

**2016-28 – SEP Electronic Verification**

**Questions and Answers (Version: 7/19/17)**

**\*\*Attention: Please pay particular attention to Questions and Answers to No. 15 and 34.**

	Questions	Answers
1	It is stated in Section 1.6 that the contract can be renewed for an additional two years past the 3 year base. Would this contract be renewed every year, or would it be a 2 year contract renewal?	It would be renewed one year at a time after the initial 3 year term.
2	Is there an incumbent vendor for this contract?	No.
3	Can a team member to the bidder be used to meet the corporate qualifications?	A team member cannot be used to meet the corporate qualifications.
4	<b>Section 3.9 Payment and Invoicing</b> – this section indicates the state may cancel with no liability or change the amount of the contract through an amendment. Can the state please clarify that transaction incurred up to the point of cancellation or amendment will be paid at the agreed upon rate?	Transactions incurred up to the point of cancellation or amendment will be paid at the agreed upon rate.
5	<b>1.10 Format of Proposals; 2. Narrative Format / Page 8:</b> We understand that the required font for the proposal is at least 12-point size and that forms are excluded from this limitation. We request that graphics and tables should also be excluded from this limit. Large font in graphics and tables could take up space in the already restricted page limits. We suggest a 10-point size for graphics and tables.	Unless specifically excluded from page limits within the RFP instructions, graphics and tables you choose to provide are included within the page limitations. However, 10 point font for graphics and tables is acceptable.
6	<b>1.10 Format of Proposals; 2. Narrative Format / Page 8:</b> Would a thumb drive be an acceptable substitute for the digital copy on CD-ROM?	No.
7	<b>3.2 Purpose:</b> How many QHP's will be providing eligibility data to CalHEERS?	Within the scope of this RFP, no QHP issuers will be providing eligibility data to CalHEERS. Consumers will be entering into CalHEERS information about the insurance coverage they recently had and lost. The Contractor solution will receive that information from CalHEERS and conduct electronic verification transactions through interfaces to QHP issuers (carriers) and other data sources. The Contractor solution verification result will be returned to CalHEERS.
8	<b>3.2 Purpose:</b> How frequently do the QHP's send 834 Change transactions to CalHEERS currently?	There are two primary types of 834 transactions QHP Issuers send to CalHEERS – effectuation and termination/cancellation transactions. These transactions are sent daily when there is activity.

9	<b>3.2 Purpose:</b> Besides CalHEERS and the QHPs, what other entities will the solution need to interface with?	Covered California anticipates that the solution will interface with insurance carriers and potentially other data sources to be identified by the Contractor, in order to provide and receive data needed to perform the required verifications.
10	<b>3.2 Purpose:</b> Our assumption is that the solution would establish and maintain the connectivity with the QHP's directly, (provide trading partner management). Is this correct?	Yes.
11	<b>3.2 Process Flow Step 8:</b> Please provide detail of potential next steps when QLE is not verified. What detail is the State expecting to receive specific to verification failure?	When the QLE is not verified electronically with no manual intervention, the process with the requested solution will be over. Covered California will take over the verification process and that is out of scope for this RFP. Regarding the detail Covered California is expecting to receive back – Covered California is expecting answers of “The QLE is Verified as Yes”, “The QLE is Verified as No” or “Unable to Verify / Inconclusive”. Additional specific detail that will be captured and stored in support of each response will be determined through the selected Contractor’s proposal response and during the project’s requirements validation and design steps.
12	<b>5.4 Cost Score/Page 30 of 31:</b> This section makes reference to both determining the score based on total cost (page 30) and by weighted average transaction cost (page 31). Would you please conform the cost scoring approach as the current text appears to indicate two different approaches.	To clarify, the calculation should read “Lowest Cost Bid divided by Bidder Cost multiplied by Maximum cost points available”. This calculation in RFP Section 5.4 will be updated. The footnote regarding “Weighted average of the per transaction costs...” remains unchanged.
13	<b>5.4 Cost Score &amp; Exhibit B, Attachment 1:</b> How are the 30 cost points spread across the various transaction pricing elements on Exhibit B, Attachment 1?	For the per transaction cost component and the Loss of Insurance Coverage QLE (the first table in Exhibit B, Attachment 1) the vendor that has the lowest weighted average per transaction cost for the initial contract term will earn the maximum cost points as outlined in Section 5.4 of the RFP. Bidders with higher weighted average per transaction costs compared to the low cost bidder, will earn fewer cost points as outlined in Section 5.4 of the RFP.

14	<p><b>Exhibit A, Attachment 1, SOW #5, Page 2:</b> For each verification transaction, the solution shall store, for the term of the contract plus 10 years, all the data used to initiate the transaction, and all the data received from the verification process. – Please provide what options are permissible for storage of data – Will the vendor be required to house and make electronically available, this historical data post contract termination or transition to a different vendor?</p>	<p>For auditing purposes, per Section E of Exhibit C, the Contractor must maintain all records relating to the performance of the Agreement for a period of ten years after final payment. Therefore, yes, the Contractor will be required to store and make electronically available the historical data post contract.</p>
15	<p><b>Exhibit B, Attachment 1, Page 4 of 16/Exhibit A, Attachment 1, Section 3 Reports and Data Extracts, Page 3 of 16:</b> It is difficult for any vendor to provide a transaction price down to a volume of 1 and financially recover start up and implementation costs. Implementation costs may be higher than normal as additional work will need to be done with the qualified health plans to capture additional information to perform the electronic verifications. We recommend that Exhibit B, Attachment 1 be enhanced to include one-time costs as a state cost allocation. This actually provides the State will better overall pricing as vendors are not trying to include those costs in the transaction cost, and when transaction volumes are higher than expected, the state is not paying too much as the vendor over recovers those expenses.</p>	<p>As described in the RFP Section 3.2 Purpose, Covered California shall not own or operate the solution and seeks to limit up-front costs. However, due to the rationale presented in this question, Covered California is open to paying start-up costs as outlined within the amended RFP and Exhibit B, Attachment 1. However, any start-up costs will be applied against future transaction costs owed to Contractor. For instance, if Covered California pays \$100,000 in total start-up costs, then the first \$100,000 in transaction costs will not be paid. Start-up costs must be paid pursuant to Attachment 1 of Exhibit B.</p>
16	<p><b>Exhibit A, Attachment 1, SOW, Transactions:</b> Please verify that the total transaction volume (based on RFP definition of a transaction) projected for the 2018 SEP is 172,000 (QLE Loss of ins coverage) + 15,000 (QLE permanent move). What is a projected annual increase for the term of the contract for each?</p>	<p>For the QLE loss of insurance coverage estimate, please see Question and Answer #34.</p> <p>For the QLE permanent move within or to California, Covered California estimates the transaction volume for the 2018 SEP will be 15,000 and will remain steady or increase slightly each year.</p>
17	<p><b>Exhibit A, Attachment 1, Section 3 Reports and Data Extracts, Page 3 of 16:</b> Requirement #10 is difficult to develop pricing as there is no quantifiable scope and currently the vendor’s assumed effort would need to be included in the transaction costs. Each vendor could assume very different levels of effort here. In its current form, vendors will assume little or no effort as none is defined. We suggest that this scope of work be enhanced to provide all vendors with quantitative information from which to determine effort and also create separate pricing category so these costs are not included in the transaction volumes which could lead to under or over recovery of costs.</p>	<p>Covered California declines to make this change. Covered California asserts that the requested verification transactions are clearly articulated. The associated Reports and Data Extracts are reasonable and allow bidders to determine what is needed, which will be confirmed during the project’s requirement validation and design steps.</p>

18	<b>Exhibit A, Attachment 1, SOW, Section 8-Project Staffing, Page 6 of 16:</b> Please confirm your requirement for key staff to be full time on the project.	There is no requirement for key staff to be full time on the project. RFP Section 4.3.3 requires that the proposal response include “the percentage of time key staff will be dedicated to the work...”
19	<b>Attachment 7 – Proposal Checklist:</b> It is unclear where in the proposal package “Attachment 7 – Proposal Checklist” should be included. Please confirm if placing this form in after the Table of Contents will be appropriate.	Attachment 7 would be the last document of your proposal.
20	<b>Attachment 7 – Proposal Checklist 4, Proposal Response Content, Item 7, Updated Model Contract, Page 21:</b> Attachment 7 – Proposal Checklist provides a list of all the mandatory attachments and exhibits that need to be included in the proposal package. Please confirm that track-changed versions of each of the following “Model Contract” documents and exhibits should be included under section labeled “Updated Model Contract”: Form STD 213 – Standard Agreement Exhibit A Exhibit A, Attachment 1 – Statement of Work Exhibit B Exhibit B, Attachment 1 – Cost Worksheet Exhibit C Exhibit C, Attachment 1 – Resumes Exhibit D	Yes, the tracked changes would be reflected on the exhibits within the Model Contract, as applicable.
21	<b>Exhibit B, Attachment 1, Cost Worksheet:</b> Please confirm that Exhibit B and Exhibit B, Attachment 1 – Cost Worksheet should be part of the final proposal package and not packed and sealed separately.	Exhibit B and Exhibit B, Attachment 1 – Cost Worksheet should be part of the final proposal package and not packed and sealed separately.
22	<b>4. Proposal Response Content, Item 7, Updated Model Contract, Page 21:</b> In section 4, item 7, a, requirement “i.” states “Understanding and Description of the tasks to be performed (Work Plan)”. Please confirm the details about the work plan are to be included within section “Initial Project Workplan and Operations and Maintenance” and do not need to be provide under Item “7. Updated Model Contract”.	Yes, confirmed.
23	<b>Exhibit A, Attachment 1, SOW, 1. Electronic Verification of Qualifying Life Events:</b> Section states in part ‘Transaction Volumes’: For the QLE loss of insurance covered, Covered California estimates the transaction volume for the 2018 SEP will be 172,000 and will remain steady or increase slightly each year. Please confirm 172,000 represents the number of enrollments for which verification will be requested.	The transaction volume is estimated based on prior experience and estimated future activity. It is an estimate only. Covered California will not request the Contractor to complete a specific number of verifications. Rather, the verifications will occur as needed. Covered California only provided the estimate to enable bidders to more accurately determine costs. The actual number could be higher or lower.

		Note: The transaction volume estimate has been revised per Question and Answer #34.
24	<b>Exhibit A, Attachment 1, RFP Section 3, #9, Page 3:</b> How many users is Covered California anticipating?	Covered California is anticipating 10 or fewer staff users. If you are placing a Covered California staff user maximum limit, please clearly state that in your proposal response.
25	<b>Exhibit A, Attachment 1, RFP Section 4, #11, Page 4:</b> Does Covered California have a web service developed or will the Contractor need to develop this?	The Contractor will need to develop the web service.
26	<b>General:</b> If a particular carrier is not able to or wishes not to verify all 100% of incoming enrollment requests, should the system accommodate this?	Covered CA does not expect that all carriers will be able to verify 100% of incoming requests from the Contractor solution. As appropriate, in your proposal response please clearly explain any known or anticipated impacts related to this issue of less than 100% response from an individual carrier to verification requests.
27	<b>General:</b> If a particular carrier has not implemented an automated EDI based mechanism to provide answers to a loss of MEC, we assume that you would wish for the system to gracefully degrade and allow the carrier community to verify loss of MEC from such carrier manually (which may be made efficient through an appropriate work-flow). Is this correct or would you wish to deny such carrier access to this SEP verification system entirely?	The solution being requested is electronic verification with no manual intervention. Manual verification is out of scope for this RFP, and will be handled separately.
28	<b>General:</b> Is it within the scope of this RFP for your chosen vendor to manage all carrier interactions necessary to support SEP verifications on a day-to-day basis?	Yes.
29	<b>General:</b> From a governance perspective, in the case where SEP verification cannot be automatically and authoritatively determined through a third party information source, the onus of verification still rests ultimately with the carrier that has received the application from a prospective consumer. Is this correct? If not, how do you see responsibility being split between the Exchange, the successful vendor, the consumer making an application request during the SEP, the carrier to which such application is made and (in the case where the SEP is being requested because of loss of MEC), the carrier from which MEC coverage was lost?	This requested solution supports a consumer requesting new or changed insurance coverage through the California Exchange during the special enrollment period. In the case where SEP electronic verification with no manual verification cannot authoritatively be determined, the process with the requested solution will be over. Covered California will take over the verification and follow-on enrollment processes and that is out of scope for this RFP.

30	<b>General:</b> Do you anticipate any Covered CA employees to continue verifying SEP documentation or is your plan to leverage vendor and/or carrier personnel instead?	If the QLE cannot be verified electronically with no manual intervention, the process with the requested solution will be over. Covered California will take over the verification process and that is out of scope for this RFP.
31	<b>General:</b> In the case where the prior MEC cannot be electronically verified due to a lack of EDI connectivity with the prior carrier is the consumer expected to submit paper documentation to be verified? If so, what entity is responsible to perform this manual verification work? Is it Covered California, the carrier or the contract vendor?	If the QLE cannot be verified electronically with no manual intervention, the process with the requested solution will be over. Covered California will take over the verification process and that is out of scope for this RFP.
32	<b>General:</b> In the case where manual follow up may be necessary with the consumer is Covered California intending to provide the notifications out of CalHEERS or from this vendor solution?	Covered California is intending to provide the notifications out of CalHEERS.
33	<b>General:</b> Is there a certain percentage of all SEP QLE's that Covered California is anticipating will be verified electronically upon implementation of the SEP Verification solution?	Upon implementation of the SEP electronic verification, Covered California is requiring only electronic verification of the QLE loss of coverage. Of all QLEs loss of coverage is the largest percentage, historically about 80+% of all SEP QLEs. Covered California understands that the Contractor will, upon implementation, be able to electronically verify as many transaction requests as possible, and that the solution's capability to electronically verify with carriers and other data sources may increase over time and throughout the contract term.
34	<b>Exhibit B, Attachment 1 – SOW:</b> What proportion of the 172k SEPs was due to a loss of Medicaid coverage as opposed to loss of commercial group or individual coverage?	The exact rate is not currently quantified, yet we estimate the Medi-Cal transition proportion is less than 40% of the estimated 2018 SEP transaction volume for the QLE loss of coverage. Covered California has determined that electronic verification of consumers that leave Medi-Cal to obtain coverage through the Exchange will not be a part of the scope of work within this RFP. Therefore, the estimate of the transaction volume for the 2018 SEP for the QLE loss of coverage is revised to be 103,200 or more.
35	<b>Exhibit B, Attachment 1 – SOW:</b> Does the SEP volume in the RFP represent all SEP or just new applicants? Is Covered California intending to verify prior coverage for all SEP or just new applicants?	For the QLE loss of coverage, the SEP volume in the RFP represents individuals that had prior coverage not through the California Exchange, then lost that coverage, and are now coming to the Exchange to purchase new coverage. For the QLE move within or to California, those individuals could be new to the Exchange or currently have insurance through the Exchange that they need to change due to the move.

36	<b>3.9 Payment and Invoicing, Exhibit B, Attachment 1 – SOW:</b> Is the per transaction pricing the only acceptable model or would you consider alternative pricing/licensing models?	Please see response to question #15.
37	Will the State be responsible for enforcing the connections to the awarded vendor of those are not currently in place? Will these include the CAQH CORE enabled interfaces for connectivity?	Per the requirements in Exhibit A, Attachment 1, the Contractor is responsible for establishing and maintaining all interfaces and data sharing agreements with the insurance carriers and other data sources. Covered California will not be establishing, managing or enforcing the interfaces between the Contractor solution and the carriers and other data sources. Regarding CAQH and CORE enabled interfaces for connectivity, Covered California looks forward to considering the various business and technical approaches in the proposal responses.
38	Will the 271 responses have reason for termination as part of the payload?	Covered California’s understanding is that the 271 responses currently do not have “reason for termination” as part of the response.
39	To execute the electronic verification will the plans leverage active member datasets as well as historical member datasets?	To be eligible for new or changed insurance coverage during the special enrollment period, a consumer making this request to Covered California must do so within 60 days of losing their prior coverage. Therefore, the electronic verification will likely be made against active member datasets.
40	Assuming both batch and real-time are required, please confirm.	Real-time is required per Exhibit A, Attachment 1, Requirement 19. Batch processing is not acceptable within the solution being requested.
41	Will each health plan require querying for each of the 172,000 estimated electronic verifications?	No. The consumer seeking new or changed insurance due to the qualifying life event “loss of coverage” will be asked to provide information about the insurance coverage they recently lost including the name of the insurance carrier.
42	Are there other data sources outside of the health plans that contain required data to execute the electronic verifications? If so please provide details.	There are not data sources outside of the health plans that are “required” to successfully complete the verification transactions, yet it is Covered California’s understanding that there may be data clearinghouses and potentially other data sources that could provide access to data needed to successfully complete the verification transactions.
43	In section 2.1.2 is the contractor expected to adhere to any (ie. as along as the vendor adheres to one) or to all of the listed security guidelines for this solution?	The Contractor is expected to adhere to all of the requirements as outlined in Exhibit A, Attachment 1 including Requirement 67 that aligns with the items as outlined in RFP Section 2.1.2.

44	<b>General:</b> Are there any externally available data sources readily available in California that would be accessible by the selected Contractor? This includes the Department of Insurance, Department of Corrections, etc.	For the scope outlined within this RFP, California does not have externally available data sources readily available that would be accessible by the selected Contractor.
45	<b>General:</b> Are the funds to cover the costs of the services provided paid for by the health plans as part of the current exchange assessment fee? If not, will this be an added optional service that CalHEERS is looking to provide to the health insurance carriers that may not be able to do so on their own?	Yes, Covered California's primary funding source is through the assessment fee. There are no plans to add electronic verification as an optional service that CalHEERS would provide to health insurance carriers. Rather, as mentioned in the Purpose section of the RFP, the requested functionality represents a potential market opportunity within and beyond the scope of this Covered California initiative, for contractors to work with insurance carriers to electronically verify QLEs and conduct related eligibility checks.
46	<b>Exhibit A, Attachment 1 – Statement of Work:</b> For 1.1, while XX is configurable is there a minimum number of days that the State is looking to achieve?	The purpose of this configurable item is that Covered California may want to verify that the consumer lost their prior coverage (or will lose their coverage) within a period of 30, or 60 or 90 (or other) days, and Covered California wants to be able to make that change without requesting an application programming change from the Contractor.
47	<b>Exhibit A, Attachment 1 – Statement of Work:</b> For 1.2, is the expectation that based on 'identifying' the individual that we could utilize external data sources to determine the reason for health coverage termination? Or will we be prompting the individual to select the specific SEP reason (or will that data be passed to the selected Contractor)?	The expectation, expressed as an optional requirement, is that the transaction performed by the Contractor solution verify with insurance carriers or other data sources the reason for coverage termination. The consumer will likely be asked to identify the reason for termination, yet the electronic verification transaction would, if implemented as part of your solution, verify / confirm the termination reason stated by the consumer.