



STATE OF TENNESSEE
FINANCE & ADMINISTRATION, BENEFITS ADMINISTRATION

**REQUEST FOR PROPOSALS # 31786-00147
AMENDMENT # TWO
FOR HEALTH SAVINGS AND FLEXIBLE SPENDING
ACCOUNTS**

DATE: 2/19/2020

RFP # 31786-00147 IS AMENDED AS FOLLOWS:

1. **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
1. RFPs Issued		January 10, 2020
2. Disability Accommodation Request Deadline	2:00 p.m.	January 16, 2020
3. Pre-response Conference	9:30 a.m.	January 17, 2020
4. Notice of Intent to Respond Deadline	2:00 p.m.	January 21, 2020
5. Written "Questions & Comments" Deadline	2:00 p.m.	January 27, 2020
6. State Response to Written "Questions & Comments"		February 19, 2020
7. Response Deadline	2:00 p.m.	March 3, 2020
8. State Completion of Technical Response Evaluations		March 24, 2020
9. State Schedules Respondent Oral Presentation		March 25, 2020
10. Respondent Oral Presentation	9 a.m. – 4 p.m.	April 7-9, 2020
11. State Opening & Scoring of Cost Proposals		April 13, 2020
12. State Notice of Intent to Award Released		April 24, 2020
13. RFP Files Opened for Public Inspection		April 27 – May 4, 2020
14. End of Open File Period		May 4, 2020
15. State sends contract to Contractor for signature		May 5, 2020

16. Contractor Signature Deadline		May 12, 2020
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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.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		1 Does the state currently have a contract in place for these HSA and FSA services? If so, is it a single contract, and could I ask the name of the vendor?	We do have a current contractor for our HSA and FSA services. All of our contracts are listed on our website at: https://www.tn.gov/partnersforhealth/contracts.html
		2 Can you please provide a link to where the state's contracts can be found. Specifically your current HSA/FSA contract with current fees and services?	Yes. Please see response to Question 1 above.
		3 Could you please provide the link to the prior contract, highlighting the current pricing information you mentioned during the pre-response conference?	Yes. Please see response to Question 1 above. Pricing is listed in Section C of the contract.
		4 If there is an incumbent contract, could I ask the total spend for these services?	The current total spend on the contract is \$1,625,210.67 from January 2016 to January 2020.
		5 According to the RFP, the contract will have a term of 71 months. Will the state possibly rebid these services again prior to expiration of the awarded contract to maintain these services?	All of BA's contracts are competitively bid and that generally happens every four to five years (depending on the contract). Yes, BA will release a procurement of these services which will occur before the awarded contract will expire to ensure no lapse of services to our members. Also see response to Question #164.
		6 Is the State able to provide the Technical Questionnaire and Cost Proposal table in Excel? Or is it expected that the Vendor will re-create the tables?	The technical response is posted in a Word document format. The Cost Proposal is posted in an excel spreadsheet format. Both of these documents are on the CPO procurement website .
		7 On the landing splash page (stateoftn.payflexdirect.com), who owns the documents, links, videos, reference materials? Is it State of TN or PayFlex?	PayFlex has created and owns the documents.
		8 How does the State of Tennessee currently fund the FSA (general purpose FSA, LPFSA and DCFSA) accounts?	The State has a bank account that the contractor ACH debits to reimburse for FSA claims paid to or on behalf of the State's employees net of any employee repayments made to the contractor for unsubstantiated claims. The higher education agencies are independent from the State. The

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			<p>University of Tennessee (UT) gets a weekly invoice of all claims paid during the week, they then do an ACH transfer for those funds to the Contractor; Contractors are not allowed to debit UT's bank account.</p> <p>Tennessee Board of Regents (TBR) have a bank account where they initiate ACH debits to reimburse for FSA claims paid to or on behalf of the employees net of any employee repayments made to the contractor for unsubstantiated claims. Each college and university is responsible for payment of their employees' FSA claims.</p> <p>The State is not responsible for payment of higher education agency employees' FSA claims or debt substantiation process.</p>
		<p>9 How does the State of Tennessee currently pre-fund the FSA (general purpose FSA, LPFSA and DCFSA) accounts? Do we push or pull from this account? If pre-funded by the state, please explain the percentage used and/or how the amount is calculated. If this account isn't pre-funded, please walk us through the expected process from your vendor. Please provide as much detail as possible.</p>	<p>The State does not pre-fund the FSA account. The contractor is expected to aggregate all claims paid to or on behalf of members net of any employee repayments made to the contractor for unsubstantiated claims. For the State, this aggregated amount is to be ACH debited from the assigned bank account.</p> <p>The higher education agencies are independent from the State.</p> <p>If required, University of Tennessee (UT) would prefund the FSA. Historically this amount has not exceeded 10% of annual elections in the first year.</p> <p>Each year Tennessee Board of Regents (TBR) pays the difference in the prior year's 5% prefunding and the increase in the election amount for upcoming year for the system office and colleges of applied technology (TCAT). Each college is responsible for their prefunding or have ACH debit set up to allow the vendor to automatically withdraw the claims funds to avoid prefunding.</p> <p>The State is not responsible for payment of higher education agency employees' FSA claims or debt substantiation process.</p>
		<p>10 Please confirm the total number of HSA participants (in the RFI the number was approximately 8,000).</p>	<p>As of January 2020, there were a total of 7,832 HSAs.</p>
<p>RFP Section 1.1</p>	<p>2</p>	<p>11 Of the 8,000 HDHP participants, how many make contributions to the HSA?</p>	<p>5,072 employees are making contributions to their HSA.</p>

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RFP Section 1.1	4	12 Will the State provide the email addresses it does have to the TPA for the purposes of communicating with employees regarding the FSA and HSA plan?	Yes, the State will share what information that we do have available for all HSA and FSA members if the Contractor provides a field for it on the file layout. We do not have emails for all HSA and FSA participants, though.
RFP Section 1.1.2.	4	13 What is meant by "maximum liability?"	The maximum liability is the total anticipated cost for the life of the contract. It is an amount that the State determines based on the Contractor's cost proposal and the State's projected enrollment.
RFP Page 2 HSA Overview	2	<p>14 The RFP indicates that as of Q3 2019 there were close to 8,000 employees enrolled in the CDHP.</p> <p>QUESTION: Can you provide a count of the number of CDHP members who have established an HSA account that is open and active today or as of year-end 2019? Can you provide the total \$ amount for all HSA accounts and the average \$ account balance for accountholders? Can you provide the total \$ assets under management today or as of year-end 2019?</p>	<ul style="list-style-type: none"> • As of January 2020, there were a total of 7,832 open HSAs. • The state does not have detailed data for each person's HSA, as those are considered personal bank accounts. Per our state calculations and summary data that we have on file as of 12/31/2019 we can tell you: <p>Total contributions (employers plus employees) from 2016-2019: \$46,668,588</p> <p>MINUS</p> <p>Total expenses from 2016-2019: \$31,950,847</p> <p>EQUALS</p> <p>\$14,717,740 in HSA deposit acct's</p> <p>Since there are 7,832 open HSAs, this translates to an average deposit account balance across all groups of \$1,879.18</p> <ul style="list-style-type: none"> • \$2,772,777 in all investment accounts as of 12/31/2019. • State 201 employees are investing, average balance \$4,664.90 • Higher Ed 233 employees are investing, avg balance \$6,462.94

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			<ul style="list-style-type: none"> Local Education 55 employees are investing, \$5,229.89 avg balance Local Gov't 14 employees are investing, \$2,973.08 avg balance
RFP Section 4.7.3	15	15 Are fees collected from the State or any other entity covered by a resulting contract subject to Tennessee sales tax?	The State recommends consulting with your tax specialist concerning the applicability of Tennessee sales and use taxes for fees paid under this contract. The State will not reimburse the contractor for any sales or use taxes incurred.
		16 Please clarify the number of HSA participants? Section 1.1 on P. 2 indicates that there are "close to 8000 employees enrolled in the CDHP," are all of those participating in HSA as well?	Please see response to question #10.
		17 What does the State believe to be the main reason(s) that only a small percentage of HSA participants use the investment functionality?	We are unsure, as we have conducted multiple webinars and email blast campaigns to provide information and other educational information. We surmise that many participants simply prefer to keep their funds in excess available at all times for healthcare expense payment via their debit card rather than wanting to take the time to sell investments and move funds to their HSA deposit or cash account.
		18 What is the minimum threshold for HSA participants to invest?	Currently \$1,000.00 with our incumbent contractor.
		19 Is the minimum account balance for HSA funds to be invested determined by the contractor (e.g., \$1,000, \$2,000, etc.)?	Pro forma contract section A.3.v states: "...Contractor may require that a Member have a minimum HSA deposit account balance of \$1,000 before any funds over that can be invested."
		20 What is the current average HSA balance, excluding the Investment option?	Based on the data provided in question #14, the State calculates the current average HSA balance on 1/1/2020 as being \$1,879.18 (\$14,717,740 / 7,832 HSAs)
		21 What are the total assets under management in the current plan?	Please see response to question #14.
		22 How many years has the State offered the HSA to its employees?	We have offered HSAs to Members since 1/1/2016.
		23 With the multiple agencies participating in the State's plan(s), will the winning administrator interface with one central payroll center or multiple payroll centers? IF multiple, how many?	As stated on page 2 of the RFP, there are approximately 550 different employers. You will interface with Central State for all HSA participants enrollment and our own employees' HSA funding (employer and employee)

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
			and only the State's flexible benefits enrollments; you will interface with all higher education agencies for their flexible benefits enrollments and funding, and you may interface with local education and local government employers for the purposes of them providing employer seed funds and/or employee contributions to HSAs.
		24 When does the annual Open Enrollment occur?	Open Enrollment is in the fall, typically in October. The State sets the specific dates and those are subject to change.
		25 What does the State consider to be the total eligible population (considering all groups) able to participate in FSA and then the HSA, respectively?	The flexible spending products are only available to State and Higher Education employees; we estimate as of January 2020 there are a total of 136,488 employees eligible to participate. An HSA is eligible to any State, Higher Education, Local Education or Local Government employee or retiree, of which there were a total of 285,685 in January 2020. To be clear, a member must be enrolled in a qualifying CDHP in order to have access to an HSA.
		26 Please identify the number of unique FSA participants if possible, as some people may participate in both healthcare and dependent care FSA.	8,097
		27 Please provide historical HSA enrollment for the past five years.	Average enrollment by year since the CDHP and Local CDHP options have been available and HSAs associated with them: 2016 3,928 2017 6,887 2018 7,547 2019 7,832 2020 (Jan only) 7,832
		28 What, if any, existing coverage information will be provided to populate the platform? Please provide a sample of the layout/data to be expected including a header and one line of sample data.	The file layout has not been set yet. We will work with the Contractor to define the specific file layout requirements. The file layout will include the Edison ID from our system in addition to the SSN, and also a 10-digit department ID. We expect the Contractor to load these fields into their system.
		29 Please confirm number of HSAs in place today with the State's current plan.	Please see the response to question #14.
		30 Could you provide a complete process flow?	The state does not know what is meant by this question, unless the answer provided in question #31 is helpful.

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		31 Can you please provide any additional details about the enrollment process flow that State of TN expects, if any?	The state handles all enrollment for the CDHP/HSA and Local CDHP/HSA in our Edison (PeopleSoft) system. We will transmit all enrollment for anyone (State, Higher Education, Local Education, Local Government) who enrolls in a CDHP directly to the contractor and we expect the contractor to then automatically work with the member to start the CIP process under terms of the U.S. Patriot Act to open the member's HSA. For flex, the State will pass our enrollment for our own employee's flexible benefits to the Contractor, along with an indicator telling how much their annual election is for the FSA, L-FSA and/or DC-FSA. The Contractor must provide an enrollment portal for all Higher Education plan members to enroll in any of the available flexible benefits products on, and the Contractor must work independently (i.e. without the State) with each higher education institution regarding funding, employer setup, etc.
		32 Please advise of program enhancements the State anticipates on receiving as a result of this RFP.	While not necessarily enhancements, we expect the contractor to provide exemplary customer service to all plan members as well as extra reporting on the Central State employer account regarding debt substantiation and the state's Comprehensive Annual Financial Report (CAFR). Please review the entire RFP and associated pro-forma contract for detailed information regarding the State's expectations under this contract.
		33 Does the state have a goal of increasing participation in either HSA or FSA or both? If so, what is the anticipated role of the contractor in doing so and what kind of participation rates would be considered successful?	The state and associated agencies under this contract would like to increase enrollment in the HSA and FSAs because doing so would lower payroll FICA taxes for the employer groups as well as allow for lower taxes and a possible improved retirement healthcare account for HSA enrollees. However, we do not have a set goal of percentages or participation rates.
		34 Can you share with us the dollar amounts that members spent out of their HSAs and FSAs during 2019?	For all HSAs, there were a total of \$14,012,167 in contributions (employee and employer) in 2019 with a total of \$10,878,158 in expenses during 2019. The State does not have access to FSA summary level data for any of the higher education agencies participating under this contract. Therefore, the amounts listed below reflect only state employee activity as of 12/31/2019

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			<p>(remember that 2019 claims may be filed until April 30, 2020 as well, so these amounts are likely to change):</p> <p>DC-FSA payments: \$1,022,556</p> <p>FSA payments: \$3,243,005</p> <p>L-FSA payments: \$58,921</p>
		<p>35 Last year, the State of Tennessee released a RFI in order to learn what are the most important and vital products/services and vendor practices to consider. As the State has now released the official RFP can you please share what aspects revealed themselves to be most important through the RFI / RFP release?</p>	<p>Customer service, attention to detail, mobile app, and contractor website appear to be the ways that organizations that operate in this space can most effectively differentiate themselves since so many things (contribution limits, eligible expenses) are under IRS control.</p>
		<p>36 Does the contractor administer COBRA for the Health Care FSA or just coordinate with the State's COBRA vendor?</p>	<p>The Contractor may administer COBRA only for the flexible benefits. Once the Contractor receives notice from the State on the eligibility file that one of our own state employees has terminated coverage and the Contractor notes that said employee was enrolled in a flexible benefit offering, the employee will only have 90 days to spend their outstanding balance; otherwise, the remaining funds are forfeited to the plan. The Contractor should mail a COBRA offer letter to the eligible employee advising that they may enroll in COBRA coverage in order to continue using their flexible benefits for the remainder of the plan year or until they disenroll – whichever comes first. The COBRA offer letter must include the amount the employer has been taking the from employee's paycheck plus any administrative fee imposed by the Contractor and eligible under IRS rules. Employees who choose to enroll and pay the monthly fee to the contractor may continue using their eligible flex funds in accordance with the plan rules. The Contractor will have to work with Higher Education regarding termination of their own employees since the state does not provide enrollment or disenrollment for that group.</p>
		<p>37 Is COBRA benefits included in the overall scope?</p>	<p>No, not general COBRA benefits. However, see the response to question #36 above.</p>
		<p>38 What servicing concerns would the State like to see improved with administration of the Plans?</p>	<p>Please review the entire RFP and pro forma contract, which details all state requirements under this procurement.</p>
		<p>39 Is this out for bid solely because of state bidding requirements or are there areas</p>	<p>Per State procurement rules, Benefits Administration procures a new contract every five years. The current contract's</p>

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		you would like to see improved, if there are areas for improvement, could you provide specifics?	HSA and FSA benefits ends on December 31, 2020; therefore, the State has released this RFP.
		40 How many in person educational meetings should the contractor anticipate attending? Are these meetings held in centralized locations or dispersed throughout the state?	Because this will be a new contract, we have estimated the highest number of meetings, workshops, benefits fairs, marketing events and conferences you may be asked to participate in at approximately 60-70 annually. The number of requests to attend varies from year to year. The meetings are held across the state. For instance, there might be higher education benefits fairs in Memphis, Jackson or Knoxville and other state agency fairs in Nashville, Chattanooga or Lebanon
		41 How many on-site open enrollment meetings/fairs occurred across this population in 2019?	There were few benefits changes for CY2019 and CY2020. The number of benefits fairs our vendors were asked to attend in 2019 was 39 and in 2018 it was 46.
		42 In reading the RFP it seems that the approximate number for onsite meetings (educational sessions, enrollment meetings, benefit fairs, etc.) is approximately 60 to 70 annually. Is that number an accurate estimate for next year? If a new vendor is potentially taking over, do you expect there to be an additional number of meetings in the first year?	Because this will be a new contract, we have estimated the highest number of meetings, workshops, benefits fairs, marketing events and conferences you may be asked to participate in at approximately 60-70 annually. The number of requests to attend varies from year to year.
		43 For the enrollment done by the vendor, knowing the State of TN offers Limited purpose FSA, how does the contractor know to place LUFSA language in lieu of standard FSA language on the enrollment page if HSA enrollment is done by the State?	The State handles all enrollment for our own State employees, and we limit enrollment to the L-FSA to only those members who are enrolled in a CDHP. Anyone else (PPO members) may enroll in a regular FSA. The Contractor shall place relevant qualifying language on its enrollment portal for Higher Education members to advise them that only those who are enrolled in a CDHP may enroll in the L-FSA and only those who are enrolled in a PPO option may enroll in the general purpose FSA. All plan members may choose to enroll in the DC-FSA.
		44 HRS/Census file – does this come from a single source or multiple sources?	The State is not sure what the HRS/Census file is. If it is the weekly enrollment file, then it will come from a single source for the HSA enrollments and multiple sources for FSA enrollments since Higher Education will send their information directly to the Contractor.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		45 Are there any Tennessee state health privacy laws applicable to the agreement which would supersede or supplement the Federal HIPAA Privacy Rule?	We are not aware of any Tennessee health privacy law that would supersede HIPAA with respect to the contractor's obligations under this contract. The State expects the Contractor to follow all applicable federal and state laws, including laws passed or amended during the life of the contract. Our recommendation is to consult your legal counsel.
		46 Can you please provide recent plan year call volume, average handle time, and website enrollment statistics?	Call volume: 2,348; Average Handle Time: 409; Website enrollment: 3,810
		47 Will one invoice be sent to the State of TN for HSA/FSA administration that includes Local Education, Local Govt and Higher Education groups? If not, how many employer groups will need to receive a monthly invoice directly from the awarded contractor for HSA and FSA administration?	You will send to the State 1 invoice that includes ALL HSAs monthly administrative fees and all state employee FSA administrative fees. You will send to <u>each</u> Higher Education agency an invoice for their own FSA enrollment administrative fees each month. There are approximately 42 HE agencies (including the University of Tennessee system, all Tennessee Board of Regents community colleges, universities, and colleges of applied technology (TCAT) as well as the TN Board of Regents Central Office).
		48 How many payroll systems will the awarded contractor coordinate with for account funding (State, LE, LG, HE)? Are these payroll systems internal for the State of TN or are they external vendors?	It could potentially be a separate payroll system for all of our individual agencies. We do not know how many of our agencies currently send funding to PayFlex. Regarding the second question, the State of TN system for central state employees is an internal system. Some of the others may have external vendors. The State does not monitor or know that information.
		49 Is the awarded contractor's call center isolated to only Higher Education employees for FSA enrollment questions and support or will other employer groups including State, LG, LE also use the call center for HSA and FSA enrollment questions prior to 1/1/2021?	The contractor who prevails in this competitive procurement must provide customer service to all enrolled HSA (state, higher education, local education and local government)and all FSA members (available to state and higher education only) both during open enrollment in fall 2020 as well as during the benefits period of this contract from 2021-2025.
		50 What is the HSA and FSA call volume for the call center during enrollment period?	381
		51 What is the call volume for all of State, LE, LG, HE during the plan year for HSA and FSA support?	Total call volume during the year was 2,348

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		52 How many paper enrollments vs online enrollment for the Higher Education FSA participants?	2% paper enrollments vs 98% online enrollment
		53 Is it accurate to say that employees who are unable to utilize the online enrollment portal due to incorrect or incomplete census data are expected to reach out to their administrator for support with their login/enrollment? (please describe expected process)	Only Higher Education employees will use the Contractor's online enrollment portal and only for enrollment into FSA, L-FSA or DC-FSA. The Contractor is expected to work each late summer and early fall prior to the State's open enrollment period starting (typically in late September or early October) to gather census data from each Higher Education institution (employee demographics, pay frequency, etc.) for loading into Contractor's own system. Contractor shall work with any Higher Education plan member and/or his or her Agency Benefits Coordinator (ABC) to assist employee in enrolling in any pertinent flexible benefits product.
		54 Is the online self-service portal required for some, or for all locations? If not all, how many locations will the online portal be for?	Please see responses to questions 47 and 53.
		55 The portal requires that employee requests be approved by an administrator before being sent to vendor. Does State of TN wish to review and approve enrollment requests by employees? Will State of TN allocate administrative staff for this purpose?	The online portal for Higher Education enrollment will not be used by the State; it will only be used for higher education employees at approximately 48-50 different campuses and organization to enroll in their flexible benefits. The State will merely wish to review the online portal before go-live and consult with our colleagues at the University of Tennessee and the Tennessee Board of Regents to ensure that it will meet their needs.
		56 Are there any additional inbound or outbound file requirements for the enrollment portal which are not covered in the above questions (i.e. in addition to import of initial census, new hire census, existing coverage, and export).	None that the State is aware of.
		57 What volume of administrative users from State of TN are expected to have access to the online enrollment portal?	The State will not need or require access to your online enrollment portal. However, your system for reporting, account and claims activity will be needed by approximately 15-20 state employees (for all HSA accounts and all FSAs offered to state employees as well as those enrolled in by higher education members.)

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		58 Is it accurate to say that employees who are unable to utilize the online enrollment portal due to incorrect or incomplete census data are expected to reach out to their administrator for support with their login/enrollment? (please describe expected process)	Please see response to question #53 above.
		59 For the higher education enrollment group, is the HSA and FSA enrollment done at the same time?	Yes, open enrollment is typically held for all groups for health and flexible benefits each fall during October or from late September until the end of October (exact dates) vary. New employees are eligible to enroll during their first 30 days or upon a special qualifying event (SQE).
		60 Do all State and Higher Education FSA plans have the same plan design rules regarding carryover, rollover, grace period, and applicable FSA amounts to be rolled over. If not, please share the FSA plan rules for each entity.	Yes, State and Higher Education have the same rules regarding carryover and applicable FSA amounts.
		61 Will any FSA plan rules (carryover, plan year extension, claim submission deadline, etc.) vary by the State, local governments, and Higher Education?	Please see response to question #60.
		62 For the Higher education plan (FSA), does the State require a single deduction file or several files? If there are multiple files, is there a standard file layout being used across these different sources today?	Approximately 42 different Higher Education agencies will provide the contractor deduction files each pay period for their FSA enrollees. The State's understanding is that the incumbent Contractor has a standard file that each HE agency/institution uses.
		63 What are the current investment options available to the State of TN HSA participants? Is the State looking to provide the current options for 2021? If no, what changes and additions is the State looking to modify for 2021?	The ticker symbols for the investment funds that are currently available to HSA participants who have at least \$1,000 in their HSA are: RRCTX, RFDTX, RFETX, RFFTX, RFGTX, RFHTX, RFITX, RFKTX, FPURX, SEEGX, VFIAX, VTMGX, VIMAX, VSMAX, and VBTLX. The State of TN Treasury Department will want to work with the Contractor to determine which investment options are made available to HSA members to ensure that it meets with their investment philosophy and approval.
		64 Can the State share the current HSA vendor's investment lineup?	Please see the response to question #63.
		65 Please provide cash balances broken down by cash and investments.	In addition to the response to question #14, here are the current investment balances by fund as of 12/31/2019:

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			<ul style="list-style-type: none"> • RRCTX \$ 43,037.07 • RFDTX \$ 80,764.24 • RFETX \$ 118,591.81 • RFFTX \$ 79,742.47 • RFGTX \$ 74,377.71 • RFHTX \$ 70,508.47 • RFITX \$ 81,109.49 • RFKTX \$ 5,514.59 • FPURX \$ 149,965.57 • SEEGX \$ 196,117.64 • VFIAX \$ 1,042,236.03 • VTMGX \$ 138,278.93 • VIMAX \$ 78,918.41 • VSMAX \$ 385,414.04 • VBTLX \$ 228,200.32
		<p>66 Would be the State consider adding language regarding change control procedures in case the State decides to vary health or financial savings account plans or other scope changes?</p>	<p>No. Scope changes are handled via the State's contract amendment process. Amendments follow a formal and defined process. During the life of the contract, if the State determines that modifications to the contract are required, the State will begin an amendment process which requires several approvals including the legislature.</p>
		<p>67 FSA Funding – Will the contractor be receiving actual payroll contributions to fund the claim payments made during the year – is this correct?</p>	<p>Please refer to responses for questions 8 and 9.</p> <p>The State retains payroll contributions and reimburses the contractor for FSA claims net of any employee repayments made to the contractor for unsubstantiated claims.</p>
		<p>68 Inbound Contribution file to contractor, is this a single consolidated file or would we get multiple files from different vendors?</p> <p>If there are multiple vendors, is there a standard file layout being used across these different sources today?</p>	<p>Regarding flexible spending accounts, approximately 42 different Higher Education agencies will provide the contractor deduction files each pay period for their FSA enrollees. The State's understanding is that the incumbent Contractor has a standard file that each HE agency/institution uses. For HSA, the Contractor will receive similar funding files from State</p>

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			and Higher Education. Each Local Education and Local Government agency is free to provide payroll deduction and/or employer contribution to their employees' HSA as they choose.
		69 How many mutually exclusive FSA Claims and HSA contribution funding connections are required?	Approximately 42. See the responses to multiple questions throughout this document.
		70 How many mutually exclusive HSA employer seeding support is required?	The State will provide employer seed funds for our own State employees. We will push employer seed funds to the University of TN and they will, in turn, send their own seed funds to the Contractor for their employees' HSAs and TBR will push the seed funds to their 41 employing agencies who will, in turn, send these seed funds to the Contractor.
		71 For the non-higher education group, will the census file also include enrollment data or is the enrollment coming from a different source? Census from State of TN and enrollment data from another source/TPA ?	You will receive enrollment data from the State on all participants that are eligible for an HSA – regardless of whether it is a State, Higher Education, Local Education, or Local Government employee. You will receive enrollment data from the State on just our own state employees who enroll in a FSA, DC-FSA, or L-FSA. Your enrollment portal will collect this information for Higher Education employees. Local Education and Local Government employees do not have access to flexible benefits under this contract.
		72 What census information will be provided to populate the platform? Please provide a sample of the layout/data to be expected.	The file layout has not been set yet. We will work with the contractor to define the specific file layout requirements. The file layout will include the Employee ID from our system in addition to the SSN, and also a 10-digit Department ID. We expect the contractor to load these fields into their system
		73 How frequently will new census information be provided to populate the enrollment platform with new-hire information? Will new hire data be in the same format as the initial census? If not, please provide a sample of the layout/data to be expected.	For the State, it is provided to the Contractor in a weekly file. For higher education, the Contractor receives a file once a year prior to annual enrollment for loading into the Contractor's enrollment platform. For the rest of the year, higher education uses paper enrollment for new hires. The Contractor's own layout/data is used to populate the portal; this is not something that the State has control over or access to.
		74 Does the State offer Commuter Benefits today? If not, are there any plans to offer this	The State offers commuter benefits (i.e. a parking FSA and transportation FSA)

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		benefit and can we provide you with a quote? If Commuter Benefits are offered today, does the State use a single debit card across all of the HSA products in scope for this RFP?	<p>to our own state employees, but that is not a service being procured under this contract nor will it be under the duration of this contract.</p> <p>We handle the enrollment and claims for the parking FSA and transit FSA in-house within Benefits Administration. The State does not request or desire a quote for these services, nor should they be included on the debit card.</p> <p>A single debit card is to be used for all relevant accounts under this contract. Members with a HSA and L-FSA shall have a single debit card for using both products; members with a FSA shall have a debit card for that product. DC-FSA does not currently offer the debit card nor is it expected to under this contract.</p> <p>The debit card should have separate “purses” containing the HSA and L-FSA so that funds are used appropriately and pulled from first.</p>
		75 Transit and Parking were part of a previous RFP you released for 2015, is that still a benefit you offer and if so, can you provide detail regarding why it isn't part of this RFP?	The State offers these benefits to our own employees and manages the enrollment and claims processing in-house. We chose to continue with this setup.
		76 Please confirm the State is looking to offer day 1 full year funding for the HSA product.	Not confirmed. Day 1 full funding is not provided for the HSA ; rather, the state and each (if applicable) agency will only provide funds via payroll each pay period and an employee's HSA balance will grow throughout the year as they are paid. Conversely, day 1 full funding is expected to be made available on January 1 each year for those who enroll in the FSA or L-FSA products. Dependent care funding is not expected on day 1 or January 1. Those funds, like HSA, accrue and grow in balance each time an employee contributes to them via payroll.
		77 Will there be a transcript or recording available from the conference on 1/17? Can the record of participants be provided?	<p>The State does not provide a transcript or recording of the pre-response conference.</p> <p>Yes, the State can provide the sign-in sheets associated with the meeting during the open file period.</p>
		78 Is the State of Tennessee able to consent to back office non-facing State or Member activities to be performed leveraging international business locations? Or, does the State require all work be performed in the US?	Per Pro Forma contract Section A.8.d, the call center and designated Member services representatives shall be located in the continental United States.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		If all work is to be performed in the US, does the State have any reservations with international business lines with potential access?	Per Pro Forma contract Section E.8.a(1), the Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.
		79 What specifically do you mean by digital copies. Does this mean, for example, 7 zip files with the same data or 7 thumbnail storage drives?	Per RFP Section 3.2.2.1, please submit seven thumb/USB drives containing the same technical response and exhibits. Please note, exhibits should be saved as individual labeled files on the thumb/USB drive.
RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
RFP Section 1.6	6-7	80 Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events. Will the State allow a follow up round of questions, after the State's Response, but prior to the Response deadline?	No, the State has not included any additional rounds of Questions and Comments per the RFP Schedule of Events (RFP Section 2.1)
RFP Section 3.1.1.1.		81 Response Requirements 3.1.1.1 instructs respondents to use RFP Attachment 6.2 to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers. Can you confirm that our response template would duplicate exactly the Technical Response & Evaluation Guide, keeping the table intact? Or can the bidder remove the questions from the table, for ease of response. We can then add the table in full with page numbers for reference/Scoring?	Per the RFP, A Respondent must use the RFP Attachment 6.2 included in the RFP by duplicating the technical Response Attachment 6.2, add the corresponding page numbers, and then provide responses to the questions in order in which they appear in Attachment 6.2.
RFP Section 3.3.1	12	82 3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it. Is Respondent permitted to provide written comments on the State's contract for further discussion?	No, per the RFP, any comments must be provided by the Questions and Comments deadline listed in the RFP Schedule of Events.
		83 The arrangement between [redacted] and [redacted] is a joint marketing agreement. Neither [redacted] nor [redacted] is a contractor, subcontractor, or employee of the other. The State of Tennessee would be required to enter into separate contracts with both [redacted] and [redacted] for the	The State intends to sign one contract as stated in the RFP. The RFP does allow for the utilization of subcontractors. The prime will be responsible for actions, or inactions, of the subcontractor for the life of the contract.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		[redacted] HSA. [redacted]and [redacted] work together to offer the [redacted] HSA to our clients. Under your request for proposal, specifically Section 3.3, legally there is no subcontractor arrangement and as such, we believe to meet the requirements under the RFP. Please confirm agreement for our position or identify issue specific to qualification for the RFP.	The State has updated the RFP language to allow for a general partnership such as a joint venture business entity. In this scenario, the entity would need to file with the Tennessee Secretary of State's office. See Amendment #5 and 6 below.
		84 If the contractor has any objections or proposed alternate language to the proforma contract, is the expectation for contractor to make actual redlines to the pro forma contract?	See response to Question #82.
		85 In Section 3.3 Response and Respondent Prohibitions Q 3.3.1 (page 12 of 121) A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it. Will all terms and condition redlines be considered non-responsive or can bidder provide minimal redlines?	See response to Question #82.
		86 We will work with you to develop detailed business requirements and follow your guidance on the administration of your plans. We also expect to document changes to the services through a change order process. Will you be adding language to the contract to reflect these concepts?	The State does not intend to make changes to the contract after the contract award. During the life of the contract, if the State determines that modifications to the contract are required, the State will begin an amendment process which requires several approvals including the legislature.
RFP Section 3.3.1	12	87 If Contractor is selected, will the successful Respondent have an opportunity for good faith negotiation?	Based on the RFP Schedule of Events, there is not an opportunity for formal negotiations. Refer to RFP Section 5.3.5.
RFP Section 3.3.1	12	88 If there is not an opportunity for good faith negotiation, will Successful Respondent have an opportunity to elect to respectfully withdraw from the bid without any claim by the State against it?	Refer to RFP Section 3.5 Response Withdrawal which states that it will be the Respondent's responsibility to prove an unconscionable hardship. If the awarded Respondent is able to demonstrate unconscionable hardship, the State may allow the Respondent to withdraw.
		89 The Pro Forma Contract in section 6.6 which covers the scope of services contains language that is interpreted as non-negotiable. Will there be opportunities to red line and negotiate the Pro Forma Contract on any level please?	See response to Question #82.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		For example, we typically work with employers to document a mutually agreeable contract applicable to product / services provided. Is this similar to the State's contracting process?	
		90 Section A.7. Will the State give consideration to removing this requirement? If not, will the State accept stand-alone FSA proposals?	No, the State will not remove this requirement. The State will not entertain separate HSA proposals and FSA proposals. We wish to have a single contractor for all products.
RFP Section A.7		91 Please confirm that this requirement can be met by our subcontractor, as they are our third-party HSA/FSA administrator as they have over \$11 billion in Assets Under Management.	Not confirmed. The State will not permit a subcontractor on either of the core functions of this contract: the flexible benefits (FSA, L-FSA and DC-FSA) or the HSA. Subcontractors are allowed for non-core functions such as printing and mailing of debit cards. See Amendment #4 below.
RFP Section A.7		92 Will the State give consideration to removing this requirement? If not, will the State accept stand-alone FSA proposals?	See response to question #89.
RFP Section A.7		93 "Provide a statement that the Respondent's total assets under management (AUM) for all HSAs meet a minimum of \$250,000,000." [redacted] cannot provide you with a statement that we have total assets under management in (HSA type accounts) However, we do have approximately 28 billion in deposits as a bank. Just wanted to make sure we could support your request.	The State maintains the requirement in the mandatory section of the RFP as A.7: "Provide a statement that the Respondent's total assets under management (AUM) for all HSAs meet a minimum of \$250,000,000."
RFP B.17	25	94 Please clarify what constitutes a "completed project." Within the context of HSA/FSA, is the State seeking references for terminated accounts or individual projects (i.e., implementation, communication campaigns, etc.) conducted with other current accounts?	Completed projects in this section of the RFP mean those projects that were delivered (stood up, implemented, etc.) and accepted by the client and deemed "completed" in accordance with the terms of the contract, irrespective of whether maintenance and support obligations extended beyond the term of the contract.
RFP B.17	25	95 What is the meaning of "completed projects" in this context? Clients who have canceled/terminated? Or clients who have completed implementation? Or something else?	See response to Question #94.
RFP B.17	25	96 Please confirm that we can use our subcontractor's references for responding to this RFP.	No, this requirement must be met by the Contractor.
RFP C.2(b)	27	97 Approximately how many of the 500 agencies have current participants in the HSA program?	Currently, there are 113 agencies with HSA participants.
RFP C.3.	29	98 What is the meaning of "Account" in this section since HSA accounts are individual	If you are referring to C.3(d) and (g), 'account' refers to establishing the employer record (the account) in your

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		accounts and are not owned or controlled by the employer?	system to accept employer funding for the Members' HSAs.
RFP C.5		99 Section 6.3 C.5 a speaks to the capability to offer a customized investment slate to the State. Can you please provide your current investment offerings so we are able to compare as we have dozens of investment fund options that can be selected by each employee individually.	Please see the responses to questions #63 and #65.
RFP C.6(f)	31	100 Does this question make sense relative to FSAs? It appears this is a copy of a similar HSA question.	This is in reference to the up-to-\$500.00 carryover that is allowed under our existing FSA and L-FSA products. If a new contractor were to take over in 2021, the state is interested in knowing how you will ensure the up to \$500 carryover from affected FSA and L-FSA members 2020 accounts into your 2021 similar account. We want to know how that process will work, what you would need and from whom, and how long it will take.
RFP C.8(h)	32	101 May we include a web link for videos?	Yes, if it is easily accessible.
RFP C.9(h)	33	102 What deadline does the plan use now?	The State currently uses the contractor's deadline for debt substantiation, which is up until the final report is run in December of the following plan year.
RFP C.11(d)	34	103 Is each employer covered by its own plan document or is there one document for all employers?	There is one plan document, which may be accessed at https://www.tn.gov/content/dam/tn/finance/fa-benefits/documents/spd2020.pdf (see Part II)
RFP C.15(d)	37	104 Since card processes must follow IRS guidelines, what is expected to edits beyond what is allowed under IRS guidelines?	The State wants to know what processes the Respondent have in place to auto-substantiate as many debit card transactions as possible. For example, will the Respondent be able to take a benefits grid from the State of our pharmacy copayments, vision, dental, and related medical copayments and code those into your systems so that your systems can automatically match certain transactions against known, pre-set copays in order to reduce requests for substantiation from members.
RFP C.15(e)	37	105 Are carrier claim feeds in use now? From which plans? If offered now, how does the plan manage debit cards with carrier claim feeds?	No, carrier claim feeds are not in use now.
RFP C.15(f)		106 C.15(f) inquires on how the employee is notified and the process that follows regarding debit cards transactions not substantiated as well as deactivation. Is this a consistent issue for the state, and if so can you please elaborate?	The current contractor does not get carrier claim feeds. The current contractor does have co-pay information coded into the system. Debit card transactions for co-pays do not require substantiation, but all other

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
			debit card transactions currently do require substantiation. The State expects the Contractor to communicate the substantiation process for required debt card transactions to Members. This process was new for our Members in 2017.
RFP Section D: Oral Presentation	page 41	107 Is the oral presentation part of the initial RFP vetting process (to be undertaken as part of the RFP response process), or is this reserved for a shortlist/finalist scenario after an initial evaluation of submitted RFP responses?	The oral presentation is not part of the RFP response. Per RFP Section 5.2.1.5, the Solicitation Coordinator will invite each apparently responsive and responsible Respondent to make an oral presentation.
RFP Section D: Oral Presentation	41	108 Please confirm that respondents should not include Attachment 6.3 Section D (page 41) related to the oral presentation.	Confirmed.
D.2, Oral Presentation		109 Can these be pre-recorded calls that we have pre- scrubbed and removed any potential HIPPA violations? If so, would we be able to potentially receive the maximum amount of points with this approach? If not, can you please describe in detail your preferred approach to this request?	No, the State wants live demonstrations. The State has added additional information about the scenarios for oral presentations. Please see Amendment #7 below.
D.2, Oral Presentation		110 What are the requirements for the Live Call Center demonstration for the oral presentation? What format (video, audio) is required for the Live Call Center demonstration? Will you provide member scenarios?	See answer to question #109.
RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Contract Section A.3		111 Would the State consider adding language stating that the Contractor providing administrative services would not be acting as a fiduciary for the State, but rather acting as an administrator?	Please see response to question #121.
Contract Section A.3	54	112 The Contractor shall notify the State In Writing if there are changes in regulations or federal guidance which may require the State to amend the CDHP as necessary to remain qualified and comply with changes in applicable Federal, state, or local statutes, guidance or regulations." Would it be acceptable for the bidder to agree to send periodic legislative and regulatory updates to the State, but not legally advise the State on	Yes, this will be permitted.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		Federal, state, or local statutes or regulations to amend their CDHP?	
Contract Section A.3.e.		113 Please confirm that the State is looking for employees to have their full year HSA contribution amounts available on the first day their HSA becomes effective?	Not confirmed. Please see detailed response to question #76. Immediate funding, in this question, refers to funding of the HSA when/if an employee initiates a post-tax contribution from their linked bank account.
Contract Section A.3.ee	54	114 Since HSAs are owned by the member, how can the State require all balances be moved? Some account holders may wish to retain the current HSA; and set up a new HSA to receive ongoing employer contributions.	We believe you may be referring to Section A.3.e, not A.3.ee. The State does not require any member to move their HSA or to have their HSA with a particular vendor. However, in order to receive seed funds from the state, all state and higher education employees must have an HSA with the contractor under this contract. They are free to move those funds to another institution as they wish to.
Contract Section A.3.ee	54	115 Since HSAs are owned by the member and there is no reimbursement request process, should this be removed?	No. If a Member has utilized the Contractor's website to initiate a payment to a service provider using funds from their HSA, then this contract section requires that the Contractor continue processing all of those requests which were initiated prior to the termination of this Contract.
Contract Section A.3(g)	52	116 The Contractor shall have a process in place to redistribute employer funds exceeding the annual maximum contribution directly to Members with an accompanying 1099-SA, if applicable. "Can this be qualified to include "unless funds were contributed to the account as a result of administrative error on the part of the employer"	The State declines to revise this language.
Contract Section A.3.g.	52	117 The contractor shall have a process in place to redistribute employer funds exceeding the annual maximum contribution's directly to Members with an accompanying 1099-SA, if applicable. In lieu of member redistribution, would the state be willing to have this route back via payroll?	The State declines to revise this language.
Contract Section A.3(h)	52	118 Please clarify what amounts are to be deposited into an FDIC insured account? Is this specific to the member's cash portion/balances of their account?	Yes, the cash account (also known as the deposit account) must hold all deposits in an FDIC-insured deposit account. Basically, any and all funds that a HSA member has not moved or transferred to their investment account shall be held in a FDIC-insured account.
Contract Section A.3(h)	52	119 The Contractors shall also offer investment guidance and management to Members. Please confirm what kind of "investment guidance and management" the	This means advice on what funds are available to HSA members to invest their monies in, the benefits of investing, how to go about investing, how to set

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		State is looking for. Also, in A.3. i, page 52 – Please clarify what the State means by providing “investment guidance” to members? Is this providing guidance on available investment options, or providing specific investment advice and recommendations on how to invest funds?	up an automatic sweep of their deposit account at a set interval and set amount, as well as possible webinars during the plan year on these same subjects.
		120 Is the State looking for the vendor to provide personal investment advice to the participant, beyond general education and guidance about how to use your HSA funds to invest? If investment advice is required, which certifications are you requiring (i.e.. Series 6, 7, 63)?	No. Personal investment advice is not being requested through this RFP. In addition, please see the response to question #119 above.
Contract Section A.3(h)	52	<p>121 The Contractor shall provide to Members a slate of investment options for the program that is diverse and low cost. This would include domestic and international equity as well as fixed income investments and may include both passive and active investment strategies. The Contractor shall also offer investment guidance and management to Members. The State shall have the right to select which custom slate of investment offerings or funds will be made available to all Members with an HSA under this contract. The State Treasury department shall determine and approve the investment vehicles offered by the HSA administrator. Any conditions surrounding the investment opportunities shall be prior approved by the State and any material changes in the investment portfolio will be communicated to the State within thirty (30) days of the change.</p> <p>If Contractor does not act in a fiduciary capacity for its HSAs would the State allow qualifying language stating that the investment options provided are self-directed by the accountholder?</p>	<p>Yes, the State has modified the language.</p> <p>See Amendment #9 below.</p>
Contract Section A.3.i.	52	122 The Contractor shall deposit non-invested HSA funds into an FDIC-insured account. Is this asking about the account that individual HSA accountholders will have with the custodian, or an account the carrier will open up to hold contributions until they move into HSA individual accounts?	The account that individual HSA accountholders will have with the custodian. The Contractor must hold all non-invested HSA funds in a FDIC-insured account. Regardless of the account balance, the member's non-invested HSA funds must be FDIC-insured.
Contract Section A.3.k		123 HSA Management – timely feed of updated balances to other contractors requested by state? Please explain?	The State does not currently have its incumbent HSA contractor share this data with any other contractors, but under this contract if and when the State decides to exercise this need we will request that the Contractor do so. For instance, should the State ever

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
			have a "front door" contractor with a single sign-on where plan members may log on to see all of their medical, Rx, flex and/or HSA activity in a single place, the State would request that the Contractor share this data.
Contract Section A.3.k.		124 The contractor shall accept HSA contributions in a format determined by each individual employer. How many payroll deduction files, formats, and delivery are expected to be sent to the contractor?	It is possible that up to 500 different Local Education and Local Government agencies may provide employer and/or employee funding, though they all currently use the incumbent Contractor's file layout for providing any HSA contributions (employee or employer). The same occurs for the State, as a single employer, the Univ. of TN as a single employer, and the 41 different employing agencies through the Tennessee Board of Regents.
Contract Section A.3.l.		125 Does each employer provide mutually exclusive funding or is funding received from one location by the State of TN? If not one location, how many funding approach solutions are required?	See response to question #124. The State and Higher Education provide employer funding to their own employees' HSAs, but this decision is up to each Local Education and Local Government agency.
Contract Section A.3(n)	53	126 The Contractor shall, at the State's request, credit Member HSA accounts for achieving specific wellness requirements, based on files received from the State or other State contractors. Will the State consider adding language that limits crediting Members HSA account " to the extent that such credit would not cause the account to exceed the statutory annual contribution limit" since such a credit would cause the Contractor to be in violation of the Internal Revenue Code requirements for HSA trustees?	The State agrees. See Amendment #21 below.
Contract Section A.3.o	53	127 Please elaborate on what is meant by "shall hold in the HSA" with respect to the gains and losses.	The Contractor must hold in the deposit account any balance that the Member has not chosen to invest – including any gains or losses due to interest or member-initiated contractor payment to a provider of their choice.
Contract Section A.3(q)	53	128 The Contractor shall refund employers directly for any funds paid in error by the employer. Will the State consider limiting Contractor refunds to instances where the: (1) items were caused by the Contractor (2) the amounts could not be recovered from the accountholder by the employer, and (3) items that, after collaboration with the State, were not recoverable?	The State declines to revise this language. What is meant by this language is any funds that that an employer contributed to an employees' HSA that they were not legally or allowed by the IRS to do so. The State understands that there are strict rules governing taking back funds that an employer has deposited into an HSA; however, in instances where the employer legally should not have provided funds or where the

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
			employee was later found not to be eligible to open a HSA, all those funds should be returned to the employer for settlement.
Contract Section A.3.r.	53	129 Please clarify "written directions". Will the State allow members to provide instructions to contractor via email or is this limited to processing mail/paper-based inquiries only?	Any written instructions initiated by the member via secure email, Contractor provided chat function on Contractor's website or processing mail and paper based inquires or those initiated by the member on the Contractor's web portal (e.g. a member initiating a request for the Contractor to pay a provider bill out of their HSA cash account or to transmit funds from the member's HSA cash account to reimburse the member for an out of pocket cost they paid themselves.)
Contract Section A.3.x.	54	130 The Contractor shall establish a reserve fund to hold employer contributions for Members. Is it expected that the carrier will need to hold State of TN contributions (vs a passthrough account, where money drawn down from a Client Bank Account will flow through)?	Contractor is expected to establish a reserve fund to hold all employer contributions until such time as the member's HSA is able to be opened. Members must pass the contractor's member identification process in compliance with U.S. banking laws and the U.S. PATRIOT Act. Until a member can provide adequate documentation and the HSA is opened, any funds that are sent to the contractor for the employee's HSA must be held in a reserve fund until the HSA is opened. If it is never opened, they shall be returned to the employer accordingly.
Contract Section A.3.y.	54	131 The Contractor will monitor state and federal regulations about CDHPs and notify state of changes it needs to make to its medical plan. Please clarify if the intent is for the carrier to perform the appropriate monitoring, or if the State's medical plan provider will perform all state and federal regulations.	The State's medical providers and consulting actuaries typically keep the state apprised of such regulations. The intent here is for the Contractor to keep the State abreast of any changes to annual contribution limits to HSAs (single or family), FSA, L-FSA, and DC-FSA and any notable changes regarding what may or may not be considered a qualified expense in any one or more of these account types.
Contract Section A.3(y) and A.4(p)	54; 56	132 The Contractor shall notify the State In Writing if there are changes in regulations or federal guidance which may require the State to amend the CDHP as necessary to remain qualified and comply with changes in applicable Federal, state, or local statutes, guidance or regulations. Would the State consider adding in qualifying language "if known" to the requirement and acknowledging that Contractor is not a legal service provider and the successful Respondent will not be expected to provide legal advice or professional consulting with this engagement?	The State will not consider revising this language; however, please see the additional information provided in response to questions #112 and 131.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Contract Section A.3.aa	54	133 Please confirm our understanding that the black-out period will be limited to one day only.	The State is confirming this and, if applicable, we will work to cover this in our communications with Members.
Contract Section A.4(a)	54	134 We understood from the pre-bid call that the State has one bank account and all employee contribution funds. Can you confirm?	The State does have one bank account for FSA transactions. However, the higher education agencies are separate entities and their transactions will be handled separately.
Contract Section A.4(a)	54	135 The Contractor shall hold all FSA funds received from the State, Members, or on behalf of a Member, as applicable, in an FDIC insured account established for such purposes at an eligible financial institution. Will the State consider deleting this requirement, Contractor will only be effecting transactions from the employer's designated accounts for FSA payments to the FSA claimant and will not be receiving FSA funds from the State, Members, or on behalf of a Member?	The State will not agree to deleting this requirement.
		136 The Contractor shall hold all FSA funds received from the State, Members, or on behalf of a Member, as applicable, in an FDIC insured account established for such purposes at an eligible financial institution. – Can you please outline the current process with Payflex?	Please refer to responses for questions 8, 9, 134 and 135.
Contract Section A.4(b)	54	137 Is online bill pay offered now? What are the mechanics of how this works?	No. The State would like this offered as an option for FSA members in the future should they choose not to use their debit card or pay out of pocket and seek reimbursement.
Contract Section A.4(g)	55	138 The Contractor shall maintain monthly automatic card adjudication rates at or above eighty-five percent (85%) for FSA transactions and shall report rates on a quarterly basis. Will the State agree to add in clarifying language, stating "provided that the cards are MCC code restricted to health care providers."	Yes. The State has revised the language. See Amendment #11 and 12 below.
Contract Section A.4(g)	55	139 Since auto-adjudication processes are described under IRS regulations, and are subjective (based on consumer education, how the card is used, types of health plans, etc.) how can an employer or contractor agree to a specific percentage? This would seem to encourage circumvention of the standard IRS guidelines, which is a concern within the industry.	Historically, our incumbent contractor has, each quarter, maintained auto-adjudication rates between 85%-93% which means that 85%-93% of the time they have been able to automatically substantiate a Member's debit card purchase using MCC codes and/or matching the purchase against known copayment tables for medical, Rx, dental, and/or vision benefits provided by the State.
Contract Section 1.1; Contract		140 In Contract Section 1.1 under the FSA heading it states "Online enrollment services, with an online portal shall be provided for all higher education employees to enroll in any FSA offerings", however in Section A. Scope	The enrollment file on a weekly basis will come from the state and will include ALL HSA enrollments (state, higher education, local education and local

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Section A.4 and Contract Section A.19		<p>of Service General ,Section A.4. FSA Set-Up and Management, letter E and Section A.19 Due Dates for Project Deliverables/Milestones, it states that the Contractor will receive an enrollment file on a weekly basis.</p> <p>Is an enrollment portal required for certain populations? If so, what is the current enrollment for this population?</p> <p>Or will all enrollments be sent on weekly enrollment files?</p> <p>Can you please provide additional details on how the Contractor will receive enrollment information? If an enrollment portal is required for a portion of the population, can you provide an estimate as to how many groups and how many employees used this enrollment portal in the past?</p>	<p>government employees) as well as all State employee enrollments in FSA, L-FSA or DC-FSA. The State is not a party to Higher Education enrollments in flex benefits and the Contractor must provide an online enrollment portal for any new Higher Education employees throughout the year to enroll in those benefits, and for all existing HE employees each fall during Open Enrollment to enroll in flex benefits for the following plan year. Approximately 42 different colleges, universities, community colleges, or colleges of applied technology (TCAT) will utilize the online portal provided by the Contractor for flex enrollment. This includes the Univ of TN and every institution under the purview of the Tennessee Board of Regents (TBR).</p>
Contract Section 1.1 and Contract Section A.19		<p>141 In Section 1.1 under the FSA heading it states, "Online enrollment services, with an online portal shall be provided for all higher education employees to enroll in any FSA offerings", however in Section A. Scope of Service General, Section A.4. FSA Set-Up and Management, letter E and Section A. 19 Due Dates for Project Deliverables/Milestones, it states that the Contractor will receive an enrollment file on a weekly basis.</p>	<p>See response to question #140.</p>
		<p>142 Online Enrollment – Is the state requesting that online enrollment be offered only during "open enrollment," or the entire year to accommodate new hires and life changing events?</p>	<p>Online enrollment is to be available throughout the year for new Higher Education employees at U.T. or through a TBR institution to enroll in any chosen flex benefits within their first 30 days of employment. In addition, the online portal shall be available each fall for all Higher Education employees to enroll in flex benefits for the following plan year. This Open Enrollment period typically lasts for 1 month each fall (exact dates vary each year.).</p>
Contract Section A.4.m.	55	<p>143 Please clarify what is meant by "controls". Are you looking for the contractor to educate the members on what types of funds are permissible with one another, or to develop a process to ensure that members cannot enroll in those accounts where it is not permissible according to IRS regulations?</p>	<p>The Contractor shall, upon determining that a member may somehow have been able to enroll in both a general purpose FSA and a HSA in the same plan year simply notify the employing agency so that the agency can work with the employee to disenroll the employee from the appropriate account (FSA) and establish a L-FSA instead.</p>

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Contract Section A.4.q.	56	144 Please confirm the State is referring to a Health FSA and not a medical reimbursement FSA product.	<p>Not confirmed.</p> <p>The expectation is that each year in approximately late November to advise FSA, L-FSA and DC-FSA members of the pending year end (Dec 31, 20XX) and that only up to \$500 may be carried over into the following year for the FSA and L-FSA products, and that any remaining balance will be forfeited, and that any funds not claim in any account type by April 30th of the following year are subject to forfeiture. This same process is to occur shortly before the end of the run-out period (i.e. late March). The State will work with the Contractor on approved language for these letters, as we have with the incumbent Contractor.</p>
Contract Section A.4.q		145 The contractor shall manage and administer any COBRA requirements applicable to the accounts of FSA members. Does the state mean perform COBRA or load COBRA contributions?	We assume you are referring to A.4.r. Please refer to the response to questions #36 and #37.
Contract Section A.4.u.	56	146 Can you provide the description of how the carryover is calculated now?	<p>The carryover is currently calculated as follows:</p> <p>Annual election – Annual spend= Available Balance for Carryover</p> <p>For applicable FSA accounts, available balances of \$500 or less are to be carried over.</p> <p>However, the State is researching changing the carryover formula as follows:</p> <p>Annual Contribution – Annual Spend= Available Balance for Carryover</p> <p>The remaining provisions for carryover would be the same.</p>
Contract Section A.5.c	56	147 How many meetings are anticipated? And over what span of time? Will meetings be coordinated to ensure good use of time?	Because this will be a new contract, we have estimated the highest number of meetings, workshops, benefits fairs, marketing events and conferences you may be asked to participate in at approximately 60-70 annually. The number of requests to attend varies from year to year. The meetings are held across the state. For instance, there might be higher education benefits fairs in Memphis, Jackson or Knoxville and other state agency fairs in Nashville, Chattanooga or Lebanon. Most of them are not coordinated by the State. Most happen in August and September, ramping up to an October Annual Enrollment Period.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Contract Section A.5.c.	56	148 The contractor shall attend, in person, meetings predicted to have 100 or more members in attendance. How many meetings are expected each year?	Please see the response to question #148.
Contract Section A.5 (e)	57	149 Can the State share with the bidders a copy of the survey instrument that will be used for the satisfaction survey? If the vendor has any concerns about the reliability of the survey methodology, will the State allow the selected vendor to raise those concerns?	The member satisfaction survey instrument is left to the Contractor to design and survey our own members. The State does not share the survey instrument with the Contractor. The State wants to review the survey before it is shared with our Members for approval or may suggested edits to it. The survey methodology is left to the Contractor to complete an accurate but reliable sample so that survey results may be adequately extrapolated.
Contract Section A.6(d)	57-58	150 Will the State allow Contractor to withhold without objection Contractor's Confidential Information to the extent that disclosing it would cause such information to lose its protected status? Will the state agree to protect the confidential information, which may include commercial or trade secret information, to the extent that such protections do not violate applicable laws? To the extent that such information is in State's possession and requested via an FOIA request, will the State provide timely notice to Contractor to allow it to take such equitable and legal actions as are necessary to protect Contractor's Confidential Information?	The State's authority to agree to confidentiality is limited by the Tennessee Open Records Act ("ORA"). See Tenn. Code Ann. 10-7-503 and 10-7-504.
Contract Section A.6.j.	58	151 We understood from the pre-bid call that the State will implement one contract for all lines.	Correct.
Contract Section A.8.a.		152 The contractor to allow Members to email questions. Does this mean HSA and FSA participants will communicate with customer care via email?	Yes, the State would like for the Contractor to offer this option to all Members, should they choose to use this function in lieu of telephone. For reference, our current Contractor offers a dedicated email box that only Agency Benefits Coordinators (ABCs) may email questions or issues to, thereby relying on the Contractor's account team to work those separately.
Contract Section A.8.s.	63	153 The Contractor shall inform callers of their likely wait times (based on real-time information, including call volume and Member services representative availability) as they enter the queue. Question: Specific to A.8.s can the State of Tennessee opine on whether virtual hold, whereby if call volumes dictate hold times in excess of norms, a caller has the option to be placed on hold in a virtual queue - allowing them to hang up and get a call back from the agent rather than wait on the line, meets the intent of the requirement.	Yes, it will.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Contract Section A.9.l.		154 The state has the discretion to allow the contractor to participate in weekly meetings by teleconference. Does this mean the preferred and mandated method is weekly in person meetings? On average how many in-person meetings are required?	We assume you are referring to section A.9.i. No, the State has no expectation that a contractor must have staff on-site at state offices for weekly meetings (bi-weekly or as otherwise scheduled by the state). The State recognizes that most contractors are not located in Nashville, and we expect that many/most meetings will be held via teleconference.
Contract Section A.9(m)	65	155 Will the State consider the following modification to the language? Key personnel commitments made in the Contractor's proposal shall not be changed unless prior approved by the State In Writing, <u>which shall not be unreasonably withheld</u> . The Contractor shall notify the State at least fifteen (15) Business Days in advance, or as soon as the information is available, of proposed personnel changes. The Contractor shall submit proposed personnel substitutions in sufficient detail regarding education and experience to the State to allow evaluation of the impact to services. The decision of the State on these matters shall not be subject to appeal.	The State will agree to this revision. See Amendment #22 below.
Contract Section A.10.a.		156 The communication plan is required to be paper or will fully electronic communication strategy be sufficient?	It can be delivered electronically as long as everything submitted can be easily printed. Generally, contractors bring copies of printed documents to an initial meeting for ease of explaining and group review but it's not actually a requirement.
Contract Section A.10.c.i.		157 The contractor is to support 60 - 70 onsite meetings. Does this also include the weekly administration meeting or is this mutually exclusive from that? If mutually exclusive, please confirm the total on site benefit fairs, training, meetings, etc. that you require?	It is separate and apart from meeting with State staff at Benefits Administration. Please see the response to question #148 regarding onsite meetings.
Contract Section A.10.d		158 The contractor shall be responsible for all costs related to the design, development, printing, distribution, mailing (if applicable) and revision of all materials that are required to be produced under the terms of this contract. For non-standard work, is the cost allowed to be passed to the State?	See Pro Forma contract section C.3.d. for additional mailings that can be reimbursed by the State. Note that the State would not consider custom pieces to be "non-standard work" if they are required by the contract.
Contract Section A.13.b		159 How many mutually exclusive data feeds are in production today across all State entities?	Currently, there is no sharing of claims feeds between any other State contractors and the incumbent HSA/FSA contractor. For reference, the State currently has 2 TPAs, 1 PBM, 1 behavioral health contractor, 2 dental contractors, and 1 vision contractor. These are subject to increase or decrease in the future.
Contract A.14.e.	72	160 Contractor shall maintain inforce enrollments of all individuals covered by CDHP and FSA. Will the enrollment of individuals covered by the CDHP be our	Yes. The State will provide to the Contractor, via their own enrollment file that we will work with them on, all

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		notification to open an HSA for that participant?	CDHP enrollments for State, Higher Education, Local Education, and Local Government employees. It is then up to the Contractor to initiate the opening of a HSA and provide the member with a HSA debit card.
Contract A.14 (g)		161 The Contractor's systems shall conform to future federal and state specific standards for data exchange by the standard's effective date. Can the State confirm that to the extent that any changes in applicable law or regulation take effect post contract award and require changes to the agreed-upon solution, the parties will address such changes through the contract change process, making such changes to the contract scope, delivery times, or pricing as may be equitable under the circumstances?	The State confirms as changes are needed to the contract. If new federal or state rules require specific standards, then it is incumbent upon the Contractor to ensure that all of their systems are in compliance. Please see response to Question #66 regarding the contract amendment process.
Contract A.18	77	162 Can language be added to clarify that the (a) State would limit the authorized auditor to non-competitors of Contractor and (b) that audits will be limited to a reasonable number and with reasonable notice?	The State declines to revise this language. The State will provide the Contractor reasonable notice in this situation.
Contract Section B	82	163 Would the State explain the reason for a 71 month term?	The term of the contract in the Pro forma contract Section B consists of: Seven (7) months implementation; Sixty (60) months benefits service delivery; and Four (4) months claims runoff.
Contract Section B	82	164 Does the contract term of 71 months include transition before and after the contract? If not, would the state clarify the project timeline? • 6/1/2020 – 12/31/2020 Implementation = 7 months (Call center open 9/1/2020) • 1/1/2021 – 12/31/2025 Ongoing services = 60 months • 1/1/2026 – 4/30/2026 Transition Out = 4 months	See response to Question #1643
Contract Section B	82	165 Please confirm the following. If any of these are incorrect would the state please clarify. • Anticipated contract award date is May 2020. • Implementation Kickoff is June 2020. • Start of implementation (defined as the date implementation will officially start) is June 2020. • Operational Go Live Date (date ongoing services will be live) is January 2021. (Call center open 9/1/2020) • First Open Enrollment period under this contract is October 2020 for plan year 2021. • Final Open Enrollment period under this contract is October 2025 for plan year 2026.	Please refer to pro forma contract Section B for the contract effective date and Section A.19 for deliverables and milestone deadlines.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
Contract Section C.7	84	166 Will the State agree to pay all properly submitted invoices within net 30 days to the Contractor?	The State cannot agree to pay invoices within 30 days, but it's the State's intent to ensure invoices are paid timely. Per Tenn. Code Ann. §12-4-703 Prompt Pay Act, the State has up to forty-five (45) days after receipt of an invoice that complies with the terms of the Contract to make payment.
Contract Section D.5	86	167 Will the State agree to compensate the Contractor for any unamortized costs and reasonable wind-down costs in the event that the state opts to terminate the contract for any reason other than Contractor default?	The State will not agree to compensate the Contractor for any unamortized costs or wind-down costs.
Contract Section D.6	86	168 Will the State allow a notice and cure period (e.g. 30 days) prior to Termination for cause?	The State has modified the language. Please see Amendment #16 below.
Contract Section D.7	86	169 Would the State allow an assignment without the need for prior consent in the event of a sale of Contractor's assets to another entity, or, failing that, could State consent be "not unreasonably withheld"?	The State is amenable to language such as "not unreasonably withheld." This change notwithstanding and depending on the facts and circumstances, the assignment may require Fiscal Review Committee approval. See Amendment #23 below.
Contract Section D.18	88	170 Will the State consider limiting Contractor's liability for direct damages to an amount equal to two times the annual payments paid or payable by the State to the Contractor?	No, the State will not agree to this revision.
	88	171 Will the State consider including a mutual exclusion of consequential, indirect, incidental, special and punitive damages clause in the Contract?	No, the State will not agree to this revision.
Contract Section D.19	88	172 Would the State agree to limit the indemnity to "third party" claims and limited to issues involving Contractor's fault (i.e., negligence) rather than including generic "acts or omissions". Same question for page 88, D-22 (d) (indemnity for breach of privacy rules). (Or further "to the extent caused by" rather than "as a result of")	No, the State will not agree to this revision.
Contract Section D.24	90	173 Would the State consider agreeing to a force majeure excusing the Contractor or causing it to deploy a work-around, rather than allowing the State to terminate the Contractor?	No, the State will not agree to this revision.
Contract Section D.26	90	174 Would the State consider waiving its right to a jury trial? If not, would the State consider holding any such trial in a neutral venue such as Delaware?	No, the State will not agree to this revision.
Contract Section D.32	92	175 The Contractor shall maintain CGL, which shall be written on an ISO Form CG 00 01 occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from property damage, premises and operations products and completed operations, bodily injury, personal and advertising injury, and contractual liability per the most recent standard ISO GL form.	The State will be willing to consider a substitute policy form if the policy form has been approved by the TDOI.

RFP SECTION	PAGE #	QUESTION / COMMENT	STATE RESPONSE
		Question: Can the State of Tennessee please provide further clarification on whether the acceptance of a substitute form providing equivalent coverage extends to contractual liability?	
Contract Section E.2	94	176 Can the State confirm that such license shall be for the term of the awarded contract only?	If a license is required, the term of the license is based on the license periods, not the Contract term. This license term may go past the Contract Term.
Contract Attach. B PG #1-10	103-106	177 Would the State agree to a monthly cap of the Assessments?	No, the State does not agree.
Contract Attach. B PG #1-10	109	178 Can the percentage scorecard tier be modified based on industry best practices?	No, these are the State's performance expectations.
Contract Attach. D	111-112	179 Would the State agree to a quarterly cap on the At-Risk Performance Payments?	There is a quarterly cap of 3.5% of the previous calendar quarter Administrative Fees on eleven of the KPIs. The per incident KPIs cannot be capped.
Contract Attach D #4	109	180 Is the current debit card process compliant with IRS regulations? Are there any dollar threshold amounts or sampling methods utilized? What has the auto-adjudication rate been for each of the past five years?	The current debit card process is compliant with IRS regulations. There are no sampling or dollar thresholds for the substantiation process. The auto-adjudication rate for each month from January 2017-January 2020 has consistently been between 85%-93%.
Contract Attach D #4	109	181 Since auto-adjudication processes are described under IRS regulations, and are subjective (based on consumer education, how the card is used, etc.) how can an employer or contractor guarantee a certain percentage? This would seem to encourage circumvention of the standard IRS guidelines	Please see previous response to question #139.
Contract Attach D Call Center	112	182 How is "unresolved" defined? Often times a question is answered or issue resolved, however, the member may disagree and escalates and presents this as an unresolved issue.	The State understands that Members may not be satisfied or agree with all answers and these are not the instances being referred to. By "unresolved", the State is referring to instances where State staff must get involved in a Member case to provide the Member with new or additional information or take action that could and should have been provided by the Contractor but was not.

3. Delete RFP # 31786-00147, in its entirety, and replace it with RFP # 31786-00147, Release # 2, attached to this amendment. Revisions of the original RFP document are emphasized within the new release. Any sentence or paragraph containing revised or new text is highlighted.

4. Delete RFP Section 1.1., first paragraph, in its entirety, and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Overview

The State is seeking to procure one qualified Contractor for health savings account (HSA) trustee and a Flexible Spending Arrangement (FSA) administrator that can manage the HSA and FSA services described in Contract Section A of the *pro forma* contract. The State requires the Contractor to perform the core services (HSA and FSA) but is open to subcontractors for other services listed in the *pro forma* contract. This Contractor shall establish, manage and administer HSAs for all State Group Insurance Program (SGIP) plan members enrolled in the Consumer Directed Health Plan (“CDHP”) plan or the Local Consumer Directed Health Plan (“Local CDHP”). The Contractor shall also administer FSAs for state and higher education employees choosing to participate in the flex spending program. FSAs will not be made available under this contract to offline state agency employees, Local Education employees, or Local Government employees.

5. Add RFP Attachment 6.2, RFP Section 4.13, in its entirety (any sentence or paragraph containing revised or new text is highlighted):

4.13.1. Joint Ventures

Respondents bidding as special purpose entity (“joint venture”) shall file a statement of general partnership authority with the Tennessee Secretary of State’s office containing the information required by Tenn. Code Ann. Section 61-1-303(a)(1).

If a Respondent intends to submit a Proposal as a joint venture, then the following requirements shall apply:

4.13.2. For the purposes of this RFP, the State recognizes a joint venture as separate organizations or business entities that intend to combine professional or technical expertise and business experience, and to share contractual and project responsibilities in performance of a contract pursuant to this RFP;

4.13.3. The joint venture shall be either a legal entity formed under the laws of Tennessee or another state (e.g., a corporation, a limited liability company, a limited partnership, etc.) and licensed to do business in the State of Tennessee; or, if not a legal entity (e.g., a general partnership), a joint venture where each member of the joint venture is formed or registered to do business in Tennessee. The members of a joint venture that is not a legal entity shall provide proof that its members are jointly and severally liable for the actions or inactions of the joint venture;

4.13.4. If the joint venture is a legal entity licensed to do business in Tennessee, it shall meet the licensure requirements stated in Section 4.6 of this RFP. If the joint venture is not a legal entity, each member of the joint venture shall meet the licensure requirements stated in Section 4.6 of this RFP;

4.13.5. If the joint venture is a legal entity that is licensed to do business in Tennessee, the joint venture shall meet the insurance requirements stated in the RFP. If the joint venture is not a legal entity, each member of the joint venture shall meet the insurance requirements stated in this RFP, or in lieu of this requirement, the joint venture may provide a single certificate of insurance that covers each member of the joint venture. A certificate of insurance must be submitted to provide proof of compliance with these insurance requirements;

4.13.6. If the joint venture is a legal entity licensed to do business in Tennessee, it shall provide such documentation needed by the State to review the joint venture entity's financial responsibility and stability. If the joint venture is not a legal entity, each member of the joint venture shall provide such documentation needed by the State to review each member's financial responsibility and stability. A sub-contractor to a Respondent is not a joint venture member and will not be considered in evaluating a joint venture's financial responsibility and stability; and

4.13.7. A joint venture that is a legal entity licensed to do business in Tennessee must meet the contractual obligations outlined in Attachment 6.5 *Pro Forma* contract. Each member of a joint venture that is not a legal entity must individually meet these requirements.

6. Add RFP Attachment 6.2, Section A.8, in its entirety (any sentence or paragraph containing revised or new text is highlighted):

	A.8.	If responding as a Joint Venture, include a copy of the filed statement with the Tennessee Secretary of State that either creates a Tennessee legal entity (e.g., corporation, limited partnership, limited liability company, etc.) OR proof of formation in a state other than Tennessee along with proof that the legal entity is authorized by the Tennessee Secretary of State to do business in Tennessee.	
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7. Delete RFP Attachment 6.2, Section D, in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

TECHNICAL RESPONSE & EVALUATION GUIDE

SECTION D: ORAL PRESENTATION. The Respondent must address ALL Oral Presentation Items (below).

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the presentation response to each item. Each evaluator will use the following whole-number, raw point scale for scoring each item:

0 = little value 1 = poor 2 = fair 3 = satisfactory 4 = good 5 = excellent

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's raw, weighted score for purposes of calculating the section score as indicated.

RESPONDENT LEGAL ENTITY NAME:			
Oral Presentation Items	Item Score	Evaluation Factor	Raw Weighted Score
<p>D.1. Provide a live demonstration of the member tools (website, mobile app) that you propose to use under this contract and walk us through the functionality and all aspects of each item.</p> <p>Also show samples of educational materials or fliers that you propose to post on your splash page to educate members on how FSAs, L-FSAs, DC-FSAs and HSAs work, their annual maximum contribution amounts, and other pertinent items (investments available to HSA holders).</p>		8	
<p>D.2. Provide a live demonstration of call center assistance offered to 3 different members who call in with different questions or issues related to 3 different accounts (FSA, DC-FSA and a HSA).</p> <p>Use the following three scenarios for the live demonstration:</p>		10	

RESPONDENT LEGAL ENTITY NAME:			
<p>FSA: Member files claim on May 1, 2021 for a \$200 expense accrued on September 5, 2019. The member received a \$500 carryover from 2019. Please explain to the member if the claim is denied or approved and why.</p> <p>HSA: Member calls in to see why vision expenses are being subtracted from the HSA and not L-FSA. (The expense is being coded as medical claim (not vision) from BCBS-TN even though she saw an ophthalmologist and the member provided a BCBS EOB). Please explain to member.</p> <p>DC FSA: Member's child is entering Kindergarten in August and wants to know if enrollment in the DC-FSA can be canceled or modified. Provide answer and explain process.</p>			
<p>D.3. Present to us exactly how a member who never substantiates a debit card transaction is handled and what the process looks like to both the employee and the employer (e.g State, the University of TN, and each TBR campus or school).</p> <p>Show us each letter that a member would receive after using their debit card and you are not able to auto-substantiate a FSA or L-FSA purchase, how many days elapse between each letter, and specifically when is the debit card deactivated?</p> <p>Show us what transactions the State would have access to in your online system/portal so we can track how you are calculating how much an employee is overpaid. Present to us your final year end overpaid employees report or debt resolution report and walk us through all aspects of it.</p>		12	
<p>Total Raw Weighted Score (sum of Raw Weighted Scores above):</p> <p>The Solicitation Coordinator will use this sum and the formula below to calculate the score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.</p>			
<p>total raw weighted score</p> <hr style="width: 50%; margin: auto;"/> <p>maximum possible raw weighted score (i.e., 5 x the sum of item weights above)</p>		<p>X 10 (maximum section score)</p>	<p>= SCORE:</p>
<p>State Use – Evaluator Identification:</p>			
<p>State Use – Solicitation Coordinator Signature, Printed Name & Date:</p>			

8. Delete Attachment 6.3 Cost Proposal Excel Spreadsheet Tab B and C in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Tab B:

<p>lowest evaluation cost amount from all proposals/Evaluation Cost Amount Being Evaluated</p>	<p>x 15 (maximum section score)</p>	<p>= SCORE:</p>	
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Tab C:

lowest evaluation cost amount from <u>all</u> proposals/Evaluation Cost Amount Being Evaluated	x 5 (maximum section score)	= SCORE:	
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9. Delete Pro Forma contract section A.3.h. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

The Contractor shall provide to Members a slate of investment options for the program that is diverse and low cost. This would include domestic and international equity as well as fixed income investments and may include both passive and active investment strategies. The Contractor shall provide record keeping service and may also offer investment guidance and management to Members. The State shall have the right to select which custom slate of investment offerings or funds will be made available to all Members with an HSA under this contract. The Members that meet specified investment qualifications may select investments from the slate of offerings. The State Treasury department shall determine and approve the investment vehicles offered by the HSA administrator. Any conditions surrounding the investment opportunities shall be prior approved by the State and any material changes in the investment portfolio will be communicated to the State within thirty (30) days of the change.

10. Delete Pro Forma contract section A.4.g. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

The Contractor shall maintain monthly automatic card adjudication rates at or above eighty-five percent (85%) for FSA transactions with MCC codes specific to health care providers and shall report rates on a quarterly basis.

11. Delete Pro Forma contract attachment D #4 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

4.	Card Adjudication Rates	At least eighty-five percent (85%) of all FSA debit card transactions with MCC codes specific to health care providers each month shall automatically adjudicate (require no manual intervention).	85%	85% or greater	10	
				83-84.9%	8	
				82-83.9%	6	
				Less than 82%	0	

12. Add Pro Forma contract section A.7.v in its entirety (any sentence or paragraph containing revised or new text is highlighted):

The Contractor is insurance company and holder as defined by Tenn. Code Ann. § 66-29-102 for purposes of unclaimed property arising from the performance of this Contract. The Contractor shall comply with all applicable escheat state laws and regulations including but limited to Tenn. Code Ann. § 66-29-107. The Contractor shall provide copies of all escheat reports and supporting documentation to the Benefits Administration. The Contractor shall be responsible for compiling reports which meet National Association of Unclaimed Property Administrators (NAUPA) specifications and filing any required reports with the State through the ReportItTN.gov online portal.

13. Delete Pro Forma contract section A.9.h. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

The Contractor shall designate a full time account manager as a member of the account team. The account manager shall be a member of the implementation team in order to ensure a seamless

transition from implementation to ongoing operations. The account manager shall have the responsibility and authority to manage all contractual obligations **for all products** and shall respond promptly to changes or inquiries. This includes, but is not limited to, researching and resolving problems with employee enrollment, contributions, disbursements, other participant account issues, employer issues, and technical issues.

14. Add Pro Forma contract section A.10.y in its entirety (any sentence or paragraph containing revised or new text is highlighted):

The Contractor shall provide a single staff contact to lead all communications and outreach activities.

15. Delete Pro Forma contract section D.6 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract, or if the Contractor materially violates any terms of this Contract (“Breach Condition”), the State shall provide written notice to Contractor specifying the Breach Condition. If within thirty (30) days of notice, the Contractor has not cured the Breach Condition, the State may terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor and the State may seek other remedies allowed at law or in equity for breach of this Contract.

16. Delete Pro Forma contract section E.8.a(6) in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

(6) **In accordance with the timeframe for audits listed in Contract Section D.11** and in consultation with the State, the Contractor shall destroy all Confidential State Data it holds (including any copies such as backups) in accordance with the current version of National Institute of Standards and Technology (“NIST”) Special Publication 800-88. The Contractor shall provide a written confirmation of destruction to the State within ten (10) business days after destruction.

17. Delete Pro Forma contract section A.12.o. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

The Contractor may include a mobile application for use by Members with prior approval In Writing by the State. The Contractor must agree to and adhere to all security measures as it relates to Member data. The Contractor must provide a one hundred percent (100%) secure **(requires a unique member name and password that the plan participant creates)** web-based application that requires only a web-browser and an Internet connection.

18. Delete Pro Forma contract attachment D #5 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

5.	Member online access	As required by Contract Section A.5, all members enrolled in a HSA or flexible benefits program managed by the Contractor under this contract shall have online access to HSA and FSA account information 24 hours-a-day, seven days a week	99.5%	99.5% or greater	10	
				98.0-99.4%	8	
				96.0-97.9%	6	
				Less than 96%	0	

19. Delete Pro Forma contract attachment D #7 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

7.	Eligibility Posting	One hundred percent (100%) of electronically transmitted enrollment updates, including the resolution of any errors identified during processing, shall be processed within four (4) business days of receipt of the weekly file as required in Contract Section A.14.e.iii.	100%	100%	10	
				98-99.9%	8	
				96-97.9%	6	
				94-95.9%	0	

20. Delete Pro Forma contract attachment D #8 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

8.	Eligibility Discrepancies	Resolve all eligibility discrepancies (any difference of values between the State's database and the Contractor's database) as identified within two (2) business day of notification by the State or identification by the Contractor, as required in Contract Section A.14.e.iv.	100%	100%	10	
				98.0-99.9%	8	
				96.0-97.9%	6	
				Less than 96%	0	

21. Delete Pro Forma contract section A.3.n. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

The Contractor shall, at the State's request, credit Member HSA accounts for achieving specific wellness requirements, based on files received from the State or other State contractors to the extent that such credit would not cause the account to exceed the statutory annual contribution limit.

22. Delete Pro Forma contract section A.9.m. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Key personnel commitments made in the Contractor's proposal shall not be changed unless prior approved by the State In Writing, which shall not be unreasonably withheld. The Contractor shall notify the State at least fifteen (15) Business Days in advance, or as soon as the information is available, of proposed personnel changes. The Contractor shall submit proposed personnel substitutions in sufficient detail regarding education and experience to the State to allow evaluation of the impact to services. The decision of the State on these matters shall not be subject to appeal.

23. Delete Pro Forma contract section D.7. in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State, which shall not be unreasonably withheld. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

24. Add the following as RFP Appendices and renumber any subsequent sections as necessary:

Attachment 6.2 Cost Proposal REVISED

25. **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.