP option 1 60 days)?	Refer to the response in Question 5.
64.	V. Project Description & Scope of Work (B.)	Pg. 24	Can a report with historical LTD premium by Elimination Period be provided?	Refer to Attachment N – Historical LTD Premium Payments
65.	V. Project Description & Scope of Work (B.)	Pg. 24	Can a copy of the current LTD certificate of coverage be provided?	Refer to the response in Question 4.
66.	V. Project Description & Scope of Work (B.)	Pg. 24	Can historical LTD rate history be provided back to 2013?	Refer to the response in Question 7.
67.	V. Project Description & Scope of Work (B.)	Pg. 24	Can a revised LTD census with each employee's occupation or job title be provided?	Refer to the response in Question 2.
68.	V. Project Description & Scope of Work (B.)	Pg. 24	Are there any Labor or Union negotiated benefits that will impact or change the LTD plan design during the rate guarantee period?	There is currently no bargaining that would impact the LTD Plan.
69.	V. Project Description & Scope of Work (B.)	Pg. 24	Have there been any LTD plan design changes since inception (2013) with Mutual of Omaha?	Refer to the response in Question 25.
70.	V. Project Description & Scope of Work (B.)	Pg. 24	Can a copy of the Employee sick leave bank be provided?	Refer to Attachment G – Eligibility Census.
71.	V. Project Description & Scope of Work (B.)	Pg. 24	Do State employees participate in both Social Security and a Public Employee Retirement System?	Yes, both.
72.	V. Project	Pg. 24	How many SOS	Refer to Attachment G –

	Description & Scope of Work (B.)		Temporary Employees are benefit eligible? Can a revised census be submitted that identifies those employees?	Eligibility Census.
73.	Attachment B Current Long-Term Disability Benefits	1	Have the current LTD rates been in effect since 7/1/2013? If not, please provide rate change history.	Refer to the response in Question 25.
74.	Attachment B Current Long-Term Disability Benefits	1	Have there been any LTD plan changes since 7/1/2013? If so, please describe.	Refer to the response in Question 25.
75.	Attachments C & D Claim Listings	All	Do State of Nebraska employees contribute to Social Security, PERS or both?	Yes, both.
76.	Attachment C Closed Claim Listing for Group	All	Please provide code descriptions for the 'Class' column.	Refer to the response in Question 5.
77.	Attachment D Open Claims Report	All	Are the values in the 'Benefit Amount' column the gross benefit, net benefit or something else?	The values are Net Benefit.
78.	Attachment D Open Claims Report	All	Please provide gross benefit, offset amounts, offset sources and net benefit for all open claims.	Refer to Attachments I, J, K and L (Payment Detail for Classes 1,2,3 and 4)
79.	Attachments C & D Claim Listings	All	Please provide a 'Paid & Incurred' exhibit with a Valuation Date of 7/31/2018 for the time period 7/1/13 through 6/30/18. The exhibit should have 12-month periods with claim payments allocated to the period that corresponds with the claimant's date of disability. The exhibit should also contain open claim reserves and interest credits that also correspond to the period in which disability was incurred. Please provide a separate exhibit for	Refer to Attachment D – Open Claims, Attachment H – Paid Claims and Triangle and Attachments I, J, K and L (Payment Detail for Classes 1, 2, 3 and 4)

			each of the four elimination periods if possible. Otherwise, please provide one complete exhibit which reflects all elimination period options.	
80.	RFP Final	24	Please provide sick leave balances for each employee enrolled in LTD. Otherwise, please provide average sick leave balance for the group and a description of how sick leave is accumulated.	Refer to Attachment G – Eligibility Census.
81.	RFP Final	24	For the July 2019 enrollment into the new LTD plan, will all current employees enrolled in LTD be defaulted into the new plan or will everyone (including current participants) need to actively enroll in coverage?	Refer to the response in Question 33.
82.	RFP Final	24	For the July 2019 enrollment into the new STD plan, will current LTD participants be automatically enrolled in the STD or will everyone (including current participants) need to actively enroll in coverage?	All employees will need to actively enroll in desired coverage.
83.	RFP Final C. Administration Requirements (2G)	25	Please provide more detail around the requirement that the STD and LTD contractor “responds to participant questions on enrollment and benefits.”	Contractor must be able to answer questions about the plan if directly outreached by a participant.
84.	RFP Final C. Administration Requirements (3A)	25	Please provide more detail around the requirement that the STD and LTD contractor “approves all communication materials prior to distribution.”	The State approves all communication materials prior to distribution not the Contractor.
85.	RFP Final C. Administration	25	Please provide more detail around the	Bidder should respond to meet the requirements of

	Requirements (4E)		requirement that the STD and LTD contractor “remits the State’s portion of Medicare tax (from a State Medicare matching Fund) to the federal government.”	the RFP.
86.	RFP Final C. Administration Requirements (6A)	25	Please provide more detail around the requirement that the STD and LTD contractor “coordinates with other programs that provide Deductible Income (offset income) when applicable.”	The Contractor will be responsible for coordinating with the member and/or State of Nebraska regarding offset income. This will help to eliminate overpayments.
87.	RFP Final C. Administration Requirements (7A)	26	Please provide more detail around the requirement that the STD and LTD contractor “coordinate with State’s online enrollment vendor.”	Refer to the response in Question 33.
88.	RFP	24	Does the State want to offer a maximum benefit for the VSTD coverage that is similar to the VLTD maximum benefit?	Refer to the response in Question 61.
89.	Attachment F		Please add the eligible employees who waived VLTD coverage to the census.	Refer to Attachment G – Eligibility Census.
90.	Attachment F		Please add a column for occupations to the census for all eligible employees.	Refer to Attachment G – Eligibility Census.
91.	Attachment F		Please add a zip code column to the census for all eligible employees.	Refer to Attachment G – Eligibility Census.
92.	Attachment F		Can we please have a census that is all eligible for the STD/LTD, Occupation, and Zip code?	Refer to Attachment G – Eligibility Census.
93.	V-B	24	Does the LTD & STD plan include a pre-existing condition exclusion?	Refer to the response in Question 22.
94.	V-B	24	Who is the current carrier for the State’s LTD plan?	Mutual of Omaha.
95.	V-B	24	Does the State prefer to have both LTD and STD plans with the same carrier?	LTD and STD plans must be by the same carrier.
96.	V-B	24	What is the current	Refer to Attachment G –

			participation on the LTD plan? The census indicates that it includes information for all eligible, but it doesn't indicate current enrollees.	Eligibility Census.
97.	Attachment A		Can the State clarify what it means by 'fraud monitoring and detection'?	Contractor must follow-up on monitoring on disabled participants, if necessary.

This addendum will become part of the proposal and should be acknowledged with the Request for Proposal response.