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November 9, 2016

ADDENDUM NO. 3

TO

REQUEST FOR PROPOSALS

NO. 16-002

BENEFIT PLAN AUDIT SERVICES

The following are responses to written questions that were submitted:

	Question	Answer
1	How many claims were processed for each plan? Exhibit B shows the average covered lives and total plan expenditures. How many claims were processed that corresponds with the total plan expenditures	This information is not readily available.
2	[Page 61, Attachment 6 – Carrier Audit Policies] Would it be possible to obtain the full electronic file of claims to audit or are we restricted to only receive what is listed on the audit policy page (e.g., the 200 claims during an onsite visit for HMSA)?	The expectation is that a full electronic file will be provided to allow for the 100% analysis; the policy restriction for the number of claims refers to the onsite validation process.
3	[Page 2, Paragraph 1.2, Purpose] Is it the EUTF’s intent to have an administrative review conducted in every period (each year) on each benefit where it is requested? Please note that we are pricing our audits as if this is the intention. However, this is often not necessary to perform annually depending on the situation. It could reduce pricing depending on the State’s reply.	See page 26 for the minimum requirements. EUTF reserves the right to modify the scope and frequency of the audits based on prior audit findings and recommendations.
4	[Page 30, Category 4 – Life Insurance] Audit Category 4 (Life Insurance Audits) indicates that the auditor is to check system capabilities and	See requirements on page 30 which would include confirmation of proper system controls. EUTF anticipates each Offeror will describe their

EUTF’s Mission: We care for the health and well being of our beneficiaries by striving to provide quality benefit plans that are affordable, reliable, and meet their changing needs. We provide service that is excellent, courteous, compassionate, and informative.

	Question	Answer
	accuracy of plan set-up including confirmation of appropriate benefit levels. Will EUTF please clarify what it means by “checking system capabilities”? Also, what areas other than proper payment of benefits and eligibility does the State intend to be reviewed?	recommended scope of services, which will allow for EUTF’s evaluation of proposals.
5	[Page 39, Project Management – D-5] Will EUTF please clarify or define the “first audit period of this proposed contract”?	Refer to “Period 1” outlined on the Fee Proposal Form on page 50 of the RFP.
6	[Page 42, Section G – Medical Audits (Includes Chiropractic, Supplemental Coverages, Dental, Vision & Life) Will EUTF please confirm that by “target sample,” it means a sample selected manually from the findings of a 100% electronic review of claims with the purpose of looking at specific issues detected? In other words, this will not be a randomly selected sample.	Confirmed.
7	[Page 61, Attachment 6 – Carrier Audit Policies] For carriers that support offsite audits (HDS, VSP, Royal State), will EUTF find it acceptable to conduct remote audits (offsite) utilizing WebEx conferencing technology since taking advantage of this approach will lower audit fees?	Yes.
8	[Page 63] Will EUTF please confirm that the statistical sampling requested in the RFP refers to statistics gathered from a randomly selected claim sample?	Statistical sampling anticipates the random sample will provide a confidence level that the audit findings are reflective of all payments.
9	[Page 63, USABLE Life] USABLE’s audit policy states that audits are conducted onsite. Does the state know if USABLE might agree to support an offsite audit?	There was no indication of an offsite process in USABLE’s response to EUTF’s earlier inquiry.
10	[Page 67, Exhibit A – Audit Schedule] In which section of the proposal should the bidder include its response to this RFP requirement?	Refer to Question D-5.