

STATE OF ALASKA RFP NUMBER 2015-0200-2770
AMENDMENT NUMBER FIVE



Department of Administration
Division of Administrative Services
333 Willoughby Avenue, 10th Floor
PO Box 110208
Juneau, Alaska 99811-0208

THIS IS NOT AN ORDER

DATE AMENDMENT ISSUED: July 15, 2015

RFP TITLE: LONG TERM CARE PLAN ADMINISTRATOR

IMPORTANT NOTE TO OFFERORS: This amendment is being issued to answer question(s) received and/or to modify a section of the Request for Proposals (RFP). Only the following items/sections referenced in this amendment are to be changed. All other terms and conditions of the original RFP remain the same.

Questions Received:

- Q. Is the vendor responsible for annual mailings such as privacy notices and rate increase letters?
- A. **No. The Division is responsible for notice of privacy practices as well as any plan or rate change information. We would expect that your office would mail your own notice of privacy practices or other notifications as required by HIPAA or otherwise required by law.**
- Q. Is the vendor expected to have records of all 23,000 policies on their system or just the ones on claims?
- A. **Yes, the Division will transmit enrollment records to the TPA on a weekly basis, and it is expected that the data will be loaded into your system.**
- Q. Is the vendor expected to provide services on just policies on claims (and answer benefit related questions on all policies) or provide administration services (except billing) on all policies?
- A. **We do expect claim and benefit related information be provided to our members by the TPA. We also expect underwriting review for new spouses being added to an existing member plan. Initial enrollment eligibility and billing is our responsibility. .**
- Q. Please confirm if all proposals should only be mailed to the PO Box address.
- A. **Offeror can use either of the mail addresses provided.**
- Q. In reference to Section 1.13 of the RFP which states that the procurement officer may reject any proposal that does not comply with all material and substantial terms of the RFP. Could you please identify which are the material and substantial terms of the RFP?
- A. **Everything stated from section one through section six, including the attachments, in the RFP are the material and substantial terms.**

- Q. In reference to Section 2.08 of the RFP which states that the Offeror must be a licensed insurance provider that offers LTC insurance policies to the public. Could you confirm that a Third Party Administrator is considered to qualify under that definition as all parties on the phone and your current service provider are TPA's?
- A. A Third-Party Administrator License with the State of Alaska will be allowed in lieu of an insurance provider license.**
- Q. With respect to claims, could you clarify whether payments on existing open claims would be handled by the new Offeror per 1-1-16 or continued to be handled by the current provider during the 1-year run-off period?
- A. For individuals under a current program of care, services provided on or after 1/1/16 will be processed by the new administrator. Claims for services rendered prior to 1/1/16 will be the responsibility of the prior administrator.**
- Q. Is there a ratio of how many days per week members must have coverage?
- A. Is based on calendar days from start of covered program of care.**
- Q. Is just somewhere/anywhere not a calendar day window?
- A. No. At the moment a member is initially covered under the program that meets their criteria, which would be the start of that first service that it would be on calendar days.**
- Q. As soon service starts that start the calendar?
- A. Yes.**
- Q. How many closed or denied claim exist on still active policies? Is that information provided in the eligibility feed the new TPA would get or that would be converted at the time of transfer of responsibility?
- A. Data will be transferred from the current TPA to the new TPA.**
- Q. In the eligibility feed is demographic specific data? Would that be also transferred from the current TPA?
- A. There will be a transfer of data from the current TPA to the new TPA. Demographic information will also be reported by the Division on our weekly eligibility reports.**
- Q. What is the current denial rate from the benefit eligibility standpoint?
- A. The current rate of program of care denials (member does not meet ADLs or services/provider does not meet plan criteria) is approximately 13%.**
- Q. Do you provide care management to all open and active claims and do you provide care management restrictively only on the area that coverage that you provide or they must holistic care management outside what your policy support but the person may have a need for?
- A. The State has the general care management, which generally transport coverage services. Individual case management, which is outside of that, tends to be more holistic. If no other reason they have covered services but not services provider.**
- Q. Do you currently do face to face assessment for every open claim and every re-certification or that driven by different guidelines?
- A. Policy guidelines would dictate the eligibility for new or continued programs of care.**

Q. What policy administration platform are you currently on, is it proprietary platform that you hold that you use administratively or are you using the TPA's platform?

A. **This plan is self-funded and we hold the eligibility information. That information is transmitted to the TPA under an 834 file format. If the 834 file format is not compatible with the TPA system, we can discuss what file format is needed.**

Q. Which areas are you looking to get more improvement, and what challenges you have that would like to address?

A. **The State is looking for significant improvement for member access to information, the ability to view claims and receive quality information. Also the ability to hold information and give the State regular updates.**

Q. What is the number of new claim request (both approved & not approved) for the period 2010 – 2014?

A. See below.

	2010	2011	2012	2013	2014	2015 (Jan. – Jun.)
Requests	108	126	140	136	147	71
Approved	75	85	110	124	129	65
Denied	33	41	30	12	18	6
Approval Rate	69.4%	67.5%	78.6%	91.2%	87.8%	91.5%

Q. What is the number of new claims projected in the actuarial model for the contract period?

A. **Information has been requested. A separate amendment will be issued to provide information.**

Q. What is the number of active claims for the period 2010 – 2014?

A. See below.

	2010	2011	2012	2013	2014
Q1	149	154	177	172	207
Q2	145	168	174	176	255
Q3	139	161	172	192	275
Q4	138	162	181	193	266

Q. What is the number of active claims projected in the actuarial model for the contract period?

A. **Information has been requested. A separate amendment will be issued to provide information.**

Q. What is the number of participating members for the period 2010 – 2014 by year?

A. See below.

	2010	2011	2012	2013	2014
Participants	21,960	22,654	23,283	24,072	24,804

Q. What percent of claimants have a claim lasting less than one year?

A. **Approximately 10%.**

Q. What is the average claim duration for claimants whose claim lasts more than one year?

A. **3.25 years.**

Q. How many of the 274 individuals currently on claim receive alternate care as part of the Individual Case Management provision?

A. **Currently 94 individuals are receiving alternate care. This includes those members that are receiving services at unlicensed facilities or agencies, where there is no access to a licensed facility or agency.**