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| ETF_logo_large | STATE OF WISCONSIN **Department of Employee Trust Funds**  **Robert J. Conlin**  SECRETARY | 4822 Madison Yards Way  Madison, WI 53705-9100  P. O. Box 7931  Madison, WI 53707-7931  http://etf.wi.gov |

Date: April 22, 2020

To: All Potential Proposers to ETF RFP ETI0050

RE: **ADDENDUM No. 4 to Request for Proposals (RFP) ETI0050 – Insurance Administration System**

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**Acknowledgement of receipt of this Addendum No. 4:**

**Proposers must acknowledge receipt of this Addendum No. 4 by providing the required information in the box below and including this Page 1 in the Tab 1 section of their Proposal.**

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| Proposer’s Company Name: |  |
|  |  |
| Authorized Person (Printed Name and Title): |  |
|  |  |
| Authorized Person’s Signature: |  |
|  | Date |

**REMINDER: Appendix 11 – SFTP Access Request Form is DUE THIS FRIDAY, APRIL 24, 2020.**

**Please fill out and email Appendix 11 to** [**ETFSMBProcurement@etf.wi.gov**](mailto:ETFSMBProcurement@etf.wi.gov)

**After receipt of Appendix 11, ETF will provide SFTP instructions, Logon ID, and a temporary password to enable vendors to electronically submit their proposal.**

**ONLY electronic submission of proposals will be accepted.**

**Proposals must be uploaded to ETF’s SFTP site before 2:00 PM CDT on May 13, 2020.**

Please note the following updates to RFP ETI0050:

1. **Add** to the RFP the following questions regarding RFP ETI0050 from Proposers and answers from the Department.

Vendor Q&A

| Q # | RFP Section | RFP Page | Question/Rationale | Department Answer |
| --- | --- | --- | --- | --- |
| Q1 |  | 5 of 33  Regarding Q39 | In your responses you stated as of 12/31/19 there were 262,932 WRS covered employees plus the approximately 800-900 non WRS employers. We also know only 110,237 employees are currently enrolled in health insurance. For a vendor who prices off of a subscription model what number of employees should we use when providing pricing? | Although there are only 110,237 employees currently enrolled in health insurance, that is not the only group of employees within the scope of this RFP. The response to question Q39 from the first round of vendor questions provides extensive detail regarding the true count of eligible employees – those who might ever potentially log into the new IAS. The Proposer’s system needs to accommodate enrollment administration for all eligible employees, both those currently enrolled and those who may choose to enroll in the future.  We understand that some Proposers may base their pricing on enrolled members only, so that even though their system can accommodate enrollment administration for all eligible employees, including those who delay enrollment until some point in the future, subscription costs for such members will not begin until they actually enroll. Consequently, we understand why Proposers are interested in knowing a full count of unique enrollments, where an enrolled member is only counted once, regardless of whether he or she is enrolled in a single or multiple benefit programs.  Unfortunately, we don’t currently have the capability to identify unique enrollments. The participant data we have available is listed in Tables 1 and 2 of the RFP. However, this data is by benefit program only, so we know there are members who are counted more than once because they are enrolled in multiple benefit programs.  We encourage Proposers who use subscription pricing to break down their cost information into more granular details, if possible. For example, perhaps the Proposer can provide a per enrolled member cost, costing for different ranges of enrolled member counts, or other appropriate and informative cost detailing. |
| Q2 |  | Regarding Q38 | Does ETF allow enrollment in life insurance and supplemental benefits at two different employers as a result of a statutory requirement?  Is ETF open to altering dual enrollment rules of enrolling in the same benefit, at the same time, in two different employers if the system allowed for proper management? | The current practices that allow enrollment in life insurance and supplemental benefits at two different employers are not specifically set by statute.   * For supplemental benefits, individual vendors have the discretion whether to allow this practice, which most currently do. * For life insurance, there is no statutory requirement that specifically addresses the ability to simultaneously enroll at two different employers. Wis. Stat. 40.02(25)(a) and Wis. Stat. 40.02(25)(c), however, define who qualifies as an eligible employee. An individual who meets these requirements at a given employer is eligible to enroll in any insurance benefits offered by that employer. There is nothing in the statutes to prohibit an eligible employee from enrolling in the same insurance benefit at more than one employer.   Yes, ETF is open to considering changes to existing enrollment rules to take advantage of capabilities the Proposer’s system may offer to streamline, enhance, automate, and effectively manage insurance enrollment functions. |
| Q3 |  |  | Is ETF open to receiving recommendations on how to streamline business rules thus creating efficiency in implementation ongoing support, and management? | Yes, ETF is open to considering changes to existing processes, procedures, and business rules to take advantage of capabilities the Proposer’s system may offer to streamline, enhance, automate, and effectively manage insurance eligibility, enrollment, and invoicing functions. |
| Q4 | Health, Pharmacy and Dental Insurance Programs | 4 of 31 | With respect to payment for benefits, please provide an example of a retiree who has exhausted their sick leave bank. How are is the retiree transitioned to payment through their annuity and/or direct bill? What data is available to identify these individuals? | Currently, an eligible retiree with an accumulated sick leave credit balance is set up in MEBS, ETF’s existing health insurance system, with a health insurance group number denoting sick leave credits as the premium payment source.  On a monthly basis, AcSL, ETF’s current sick leave system, accesses invoices from MEBS and deducts health insurance premiums from member accounts.  AcSL recalculates and maintains current account balances as monthly premiums are deducted and adjustments (to original information submitted by employers, prior month premiums, etc.) are made.  Once a member’s sick leave balance in AcSL reaches the point where it is insufficient to cover the monthly premium, the account is flagged for staff review. ETF staff then manually review the member’s annuity, if any, in our current pension system to determine if the monthly amount is adequate to cover the monthly health insurance premium. If it is adequate, ETF staff manually update the health insurance group number in MEBS to reflect annuity deduction as the new premium payment source. If it’s not adequate, ETF staff manually update the group number to reflect direct billing as the new premium payment source.  Data used to identify and manually review depleting sick leave accounts resides in several current legacy systems.  This is a very manual process today. We are interested in any capabilities the Proposer’s system may offer to streamline, enhance, automate, and effectively manage these functions. |
| Q5 |  | 12 of 31 | Can you please clarify why you require source code escrow of SaaS providers?  If we choose not to provide source code escrow, will we be disqualified? | ETF is interested in receiving source code escrow from all providers and solution deployment options. Specifically, ETF is requesting source code escrow from SaaS providers because ETF will have limited access to and control over a SaaS hosting environment, and so having the source code escrow serves as a safety net in case a vendor or hosting service disappear unexpectedly.  Proposers will not be disqualified regardless of their responses regarding source code escrow. |
| Q6 | General | General | It was noted in the response to Q24a that you would like to see the applicable pricing for call center services. In order to provide this, we need the previously requested call details:  a. Annual Call Volume b. Annual Enrollment Call Volume c. Average Call Duration | 1. In 2019, ETF’s annual inbound member call volume was 177,820. These calls covered a range of topics from legislation to pension benefits to insurance-related topics. Approximately 20% of the total inbound call volume was tagged as an insurance or sick leave-related inquiry.   See the response to question Q7 below for more detail on call topics.   1. Approximately 12% (21,770) of the total inbound call volume was received during the annual open enrollment period in October. Of the October calls, approximately 30% were related to health insurance questions. 2. ETF’s average inbound call duration in 2019 was 5.38 minutes. |
| Q7 | General | General | What type of employee questions are you supporting in-house today?  Please provide the top call dispositions that drive the majority of employee inquiries. | Currently, we categorize inbound calls under the following topics:   * Account Balance * Additional Contributions * Annuitant Dividends * Appointments * Actuarial Reduction * Beneficiaries * Name/Address Changes * Contact Info * Collections * Contribution Rates * Creditable Service * Death Benefits * Disability Benefits * Drop Off Forms * Domestic Partner * Divorce * Effective Rates * Health Insurance * IVR Forms/Brochure Request * Identity Theft * New and Pending Legislation * Life Insurance * Long Term Care * MYETF Benefits * Miscellaneous * Military Service * Prescriptions/Pharmacy * Monthly Payments * Rehired Annuitants * Retirement Benefits * Reciprocity * Returning to Work * Separation Benefits * Sick Leave * Statement of Benefits * Service Purchase * Taxes * Variable Participation   The top five topical areas across all inbound calls are:   1. Retirement Benefits 2. Health Insurance 3. Monthly Payments 4. Death Benefits 5. Taxes   The top five topical areas across insurance-related inbound calls are:   1. Health Insurance 2. Life Insurance 3. Sick Leave 4. Prescriptions/Pharmacy 5. MYETF Benefits (MYETF or MEBS is our existing health insurance system) |
| Q8 | General | General | We want to ensure that our proposal is as closely aligned to the State’s scope requirements as possible. A big part of the fee consideration surrounds the integration expectations, both inbound and outbound. Any additional clarity that you can provide as we finalize our review of documentation and initial responses would help ensure that our quote is as accurate as possible for the State and the expected scope. We will be happy to provide our assumptions, however the detail below is ideal to align our proposal to scope requirements:  a. Please specify how many carrier/vendor EDI files (inbound and outbound) we should assume within our pricing proposal. Please state the integration direction, benefit types per file, vendor.  b. Please specify how many inbound files for demographic data we should assume within our pricing proposal  c. Please clarify how many outbound payroll deduction files will be required. To what system(s) will the payroll deduction data be sent?  d. Please provide the same detail as it relates to pension file expectations. We will be happy to provide our capabilities supported today across similar clients, but would like to understand current state integration volume and type. | 1. As provided in the response to Q25 from the first round of vendor questions, the number and type of future integrations will depend on multiple factors including the vendor system capabilities as well as how members and employers will utilize the system. Typically, ETF is supporting approximately 12-14 health insurance carriers at any one time, plus additional carriers for life, ICI, supplemental benefits, etc. However, the exact number of carriers can change from year-to-year as insurance offerings are rebid and carriers join and/or leave our programs.   Due to these factors, we are unable to provide a more definitive answer at this time regarding the number and type of future integrations.  We encourage Proposers who typically use such details for their pricing proposals to break down their cost information into more granular details, if possible. For example, perhaps the Proposer can provide a per integration cost, costing for different ranges of integration counts, or other appropriate and informative cost detailing.   1. As provided in the response to Q25 from the first round of vendor questions, indicative demographic data will be maintained in ETF's Master Data Management (MDM) solution and distributed to systems, such as the new IAS, that need it. Distribution methods may vary depending on vendor system capabilities. 2. As provided in the response to Q25 from the first round of vendor questions, currently, the three (3) largest state agency employers use file transfer processes to electronically submit enrollment and related data from their internal enrollment systems to ETF. We send response files back to them with data corrections for their records. No payroll deduction files are currently exchanged. All other employers manually enter enrollment information into our systems.   Going forward, we envision that all enrollment will occur within the IAS, either entered directly by the affected member or, for certain populations, entered by an employer and/or ETF staff based on paper enrollment forms. Enrollment and payroll deduction data will need to interface back to employers. Vendors must have the capability to interface this data back to employers via both outbound integration files and electronic reports, as employer needs and system capabilities will vary.  Unfortunately, we are unable to provide you with a more definitive answer at this time, as it will depend on the selected Proposer’s system functionality and how that meshes with our employer needs and system capabilities.  We encourage Proposers who typically use such details for their pricing proposals to break down their cost information into more granular details, if possible. For example, perhaps the Proposer can provide a per outbound file cost, costing for different ranges of file counts, or other appropriate and informative cost detailing.   1. Today, MEBS, our existing health insurance system, interfaces health insurance enrollment and payroll deduction data for approximately 10,000 retirees on a monthly basis with our current annuity payroll system. This number is fluid and can vary from month to month. In addition, it does not include payroll deduction data for other (non-health) insurance benefits in which a retiree may participate.   ETF envisions that all future insurance enrollment and administration will occur within the new IAS. Therefore, all insurance benefit program enrollment and payroll deduction data for retirees will need to interface back to our current annuity payroll system, and ultimately, to a new pension administration system. The format for this data transfer will depend on the selected vendor system. |
| Q9 | Addendum 3 RFP ETI0050 - 04.06.2020 (1) | Q56 | Will ETF continue to be the system of record post-employment for things such as address changes? | Yes, ETF intends that person demographics and other types of common data utilized by multiple applications at ETF will be centrally managed in a Master Data Management solution at ETF. See responses to questions Q20 and Q121 from the first round of vendor questions for further details. ETF envisions the new IAS to only be the system of record for insurance-related data. |
| Q10 | Addendum 3 RFP ETI0050 - 04.06.2020 (1) | Q51 | Are local paid annuitants in scope for the purposes of this RFP? If so, please share the total number, variance in benefit offerings, carriers, etc. | Yes, local paid annuitants are within the scope of this RFP.  In 2019, approximately 70 local employers insured 432 local paid annuitant subscribers and 789 members.  The same benefit offerings, carriers, and coverage options are available to both active employees and local paid annuitants of a given local employer. |
| Q11 | Appendix 8: Cost Proposal Workbook | 1 | Re. Instructions listed in Appendix 1 - Proposal Checklist for Appendix 8: Cost Proposal Workbook: Completed and signed.  The instructions request signature on Appendix 8: Cost Proposal Workbook.  *Please verify where the signature should be placed and the signing authority you require.* | As stated in Appendix 1 – Proposal Checklist, Proposer’s signature was requested on the submitted Cost Proposal; however, a signature line was inadvertently left off the Cost Proposal.  No signature is required on the Cost Proposal. By returning the Cost Proposal, the Proposer agrees to offer the pricing as submitted. |
| Q12 | Addendum No. 3  Q7, Appendix 7, #303 of 28 |  | For ICI:  We do not currently have an ICI enrollment database or any mechanism via which to generate a traditional invoice.  Currently, employers report employee counts per category or elimination period, whichever is appropriate, in MEBS. For state employers, MEBS uses that data to calculate the premiums owed. Local employers are currently on a premium holiday and do not make premium payments, although that will likely change at some point in the future.  *Please provide a list of the program options that are available to local employers.* | There is only one ICI plan available to local employers. However, employees have the option to select a 30, 60, 90, 120, or 180-day elimination period when they enroll. The chosen elimination period impacts the monthly premium. |

This Addendum is available on ETF’s Website at [<https://etf.wi.gov/node/15551>](http://etfextranet.it.state.wi.us/etf/internet/RFP/rfp.html).