



STATE OF HAWAII
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

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DONNA A. TONAKI

February 2, 2018

ADDENDUM NO. 2
TO
REQUEST FOR PROPOSALS
NO. 18-001
DENTAL BENEFITS

The following are responses to written questions that were submitted:

	Question	Answer
1	<p>Page 35, Section V, paragraph no. 4 reads, "For the fully insured plans with risk sharing, if the total benefit paid, excluding ACA fees, at the end of the runout period is less than the total premiums collected, excluding ACA fees, the excess amount will be refunded to the EUTF."</p> <p>There is no mention of the administration/retention fees in this statement, so this can be interpreted to mean all of the admin/retention fees would have to be returned to EUTF if the benefits were less than the premiums. Our concern is that the first sentence in #4 contradicts all of the other reconciliation calculations and examples that are shown below it.</p> <p>Please confirm that the initial and final reconciliation should be calculated as stated: <i>The initial reconciliation shall be calculated as follows: Paid premiums (excluding ACA PCORI and insurer fees), minus paid benefits, minus administration/retention fees, and minus reserves for incurred but not reported benefits.</i></p> <p><i>The final reconciliation shall be calculated as follows: Paid premiums (excluding ACA PCORI and insurer fees), minus paid benefits, minus administration/retention fees, and minus reserves for incurred but not reported benefit.</i></p>	<p>Page 35, Section V, paragraph no. 4 is amended to read, "For the fully insured plans with risk sharing, if the total benefit paid, excluding ACA fees, at the end of the runout period is less than the total premiums collected, excluding ACA and administration/retention fees, the excess amount will be refunded to the EUTF."</p> <p>The amount of surplus calculation is as stated in the RFP and referenced in your question. Surplus equals paid premiums (excluding ACA PCORI and insurer fees, if applicable), minus paid benefits, minus administration/retention fees and minus reserves for incurred but not reported claims.</p>
2	<p>Please provide how the monthly IBNR is calculated. Why is the monthly IBNR amount so large in the first month of every plan year? Are the "Benefits Paid" amounts, for each plan year, shown on a "paid" basis or are they</p>	<p>Because the contract is on an incurred basis, the first month of each plan year has fewer paid claims as the run-out from the previous plan year is being paid.</p>

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 informed service that is excellent, courteous, and compassionate.

	Question	Answer
	shown on an “incurred in the contract year and paid in the contract” basis?	Amounts are incurred. They are shown as incurred and paid in the contract year.
3	<p>Page 75, Section VII, Dental Questionnaire, nos. 36 and 37 a and b</p> <p>Is question no. 36 referring to the activities performed specifically for the purposes of investigations on a post-payment basis? Or is it asking for information on the programs that are in place to detect these things on the front end? Since this question is in the Claims Processing section, we’re wondering if these 3 questions are asking whether or not our claims processing system would check for eligibility, duplicate claims, etc.</p>	The question is seeking information on both front and back end audit checks you incorporate into your systems to detect these potential errors or abuses.
4	Please provide the monthly claims data for all previously provided experience periods, on a pure “paid” basis, regardless of incurred dates.	These reports are not available.
5	Please provide all premium rates from 7/1/14 through 6/30/16 for EUTF Active, HSTA VB Active, and HSTA VB Supplemental subscribers. Please provide all premium rates from 1/1/14 through 12/31/16 for EUTF Retiree and HSTA VB Retiree subscribers.	The only premium rates that will be provided are contained in the RFP and attachments (Exhibit B of Section IX).
6	Please provide EUTF Active, HSTA VB Active, and HSTA VB Supplemental premium rates, effective 7/1/18.	See Attachment No. 1. The active rate sheet that was approved by the Board is attached. These rates may be amended by the Board at their 2/27/18 meeting to account for the waiver of the 2019 ACA insurer fee.
7	Please provide monthly premiums beginning 1/1/14 through 6/30/17 for all Retiree groups and monthly premiums beginning 7/1/14 through 6/30/17 for all Active groups.	Please see the response to question #5.
8	Does EUTF plan to maintain the same contribution strategy for each plan, as they exist today?	The bargaining units negotiate the contribution amounts with the Employers. Future agreements cannot be forecasted at this time.
9	<p>Page 24, Section III, Proposal Evaluation</p> <p>Please clarify the intent of, “...prior litigation with the EUTF and/or the State...” within the section that reads: “Experience offering services to similar sized entities and references, including prior engagements with the EUTF and the State: The analysis of this category will be the result of reviewing the list of referred entities for which</p>	The State will consider in its evaluation, any prior experience it has had with the proposing company and any litigation by either party as a result of that prior contract.

	Question	Answer
	<p>the OFFEROR is providing identical or very similar services including any prior contracts of the OFFEROR or its affiliates or precedent corporation with the EUTF or the State and prior litigation with the EUTF and/or the State..."</p>	
10	<p>Page 28, Section IV, Scope of Work, No. 5, Processing Enrollments, Cancellations, and Terminations</p> <p>Within the scope of work, does 48 hours mean the next two (2) business days?</p>	<p>This paragraph is amended to read, "The Contractor shall process all transactions (e.g., cancellations and termination of enrollments) within 24 hours of the electronic data transmission and mail ID cards within 48 hours of the transmission or two weeks prior to the effective date of the new enrollment, whichever is later."</p> <p>For the processing of transactions, 24 and 48 hours means 24 and 48 hours in business days. For example, if the electronic data transmission is made at 8 a.m., HST on Friday and Monday is not a State holiday, transactions must be processed by 8 a.m., HST Monday and ID cards must be mailed by the later of 8 a.m., HST Tuesday or two weeks prior to the effective date of the new enrollment."</p>
11	<p>Page 68, Section VII, Dental Questionnaire, General Information, Financial Condition of Organization</p> <p>Can you define National PPO vs. Hawaii PPO membership?</p>	<p>National PPO membership includes members enrolled in a PPO dental plan in any and all states, including Hawaii. Hawaii PPO membership is limited to membership within the State.</p>
12	<p>Page 76, Section VII, Dental Questionnaire, General Information, ASO Banking/Claim Reimbursement Arrangements</p> <p>What are the EUTF's expectations of the Contractor in regards to, "Provide a detailed list of services and supplies included in your proposed ASO fee."? Can you please provide examples?</p>	<p>Examples include bank account reconciliation, stop payment of uncashed reimbursements, check registers, and ACH transaction registers.</p>

	Question	Answer
13	<p>Page 77, Section VII, Dental Questionnaire, General Information, Network Management, Provider Relations Education</p> <p>In the tables, what information should be included under the column marked, "Unknown"?</p>	<p>Mark the "Unknown" column, if the information is not available.</p>
14	<p>Page 77, Section VII, Dental Questionnaire, General Information, Network Management, Provider Relations Education</p> <p>Do providers that close an office on one island, but not another count as a termination for only that island and not the other(s)?</p>	<p>Yes.</p>
15	<p>Page 96, Section IX, Performance Guarantee Reporting, Claims Processing and Claims Service</p> <p>Please confirm the Performance Guarantee should read, "Process 95% of claims within 15 business days and 99% within 30 calendar days of receipt of appropriate documents," instead of, "Process 95% of claims within 5 business days and 99% within 30 calendar days of receipt of appropriate documents."</p>	<p>Page 96, Section IX, Performance Guarantee Reporting, Claims Processing and Claims Service should read, "Process 95% of claims within 15 business days and 99% within 30 calendar days of receipt of appropriate documents."</p>
16	<p>Page 97, Section IX, Performance Guarantee Reporting, Plan Administration</p> <p>"Load weekly 834 files within 24 hours after receipt and process all transactions (e.g., enrollments, terminations, and other life events) including mailing 99% of ID cards within 48 hours or two weeks prior to the effective date.</p> <ul style="list-style-type: none"> • Please clarify the Performance Guarantee: Does 24 hours mean the next business day? • The verbiage used to describe the required timing to mail ID cards to enrollees is different within the Scope of Work compared to what is noted in the Performance Guarantees. Should the scope of work verbiage match the Performance Guarantee? 	<p>Please see the response to question #10. 24 business hours from the date that the transmission was made to the vendor.</p> <p>Please note that upon initial implementation of the plan, the performance guarantee requires cards be mailed within 48 hours of the transaction or two weeks prior to the effective date of the new enrollment, whichever is later.</p>
17	<p>Page 97, Section IX, Performance Guarantee Reporting, Plan Administration</p>	<p>As stated in the Performance Guarantee, the geo-access guarantee is on a per Island basis within the State.</p>

	Question	Answer
	<p>“Maintain a geo access percentage of 95% or better than the results submitted in the proposal on a per island basis within the State.”</p> <p>Should the geo access percentage of 95% be maintained on a per county basis instead of by island? For example, Molokai and Lanai are part of Maui County?</p>	
18	<p>Page 97, Section IX, Performance Guarantee Reporting, Plan Administration</p> <p>“Achieve 95% satisfaction results with the Contractor in an annual survey conducted by the Contractor based on an enrollee satisfaction survey and 20% participant response.”</p> <p>Is it the EUTF’s intent to raise the satisfaction results from the current 90% to 95%, as stated in the Performance Guarantee?</p>	<p>Correct.</p> <p>Page 97, Section IX, Performance Guarantee Reporting, Plan Administration is amended to read, “Achieve 95% satisfaction results with the Contractor in an annual survey conducted by the Contractor based on an enrollee satisfaction survey with participation supporting a 95% confidence level with a 3% precision level (error rate not to exceed 3%).”</p>

Premiums

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

ACTIVE EMPLOYEES

BU's 00, 01, 02, 03, 04, 05, 06, 07, 08, 09, 10, 11, 13, 14

EFFECTIVE JULY 1, 2018

BU's 00, 01, 02, 03, 04, 06, 07, 08, 09, 10, 11, 13, 14: ALL EMPLOYERS

BU 05: FOR HAWAII PUBLIC CHARTER SCHOOLS, STATE OF HAWAII HSTA VEBA EMPLOYEES WHO OPTED TO TRANSFER TO EUTF PLANS or BU 05 EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2011

Benefit Plan	Type of Enrollment	Semi-Monthly Employee Contribution	Monthly Employee Contribution	Monthly Employer Contribution	Percent Employer	Total
DENTAL PLAN						
HDS Dental	Self	\$6.78	\$13.56	\$20.32	60.0%	\$33.88
	Two-Party	\$13.55	\$27.10	\$40.66	60.0%	\$67.76
	Family	\$22.29	\$44.58	\$66.88	60.0%	\$111.46

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

ACTIVE EMPLOYEES

BU 12

EFFECTIVE JULY 1, 2018:

BU 12: FOR CITY AND COUNTY OF HONOLULU, COUNTY OF KAUAI, COUNTY OF HAWAII, COUNTY OF MAUI

Benefit Plan	Type of Enrollment	Semi-Monthly Employee Contribution	Monthly Employee Contribution	Monthly Employer Contribution	Percent Employer	Total
DENTAL PLAN						
HDS Dental	Self	\$6.78	\$13.56	\$20.32	60.0%	\$33.88
	Two-Party	\$13.55	\$27.10	\$40.66	60.0%	\$67.76
	Family	\$22.29	\$44.58	\$66.88	62.8%	\$111.46

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND FOR ACTIVE EMPLOYEES FORMERLY UNDER THE HSTA VEBA

BU 05

EFFECTIVE JULY 1, 2018

Benefit Plan	Type of Enrollment	Semi-Monthly Employee Contribution	Monthly Employee Contribution	Monthly Employer Contribution	Percent Employer	Total
DENTAL PLAN						
HSTA VB HDS Dental	Self	\$7.41	\$14.82	\$22.24	60.0%	\$37.06
	Two-Party	\$14.82	\$29.64	\$44.46	60.0%	\$74.10
	Family	\$24.37	\$48.74	\$73.12	60.0%	\$121.86
HSTA VB HDS Supplemental Dental	Self	\$3.81	\$7.62	\$11.40	59.9%	\$19.02
	Two-Party	\$7.61	\$15.22	\$22.82	60.0%	\$38.04
	Family	\$11.41	\$22.82	\$34.24	60.0%	\$57.06