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April 25, 2011

ADDENDUM 1
TO
REQUEST FOR PROPOSALS
No. 11-01

TO FURNISH MEDICAL BENEFITS

Responses to Questions from the Pre-Proposal Conferences held April 18, 2011:

1. Will the EUTF share the background surrounding the decision to fully insure some of the current plans and self insure others?

Response: Accounts of discussion and rationale for decisions made by prior Boards of Trustees are contained in the minutes of the EUTF Board meetings.

2. Will fully insured proposals be considered to replace the self insured medical plans and likewise self insured proposals for the fully insured medical plans?

Response: Every Proposal Sheet that is submitted will be given full evaluation for all plans and for all funding options requested.

3. May proposals be submitted with a contingency of being awarded more than one benefit plan in the award of contracts?

Response: No. Proposal pricing that is contingent upon the award of multiple contracts will not be accepted, however, proposers may note additional discounts that would be available if multiple contracts are awarded.

4. If benefits must change due to the enactment of State or Federal Laws, will the guaranteed rates for the required contract periods be allowed to be modified?

Response: Unless there are notably significant benefit changes mandated under Federal or State law, no change to proposed fully insured/risk sharing rates would be accepted. On proposals that are requested on a non risk sharing basis, no change to proposed rates would be accepted, other than in the event of a significant mandated change.

5. Will the proposed changes to the contribution percents for the HGEA bargained employees cause the plans to lose grandfathered status?

Response: Proposers should assume that all of the required benefit modifications necessary to comply with the Affordable Care Act will be implemented for the Active Employee Plans only, and be included in your proposal.

Retiree Plans are exempt from the provisions of the Affordable Care Act, as “retiree only” plans.

6. Should proposals include the cost of any required changes to the plan of benefits to fully comply with the Affordable Care Act essential benefits and other provision impacting non grandfathered plans, as of the proposed contract effective date?

Response: Yes.

7. Will SHOPO (BU12) continue to require a separate rate from the other active bargaining units in the fully insured/risk sharing rates submitted for EUTF plans?

Response: Yes

8. Are the OFFERORS to assume that all deductible, benefit limits with respect to the frequency and amount of services will be reestablished as of the commencement date of the contract?

Response: No. Active benefits follow the fiscal plan year for deductibles and limitations and these will not be restarted as of the effective date of the contract, January 1, 2012. Retiree benefits are based on a calendar year, plan year and already reset as of the proposed contract effective date.

9. Will the EUTF provide tier ratios so that the rates are consistent across all proposals?

Response: OFFERORS should assume the current tiered ratios and enrollments in preparing their proposals. No contingencies or underwriting limitations with respect to changes in enrollment or shifts in enrollment by tier will be accepted.

10. What is meant by the question on page 145 of the RFP 11-01, question G(1), “Provider Reimbursement and Discount Worksheets”, with respect to the out of network equivalent R&C percentile used in non network reimbursements?

Response: Identify whether in determining the allowable charges for reimbursement of non network providers, your company would use a percentile of the providers captured in the data for usual, customary and reasonable charge profiles that is less than 100%.

11. With what plans will the Chiropractic Benefit Plan(s) be bundled?

Response: The Chiropractic Benefit Plan will be “bundled” with the same medical plans as in the current EUTF and HSTA plans. No change in bundling of plans is to be assumed.

12. Will the Offeror be responsible for COBRA Administration?

Response: Yes, the COBRA duties to be performed by the successful offeror will be itemized in a subsequent addendum.

13. NOTE: The revised due date for Best and Final Offers (BAFO) for priority listed offerors is June 20, 2011.