



STATE OF TENNESSEE
 FINANCE AND ADMINISTRATION, DIVISION OF BENEFITS ADMINISTRATION

**REQUEST FOR PROPOSALS # 31786-00126
 AMENDMENT # 1
 FOR VOLUNTARY PREPAID DENTAL PROGRAM**

DATE: May 29, 2015

RFP # 31786-00127 IS AMENDED AS FOLLOWS:

- This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.**

EVENT	TIME (central time zone)	DATE (all dates are state business days)
1. RFP Issued		April 29, 2015
2. Disability Accommodation Request Deadline	2:00 p.m.	May 4, 2015
3. Pre-response Conference	11:00 a.m.	May 5, 2015
4. Notice of Intent to Respond Deadline	2:00 p.m.	May 8, 2015
5. Written "Questions & Comments" Deadline	2:00 p.m.	May 13, 2015
6. State Response to Written "Questions & Comments"		May 29, 2015
7. Response Deadline	2:00 p.m.	June 5, 2015
8. State Completion of Technical Response Evaluations		June 15, 2015
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	June 16, 2015
10. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	1 day after Insurance Committee Award of Contract
11. End of Open File Period		7 Calendar Days Later
12. State sends contract to Contractor for signature		8 BUSINESS DAYS LATER
13. Contractor Signature Deadline	2:00 p.m.	1 – 5 BUSINESS DAYS LATER

2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
<p>1 Assignment & Subcontracting, reference 4.4.2, is the State's intention to review all of the Contractor's subcontractors?</p> <p>Or, only subcontractors that may be assigned to portions of the work listed in the Pro Forma Contract under section A. SCOPE OF SERVICES?</p>	<p>No, it is the State's intention to approve all subcontractors' who will perform services for the State under the contract resulting from this RFP.</p>
<p>2 Section C – Technical Qualifications, Experience & Approach Items, reference C.19.Provider Network Analysis, would the State be willing to extend the service area outside Tennessee for a Contractor who meets the specified access standards in other locations for the State's total employee/retiree population?</p> <p>Would additional points be awarded?</p>	<p>No, the State will not alter this requirement for the analysis.</p> <p>The State recognizes that some active and retiree members reside outside the State of Tennessee and desire that they have reasonable access to network providers. However, the majority of the members reside within the State.</p>
<p>3 3.1 Response Form, reference 3.1.1.1, should the Contractor include a brief cover letter at the beginning of the Technical Response? Will an editable version of the Technical response be provided?</p>	<p>The Contractor (Respondent) may provide a brief cover letter at the beginning of the Technical Response if they choose. Yes, a Word version of the RFP document will be posted with this amendment.</p>
<p>4 6.3 Cost Proposal & Scoring Guide, reference RFP Attachment 6.3, why does the number of subscribers by tier for active employees and retirees reflected on the cost proposal differ from the number of subscribers reflected on the 4/1/2015 enrollment data as part of Appendix 7.2?</p>	<p>The number reflected in RFP Attachment 6.3 is the evaluation factor used for evaluating all cost proposals, because this is an evaluation factor and not the actual number of subscribers a growth factor has been applied to anticipate possible program growth in the future.</p>
<p>5 6.3 Cost Proposal & Scoring Guide, reference Table A (Prepaid Procedure Code Cost Proposal), will the estimated out of pocket expenditures be updated with new codes, frequencies and weights?</p> <p>When were the copays last updated?</p> <p>Will the following deleted codes be removed from the scoring, D0999 and</p>	<p>There is an updated spreadsheet that will be posted with this amendment.</p> <p>The copays have not changed during the entire length of the contract.</p> <p>These codes are no longer reflected on the correct</p>

QUESTION / COMMENT	STATE RESPONSE
D4271?	<p>table; please see the updated spreadsheet attached to the procurement website.</p> <p>http://tn.gov/generalserv/cpo/sourcing_sub/rfp.shtml</p>
<p>6 Pro forma Contract C. Payment Terms and Conditions, reference C.3.B.(2), please provide the maximum percentage increase determined by the national trend for dental expenses in 2013, 2014 and 2015 as calculated by the State's contracted actuarial and benefits consulting firm.</p>	<p>Based on the State's actuarial consultant's trend rates, national dental claims trend was 4% for 2013, 3% in 2014, and 3% in 2015.</p>
<p>7 Pro forma Contract D. Mandatory Terms and Conditions, reference D.7 Assignment and Subcontracting, if the Contractor who is awarded the contract exits the healthcare market, will the State initiate negotiations with the next ranked respondent?</p>	<p>If the Respondent deemed the best evaluated exits the market and is no longer providing the services requested by this Contract the State will work with the Central Procurement Office to determine the best way to proceed in establishing a new Vendor for the requested services.</p>
<p>8 Contract Attachment C Reporting Requirements, reference Liquidated Damages Tracking, please provide a copy of the annual liquidated damages tracking report from the Contractor for 2014.</p>	<p>Please see Attachment 2 to this amendment.</p>
<p>9 Contract Attachment C Reporting Requirements, reference Summary Plan Information, please provide a copy of the annual summary plan information report including capitation and claims paid for 2013 and 2014.</p>	<p>Please see Attachment 1 to this amendment.</p>
<p>10 Contract Amendment Cover Sheet, reference Appendix 7.3, why did the maximum liability decrease in 2015?</p>	<p>Maximum liability is based on several factors including enrollment participation levels, the maximum liability reflected on the Amendment cover sheet is an estimate of what the State expects to spend based on historical and current information.</p>
<p>11 Certificate of Group Prepaid Dental Benefits, reference 5.b.(ii) Participating General Dentists and Specialists, services not listed in the Participating Specialist Copayment Schedule will be paid at a charge which is 25% less than the Participating Specialist's usual and customary charge. Current Tennessee legislation prevents discounting for non-covered charges. Will the State approve removal of this clause?</p>	<p>No, the State chooses to not remove this clause. Procedures performed by Participating Specialists which are not listed on the member's copayment schedule are covered subject to program limitations and exclusions. The Participating Specialist has agreed to discount the charge to the member by 25%.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>If so, what copay amount should be used for orthodontics, since benefits are currently 25% reduction off the Orthodontist's usual and customary charges?</p> <p>Or should orthodontic coverage be removed entirely?</p>	
<p>12 Certificate of Group Prepaid Dental Benefits, reference Participating Dentist Copayment Schedule, several restorative codes have an asterisk (*) to indicate there is an upcharge associated with the code; however, the upcharge amounts are not listed. Please provide the appropriate upcharge amount to include in the schedule for these codes.</p> <p>Also, how should the upcharges be included in the prepaid procedure cost scoring?</p>	<p>The asterisk (*) indicates that the member is responsible for any laboratory charges. The laboratory charges are not included in the member's copayment schedule. The upcharges should not be included in the prepaid procedure cost table.</p>
<p>13 Tennessee Zip Code Employee/Retiree (sic) Eligibility Counts, reference Appendix 7.6, is it possible to remove non Tennessee zip codes from this file for rating purposes?</p>	<p>Please refer to Appendix 7.4 of the RFP document, the instructions ask only that respondents provide analysis results for Tennessee zip codes only.</p>
<p>14 Can you provide dental incurred claims vs premium experience for the past 24 months on the DHMO, including monthly enrolled lives</p>	<p>On the Prepaid program, the only claims submitted are for a few Participating Specialists which the current Contractor has agreed to reimburse an extra amount of payment in addition to the member's copayment for certain procedure codes as an incentive for the specialist to join the Contractor's network. Please see Attachment 1 for the requested premium and enrollment history.</p> <p>Detailed enrollment information was provided in Appendix 7.2 to the RFP document. This excel file has been updated and is posted to the State's procurement website located at http://tn.gov/generalserv/cpo/sourcing_sub/rfp.shtml</p>
<p>15 Can you provide a full census showing DHMO elections, family tiers, zip codes, DOB's, and genders</p>	<p>The State cannot provide DOB's, but please refer to Appendix 7.2 to the RFP document, see the response to Question #14 above.</p>
<p>16 A.4.b.(4): We are an inbound call center. Therefore, if a hearing impaired caller contacts us, they would likely be using a TTY device, along with a TRS</p>	<p>This requirement is being removed from the Pro Forma Contract; please refer to Amendment Section 3.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>(Telecommunications Relay Service). The TRS service then listens to the call and transcribes our call center's responses into text that is displayed on the TTY device for the caller to read. This requirement may be applicable to an outbound call center, but not an inbound call center.</p> <p>Therefore, we would request that this requirement be deleted or modified to read: If Contractor offers an outbound call center, the Contractor's Call Center shall be equipped with TDD (Telecommunication Device for the Deaf) or TTY (Teletype) in order to serve the hearing impaired population.</p>	
<p>17 A.4.c.(2): Our call center does not have the capability to monitor First Call Resolution. We estimate that 99%+ of all calls are resolved on the first call, but our call center does not have the capability to track and report on this. The Prepaid plan offered to State employees is administratively very simple, since the member merely selects a network General Dentist and pays the copayment according to the fixed copayment schedule (for both General and Specialist services). As well, the enrollment and eligibility is administered by the State, so any discrepancies related to the member/dependent eligibility would typically be resolved by the State. Additionally, since this is not a claims-based dental plan, there are no calls related to claims issues which would be a bit more complex, but much less complex than medical-related plans.</p> <p>Therefore, we would request this requirement be deleted from the Scope of Services since it is not applicable to a Prepaid dental plan.</p>	<p>Thank you for this suggestion however, the State chooses to maintain the current language in the Pro Forma contract.</p>
<p>18 A.4.h.: Our call center does not have the capability to record, index and retrieve all calls. We do have the ability to log call notes in the system by the caller's identifying information, date, length of call, type of call (e.g., whether the call was from the member, the provider, etc.),</p>	<p>The State will revise the wording in Pro Forma Contract Section A.4.h. to require that a minimum of 25% of the members' calls be recorded for auditing and quality assurance purposes and that call notes shall be entered into the Contractor's system for all member calls. Please see Amendment Section 4 below.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>reason for the call, member services representative who handled the call, and notes about the call (specifics regarding actions taken, etc).</p> <p>Therefore, we would request that this requirement be modified to read: The Contractor shall have the ability to log call notes in their call management system to include the caller's identifying information, date, length of call, type of call, reason for the call, member services representative who handled the call, and notes about the call, to include any actions taken.</p>	
<p>19 A.4.k.: Our call center does not routinely log all calls. We do have the ability to log call notes in the system by the caller's identifying information, date, length of call, type of call (e.g., whether the call was from the member, the provider, etc.), reason for the call, member services representative that handled the call, and notes about the call (specifics regarding actions taken, etc).</p> <p>Therefore, we would request this requirement be deleted from the Scope of Services (and note, it would be materially addressed by the change requested to A.4.h.).</p>	<p>The State has revised Pro Forma Contract Section A.4.h; refer to the response to Question 18 above, however – the requirements in the referenced Pro Forma Contract Section A.4.k. relate to the call notes that should be maintained by the Contractor.</p>
<p>20 A.10.h.(4): Due to the confidential, proprietary and sensitive nature of our Business Continuity and Disaster Recovery Plan (BC-DR), this document cannot be copied or released outside the company. We can provide the Table of Contents of the plan and the detailed documents, including information on our BC-DR plan, can be reviewed via a scheduled webinar with the <i>"Name Redacted"</i> Corporate Compliance team.</p> <p>Therefore, we would request that this section be modified to read: The Contractor shall provide the State with the Table of Contents of its BC-DR plan and latest test results at least one (1) month prior to the go-live date as shown in contract section A.15.e.19. The Contractor shall provide the State a copy of its BC-DR plan's Table of Contents within ten (10) business days of the Contractor's revision of the plan's Table of</p>	<p>The Contractor may provide a Table of Contents and then schedule a webinar to review detailed documents with the State. This clause, Pro Forma Contract A.10.h.(5) has been revised, please refer to Amendment Section 5 below.</p>

QUESTION / COMMENT	STATE RESPONSE
<p>Contents.</p>	
<p>21 A.17.f.: We request this definition be revised to read: Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State and Contractor holidays are excluded. Contractor will provide the State with the calendar of holidays prior to January 1 of each year.</p>	<p>Thank you for this suggestion however, the State chooses to maintain the current language in the Pro Forma contract.</p>
<p>22 <u>Attachment B – Performance Guarantees and Liquidated Damages</u></p> <p>9. Our call center does not have the capability to monitor First Call Resolution, as explained above in A.4.c.(2).</p> <p>We would request this metric be deleted.</p>	<p>Thank you for this suggestion however, the State chooses to maintain the current language in the Pro Forma contract.</p>
<p>23 <u>Attachment B – Performance Guarantees and Liquidated Damages</u></p> <p>12. We request the Assessment be incremental based on not meeting the requirement.</p> <p>Therefore, we request the Assessment be changed to read: Five hundred dollars (\$500.00) for each percent or partial percent below the requirement, up to ten thousand dollars (\$10,000.00) for failure to reach the guarantee.</p>	<p>Thank you for this suggestion however, the State chooses to maintain the current language in the Pro Forma contract.</p>
<p>24 <u>Attachment B – Performance Guarantees and Liquidated Damages</u></p> <p>13. There are areas in rural Tennessee where there will not be two (2) General Dentists available to the general population within 35 miles. Therefore, since the State allows members to drop the Prepaid Dental plan if they do not have access to a General Dentist within 40 miles, we recommend the GeoAccess standard for General Dentists in the rural area be defined to read: 2 providers within 40 miles.</p> <p>Also, we request the Assessment be incremental based on not meeting portions of the requirement (some credit should be allowed when the Contractor meets most of the standard).</p>	<p>Thank you for this suggestion however, the State chooses to maintain the current language in the Pro Forma contract.</p> <p>However, the State at its discretion may waive liquidated damage assessments in certain instances. These instances could include the Contractor proving that no dentists exist within a certain range and therefore would be unable to meet the requirement. Also, if the Contractor extended an offer to a dentist that declined to join and this dentist would have been necessary to meet the requirement, then the State may waive the liquidated damage assessment.</p>

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<p>Therefore, we request the Assessment be changed to read: Liquidated damage of five hundred dollars (\$500.00) per percent or partial percent of each standard not met up to five thousand dollars (\$5,000.00).</p>	
<p>25 <u>Cost Proposal Attachment 6.3</u></p> <p>Please confirm if the Cost Proposal Attachment 6.3 that is currently posted as part of the RFP is the correct document. The current document has a comment note highlighted in yellow that states it is from 2010 and needs to be updated with new codes, frequencies, and weights. Will the State be providing a new Attachment 6.3 that is updated with the referenced information?</p>	<p>A new Cost Proposal Excel attachment has been posted to the procurement website, please refer to the revised version posted.</p> <p>http://tn.gov/generalserv/cpo/sourcing_sub/rfp.shtml</p>

3. Delete RFP Attachment 6.6 Pro Forma Contract Section A.4.b.(4) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

(4) **TEXT DELETED**

4. Delete RFP Attachment 6.6 Pro Forma Contract Section A.4.h. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

h. The Contractor's call management system shall record and index a minimum of 25% of all member calls such that the Contractor can easily retrieve recordings of individual calls based on the phone number of the caller, the caller's name, the date/time of the call and the staff member who handled the call. The Contractor shall be able to provide a full recording of each recorded call upon the State's request. The Contractor shall log and enter call notes for all member calls answered by the Contractor. The Contractor shall archive the recordings for one year from the date of each call.

5. Delete RFP Attachment 6.6 Pro Forma Contract Section A.10.h.(5). in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

(5) The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore system functions. The Contractor shall submit a written summary of its annual BC-DR test results to the State. Contractor will provide to the State at least annually results of the business continuity/disaster recovery plan. The test results will show any identified deficiencies and a remediation plan will be provided within 20 business days. The contractor will show evidence that any deficiencies have been corrected within 45 business days.

6. Delete RFP Attachment 6.6 Pro Forma Contract Section C.3.b.(4). in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

(4) For service performed from January 1, 2020 through December 31, 2020, the Contractor shall be compensated based upon the payment rates in Section C.3.b.(1) above [as modified in C.3.b.(2) and (3)] but adjusted, if requested by the Contractor, up to a maximum percentage determined by the national trend for dental expenses in the previous calendar year as calculated by the State's contracted actuarial and benefits consulting firm. In the event the Contractor requests a rate increase; the Contractor must provide any claims history, premium experience information, and/or other data supporting a need to increase the rates. Any rate increase will not exceed the national trend percentage calculated by the State's actuarial and benefits consulting firm. The Contractor may not appeal the trend rate provided by the State's consulting firm. The Contractor may reduce the payment rates upon notification to the State.

7. Add the following as RFP Attachment 6.6 Pro Forma Contract Section C.3.c. and renumber any subsequent sections as necessary:

c. In order for the Contractor to request a rate increase as described above, the Contractor's premium and capitation experience must reflect a dental loss ratio of 70% or greater based upon premium and capitation experience of the previous calendar year. Any rate escalation requests submitted for the State's consideration must be submitted no later than April 30th of the preceding year.

8. Add the following as RFP Attachment 6.6 Pro Forma Contract Attachment C, Section 12 and renumber any subsequent sections as necessary:

12) **Rate Escalation Request**, submitted annually if necessary detailing a request from the Contractor to increase the current rates detailed in Contract Section C.

9. RFP Amendment Effective Date. The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.

**State of Tennessee - Enrollment, Premium, Capitation, and Claims Summary
Plan Years 2013 - 2014**

PLAN YEAR 2014										
	Q1		Q2		Q3		Q4		Year End	
	Subscribers (Avg/Month)	Premium								
Subscribers and Premium	24,186	\$1,153,588	24,238	\$1,154,463	24,325	\$1,158,410	24,528	\$1,166,963	24,319	\$4,633,424
Prepaid Claims Paid		\$84,735		\$120,309		\$108,644		\$98,402		\$412,090
Capitation Paid		\$674,342		\$676,955		\$674,558		\$661,360		\$2,687,215
Supplemental Capitation and/or Payments		\$132,603		\$120,140		\$115,119		\$110,096		\$477,958
Total Claims, Capitation and Supplements		\$891,680		\$917,404		\$898,321		\$869,858		\$3,577,263
Total Supplemental Capitation and/or Payments PSPM¹	\$1.83		\$1.65		\$1.58		\$1.50		\$1.64	
Claims & Capitation/Premium										77.2%

PLAN YEAR 2013										
	Q1		Q2		Q3		Q4		Year End	
	Subscribers (Avg/Month)	Premium	Subscribers (Avg/Month)	Premium	Subscribers (Avg/Month)	Premium	Subscribers (Avg/Month)	Premium	Subscribers (Avg/Month)	Premium
Subscribers and Premium	24,165	\$1,125,273	24,329	\$1,131,843	24,653	\$1,144,860	24,927	\$1,156,836	24,519	\$4,558,812
Prepaid Claims Paid		\$112,089		\$98,187		\$164,031		\$98,098		\$472,405
Capitation Paid		\$673,540		\$685,626		\$688,722		\$699,124		\$2,747,012
Supplemental Capitation and/or Payments		\$102,948		\$128,771		\$158,289		\$101,651		\$491,659
Total Claims, Capitation and Supplements		\$888,577		\$912,584		\$1,011,042		\$898,873		\$3,711,076
Total Supplemental Capitation and/or Payments PSPM	\$1.42		\$1.76		\$2.14		\$1.36		\$1.67	
Claims & Capitation/Premium										81.4%

¹ Average Dollar Amount of Supplemental Capitation and/or Payments to Network Providers Per Subscriber Per Month ("PSPM")

Guarantee	Assessment	1st QTR	2nd QTR	3rd QTR	4th QTR	2014 Total
1. Provider Network Accessibility						
As measured by the GeoNetworks® Provider & Facility Network Accessibility Analysis, the Contractor's provider network will assure that 95% of all members will have the Access Standard indicated.	\$5,000.00 if EITHER of the standards (Provider Type or Access Standard) is not met, either individually or in combination.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Primary Dentist Turnover Rate						
Total Primary Dentists leaving the network, regardless if the action is voluntary or involuntary will not exceed 15%.	\$10,000.00 if dental turnover rate exceeds 15% in any Contract Year.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
3. Telephone Response Time						
The Contractor's call center shall answer, by a person, one hundred percent (100%) of calls within five (5) minutes or three hundred (300) seconds, as required in Contract Section A.3.k	Five hundred dollars (\$500) for each second above the threshold during each period on any single day. One Hundred-Fifty-thousand dollar (\$150,000) annual maximum.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
4. Call Abandonment Rate						
Percentage of telephone callers that hang up before speaking to a "live" person will not exceed 5.0%.	\$500.00 for each full percentage point greater than 5% of all calls. Quarterly	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Communication						
100% of State approved member information will be distributed prior to annual transfer period (usually Oct. 15 - Nov. 15 or as otherwise revised by the State).	Should the above standard not be met, the total non-compliant amount shall be \$10,000.00 per year in which standard is not met. Measured annually.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Identification Card Distribution						
Member ID cards must be distributed to at least 90% of members prior to December 20th preceding the January 1st start date for each year of the contract	Should the above standard not be met, the total non-compliant amount shall be \$2,000.00 per year in which the standard is not met	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
7. Member Satisfaction						
The level of overall customer satisfaction, which is measured annually by a Stateapproved Member Satisfaction Survey, will be	\$10,000.00 Annual.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Weekly Enrollment Updates						

All Weekly Enrollment file processing and mismatch deadlines will be met as	See A.4.c.(1). \$100.00 per day for the first (1st) and second (2nd) working days out of compliance; \$500.00 per working day thereafter.	\$1,800.00	\$0.00	\$0.00	\$0.00	\$1,800.00
9. State of Tennessee Enrollment Data Match						
The Contractor shall submit to the State, not to exceed two (2) times annually, via secure medium its full file of State enrollees.	Failure to submit records in accordance with A.4.c.(2)i. shall result in a Five Thousand Dollar (\$5,000.00) amount per request. Failure to resolve the discrepancies within the specified timeframe in accordance with A.4.c.(2)ii. will result in a second Five Thousand Dollar (\$5,000.00) amount.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Management Reporting						
All quarterly claims management reports will be delivered by the 30th day subsequent to the end of each reporting period.	\$500.00 for every day that reports are late.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Totals:		\$1,800.00	\$0.00	\$0.00	\$0.00	\$1,800.00