



STATE OF TENNESSEE
FINANCE & ADMINISTRATION, BENEFITS ADMINISTRATION

**REQUEST FOR PROPOSALS # 31786-00155
AMENDMENT # TWO FOR DISABILITY**

DATE: March 16, 2021

RFP # 31786-00155 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. RFP Issued		February 2, 2021
2. Disability Accommodation Request Deadline	2:00 p.m.	February 8, 2021
3. Pre-response Conference	10 a.m.	February 9, 2021
4. Notice of Intent to Respond Deadline	2:00 p.m.	February 10, 2021
5. Written "Questions & Comments" Deadline	2:00 p.m.	February 17, 2021
6. State Response to Written "Questions & Comments"		March 16, 2021
7. Response Deadline	2:00 p.m.	March 25, 2021
8. State Completion of Technical Response Evaluations		April 13, 2021
9. State Opening & Scoring of Cost Proposals	2:00 p.m.	April 14, 2021
10. State Notice of Intent to Award Released	2:00 p.m.	April 22, 2021
11. RFP Files Opened for Public Inspection		April 22, 2021
12. End of Open File Period		April 30, 2021
13. State sends contract to Contractor for signature		May 3, 2021
14. Contractor Signature Deadline	2:00 p.m.	May 7, 2021

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		QUESTION / COMMENT	STATE RESPONSE
	1.	Please confirm who the current subcontractors are what services they current perform?	This information is not required to provide a bid response.
	2.	What is the current percentage allocated to the subcontractors and does the State expect there to be a minimum?	The State does not have a minimum or a specific percentage allocated to subcontracting. However, the State does look upon subcontracting of importance and a great value in contracts. Over \$300M on contracts was performed by subcontractors last year.
	3.	Can you provide some screenshots/demo on what the employees see when the enroll through the current system for both the State and Higher Education?	The State has added Appendix 7.8 Enrollment Screenshots. See Amendment item #8 below.
	4.	Can you please confirm the time listed for the State Notice of Intent to Award on the RFP Schedule of Events (page 7) is on April 22, 2021 at 2:00 p.m. CT?	Confirmed. The State will make the contract award recommendation to the Insurance Committees which is currently scheduled for April 22. The RFP solicitation coordinator will provide additional details regarding the meeting as the date gets closer. The intent to award is typically emailed out to all respondents after the Insurance Committee has voted on the contract award recommendation. The meeting starts at 1 p.m. CT and we are able to send out the Notice of Intent by 2 p.m.
	5.	Can you please confirm the RFP # is RFP 31786-00155? As Page 26(c)(iii) of the RFP refers to RFP31786-00156.	Confirmed. The RFP# is RFP 31786-00155. See Amendment item #3 below.
	6.	Can you please confirm the response delivery requirements for this RFP? <ul style="list-style-type: none"> - Section 3.2.2.1 indicates a digital media submission. However, is there a dropbox to submit this digital version to? - Section 3.2.2.2 indicates an e-mail submission. Can the e-mail submission be in lieu of the drop 	Yes. There is a digital submission option. Please see Amendment item #8 below.

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		<p>box or are both email and digital/drop box required?</p> <ul style="list-style-type: none"> - Section 3.1.1.2 refers to printed material being economically prepared on 8 1/2" x 11" paper. Do physical paper copies of the Technical and Cost Responses need to be submitted? If so, please confirm the number of copies and/or addresses required. 	
	7.	<p>Can you please provide Appendix 7.2.c – University of Tennessee Employees Sick Leave Bank as it shows unable to download on the procurement website:</p> <p>https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html</p>	<p>The appendix link has been updated. Please check the CPO RFP Opportunities website.</p> <p>https://www.tn.gov/generalservices/procurement/central-procurement-office--cpo-/supplier-information/request-for-proposals--rfp--opportunities1.html</p>
	8.	<p>Does the State of TN currently use an enrollment vendor or benefit administration system for the disability products? If so, please provide the name of the enrollment vendor or benefit admin system.</p>	<p>The State does not use an enrollment vendor. The State uses a custom benefits module in PeopleSoft for internal benefits administration.</p>
	9.	<p>Please provide copies of current enrollment materials the State provides to members that promotes the disability products.</p>	<p>https://www.tn.gov/partnersforhealth/other-benefits/disability.html</p> <p>https://www.tn.gov/partnersforhealth/publications/publications.html</p>
	10.	<p>Please provide the link to the current Splash Page.</p>	<p>https://www.metlife.com/stateoftn/</p>
	11.	<p>Please provide a census for The Board of Regents that is updated to include:</p> <ul style="list-style-type: none"> • Dates of birth 	<p>Dates of birth are not available and were not provided in the previous Higher Education RFP or to the current Higher Education vendor.</p>

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		<ul style="list-style-type: none"> • Updated dates of hire with a date formula or that can be converted • Indicators for those participating in the State and Higher Ed STD plan • Please confirm the 1, 2 & 3 in column H are the indicators for who is participating in the 3 LTD plan options. If not, please provide. • Sick bank time 	<p>Updated dates of hire with a date formula or that can be converted are included in revised Appendix 7.5. Please see Amendment item #8 below.</p> <p>Enrollment information for TBR employees participating in the State, TBR, and Higher Ed STD plan has been added to Appendix 7.5, tab "TBR Enrolled in STD".</p> <p>Yes, confirmed.</p> <p>Employees are eligible for up to 90 days of sick bank leave per fiscal year, renewable each year. Sick bank time used by each Employee is not available.</p>
	12.	<p>Please provide a census for University of Tennessee that is updated to include:</p> <ul style="list-style-type: none"> • Indicators for those participating in the State and Higher Ed STD plan • Sick bank time in addition to what has been provided (if available) 	<p>State and Higher Education is one plan. There is not a separate STD plan for each. Indicators are included in revised Appendix 7.5. See Amendment item #8 below.</p> <p>The State has provided all sick leave bank documents available in Appendix 7.2.</p>
	13.	Please confirm all census include benefits eligible employees only.	The State confirms.
	14.	Please provide the Central State Government STD option A and option B experience separately.	The State has provided all the information available. Premium information sent by the State to the Contractor is not detailed by group (Central State, TBR, UT); therefore, premium/claims experience cannot be provided.
	15.	The Central State Government Met STD experience provided goes back to 1/1/18; however, the certificate shows a 1/1/19 effective date. Was there a plan change on 1/1/19?	Certifications are always updated as needed for legal purposes. There were no plan or pricing changes.

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		1. If so, please provide the rate and plan design history	
	16.	Please provide the Met/ Central State Government LTD Paid/Loss Exhibits by the plan option. This will allow us to accurate price each plan option.	In Appendix 7.4, there is a plan indicator on the LTD data. Please look at the "ClaimList-Extrnl" tab, column C is Subcode, which matches 1-4 with the 4 different LTD designs.
	17.	Please provide the current Lincoln LTD experience for UT and TBR including: <ul style="list-style-type: none"> • PDI's with a current valuation date by plan option if applicable • Detailed claims lists with DOB, DOD, Gender, Gross Benefit, Net Benefit, Offsets, Paid Amount and Open Claim Reserves 	The State has revised Appendix 7.4. Please see Amendment item #8 below.
	18.	Please provide the University of Tennessee Sick Leave Program.	See response to #7.
	19.	Please provide date of birth on the TBR census.	The State does not provide this information for RFP purposes or to the current Contractor.
	20.	Please note any LTD plan changes that might have occurred within the provided experience periods for the higher education groups.	Higher Education did not make any LTD plan changes within the provided experience periods.
	21.	Please provide LTD rate history for the higher education groups.	<p>The State has revised Appendix 7.4 to include UT. Please see Amendment item #8 below.</p> <p>There are no changes to the TBR rates since inception:</p> <p style="padding-left: 40px;">Level 1: Monthly Earnings (capped at \$4,000) X .00146= Monthly Premium</p> <p style="padding-left: 40px;">Level 2: Monthly Earnings (capped at \$6,666) X .00237= Monthly Premium</p> <p style="padding-left: 40px;">Level 3: Monthly Earnings (capped at \$11,666) X .00280= Monthly Premium</p>
	22.	For the Higher Ed groups, we will need paid claims and reserve data on an incurred basis. Please provide an incurred basis P&I that also includes claim counts.	The State has revised Appendix 7.4. Please see Amendment item #8 below.

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	23.	Please provide UT and TBR LTD open and closed claim listings that include date of disability, date of birth, gender, gross and net benefit, accumulated benefits paid, claim status, class indicator, and social security status that ties to any available reserve data.	The State has revised Appendix 7.4. Please see Amendment item #8 below The DOB is not included. See question #19.
	24.	Is a recent LTD billing invoice available for higher education groups?	The State has revised Appendix 7.4. Please see Amendment item #8 below.
	25.	For the Higher Ed groups, do employees pay premiums on a pre-tax or post-tax basis?	Post-tax.
	26.	Please confirm what LTD plan designs are to be quoted for the higher education groups. Is the intention to move UT and TBR to the Central Government design if they join in 2023?	The LTD plan designs that will be quoted for the higher education groups will be the same as Central State Government. Yes, UT and TBR to have same plan design as Central State Government.
	27.	Are all or select higher education employees eligible for state pension program benefits and/or Social Security? Please provide any details around eligibility, as well as how the current carrier is administering offsetting disability payments.	UT employees do pay into Social Security and if they are benefit-eligible, they have the State's pension program. TBR employees are eligible for Social Security and are eligible for a retirement program, either the State's pension program or an optional retirement program.
	28.	Can you request an additional two years of LTD experience for State plan please? Having a total of 5 years will enable us to accurately price the benefit.	The LTD experience provided goes back to inception of the program.
	29.	Have there been any rate changes with MetLife since 2018?	No.
	30.	Can you provide job titles for all employees (state and higher ed)?	The State and UT job titles have been added to Appendix 7.5 See Amendment item #8 below. Sample TBR job titles are provided here: https://www.tbr.edu/hr/salaries

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			TBR individual job titles cannot be provided at this time.
	31.	Could you please provide the enrollment information for UT/TBR employees currently enrolled in the STD plan - please list plan A or plan B, if enrolled?	The State has added "Revised UT Census" and "TBR Enrolled in STD" tabs to the revised Appendix 7.5. Please see Amendment item #8 below.
	32.	Can you amend the technical and cost proposals to make it possible for respondents to provide separate plan designs and rates for the Higher Education entities?	No, the plan design for Higher Education will be the same as for Central State Government and the premium rates will be the same for Central State Government and Higher Education in the combined Scenario 1 in RFP Attachment 6.3 Cost Proposal Scoring Guide.
	33.	What is the incidence of STD continuation claims?	The Contractor does not track STD continuation claims once the member converts their policy away from the group State experience. The Contractor only tracks the claims while members are active employees under the State.
	34.	What is the current method of converting STD claims? Can sample claim forms and contracts for STD and LTD conversion be provided?	Members are sent letters and enrollment packets provided by the Contractor to convert their STD/LTD coverage upon benefit(s) termination. The State has added Appendix 7.7 Conversion Letters. See Amendment item #8 below.
	35.	If Higher Education does end up participating in the State plan, will they just be offered the existing State plan options for LTD?	Yes, Higher Education will be offered the existing State LTD plan options.
	36.	Does the State want to see additional LTD plan designs quoted to match all of the existing Higher Education LTD plans?	No. The RFP does not allow for alternative or additional responses including additional plan designs. Please see RFP Section 3.3.
	37.	Please confirm that each entity to be covered participates in the following benefit programs: a. TCRS (Tennessee Consolidated Retirement System) or	The Central State Government employees participate in TCRS. Higher Education agencies participate in TCRS and the Higher Education Optional Retirement Program (ORP).

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		<p>ORP (Optional Retirement Program)</p> <p>b. Social Security</p> <p>c. Worker's Compensation</p>	<p>All entities (Central State, UT, and TBR) participate in Social Security and Worker's Compensation.</p>
	38.	<p>Please provide the dates of birth for the Tennessee Board of Regents employees.</p>	<p>See the State's response to Question #19.</p>
	39.	<p>Please provide LTD claims on an incurred basis for the Tennessee Board of Regents and the University of Tennessee.</p>	<p>The State has revised Appendix 7.4. Please see Amendment item #8 below.</p>
	40.	<p>Please provide LTD claim run for the Tennessee Board of Regents and the University of Tennessee.</p>	<p>The State has revised Appendix 7.4. Please see Amendment item #8 below.</p>
4.5	41.	<p>4.5 Right to Refuse Personnel or Subcontractors</p> <p>Will the State accept that the definition of "subcontractor" applies to those entities with whom the Contractor contracts to provide services solely to the State?</p>	<p>The State confirms. Subcontractor(s) apply to the services provided under this contract.</p>
4.4.1	42.	<p>Will the State accept that the definition of "subcontractor" applies to those entities with whom the Contractor contracts to provide services solely to the State?</p>	<p>Please see the State's response to Question #41.</p>
	43.	<p>With respect to section 4.4 (page 13), please confirm that the State agrees that, with respect to approval of subcontractors, subcontractors is defined as those exclusively working with [Redacted] on the State of Tennessee Disability program.</p>	<p>Please see the State's response to Question #41.</p>
	44.	<p>Can we get STD elections added to the UT census?</p>	<p>The State has updated Appendix 7.5 See Amendment item #8 below.</p>
	45.	<p>Can we get current and past rate history for all lines of coverage and by class/option?</p>	<p>The rates have already been provided in Appendix 7.4 and have been the same since the inception of the program.</p>
	46.	<p>What commissions are being requested?</p>	<p>None.</p>

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	47.	Based on the elections on the census, it appears that there is 10% participation in the STD. Please describe how the State currently promotes awareness to members regarding the disability products.	Each year the State sends a newsletter describing benefits available in the forthcoming annual enrollment period to eligible employees. The insurance programs are discussed on webinars with employees and agency personnel. The Contractor sends an informational letter to eligible employees prior to the annual enrollment period. The programs are described on the State's website https://www.tn.gov/partnersforhealth.html .
	48.	The LTD for [Redacted] has an earnings test of 99%/85%. Will the State accept our 80/80 earnings test that matches the MetLife contract?	No. The earnings test in the MetLife contract is: A Member is considered Disabled if due to injury or illness he or she is unable to perform his or her Own Occupation or have a loss of 20% or more of his or her pre-disability earnings (unable to earn 80% or more of his pre-disability earnings) by working in his or her regular occupation. After 24 months or 36 months, based upon Program enrollment for Member, of disability payments a Member is considered Disabled if due to injury or illness he or she is unable to perform the duties of Any Occupation or unable to earn 60% or more of his or her pre-disability earnings by working in any occupation.
	49.	The group currently has Conversion in place on LTD. Industry standard for LTD is to offer Portability which allows members to retain their benefit if it would otherwise end by certain events. Will the State allow Portability as an alternative to the conversion benefit?	No, the State will not allow Portability as an alternative to the conversion benefit.
	50.	Family Care Incentive, Moving expense and Organ Donor benefits are not available on STD. Will the State accept STD with these being a deviation?	No, the minimum benefits to be quoted are outlined in Contract Section E.
	51.	It appears that Tennessee Board of Regents is not currently covered on the STD (not mentioned in the provided MetLife certs). Are we to also offer STD to this group or only to the current groups (Central Government	TBR is currently covered. Yes, STD should be available for all eligible TBR employees, as well as Central State Government and UT.

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		Employees and University of Tennessee)?	
	52.	Please provide an updated census that includes occupations. In addition, please provide the Date of Birth for the Board of Regents.	The State has revised Appendix 7.5. See Amendment item #8 below. For TBR, the list is not available For sample titles click here: https://www.tbr.edu/hr/salaries
	53.	Is it possible to update the format on the Date of Hire on the census to a traditional mm/dd/yy so that we can accurately capture pension vesting.	The data was provided in Excel format. Excel allows the user to change the formatting of data through the Number option at the top of the worksheet in the Home window.
	54.	On the Central Government, the LTD experience provided was in an excel and not on carrier letter head. Can the State please provide on carrier letterhead? Also, there is reference to “pass through payments”.	The State has revised Appendix 7.4. Pass through payments are the premium payments the State collected from employees and passed on to the carrier. The carrier does not submit invoices. See Amendment item #8 below.
	55.	Please confirm that the Met Life LTD plan is truly fully insured and not a participating contract.	Confirmed. Both STD and LTD are fully insured and the premiums are 100% paid by the Employee.
	56.	For the Board of Regents, please provide an LTD claim listing. Also, please provide updated LTD experience through current. The experience provided was through September of 2020.	The State has revised Appendix 7.4 See Amendment item #8 below.
	57.	For the University of Tennessee, we will need an LTD claim listing. Also, please provide updated LTD experience through current. The experience provided was September of 2020.	The State has revised Appendix 7.4 See Amendment item #8 below.
	58.	Please provide the in force LTD rates for Central Government. There should be four sets of LTD rates.	See: https://www.tn.gov/content/dam/tn/finance/fa-benefits/documents/premium_ltd_21.pdf
	59.	Please provide the in force LTD rates for University of Tennessee. There should be one set.	The State has revised Appendix 7.4 See Amendment item #8 below.

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A.2	60.	<p><u>Definitions.</u></p> <p>j. We request revisions to the above to read as follows:</p> <p>Claims Payment Accuracy: The measurement of total dollars paid accurately divided by the total dollars payable for all claims with payments in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.</p> <p>k. We request revisions to the above to read as follows:</p> <p>k. Claims Processing Accuracy: The measurement claims processed without any type of error divided by the total number of claims in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.</p>	<p>The State does not agree but the State modified the language. See Amendment item #4 below.</p>
A.3	61.	<p>A.3 <u>Staffing.</u></p> <p>a. Is it the expectation that the implementation team be assigned full-time to the State's account alone?</p> <p>d. Will the State accept that Contractor reserves the right to make final decisions regarding our own employees, but that Contractor will perform regular check-ins and accept feedback on employees and will provide ample notice prior to any staff changes?</p> <p>j. Would the State accepting a definition for "subcontractor" that applies to those entities with whom Contractor contracts to provide services solely to the State?</p> <p>k. Would the State accepting a definition for "subcontractor" that applies to those entities with whom the Contractor contracts to provide services solely to the State?</p>	<p>No, that is not the expectation.</p> <p>No, the State does not accept. The State reserves the right to replace any employee on the State's account team that is not providing the best service to the State. The employee may still be employed by the Contractor but cannot work on the State account.</p> <p>Please see the State's response to Question #41.</p> <p>Please see the State's response to Question #41.</p>

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		<p>i. We will work with you to ensure that our employees servicing your account meet and exceed your expectations. We hope to establish regular check-ins to ensure that is happening. We will gladly provide reasonable notice of any changes of any personnel prior to the change going into effect. However, we would ask that we be allowed to reserve the right to make final decisions regarding Contractor employees</p>	<p>The State does not agree. See the State's response to d above.</p>
A.4	62.	<p>A.4 <u>Call Center.</u></p> <p>b. Call Center Requirements</p> <p>(2) Will the State accept all intake operations being conducted within the United States?</p> <p>C. Call Center Processes</p> <p>(1) Will the State accept 80% of calls answered within 30 seconds or less?</p> <p>(2) Will the State accept an alternative metric to first call resolution, such as an abandonment rate of less than 4%?</p> <p>h. Will the State agree that the Contractor complies with applicable privacy and confidentiality laws in determining whether the State can access particular call recordings?</p>	<p>The State agrees.</p> <p>No, the State does not agree.</p> <p>No, the State does not agree.</p> <p>The State agrees that all applicable state privacy and confidentiality laws apply but the State does reserve the right to ask the Contractor to redact member information, so we are able to listen to call recordings.</p>
A.5	63.	<p>A.5 <u>Communications/Materials.</u></p> <p>a. Will the State agree to language providing that Contractor shall have final approval of language and responsibility for complying with applicable insurance marketing and advertising laws?</p>	<p>a. No, the State will have final approval of language. The Contractor should point to any language that is needed to comply with applicable insurance marketing and advertising laws.</p>

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		<p>d. Will the State will agree to Contractor staff appearing virtually for the duration of the Covid-19 pandemic?</p> <p>h. Would the State be willing to agree that it would not use Contractor's logo, branding, and other similarly protected intellectual property without Contractor's consent?</p> <p>l. We request revising this paragraph to state "The Contractor will make a good faith effort to design Member materials at the sixth (6.0) grade level using the Flesch-Kincaid Index if such material may be so designed while still meeting insurance advertising regulatory requirements. The Contractor shall evaluate materials..."</p> <p>m. Will the State accept postings made to online platforms, to be augmented with printed copies to employees if requested by the member?</p> <p>n. Will the State accept postings made to online platforms, to be augmented with printed copies to employees if requested by the member?</p>	<p>d. Yes, the State agrees.</p> <p>h. Yes, the State agrees.</p> <p>l. No, the State does not agree.</p> <p>m. No, the State does not want augmented online content as part of the welcome kit. The exception is screenshots of the Splash Page content or other online log in information and would have to be approved by the State.</p> <p>n. Same question as above</p>
	64.	Please provide an outline or samples of what is included in the current Welcome Kit.	The State has added Appendix 7.9 Welcome Letter. See Amendment item #8 below.
A.6	65.	<u>A.6 Welcome Kit</u> <p>a. Will the State accept postings made to online platforms, to be augmented with printed copies</p>	See the State's response to Question #63.m.

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		to employees if requested by the member?	
A.7	66.	<p>A.7 <u>Member Handbooks</u></p> <p>Will the State allow Contractor final authority to ensure compliance with state insurance advertising laws?</p>	See the State's response to Question #63.a. above.
A.8	67.	<p>A.8 <u>Splash Page, Contractor Website, and Mobile Application</u></p> <p>d. For privacy reasons, will the State accept only non-member specific information to be hosted?</p> <p>o. Will the State accept mobile-compatible web pages in lieu of a dedicated application?</p> <p>p. Will the State accept mobile-compatible web pages in lieu of a dedicated application?</p> <p>q. Will the State accept that, due to legal and compliance obligations, we cannot give revision authority to an outside party?</p>	<p>d. No, Contract Section A.8.d. specifically requires the Contractor to provide a Member log-in portal so Members are able to view Member-specific documents.</p> <p>o. No, the State does not agree.</p> <p>p. Same as question above.</p> <p>q. The Contractor shall work in good faith with the State to update any Terms and Conditions or Online Service Agreements based on applicable Tennessee state law. There are instances where these documents do not comply and the State, along with the Contractor, need to update language.</p>
A.9	68.	<p>A.9 <u>Administrative Services</u></p> <p>h. The Contractor's policy allows for appeals request in writing, to be reviewed by a specialized team and clinical resources. Updates are provided regularly during the course of the review. Does the State anticipate additional grievance procedures being necessary?</p> <p>L. Will the State agree to terms that allow the Contractor to modify its Master Group</p>	<p>h. No, the State does not anticipate any additional grievance procedures being necessary.</p> <p>L. Yes, however, all proposed changes to the Master Group Insurance Policy must be sent to the</p>

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		<p>Insurance Policy and certificates as it deems necessary to ensure compliance with changes in law or regulations?</p> <p>m. Will the State accept that the Contractor cannot relinquish control over our own media or legislative presence, and may not always be legally permitted to give notice when we are required to comply with regulatory or legal requests?</p> <p>o. Will the State agree to language that Contractor shall use reasonable efforts to ensure that the State does not receive undelivered mail?</p> <p>p. Will the State accept definitions for these metrics as follows:</p> <p>Claims Payment Accuracy: The measurement of total dollars paid accurately divided by the total dollars payable for all claims with payments in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.</p> <p>Claims Processing Accuracy: The measurement claims processed without any type of error divided by the total number of claims in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.</p> <p>q. Will the State agree to work in</p>	<p>State for review before filing with the appropriate Department of Commerce and Insurance.</p> <p>m. No, the State does not agree. The State is not requiring the Contractor to relinquish control over their own media or legislative presence. The State is requiring the Contractor to refer all media and legislative inquiries concerning the State's short-term and long-term disability plan/program to Benefits Administration who will have the sole and exclusive responsibility to respond to all such inquiries. The State is not asking the Contractor to disclose information this is not legally permitted.</p> <p>o. No, The State will not change this language.</p> <p>p. No, however, the State has modified the language to definition. See Amendment item #4 below.</p>

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		<p>cooperation with the Contractor to ensure privacy and confidentiality measures are maintained in this process?</p>	<p>q. Yes, the State agrees.</p>
A.10	69.	<p>b. Will the State accept that due to privacy and confidentiality law, the Contractor cannot agree to comply with providing a report that includes identifiable information in this manner?</p> <p>c. Would the State agree to contractual language providing that the Contractor shall own its proprietary business records created in the ordinary course of business including, but not limited to claims, underwriting and marketing files?</p> <p>d. We request this paragraph (f) be revised as follows: "Upon termination of this Contract and request by the state, subject to applicable law, the Contractor shall provide to the State or its designated agent, pertinent data identified by the State for Members to effect a transition of the Program from the Contractor. The information shall be furnished in a mutually agreeable format and medium. To ensure the continuous operation of the Program and upon 30 days' notice, this information shall be provided to the State or its designated agent."</p> <p>f. Will the State accept that updates can be made to Contractor employer portal at any time, as opposed to an enrollment system?</p>	<p>No, the State will not change this language.</p> <p>No, the State will not change this language.</p> <p>The State does not agree but the State modified the language. See Amendment item #5 below.</p> <p>Yes, the State accepts that State employees with proper authority may make changes at any time to State enrollment records through the Contractor's employer portal for the State.</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
A.11	70.	<p>c. Will the State accept contract language that states employees who become disabled prior to the effective date of the contract will remain the responsibility of the prior carrier?</p> <p>a. We request the following revisions to this paragraph (d): "...the Contractor shall not perform changes to the State Edison Systems' enrollment data. The Contractor may make changes to the enrollment data maintained within the Contractor's own systems when such changes are provided by the Member or the State during the claims process. The Contractor will accept an email from the State..."</p> <p>b. Will the State accept the removal of this paragraph, to ensure compliance with applicable privacy and confidentiality laws?</p> <p>h.</p> <p>3. Will the State accept an error report that includes all errors, with errors not requiring action clearly noted as such?</p> <p>4. Will the State accept that corrections will be performed within 2 days of being notified of availability of corrected information from the State</p> <p>i. Decision Support System:</p> <p>3. Will the State be able</p>	<p>No, the State does not accept. The contract language will not be revised since this statement is made in RFP Appendix 7.6 Eligibility Criteria. This appendix will be considered part of the contract by reference.</p> <p>No, the State will not change this language.</p> <p>No, the State will not change this language.</p> <p>The State does not accept. However, an error report that includes all errors will suffice as long as the errors are clearly noted and there is an efficient way for the State to determine which errors require correction from those errors that are only warnings and do not need correction.</p> <p>No, the State will not change this language. The language already states, "... within two (2) Business Days of receipt of the correct information."</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>to provide an existing layout so that we can compare against Contractor's standard feed layouts?</p> <p>5. Will the State accept that all information provided will be subject to all relevant privacy, confidentiality and data protection regulations and laws?</p>	<p>The State agrees. See item #8 below. The contract requires the Contractor to work with the State's DSS contractor to determine a mutually agreeable data format.</p> <p>Yes, the State agrees.</p>
A.12	71.	<p><u>A.12 Audits and Quality Assurance</u></p> <p>a. Would the State agree to contractual language that any audit rights are subject to applicable privacy laws and regulations?</p> <p>b. Would the State agree to contractual language that any audit rights are subject to applicable privacy laws and regulations? If the State is using an authorized representative, can it be agreed that the parties will mutually agree upon such a reviewer?</p> <p>e. As the proposed billing model is unlikely to result in overpayment to the Contractor, will the State agree that premium shall not be withheld and that any disparity in payment will be rectified by other means?</p> <p>f. Will the State agree to contractual language providing that Contractor is not required to share data from insurance compliance audits that would jeopardize its privilege under applicable laws?</p> <p>g. Will the State accept that</p>	<p>No, the State does not agree.</p> <p>No, the State does not agree.</p> <p>No, the State does not agree.</p> <p>No, the State does not agree.</p> <p>No, the State does not agree.</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>Contractor audit procedures are confidential information and cannot be disclosed to outside parties?</p> <p>h. Would the State agree to contractual language providing that the Contractor will fund a pre-implementation audit so long as such payment is consistent the Tennessee Insurance laws?</p>	No, the State does not agree.
A.13	72.	d. This paragraph (d) is very broad. We ask that the State clarify what situations or negative impacts are of concern. We then request that this paragraph be revised to clarify the State's concerns.	The State does not agree to modify the language. The State cannot list all scenarios that could possibly negatively impact the administration or delivery of the Plan or Benefits. One example would be that the Contractor's system and backup processes fail.
A.14	73.	b. Will the State agree that results of such reviews may necessitate an increase to the time needed for implementation, and that negotiations will include discussion regarding the readiness review process and impact to Contractor's resources?	No, the State does not agree. The State understands that the results of such reviews may necessitate an increase in time needed for implementation. However, the State will not waive any Performance Guarantees related to the required implementation deadlines originally stated in the contract.
A.15	74.	e. Will the State agree to mutually agreed upon contract language outlining the requirements, procedures and responsibilities of the parties related to tax reporting for payment of benefits?	No, the State does not agree.
A.17	75.	A.17 <u>Warranty</u> . Would the State agree to accept contract language for performance guarantees in lieu of including this Warranty language which does not appear applicable?	No, the State does not agree.
C.9	76.	<p>B. PAYMENT TERMS AND CONDITIONS:</p> <p><i>C.9 Payment Reductions.</i></p> <p>As the proposed billing model is unlikely to result in overpayment to the Contractor, will the State agree that premium shall not be withheld</p>	See response to question 71.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>and that any disparity in payment will be rectified by other means?</p> <p>C.10 <u>Deductions</u>.</p> <p>As the proposed billing model is unlikely to result in overpayment to the Contractor, will the State agree that premium shall not be withheld and that any disparity in payment will be rectified by other means?</p>	See response to question 71.
D.3	77.	<p>C. MANDATORY TERMS AND CONDITIONS:</p> <p>D.3 <u>Modification and Amendment</u>.</p> <p>Will the State agree that this shall not preclude endorsement of the group insurance policy?</p>	Contract Section D.3 speaks to modifying the contract through the contract amendment process, not the group insurance policy.
D.7	78.	<p>D.7 <u>Assignment and Subcontracting</u>.</p> <p>Would the State agree to contractual language limiting the applicability of this clause to subcontractor that the Contractor retains solely for the purpose of providing services to the State?</p>	No, the State does not agree. The contract language only applies to the services being provided by the Contractor for the sole purpose of providing service listed in this contract.
D.10	79.	<p>D.10 <u>Prohibition of Illegal Immigrants</u>.</p> <p>c. We request removal of the second sentence of this paragraph (c). Employment records are deemed confidential and Contractor restricts access to such records. If an audit or investigation is needed for the State to determine our compliance with this provision, Contractor is willing to discuss options such as a self-audit or third party audit with deidentified results reported to the State.</p>	The State does not agree. This is a statutory requirement - Tenn. Code Ann. § 12-3-309.
D.11	80.	<p>D.11 <u>Records</u>.</p> <p>Will the State accept that records will be maintained and subject to audit only as is required under applicable privacy law?</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
D.12	81.	<p>D.12 <u>Monitoring.</u></p> <p>Will the State accept that records will be maintained and subject to audit only as is required under applicable privacy law?</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1
D.17	82.	<p>D.17 <u>Limitation of State's Liability.</u></p> <p>Will the State agree to add contractual language to the effect that it is responsible for errors and omissions committed by it, its employees or agents in the course of administering the group insurance policy?</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1
D.18	83.	<p>D.18 <u>Limitation of Contractor's Liability.</u></p> <p>Would the State agree to revise this clause so that the cap reads that the limit is an amount not to exceed? As written the clause creates an argument about potential maximums that would be greater than actual liabilities.</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1
D.19	84.	<p>D.19 <u>Hold Harmless.</u></p> <p>Will the State accept that litigation expenses will remain the responsibility of the State? Will the State also accept that, in the event of any suit or claim for which the State may seek indemnification from the Contractor, the State will give the Contractor immediate notice and provide all necessary assistance to respond? This Hold Harmless provision is unilateral so this claim notification requirement should match the indemnification requirement.</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1
D.23	85.	<p>D.23 <u>Force Majeure.</u></p> <p>Will the State accept that notification of a Force Majeure event be as soon as reasonably practicable, but no more than three (3) days unless notice in this time is impossible?</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1
D.24	86.	<p>D.24 <u>State and Federal Compliance.</u></p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		Will the State accept this provision as mutually applying to both Contractor and the State?	
D.25	87.	<p>D.25 <u>Governing Law</u>.</p> <p>Will the State accept that this provision be amended to be "as applicable"?</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1
D.29	88.	<p>D. 29 <u>Incorporation of Additional Documents</u>.</p> <p>Would the State agree to contractual language that makes clear that the Contractor's Master Group Insurance Policy governs eligibility for insurance and benefits and Contractor's rights to underwriting and terminate the Master Group Policies?</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1
E.2	89.	<p>D. SPECIAL TERMS AND CONDITIONS:</p> <p>E.2 <u>Additional lines, items, or options</u>.</p> <p>Would the State agree that in addition to any MOU, any changes affecting Contractor's Master Group Policies shall be incorporated into an amendment to the applicable policy?</p>	No, this contract section is in regard to additional programs or initiatives the State and the Contractor may want to add. It does not apply to revisions of the Group Master Policy.
E.6	90.	<p>E.6 <u>Personally Identifiable Information</u>.</p> <p>Will the State accept that Contractor has legal obligations to retain records and cannot destroy or return said records, and will comply with contractual language that Contractor will retain and destroy records pursuant to applicable law? Additionally, will the State accept that notification of unauthorized access will stem from any unauthorized access or disclosure that may reasonably result in actual harm or is a breach as defined by applicable law?</p> <p>Would the State agree to modify the language to allow Contractor to determine whether credit monitoring is required by law or appropriate in a given situation, as the incident would be Contractor's incident and not the State's incident?</p>	No. The State will not agree to this revision. Refer to RFP Section 3.3.1

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
Contract Attachment B	91.	<p><u>Contract Attachment B Deviation Questions</u></p> <p>1-4:</p> <p>Will the State accept mutually agreeing upon the implementation milestones metrics during the stated Kick-off meeting for all key Contractor Staff and based on the final comprehensive implementation plan”?</p> <p>7&9:</p> <p>Will the State consider alternative performance metrics and assessment, in accordance with proposed language to Section E.6, that are more applicable to an unauthorized use or disclosure by an insurer who is responsible for the investigation and management of the incident, including breach notification and reporting?</p>	<p>No, the implementation milestone metrics identified in the contract must be met. Other implementation activities not specifically stated in the contract may be discussed.</p> <p>No, the State does not agree.</p>
Contract Attachment C	92.	<p>Contract Attachment C Deviation Questions</p> <p>KPI 1: First Call Resolution</p> <p>Will the State accept an alternative metric to first call resolution, such as an abandonment rate of less than 4%?</p> <p>KPI 2: Mailing of ongoing welcome kit</p> <p>Will the State accept such documents being made available online for company distribution?</p> <p>KPI 3: Member Satisfaction Survey</p> <p>We request revisions to the guarantee to read as follows:</p> <p>The level of overall customer satisfaction, which is measured annually by a Member Satisfaction Survey, will be an average of 3 out of 5</p>	<p>No, the State does not agree.</p> <p>No, the State does not accept. Contract Section A.6.a. specifically requires that unless otherwise directed by the State, the Contractor shall mail an initial welcome kit to Members, and Contract Section A.6.b. states that as a new Member joins the Program, they shall be mailed a welcome kit.</p> <p>No, the State does not agree.</p>

RFP SECTION	QUESTION / COMMENT	STATE RESPONSE
	<p>on a 5 point scale in the first year of the contract and equal to, or greater than, 3.5 in all subsequent years of the contract term.</p> <p>KPI 4: Enrollment Posting</p> <p>Will the State accept a revision to this metric that reads “90% of electronically retrieved enrollment files processed within 2 Business Days of an accurate file being available for retrieval according to the predetermined file availability schedule”?</p> <p>KPI 5: Enrollment Discrepancies</p> <p>Would the State accept a revision to this metric that clarifies that corrections will be performed within 2 days of being notified of availability of corrected information from the State?</p> <p>KPI 7: Average Speed of Answer</p> <p>Will the State accept 80% of calls answered within 30 seconds or less?</p> <p>KPI 8: Claims Payment</p> <p>We request revisions to the measurement to read as follows:</p> <p>The measurement of total dollars paid accurately divided by the total dollars payable for all claims with payments in the audited population.</p> <p>Quarterly internal audit performed by the Contractor on a statistically valid sample.</p> <p>Measured and reported on a calendar quarter basis; reconciled annually on a calendar year basis.</p> <p>KPI 9: Claims Processing Accuracy</p> <p>We request revisions to the measurement to read as follows:</p>	<p>No, the State does not agree.</p> <p>No, the State does not agree. It is already stated in A.11.h.(4) “... within two (2) Business Days of receipt of the correct information.”</p> <p>No, the State does not agree.</p> <p>The State will not make this change. However, the definition of Claims Payment Accuracy has been revised. See Amendment item #4 below.</p> <p>The State does not agree. However, the definition of Claims Processing</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>The Contractor shall guarantee claim processing accuracy of 98% or higher.</p> <p>Claim processing accuracy is the measurement of claims processed without any type of error divided by the total number of claims in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample. Measured and reported on a calendar quarter basis; reconciled annually on a calendar year basis.</p> <p>KPI 10: Claims Processing Turnaround</p> <p>We request revisions to the measurement to read as follows:</p> <p>The Contractor shall approve, pend, or deny 95% of STD claims within five (5) days from assignment and average 30 calendar days or less from assignment to decide LTD claims.</p>	<p>Accuracy has been revised. See Amendment item #4 below.</p> <p>The State does not agree.</p>
E.7	93.	<p>The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. "Processing Environment" shall mean the combination of software and hardware on which the Application runs. "Application" shall mean the computer code that supports and accomplishes the State's requirements as set forth in this Contract. "Penetration Tests" shall be in the form of attacks on the Contractor's computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment's features and data. The "Vulnerability Assessment" shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment or the Contractor shall commission an independent third party to perform the risk assessment which must include penetration testing and vulnerability assessments. The</p>	<p>The State agrees.</p> <p>See Amendment item #6 below.</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>Contractor shall provide the results of the third party testing to the State.</p> <p>Regarding the highlighted language. This language was amended in the Dental RFP as follows: "The contractor shall provide to the State the results of its Penetration Tests and Vulnerability assessments as requested by the State." Will the State be amending the language for the disability RFP as well?</p>	
E.7.b(1)	94.	<p>"E.7.b(1) The Contractor and all data centers used by the Contractor to host State data, including those of all Subcontractors, must comply with the State's Enterprise Information Security Policies as amended periodically. The State's Enterprise Information Security Policies document is found at the following URL:"</p> <p>Regarding the above language, Vendor has its own policies and standards. It is extremely challenging to agree to a policy that will likely change over time without knowing now, what those future changes may be. If there are specific concerns in this regard, If the State of Tennessee agrees, Vendor is willing to discuss and have the State review a summary of its policies, which constitute best practices within our industry.</p>	<p>The State expects the Contractor to comply in good faith. The State is willing to review Contractor's policies prior to contract signing.</p>
E.7.e	95.	<p>E.7.e The Contractor and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA") for a System and Organization Controls for service organizations ("SOC") 2 Type II audit. The SOC audit control objectives shall include all five trust services principles. The State shall approve the SOC audit control objectives. The Contractor shall provide the State with the Contractor's and Subcontractor's annual audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor and in addition to periodic bridge reports as requested by the State, see Contract Attachment D, Item 8. The Contractor shall submit corrective action plans to</p>	<p>The State agrees. See Amendment item #7 below.</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor and Subcontractor.</p> <p>Regarding the above language, is the State willing to modify the language to the following: The Contractor shall submit corrective action plans or mitigation to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor and Subcontractor.</p>	
E.7	96.	<p><u>E.7 Contractor Hosted Services Confidential Data, Audit, and Other Requirements</u></p> <p>a.</p> <p>2. Does the State accept that this shall pertain only to the transmission of data from the data feed established between the State and Contractor?</p> <p>3. Does the State accept that Contractor cannot delegate control of penetration testing? Does the State also accept that due to confidentiality practices, we can provide only our ISO 27001 Certificate and a Statement of Applicability in place of actual test results?</p> <p>b. Minimum Requirements</p> <p>(1) Will the State accept that Contractor can only agree to comply with our own policies, all of which are ISO 27001 certified?</p> <p>(2) Will the State provide clarification as to what is meant by "The Application", as this does not seem applicable to this contract for insurance services?</p> <p>c. Comptroller Audit Requirements</p>	<p>Yes, this contract only pertains to data associated with the work done by the Contractor on behalf of the State.</p> <p>3. The State does not accept. The penetration testing needs to be independent third party, not the Contractor. See the State's response to Question #100.</p> <p>b.1. The State expects the Contractor to comply in good faith. The State is willing to review Contractor's policies prior to contract signing.</p> <p>b.2 Please see Contract Section E.7.a(3) as Application is defined in that section.</p> <p>c The State is willing to accept that the Contractor will comply with their own policies if the State's Strategic</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		<p>Does the State accept that Contractor cannot delegate control of information technology edits, and that Contractor will comply with our own policies, all of which are ISO 27001 certified?</p> <p>e. Is it the intent that this entire paragraph constitutes a request for a SOC 2 report for all items mentioned therein?</p>	<p>Technology Solutions (STS) division approves those policies as the standard. The State is unsure what is meant by 'edits' and if audits is the intended item, please see the State's answer to Question #100.</p> <p>The intent to require an annual SOC 2 Type 2 audit report.</p>
E.7.a.(3)	97.	<p>With respect to Attachment 6.6, Pro-Forma Contract, section E.7.a.(3) (page 78), we do not permit customers to perform tests and assessments on our environment. Given this fact, would the State agree to this revision, The Contractor shall allow the State, at its option, to perform Penetration Tests and Vulnerability Assessments on the Processing Environment.</p>	<p>See the State's response to question #96 above.</p>
E.7.a.(5)	98.	<p>With respect to Attachment 6.6, Pro-Forma Contract, section E.7.a.(5) (page 75), would the State agree to a records destruction process that is consistent with NIST 800-88?</p>	<p>The State agrees to modify the language to comply with NIST processes.</p> <p>See amendment item #6 below.</p>
E.7.b.(1)	99.	<p>With respect to Attachment 6.6, Pro-Forma Contract, section E.7.b.(1) (page 75), would the State agree to revise this to reflect that the insurer will comply with its own policies and standards? We cannot agree to comply with the policies of our customers. If there are specific concerns in this regard, we are willing to discuss and have the State review a summary of its policies, which constitute best practices within our industry.</p>	<p>The State expects the Contractor to comply in good faith. The State is willing to review Contractor's policies prior to contract signing.</p>
E.7.c.	100	<p>With respect to Attachment 6.6, Pro-Forma Contract, section E.7.c. (page 76), would the State agree to revise this revision to reflect that we permit reviews of our information technology infrastructure, along with access to personnel, subject to certain restrictions on access designed to protect the confidentiality and security of that</p>	<p>The State is willing to consider limited negotiations during contract award pursuant to RFP Section 5.3.6. The State will require the Contractor to provide an annual SOC 2 Type 2 report and will negotiate the required scope of the SOC examination. The State may also require other security certifications, such as ISO 27001. In</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		infrastructure, and subject to the execution of a nondisclosure agreement. We do not permit a customer to audit our controls. We will provide a copy of a SOC2 report that covers the disability product.	In addition, the State will require that the Contractor provide to the State corrective actions for any issues identified in the SOC examinations and ISO audits. The State will not negotiate or sign a non-disclosure agreement as any privacy and confidentiality issues should be covered by the contract.

3. Delete RFP Section B.15 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

	<p>B.15. Provide customer references from individuals who are <u>not</u> current or former State employees for projects similar to the goods or services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> ▪ two (2) accounts Respondent currently services that are similar in size to the State; <u>and</u> ▪ three (3) completed projects. <p>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which <u>must</u> be used and completed, is provided at RFP Attachment 6.4. References that are not completed as required may be deemed non-responsive and may not be considered.</p> <p>The Respondent will be <u>solely</u> responsible for obtaining fully completed reference questionnaires and ensuring they are e-mailed to the Solicitation Coordinator or including them in the sealed Technical Response. In order to obtain and submit the completed reference questionnaires follow one of the two processes below.</p> <p>Written:</p> <ol style="list-style-type: none"> (a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference. (b) Send a reference questionnaire and new, standard #10 envelope to each reference. (c) Instruct the reference to: <ol style="list-style-type: none"> (i) complete the reference questionnaire; (ii) sign and date the completed reference questionnaire; (iii) seal the completed, signed, and dated reference questionnaire within the envelope provided; (iv) sign his or her name in ink across the sealed portion of the envelope; and (v) return the sealed envelope directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response). (d) <u>Do NOT open the sealed references upon receipt.</u> (e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required. <p>E-mail:</p> <ol style="list-style-type: none"> (a) Add the Respondent's name to the standard reference questionnaire at RFP Attachment 6.4. and make a copy for each reference. (b) E-mail the reference with a copy of the standard reference questionnaire.
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	<p>(c) Instruct the reference to:</p> <ul style="list-style-type: none"> (i) complete the reference questionnaire; (ii) sign and date the completed reference questionnaire; (iii) E-mail the reference directly to the Solicitation Coordinator by the RFP Technical Response Deadline with the Subject line of the e-mail as “[Respondent Name] Reference for RFP 31786-00155” <p>NOTES:</p> <ul style="list-style-type: none"> ▪ The State will not accept late references or references submitted by any means other than the two which are described above, and each reference questionnaire submitted must be completed as required. ▪ The State will not review more than the number of required references indicated above. ▪ While the State will base its reference check on the contents of the reference e-mails or sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references. ▪ The State is under <u>no</u> obligation to clarify any reference information.
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4. Delete Pro Forma Contract Section A.2.j. and A.2.k. in their entirety and insert the following in their place (any sentence or paragraph containing revised or new text is highlighted):

- j. **Claims Payment Accuracy:** The measurement of claims processed with an accurate payment of Benefits divided by the total number of claims with payments in the audited population. **Quarterly internal audit performed by the Contractor on a statistically valid sample.**
- k. **Claims Processing Accuracy:** **The measurement of claims processed without any type of error divided by the total number of claims in the audited population. Quarterly internal audit performed by the Contractor on a statistically valid sample.**

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

- a. Upon termination of this Contract and request by the State, the Contractor shall provide to the State or its designated agent, pertinent data identified by the State for Members to effect a transition of the Program from the Contractor. The information shall be furnished in a format and medium as is compatible with the data processing system maintained by the State or its designated agent. Additionally, the Contractor shall provide all information necessary to properly interpret the data supplied. **To ensure the continuous operation of the Program and upon 30 days’ notice, this information shall be provided to the State or its designated agent.**

6. Delete Pro forma Contract Section E.7.a in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

E.7. Contractor Hosted Services Confidential Data, Audit, and Other Requirements

- a. “Confidential State Data” is defined as data deemed confidential by State or Federal statute or regulation. The Contractor shall protect Confidential State Data as follows:

- (1) The Contractor shall ensure that all Confidential State Data is housed in the continental United States, inclusive of backup data.
- (2) The Contractor shall encrypt Confidential State Data at rest and in transit using the current version of Federal Information Processing Standard (“FIPS”) 140-2 validated encryption technologies.
- (3) The Contractor must annually perform Penetration Tests and Vulnerability Assessments against its Processing Environment. “Processing Environment” shall mean the combination of software and hardware on which the Application runs. “Application” shall mean the computer code that supports and accomplishes the State’s requirements as set forth in this Contract. “Penetration Tests” shall be in the form of attacks on the Contractor’s computer system, with the purpose of discovering security weaknesses which have the potential to gain access to the Processing Environment’s features and data. The “Vulnerability Assessment” shall be designed and executed to define, identify, and classify the security holes (vulnerabilities) in the Processing Environment. **The contractor shall provide to the State the results of its Penetration Tests and Vulnerability assessments as requested by the State.** The Contractor shall provide the results of the third party testing to the State.
- (4) Upon State request, the Contractor shall provide a copy of all Confidential State Data it holds. The Contractor shall provide such data on media and in a format determined by the State. The Contractor shall maintain a duplicate set of all records relating to this Contract in electronic medium, usable by the State and the Contractor for the purpose of Disaster recovery. Such duplicate records are to be stored at a secure fire, flood, and theft- protected facility located away from the storage location of the originals. The Contractor shall update duplicate records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation.
- (5) In accordance with the timeframe for audits listed in Contract Section D.11 and in consultation with the State, the Contractor shall **sanitize** 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 **sanitization**.

7. Delete Pro form Contract Section E.7.e in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

- e. The Contractor and any Subcontractor used by the Contractor to host State data, including data center vendors, shall be subject to an annual engagement by a CPA firm in accordance with the standards of the American Institute of Certified Public Accountants (“AICPA”) for a System and Organization Controls for service organizations (“SOC”) 2 Type II audit. The SOC audit control objectives shall include all five trust services principles. The State shall approve the SOC audit control objectives. The Contractor shall provide the State with the Contractor’s and Subcontractor’s annual audit report within 30 days from when the CPA firm provides the audit report to the Contractor or Subcontractor and in addition to periodic bridge reports as requested by the State, see Contract Attachment D, Item 8. The Contractor shall submit corrective action plans **or mitigation** to the State for any issues included in the audit report within 30 days after the CPA firm provides the audit report to the Contractor and Subcontractor.

If the scope of the most recent SOC audit report does not include all of the current State fiscal year, upon request from the State, the Contractor must provide to the State a letter from the Contractor or Subcontractor stating whether the Contractor or Subcontractor made any material changes to their control environment since the prior audit and, if so, whether the changes, in the opinion of the Contractor or

Subcontractor, would negatively affect the auditor's opinion in the most recent audit report.

No additional funding shall be allocated for these audits as they are included in the Maximum Liability of this Contract.

8. **Add or replace the following as RFP Appendices and renumber any subsequent sections as necessary:**

Remove:

Appendix 7.4 Enrollment and Premium History Jan 2018 through Dec 2020

Appendix 7.5 Disability Census File

Add:

Appendix 7.4 Enrollment and Premium History Jan 2018 through Dec 2020 REVISED

Appendix 7.5 Disability Census File REVISED

NEW:

Appendix 7.7 Conversion Letters

Appendix 7.8 Enrollment Screenshots

Appendix 7.9 Welcome Letter

Appendix 7.10 Current Contractor STD LTD Decision Support System File Layout

Digital Submission Instructions

9. **Delete RFP #31786-00155 in its entirety, and replace with RFP #31786-00155, Release #2.** Revisions of the original RFP document are emphasized within the new release. **Any sentence or paragraph containing revised or new text is highlighted.**
10. **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.