

Attachment Number Ten (10)

Responses to Questions Tobacco Cessation Services for the SC Public Employee Benefit Authority

The following questions were submitted in writing by Vendor A. (Answers follow.)

1. Is the pre-proposal meeting on July 20 mandatory for a vendor to attend physically or can we be conferenced in?

A: See Section II. II. INSTRUCTIONS TO OFFERORS -- B. SPECIAL INSTRUCTIONS

CONFERENCE - PRE-BID/PROPOSAL (JAN 2006)

Pre-Proposal Conference Date and Time: Conference: **07/20/2016 10:30 AM ET**

Location of Pre-Bid/Proposal Conference: **S.C. Public Employee Benefit Authority, Conference Room 210A, 200 Arbor Lake Drive, Columbia, SC.**

Due to the importance of all Offerors having a clear understanding of the specifications and requirements of this solicitation, a conference of potential Offerors will be held on the date specified on the cover page. Bring a copy of the solicitation with you. Any changes resulting from this conference will be noted in a written amendment to the solicitation. Your failure to attend will not relieve the Contractor from responsibility for estimating properly the difficulty and cost of successfully performing the work, or for proceeding to successfully perform the work without additional expense to the State. The State assumes no responsibility for any conclusions or interpretations made by the Contractor based on the information made available at the conference. Nor does the State assume responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before the execution of this contract, unless that understanding or representation is expressly stated in this contract. [02-2B025-1]

NOTE: Due to the importance of all Offerors having a clear understanding of the specifications and requirements of this Request for Proposal, attendance at the pre-proposal conference is strongly encouraged. The South Carolina Public Employee Benefit Authority strongly recommends that, at a minimum, the proposed account manager and the individual responsible for preparing and submitting the Offeror's proposal be in attendance. Prospective Offerors will be limited to two (2) representatives. There will be no call in number for this meeting.

2. Is setting up a physical office in South Carolina a mandatory requirement as that will increase the price of the proposal?

A: That requirement has been removed. See Amendment 1.

The following questions were submitted in writing by Vendor B. (Answers follow.)

1. It's assumed all references to the contract start date of January 2016 should actually be listed as January 2017.

A: Confirmed the contract start date is January 1, 2017.

2. Can you provide historical annual counts of members who have enrolled and those who have completed the program?

A: See the attached Excel spreadsheet title Quit 4 Life and RX Utilization Data.

3. What percentage of the population is <18? What percentage of this population is enrolled in the current program?

A: Percent of total members under 18 17.61%

Percent of members of total population (under 18) enrolled in tobacco cessation *

* PEBA does not release counts < 11.

4. Please describe the tobacco use surcharge in place and the plans for the 2017 benefits year.

A: Health plan subscribers with single coverage who use tobacco will pay a \$40 monthly surcharge. Subscribers with subscriber/spouse, subscriber/children or full-family coverage where any one (1) person covered under the health plan uses tobacco, a \$60 monthly surcharge will be applied to the premium. The surcharge is automatic for health plan subscribers unless the subscriber certifies no one he covers uses tobacco or covered individuals have completed the current tobacco cessation program. To certify no one covered by his health insurance uses tobacco and no one has used it during the past six months, or all covered individuals who use tobacco have completed the current tobacco cessation program, the subscriber must complete a Certification Regarding Tobacco Use form. The current tobacco use surcharge will remain in place, unchanged, for the 2017 benefits year.

5. What metric is required for beneficiaries to meet in order to have the surcharge waived (following ACA, HIPAA, EEOC, etc. guidelines)?

A: The surcharge is automatic for health plan subscribers unless the subscriber certifies no one he covers uses tobacco or covered individuals have completed the current tobacco cessation program. To certify no one covered by his health insurance uses tobacco and no one has used it during the past six months, or all covered individuals who use tobacco have completed the current tobacco cessation program, the subscriber must complete a Certification Regarding Tobacco Use form.

6. With regards to the tobacco user surcharge, What are the expectations for participation in the tobacco cessation program?

A: The surcharge is automatic for health plan subscribers unless the subscriber certifies no one he covers uses tobacco or covered individuals have completed the current tobacco cessation program. To certify no one covered by his health insurance uses tobacco and no one has used it during the past six months, or all covered individuals who use tobacco have completed the current tobacco cessation program, the subscriber must complete a Certification Regarding Tobacco Use form.

7. How is the tobacco user surcharge administered and what are the reporting requirements?

A: The surcharge is administered by PEBA. The contractor will submit a monthly file to PEBA of participants who have successfully completed the tobacco cessation program to PEBA in order for the surcharge to be discontinued.

8. Are the current terms of the contract available?

A: As stated in the RFP, tobacco cessation services was formerly bundled with the current Behavioral Health contract that expires December 31, 2016. The specifications and requirements for the current scope of work differs significantly from the scope of work proposed in this free standing RFP. Please refer to the current scope of work.

9. Page 9, section Scope of Solicitation, Introduction-can you expand on how claims and submitted and processed under the current program?

A: Tobacco cessation claims are currently processed for the following services with the associated procedure codes:

Service	Procedure Code
Nicotine Patches	S4991
Smoking Cessation Gum	S4995
Smoking Cessation Patches/Gum	W0186
Smoking Cessation Patches/Lozenges	W0187
Smoking Cessation Class	S9453

The incumbent is BCBSSC affiliate so the claims processing is seamless. PEBA anticipates that the successful offeror will be set up as a provider for BCBSSC for the purposes of filing claims for NRTs.

10. Page 9, section Scope of Solicitation, Introduction-last paragraph refers to payment will be made as a claim for fee-for-service. Can you confirm that only the NRT piece is to be processed as a fee-for-service claim?

A: Confirmed. Payment for NRT is processed as a fee for service claim.

11. Page 20, section III Scope of Work/Specifications #5-Can the state expand on how the contractor would align with Rally Health? Would the Rally Health contain a link to the Tobacco Cessation program?

A: Rally Health is a new platform that will roll out January 1, 2017 as part of the new TPA contract for claims administration held by BCBSSC. The overall concept is that the PEBA member will have a single sign on for health information through the PEBA's My Health Toolkit hosted by BCBSSC. All contractors will be expected to collaborate with the TPA so that the experience for the subscriber is seamless. PEBA anticipates that, based answers to the health survey in the area of tobacco usage, members eligible for tobacco cessation services can be identified. This will further assist the contractor with opportunities for coaching as well as the possible creation of health challenges/missions geared towards tobacco cessation that can be aligned with the Rally platform.

12. Page 24, section Communication and Training, #4-Is there any way to gauge how much material is currently being printed and mailed?

A: the incumbent has not been doing targeted mailings, but they have provided electronic materials for use by the Benefits Administrators at each group/agency to utilize for campaigns and outreach. In addition, we have printed flyers for use at the Benefits At Work conference, as well as for use at group/agency benefit fairs and other special events.

13. Page 24, section Communication and Training, #7- Is the offeror, if awarded the contract, expected to provide personnel and promotional materials at PEBA's annual Benefits at Work Conference beginning in August 2016 even if the contract isn't awarded until August 30?

A: Based on the projected timeline, the BAW Conference may not be realized this year. However, PEBA may expect the successful offeror to attend a major event in the Fall if BAW attendance is not realized in August 2016.

14. Page 25, section III Scope of Work/Specifications, G. Financial Arrangements-States PEBA will remit a PMPM fee for all contracts. Can you confirm this is indeed a per member per month fee applicable to all eligible members over age 13 or is it a per contract per month fee based on employee headcount.

A: The per member per month fee is based on the total health plan member count and not based just on members age 13 and over.

15. Page 25, section III Scope of Work/Specifications, G. Financial Arrangements-States PEBA will also remit a PMPM user fee (claim) who complete participation. Can you confirm that the claim is not applicable here and that the only claims to be submitted and processed through the medical TPA relate to NRT?

A: Confirmed. The only claims submitted and processed through the medical TPA (currently BCBSSC) is related to NRTs.

16. Page 25, section III Scope of Work/Specifications, G. Financial Arrangements-What defines a billable event in the current program for an enrolled member?

A: A billable event would be as described in Item 2 under financial arrangements. The contractor must report and bill program completion by the first of the month for the previous month's participation. i.e. PEBA would then remit payment by February 15 based on January 1-31 completion.

17. Page 25, section III Scope of Work/Specifications, G. Financial Arrangements-How do you define completion of the tobacco cessation program for enrolled members? Is that the standard the new vendor will follow?

A: The current program is a 12-month program and participants are considered quit after six (6) months. Completion is currently defined as completing five coaching calls within a six month period.

18. Page 26, section III Scope of Work/Specifications, H. Payment for Services-Can you explain the current process for NRT being processed as a medical claim through the TPA and the intended process moving forward? Is the state open to alternative billing methods?

A: Tobacco cessation claims are currently processed for the following services with the associated procedure codes:

Service	Procedure Code
Nicotine Patches	S4991
Smoking Cessation Gum	S4995
Smoking Cessation Patches/Gum	W0186
Smoking Cessation Patches/Lozenges	W0187
Smoking Cessation Class	S9453

PEBA anticipates that the successful offeror will be set up as a provider for BCBSSC for the purposes of filing claims for NRTs. To ensure the integrity of the data and the long term repository of claims data, PEBA is not interested in alternative billing methods at this time.

19. Page 29 and 30, section IV Technical Proposal, B-the bullet points under #1 seem to apply to a medical TPA proposal as they mention a claims adjudication system, pre-admission approval, DRGs, etc. Can you please clarify the intent of this language?

A: Please see Amendment 1 which has reissued the RFP in its entirety to delete the language above.

20. Attachment Number 6, Provider Reimbursement Methodologies-Can you please elaborate on the intent of this attachment as it seems to be geared to provider payment under a TPA arrangement?

A: Attachment Number 6, Provider Reimbursement Methodologies is hereby deleted from this request for proposal. A new Attachment Number 6, 2017 Holiday Schedule is the replacement.

The following questions were submitted in writing by Vendor C. (Answers follow.)

1. Please confirm the contract effective date should be January 1, 2017.

A: Confirmed, the effective date of the contract is January 1, 2017.

2. Page 8, "Maximum Contract Period": Please confirm the maximum contract term is five years. The RFP states the maximum contract term starts on 01/01/2016 and ends 12/31/2021 (total of six years). However, the maximum contract term is listed as five years.

A: Confirmed. The maximum contract term is five years beginning January 1, 2017 and ends December 31, 2021.

3. Page 8, "Initial Contract Period": Please confirm the initial contract period is three years.

A: Confirmed. The initial contract period is three (3) years beginning January 1, 2017- and ends December 31, 2019. There will also be two one (1) year renewals.

4. Page 9 states "PEBA is looking for a qualified contractor who can focus exclusively on tobacco cessation services. The contractor should be able to develop a marketing program specifically geared towards tobacco cessation for members of the Plan. These communication efforts should be based on proven success methodologies." Please clarify and provide if PEBA has proven success methodologies that the contractor should follow.

A: PEBA does not have proven success methodologies that the contractor should follow. PEBA is relying on the expertise of the contractor to propose success methodologies that have worked with contractor's book of business in similar markets.

5. Page 20, 4: Please define your expectations of how the contractor's program should be "aligned and compatible" with Rally via BCBSSC.

A: Rally Health is a new platform that will roll out January 1, 2017 as part of the new TPA contract for claims administration held by BCBSSC. The overall concept is that the PEBA member will have a single sign on for health information through the PEBA's My Health Toolkit hosted by BCBSSC. All contractors will be expected to collaborate with the TPA so that the experience for the subscriber is seamless. PEBA anticipates that, based on answers to the health survey in the area of tobacco usage, members eligible for tobacco cessation services can be identified. This will further assist the contractor with opportunities for coaching as well as the possible creation of health challenges/missions geared towards tobacco cessation that can be aligned with the Rally platform. The successful offeror will need to work with BCBSSC to ensure all deadlines are met for rollout as it relates to Tobacco Cessation services.

6. Page 20, 5: Please define your expectations for the contractor's collaboration with BCBSSC to encourage member enrollment in the tobacco cessation program.

A: PEBA expects the contractor to collaborate with BCBSSC to promote PEBA's tobacco cessation program and be aligned in both of their efforts to encourage better health outcomes through member engagement in the tobacco cessation program. For example, if a member self-identifies in the Rally health assessment (survey) that they are a tobacco-user, PEBA's tobacco cessation program would be recommended to the member in the Rally platform as a mission.

7. Page 21, 7b: states the vendor must provide "Telephonic or online counseling with a minimum of 4 out-bound interactions and unlimited in-bound calls or web-based inquiries." Please clarify the type of online cessation counseling is required by the State. Does the State want vendors to offer both telephonic counseling and web-based services, or is the State asking for one or the other type of service? Does the State expect members to be able to complete a program online only?

A: The contractor shall provide a tobacco cessation program in which the member can interact either telephonically or utilizing a web-based platform. PEBA's preference is for multiple modes of interaction, however, the methods of interaction proposed by the offeror will be reviewed subjectively by an evaluation panel.

8. Page 21, A.2: Please define dedicated as it relates to "an account representative dedicated to the State's business." Is this individual's work required to be dedicated solely to the State, or is this individual allowed to be highly designated to the State, serving limited additional clients?

A: The account representative can be highly designated to the State with no less than fifty (50) percent of the time dedicated to the Tobacco Cessation Services contract.

9. Page 22, B.1, B.6, B.7: Would PEBA consider weekly eligibility updates and confirmations instead of daily?

A: No.

10. Paged 23, B.11: Please describe the expected utilization by the contractor of PEBA's Employee Benefit Services for eligibly questions. Would PEBA accept alternative solutions?

A: PEBA offers contractors access to PEBA's Employee Benefit Services to verify eligibility if necessary. The contractor is not required to use this system.

11. Page 23, C.2. Please provide a listing of PEBA's business days (listing non-working holidays) so we can compare to our company's standard business days.

A: See Attachment Number Six (6) titled 2017 Holiday Schedule.

12. Page 24, D.7: Please clarify the attendance of the annual Benefits Work Conference. Do 400 different individuals attend each of the four days, or do 400 people attend for four days? In addition, please describe the types of promotional materials PEBA anticipates at the conference.

A: Attendance at the annual Benefits as Work Conference is typically up to 400 different individuals attending each of the four days. Promotional materials would include but not be limited to flyers or brochures describing PEBA's tobacco cessation program.

13. Page 24, E.3: Please define your expectation for "*Detailed compliance reports on a monthly or quarterly basis on performance standards.*"

A: Compliance reports on performance standards include but are not limited to the following information: the performance standard description, the reporting measurement, the standard or goal, and the outcome of the standard or goal.

The following questions were submitted in writing by Vendor D. (Answers follow.)

Introduction

1. Page 9, bottom of page - Page 9 states "PEBA is looking for a qualified contractor who can focus exclusively on tobacco cessation services. The contractor should be able to develop a marketing program specifically geared towards tobacco cessation for members of the Plan. These communication efforts should be based on proven success methodologies." Please clarify and provide if PEBA has proven success methodologies that the contractor should follow.

A: PEBA does not have proven success methodologies that the contractor should follow. PEBA is relying on the expertise of the contractor to propose success methodologies that have worked with contractor's book of business in similar markets.

Part III: Scope of Work/Specifications

Scope of Work

2. **Page 20, item 4 - Please define your expectations of how the contractor's program should be "aligned and compatible" with Rally.**

A: Rally Health is a new platform that will roll out January 1, 2017 as part of the new TPA contract for claims administration held by BCBSSC. The overall concept is that the PEBA member will have a single sign on for health information through the PEBA's My Health Toolkit hosted by BCBSSC. All contractors will be expected to collaborate with the TPA so that the experience for the subscriber is seamless. PEBA anticipates that, based on answers to the health survey in the area of tobacco usage, members eligible for tobacco cessation services can be identified. This will further assist the contractor with opportunities for coaching as well as the possible creation of health challenges/missions geared towards tobacco cessation that can be aligned with the Rally platform. The successful offeror will need to work with BCBSSC to ensure all deadlines are met for rollout as it relates to Tobacco Cessation services.

3. **Page 20, item 5 - Please further define your expectations for the contractor's collaboration with BlueCross to encourage member enrollment in the tobacco cessation program.**

A: PEBA expects the contractor to collaborate with BCBSSC to promote PEBA's tobacco cessation program and be aligned in both of their efforts to encourage better health outcomes through member engagement in the tobacco cessation program. For example, if a member self-identifies in the Rally health assessment (survey) that they are a tobacco-user, PEBA's tobacco cessation program would be recommended to the member in the Rally platform as a mission.

4. **Page 21, item 7b - states the vendor must provide "Telephonic or online counseling with a minimum of 4 out-bound interactions and unlimited in-bound calls or web-based inquiries." Please clarify the type of online cessation counseling required by the State.**

A: The contractor shall provide a tobacco cessation program in which the member can interact either telephonically or utilizing a web-based platform. PEBA's preference is for multiple modes of interaction, however, the methods of interaction proposed by the offeror will be reviewed subjectively by an evaluation panel.

5. **Page 21, item 7f - Can you provide additional detail around the need for a resource for implications of the Affordable Care Act? Does this requirement relate to the reasonable alternative or something else?**

A: Yes. This would relate to the reasonable alternative.

Section A - Account Management and Personnel

6. Page 21, item 1 - With regard to the requirements for an office within 100 miles of the PEBA Columbia Offices – would the requirement be met if a subcontractor had an office within 100 miles?

A: This requirement has been removed. See Amendment 1.

7. Page 21, item 2 - Is the account representative required to be located in South Carolina?

A: No. However, the account representative, must be readily available to PEBA staff as described in the RFP

8. Page 21, A.2 - Please define dedicated as it relates to "an account representative dedicated to the State's business." Is this individual's work required to be dedicated solely to the State, or is this individual allowed to be highly designated to the State, serving limited additional clients?

A: The account representative can be highly designated to the State with no less than fifty (50) percent of the time dedicated to the Tobacco Cessation Services contract.

9. Page 21, item 4 - Please provide more detail on coordination with Express Scripts since the NRTs will be fulfilled through the tobacco cessation vendor.

A: PEBA is looking for a holistic approach to its health products. All contractors need to be cognizant of what is being offered in other areas of the State Health Plan to ensure that every opportunity to market and promote PEBA products and services are realized.

Section B- Eligibility and Computer Support

10. Page 22, B.1, B.6, B.7 - Would PEBA consider weekly eligibility updates and confirmations instead of daily?

A: No.

Section C- Customer Service

11. Page 23, item 2 - The RFP also mentions a separate customer service line to be available from 12pm until 8pm. Please confirm that this service is in addition to the 24 hour tobacco quit line.

A: Yes

12. Page 23, item 2 – By what date must the customer phone line be staffed and by what date must they begin taking phone calls?

A: The Contractor will be required to demonstrate that it has established and staffed telephone lines by November 15, 2016.

Section D - Communications and Training

13. Page 24, item 3 – If we use a sub-contractor must all brands be reflected on the materials?

A: PEBA is seeking the services of a provider who can focus exclusively on tobacco cessation services.

14. Page 24, item 4 - Can marketing communications requirements be met using a combination of email, online and other electronic materials?

A: Yes. However, PEBA reserves the right to request that a targeted campaign be printed and mailed.

Section E - Reporting

15. Page 24, item 3 - Can you provide additional detail on the compliance reporting required?

A: Compliance reports on performance standards include but are not limited to the following information: the performance standard description, the reporting measurement, the standard or goal, and the outcome of the standard or goal.

Section G - Financial Arrangements

16. Page 25, items 1 and 2 - Please confirm that the financial arrangements include the following types of fees and confirm billing method:

Type of fee:

- 1. PMPM admin fee for all eligible members**
- 2. User fee for all members completing the program**
- 3. Nicotine replacement**

Submission method:

- Admin billing**
Admin billing
Claims

A: Confirmed.

17. Page 25, items 1 and 2 - Can you confirm whether admin fee 1 is PEPM or PMPM and provide details on the population for which the admin fee would be paid, i.e. contracts vs. members, corresponding ages (the RFP references ages 13 and above).

A: Admin fee 1 is per member per month. The admin fee is based on all members enrolled in the health plans to include subscribers, spouses and dependent children regardless of age.

18. Page 25, item 2 - Can you provide a definition of the term "Completion" for admin fee 2 (the user fee)?

A: Completion will be based on the successful offeror's proposed solution as accepted by the State. Currently, completion is defined as completing five coaching calls within a six month period.

19. Page 26, item 3 - Please confirm that remittance for admin fees will be made by ACH and outline whether two separate payments will also be made or whether only one payment will result from the two ACH transactions.

A: There will be two separate ACH payments.

Section H - Payment for Services

20. Page 26, item 2 - Please confirm whether completion fee is a one-time fee or a per member per month fee.

A: Confirmed. The completion fee is a one-time fee based on documented completion.

Part IV – Information for Offerors to Submit

Information for Offeror's to Submit: General

21. Page 27, Items b, c, e, f, g, and h – Would a DVD be an acceptable electronic media substitute for a CD?

A: Yes.

22. Page 27 – Would PDF be an acceptable format for the file(s) on these redacted CDs?

A: Yes. .PDF is preferred.

Technical Proposal – Approach

23. Reporting - Page 31, item 1 - Does the reference to online reporting mean that PEBA requires online access to the vendor reporting software or is it sufficient to send the reports electronically according to the frequencies of the reports?

A: PEBA does not require an online reporting tool or software. It is sufficient to send the reports electronically according to the frequency of the reports.

Part V – Qualifications

Mandatory Minimum Qualifications:

24. Pages 36 and 37, items 1,2,3 and 4 - Can the mandatory minimum requirements be satisfied by a sub-contractor?

A: No.

Part VII - Terms and Conditions – B. Special

CONTRACTOR'S LIABILITY INSURANCE-GENERAL (FEB 2015)

25. Page 45, Section 7. (b).(1) – Would form 04 13 or an equivalent also be acceptable for the Commercial General Liability requirement? It is our understanding the form has changed.

A: Yes. Please provide information on the most recent forms.

26. Page 45, Section 7. (b).(3) – With respect to workers' compensation, is it acceptable for the contractor to have the option to self-insure and maintain an excess policy with retention levels of no more than \$1,000,000?

A: No, however with respect to worker's compensation it is acceptable for the Contractor to have the option to self-insure and maintain an excess policy with retention levels of no less than \$1,000,000.