



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
INS12001

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
SHELLY MURRAY 304-558-8801

VENDOR

RFQ COPY
 TYPE NAME/ADDRESS HERE

SHIP TO

INSURANCE COMMISSION
 1124 SMITH STREET
 CHARLESTON, WV
 25305-0540 304-558-3707

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
03/20/2012				

BID OPENING DATE: 04/10/2012 BID OPENING TIME 01:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 1 -----						
THIS ADDENDUM IS ISSUED TO ADDRESS QUESTIONS RECEIVED PRIOR TO THE QUESTION SUBMISSION DEADLINE OF 02/28/2012						
BID OPENING DATE EXTENDED:						
FROM: 03/21/2012						
TO : 04/10/2012						
----- END OF ADDENDUM NO. 1 -----						
0001	1	LS		946-12		
ACTUARIAL AND ECONOMIC MODELING SERVICES						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

GENERAL TERMS & CONDITIONS REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.html and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticeConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).

RFP # INS12001
Addendum #1
Questions & Answers

1. Does successfully bidding on this project preclude us from bidding on follow-up work?

Answer: No, the State operates an open bidding process.

2. Please verify that the state is anticipating making only one award under this RFQ.

Answer: Yes, the State will be making one award.

3. RFQ Form – Should this form be included in the Cost Proposal?

Answer: This is explained in the bid document.

4. RFP Section 2.5. Mandatory Requirements.

"The firm shall have no conflict of interest with regard to any carrier that is actively writing individual or group health products in the West Virginia market."

As one of the nation's largest independent actuarial consulting firms, we have contractual relationships with many health care providers and health insurers. As such, we routinely encounter situations where potential conflict of interests (or the appearance of conflicts) exist, and hence, have formal policies in place to mitigate and manage those situations.

Utilizing our existing policies and our experience dealing with similar situations as a routine component of our business, we believe that any conflicts of interest relevant to the award of this contract can be mitigated to the satisfaction of the state.

Let us know if this would be acceptable to the state.

Answer: The State requests this as part of all bid packages.

5. RFP Section 3.3 Proposal Format, Attachment A, Deliverables
 The final sentence reads "The final report is due." Please provide the due date.

Answer: This is based on the award of the contract.

6. RFP section 3.3 Proposal Format, Attachment A, Key Personnel
 How does the state define "Key Personnel"?

Answer: Key Personnel – Persons assigned to the project.

7. RFP Section 3.3 Proposal Format, Attachment E

Attachment E: Specific deliverables as outlined.

Attachment E was not provided with the RFQ.

Answer: This is a typographical error. There is no Attachment E Please refer to Attachment A.

8. Attachment C: Cost Sheet

The cost proposal includes a line for "Section 2.4.5 Vendor Experience". Please explain what tasks this cost estimate would include.

Answer: A revised cost sheet is attached.

9. Please provide the expected budget for the project.

Answer: That information is not available.

10. Please provide the states expected timeline for the project.

Answer: The timeline will be established after the award of the contract.

11. Please provide an estimate of the amount of on-site assistance being requested (i.e., meetings, presentation of deliverables, etc.).

Answer: The Vendor will provide this information based on the bid.

12. Does the state have any prior reports/studies/papers that it will make available to the bidders?

Answer: The WVOIC website (www.wvinsurance.gov) has reports, studies and papers and a link to the Health Benefit Exchange.

13. Does the state have information on residents working out-of-state as well as the number of non-residents

Answer: WVOIC does not have this information.

14. Has the state conducted an internal review of the data it has available? If so, will the state provide the bidders with a description of these data sources?

Answer: WVOIC has conducted no review.

15. Will all bidder questions be released?

Answer: Yes.

16. What is the amount of funding available for this contract?

Answer: That information is not available.

17. What data will the State make available to the vendor for this contract?

Answer: WVOIC will work closely with the successful vendor.

18. Many of the subtasks could be addressed in more or less detail. What tasks constitute the State's highest priorities for this work?

Answer: All tasks are a priority.

19. Task 2.4.1.e (p. 12) requires carrier and producer information. Will the Insurance Commission conduct a data call to obtain this information? Should the bid assume that the vendor would prepare the data call and follow up with carriers as necessary?

Answer: WVOIC will work closely with the successful vendor.

20. Task 2.4.1.f (p. 13) refers to "various reforms," "specified market changes and policy decisions," and "various legislative and policy decisions." Could the State provide an estimate of the number of options that would be modeled?

Answer: No.

21. Task 2.4.3.b.iii (p. 16) refers to "an incremental phase-in of the market reforms." Could the state clarify the years over which this phase-in might occur?

Answer: The Exchange is expected to be operational January 1, 2014

22. With respect to Task 2.4.1.e.ii, subpart b) (p. 13), could the State clarify what types of estimates of commission structure and compensation ranges it is looking for? For example, commission structures and ranges in other states, or other commissions in West Virginia?

Answer: The successful Vendor will research and provide this information to the State.

23. With respect to Task 2.4.1.e.ii, subpart c) (p. 13), could the State clarify the question(s) it wants addressed or the measures it is asking to see in the 20-year analysis?

Answer: The successful Vendor will research and provide this information to the State.

24. How should the vendor anticipate the level of effort required for *ad hoc* work?

Answer: The responding Vendor should determine the effort required and provide this information to the State.

25. Has the State hired any vendors previously for similar kinds of work, and if so, please specify whom and when?

Answer: No, WVOIC has not hired any vendors previously for the type of work that is requested in this RFP.

26. Page 20 of the RFQ mentions "Specific deliverables are listed in Attachment E." We are unable to locate Attachment E in the RFQ.

Answer: This is a typographical error. There is no Attachment E. Please refer to Attachment A.

27. Does Attachment E contain a timeline for the deliverables, and if not, do you have one?

Answer: This is a typographical error. There is no Attachment E. Please refer to Attachment A.

28. In the cost proposal, do we need to break out the flat fee for Section 2.4.1, 2.4.2 and 2.4.3?

Answer: Yes, it is WVOIC's desire that this information be provided.

29. Should travel expenses be included in our flat fee bid?

Answer: Yes.

30. How many days of on-site meetings should the vender assume for this project?

Answer: Unknown.

31. Are surveying services included in this actuarial and economic RFP. If surveying is outside this RFP, are you expecting a separate bid to be developed for these services?

Answer: Survey is described at Item 2.4.1 (e) (i) (p. 12-13). It is desired that the successful vendor provide the qualitative and quantitative analysis of the current health insurance marketplace in West Virginia. Include an analysis of the impact and or a recommendation as to whether state law shall require that all comprehensive health insurers participate in the Exchange. It will be at the successful vendor's discretionary expertise as to how to best create this information for the State.

32. When does the WVOIC expect to conclude its review of proposals and selection of the winning bidder? Does the WVOIC have an estimated date for when work would start?

Answer: This is a priority project and the process will be completed in a timely manner. There is no estimated start date.

33. Item 2.4.1 (a) Study of the Uninsured and Underinsured in West Virginia requests a quantitative analysis of the underinsured. Can the WVOIC provide guidance on how it will define "underinsured" so that bidders may assess the information needs to perform such an analysis?

Answer: The successful vendor will research and provide this information to the State.

34. Item 2.4.1 (b)(ii) requests a study of coverage trends, past and projected, by market, geography and income. Can more information around this requested analysis be provided and the metric(s) you are seeking information for? For example, are you seeking enrollment trends, premium trends, etc.? Would you consider a shorter historical period than 10 years as depending upon the metrics requested it may require a carrier data call and we suspect many carriers will have archived data that old from their systems?

Answer: No, this is a firm bid specification.

35. Item 2.4.1 (b)(iii) indicates that in modeling the impact that the ACA will have on enrollment in public programs such as Medicaid the selected contractor should take into account studies that have already been conducted by other West Virginia State agencies such as DHHR. Can you provide more information about the content and timing of these studies and, if publicly available provide copies of related reports or a link to a website where they are located?

Answer: WVOIC does not have this information.

36. Item 2.4.1 (c)(i) requests a quantitative analysis of the number of small groups in West Virginia and indicates the information should be "stratified by the following criteria" however no criteria are listed. Can you please provide the criteria you seeking be used?

Answer: This item is defined in the section specified in this question.

37. Item 2.4.1 (c)(ii) requests estimates for 2014-2016 for the small group market.

- Can you clarify the metric for which you are requesting estimates by group size (e.g. members, employees, premium, etc.)?

Answer: All metrics need to be applied.

- Can you clarify what is meant by "single risk pool and separate risk pool," particularly in light of the fact that beginning in 2014 the ACA requires all small groups up to 100 (unless the state elects to implement its current definition until 2016) must be pooled for rate setting purposes?

Answer: The successful Vendor will research and provide this information to the State. This item is defined in the section specified in this question.

- Based on the layout it appears that the sub-bullet items number 1 through 6 (household income, household size, etc.) apply only to 101+ employee markets. Please confirm that whether this is correct or not.

Answer: Yes, item 2.4.1 (c)(ii) Sub-bullet items number 1 through 6 refer to the other employee markets: a) 1-25 b) 26 -50 c) 51-100 and d) 101 +.

38. Item 2.4.1 (c)(iii) requests an analysis of West Virginia residents who work out of state and out of state residents that work in West Virginia. While we have access to information that will allow us to size these populations by income, age, gender state of residence, state of employment, and type of insurance coverage (i.e.. Individual, employer, uninsured, Medicaid) we are not aware of readily available information that will allow us to analyze the type of health plans offered with participation rates by provider without significant efforts required to attempt to gather this information both in West Virginia and in other states for those covered by employer plans in other states. Does the WVOIC have any information in this regard that will be made available to the winning bidder? Would you consider limiting this analysis to the

Answer: WVOIC does not have in-state and out-of-state workforce information. "Would you consider limiting this analysis to the" - Vendor question was incomplete. WVOIC is unable to respond.

39. Item 2.4.1 (c)(iii)(a) requests an analysis related to pooling risk with surrounding states. Can you provide more information on this item what is meant by pooling risk. Are you referring to pooling the experience of West Virginia policyholders with the experience of policy holders in other states for purposes of developing rates? If so, are you referring to such pooling occurring even if a carrier's West Virginia experience is fully credible?

Answer: The successful Vendor will research and provide this information to the State.

40. Please clarify item 2.4.1 (c)(iv) which asks for a projection of the number of employers that may not participate in the SHOP and the impact it will have on the individual market. We are confused by this item because it is our understanding that a group's decision to participate in the SHOP or the small group market outside the exchange will not impact the individual market given rates in the small group are developed independently of rates in the individual market, and even if the individual and small group markets are merged for rating purposes the rates inside and outside the exchange must be the same so employers decision as to whether to purchase coverage in the SHOP or outside market will not impact individual rates.

Answer: The successful Vendor will research and provide this information to the State.

41. With regard to item 2.4.1 (c)(vi), does the WVOIC have information related to efforts the State has taken to provide assistance to small employers that will be shared with the winning bidder?

Answer: WVOIC does not have this information.

42. For item 2.4.1 (d)(iv) please provide more information as to what is meant by "transition of current and future consumers of the Exchange."

Answer: This item is defined in the section specified in this question.

43. For item 2.4.1 (e) will the WVOIC be able to mandate that carrier's respond to a survey conducted by the winning bidder? Likewise, for item 2.4.1(f) we would like to propose a data call to WV carriers in order to assist in calibrating our microsimulation model to the West Virginia premiums, claims, current rating practices, etc. as in our opinion this will lead to better modeling results that more accurately reflect the WV market. Will the WVOIC be able to require that carriers to respond to such a request?

Answer: WVOIC will work closely with the successful bidder.

44. For item 2.4.1 (f)(ix), please clarify what is meant by "analyze risk adjustment methodologies" . For example, given a detailed comparison of various risk adjustors which includes modeling impacts of various risk adjustment methods on various populations, assessing various implementation methods and the impact it may have on premiums, etc. is a very large project in itself, please confirm that for this sub-item you are simply seeking a comparison of different risk adjustment options available to the state with discussion around how they would function, impact carriers, etc in order for the WVOIC to make decisions around further analysis required to select and implement a risk adjustment option.

Answer: The successful Vendor will research and provide this information to the State.

45. For item 2.4.1 (f)(xi) please provide further detail as to what is meant by "various reforms." Can you provide examples of the types of reforms that must be analyzed and how analyzing the impact of these reforms on premiums differs from the items requested in item 2.4.2.

Answer: The successful Vendor will research and provide this information to the State.

46. For item 2.4.1 (f)(xii) please clarify whether the winning bidder must simply develop the methodologies that could be used to measure the cost of mandated benefits or whether the winning bidder will also have to perform the analysis to assess the cost. Also, it appears this question may have been included to assess costs the State may be required to cover for mandated benefits that were not included in the essential health benefit (EHB) package for individuals covered through the exchange. However, with recent guidance from HHS indicating that it is likely that final regulations will allow states to select their own benchmark plans for the essential health benefit package such that the State would no longer be required to cover the cost of mandated benefits provided through the Exchange, would the WVOIC consider removing this item from the scope of work?

Answer: The item referenced in this question is not the actual bid item 2.4.1(f) (xii) (p. 14) which states – Model the impact of merging small and non-group markets.

47. For item 2.4.1 (xvii) please provide more detail as to what is meant by "analyze" the various rating factors listed which will be allowed after 2014. Will the winning bidder be asked to gather pricing and claims information from carriers and perform analysis to determine how rating regions defined by the states will impact their rates which is a significant project in itself?

Answer: For item 2.4.1 (f) (xvii) (p.14)–Yes, that will be some of the analysis. The successful vendor will research this and related items in the section and provide this information to the State.

48. For item 2.4.3 (4) please clarify whether the statement "impact on existing state programs" requires a qualitative response or whether a comprehensive financial analysis is being requested.

Answer: For item 2.4.3 (4) (p.15) - Impact on Existing State Programs: Assess the cost impact of an Exchange on other State programs, and

This is number 4 of 4 general tasks associated with broad organizational issues related to the Exchange within the context of item 2.4.3. It is desired that the successful vendor provide the research associated with assessing the cost impact of the Exchange on other State programs, and

49. Please confirm that for item 2.4.3 (b) when it states "quantitative impact" you are not requesting actuarial and economic modeling of the various items listed but rather consultative advice as to how each of the items listed may impact the Exchange.

Answer: Item 2.4.3 (b) (p. 16) WVOIC is asking the successful vendor to advise the State on the qualitative and quantitative impact of various options around the major policy decisions, providing the best and worst case scenarios and with phasing

recommendations. At a minimum, this would include: items (i-xiii). It will be at the successful vendors' discretionary expertise as to how to best illustrate this advice for the State.

50. Related to items 2.4.3 (d)(i) and 2.4.3(d)(ii), there is a wide range of analysis that can be performed related to a basic health plan. This could range from assessing the number of individuals that could be eligible for the BHP and potential subsidies from the federal government to very comprehensive feasibility studies that some states are conducting as stand alone projects which have significant costs involving actuarial modeling which examines, morbidity costs of the BHP eligible population, relative cost differentials between commercial rates upon which the federal subsidies are based and Medicaid reimbursement levels at which claims will be paid, the impact on rates in the individual exchange of including/excluding BHP eligibles, etc., in order to assess whether it is feasible for the State. Please clarify the level of analysis the WVOIC is seeking for this item.

Answer: Items 2.4.3 (d) (i) and 2.4.3(d) (ii) (p. 16) – Yes, WVOIC is asking for a wide range of analysis. It will be at the successful vendors' discretionary expertise as to how to best create this advice for the State.

51. For item 2.4.3 (d)(iii) please clarify that you are seeking a qualitative response and not financial modeling

Answer: The successful Vendor will research and provide this information to the State.

52. For item 2.4.3 (d)(iv) please clarify that you are not requesting detailed financial modeling

Answer: The successful Vendor will research and provide this information to the State.

53. For item 2.4.3 (d)(vii) please provide further information as to what is meant by "moving Medicare into the Exchange." Are you referring to traditional FFS Medicare or Medicare Advantage? Given a navigator type system is already in place (Medicare.gov) that allows Medicare eligible individuals to compare Medicare Advantage plans (benefits, premiums, out-of-pocket calculator, quality rankings, etc.) and enroll in the program of their choice, please explain the functions the Exchange would perform and the impact analysis being requested in this item.

Answer: The successful Vendor will research and provide this information to the State.

54. Please confirm that the ad hoc services in item 2.4.4 are not being requested at this time, however the WVOIC would like to assess the bidder's ability to provide these services in the future and the cost associated with these services, assuming 1,500 hours of work were requested. Please clarify whether the bidder is committing to all of the services listed in item 2.4.4 for 1,500 hours or whether this amount is being used for proposal evaluation purposes and the winning bidder would be requested to provide specific cost estimates for ad hoc services as they arise until the 1,500 hours are used.

Answer: The 1500 hours are for proposal evaluation purposes.

55. Our economic and actuarial microsimulation healthcare reform model is proprietary. Please confirm that although the WVOIC is requesting output/results from the modeling as well as copies of all data collected through primary research, you are not requesting a model.

Answer: This is explained in Section 5 - Contract Terms and Conditions in the bid document, starting on page 23.

56. Section three of the RFP which describes the required response format refers to Attachment A and states "within the attached response sheet." Are you requesting that bidders follow the format of Attachment A or list each of the questions/items and provide a response below each. If the later, can you provide an electronic version Attachment A in Word format to facilitate our response? Further, under the description of Attachment A there is a subsection related to deliverables. The last sentence reads "The final report is due." Is there an intended due date that is omitted from this sentence?

Answer: It is WVOIC's desire that the vendor adhere to the order of the bid format. No, a word format is not available. The final report is based on the award of the contract.

57. There are several items being requested that relate to items in other sections of the RFP. As one example, item 2.4.3 (a)(ii) requests analysis of the impact of the federal mandate being deemed unconstitutional and this question would be answered using our microsimulation model and fit better with the economic modeling in item 2.4.1 (e). In addition, there are some items that are duplicated in later sections of the RFP. Please clarify whether bidders can organize the items in their response differently than in the order presented in the RFP as long as all items are covered. Or, would you prefer the response follow the same order and refer back to other sections of the response when certain tasks will be performed as part of a work process previously described?

Answer: It is WVOIC's desire that the vendor adhere to the order of the bid format.

58. The RFP references Appendix E: Specific deliverables as outlined however there is no Appendix E attached to the RFP. Could you provide a copy of this Appendix?

Answer: This is a typographical error. There is no Appendix E. Please refer to Attachment A.

59. For the cost sheet in Attachment C:

- Please confirm that you are requesting a flat fee bid and that the cost should be listed separately for each of the projects listed with a total (indicated as Subtotal 1). While it is clear what is requested in terms of a cost for Sections 2.4.1, 2.4.2 and 2.4.3, please clarify what type of cost estimate you are seeking for Section 2.4.5 "Vendor Experience".

Answer: A revised cost sheet is attached.

- Please confirm that the row labeled "composite hourly rate" is to be the hourly rate applicable to the Ad Hoc services under 2.4.4 and not the blended hourly rate associated with the services under Sections 2.4.1, 2.4.2 and 2.4.3, which may be different

Answer: Yes.

- Please confirm that Subtotal 2 is to represent the product of the hourly rate times an estimate of 1,500 hours

Answer: Yes.

60. The RFP is very comprehensive and the studies and items included are by far more than we have seen from any other state in terms of the volume and the detailed level of questions to be answered. Further, several of the sub-items listed could involve a wide range as to the level of analysis that could be performed and several could be interpreted to be significant projects themselves. Please clarify whether for RFP items which contain a long list of items to be analyzed or modeled (e.g. item 2.4.1 (f) or item 2.4.3 (b)) required prospective bidders are to assume that every item in the list is to be covered in the scope of work when developing their cost bids. Please provide this guidance to bidders so that they do not over-scope or under-scope the level of analysis desired by the WVOIC when preparing their cost proposals.

Answer: The successful Vendor will research and provide this information to the State.

61. The words "analyze" and "assess" show up frequently throughout the RFP. Please clarify that any economic/actuarial microsimulation modeling is contained to item 2.4.3 (f) and that when these terms appear in other sections the level of quantitative analysis is anticipated to be at a higher level.

Answer: The successful Vendor will research and provide this information to the State.

62. Please indicate whether the budget for the projects that are the subject of this RFP has changed from that included in the State's Level I grant application to HHS

Answer: This information is not available.

63. Has the State performed any modeling to date that would be available to the winning bidder? If so, can you describe the analysis performed that will be made available?

Answer: WVOIC has not performed any modeling or analysis.

64. Will bidders be allowed to suggest changes or alterations to the Terms and Conditions included in the RFP? Will including suggested changes in a bidder's response adversely impact how a bidder's proposal is scored?

Answer: A bidder's failure to comply with a mandatory requirement will result in bid disqualification and changes or alterations of terms and conditions may impact proposal scoring. Proposed changes or alterations to the terms and conditions may necessitate the signing of a WV-96 or WV-96a form by the bidder. Copies of the WV-96 and WV-96a forms are attached to this addendum for your reference.

65. Does submission of a proposal obligate a bidder to execute a contract if awarded the work?

Answer: A bidder's submission of a proposal obligates the bidder to provide the services/goods contained in the proposal if awarded a contract. The submission of a proposal is considered a binding offer that will be accepted or rejected by the State with the issuance of a Purchase Order through the Purchasing Division. The issuance of a Purchase Order is the point at which a contract is consummated

66. Will a list of potential bidders submitting questions be available?

Answer: No.

67. If the proposer wishes to take exception to certain terms and conditions in the RFP, may those exceptions be included in the proposal? If so, where within the proposal should the exceptions be included? Will the State accept a Limitation of Liability clause?

Answer: A bidder's failure to comply with a mandatory requirement will result in bid disqualification and exceptions to terms and conditions may impact proposal scoring. Proposed exceptions to the terms and conditions may necessitate the signing of a WV-96 or WV-96a form by the bidder. Copies of the WV-96 and WV-96a forms are attached to this addendum for your reference. Any exception to the terms and conditions should be aggregated and included in a separate section of the RFP entitled exceptions. Each exception should expressly reference the term or conditions in the RFP that is affected.

68. Will the Contractor have access to Medicaid demographic and enrollment data? Are there other sources of information within various State agencies that the contractor may have access to?

Answer: WVOIC will work closely with the successful bidder.

69. What state insurance department data exists regarding premiums and coverages in the existing non-group and small group insurance markets? Does this information include satisfaction surveys?

Answer: WVOIC will work closely with the successful bidder.

70. Does the State have its own recent population/demographic and economic projections? If so, which demographic/economic characteristics are included in these studies?

Answer: WVOIC does not have this information.

71. Does the State anticipate the contractor will answer all the detailed questions in section 2.4.1? Alternatively, is the objective of 2.4.1 to identify the level of analysis necessary to satisfy the evaluation of design options (2.4.2) and Exchange –related organization and administration (2.4.3)?

Answer: Yes.

72. What preparation or other identifying of information technology expected Exchange business requirements has been performed by the State and will be available to the selected vendor to assist in its review?

Answer: WVOIC Website (www.wvinsurance.gov) has reports, studies and papers.

73. Who/what office will be liaison for the financial data, ownership of the proposed budgets, and assisting with the assumptions for the projected program financials? Has a high-level analysis of potential funding sources been completed? Does this office include the authority over taxes?

Answer: Unknown.

74. The date and time of the submission is by 1:00pm Eastern Standard. The instructions further stipulate copies be mailed. Will electronic copies be allowed? If so, is PDF an acceptable format?

Answer: No. Submissions must be mailed.

75. The RFP pricing spreadsheet separates the scope of work into fixed fee and ad hoc components. Is there a budget associated with the fixed-fee component of the project? If so, can the State indicate the budget amount associated with the fixed-fee component of the project? Further, can the State indicate what the expected budget for the ad hoc services may be, in addition to the hour budget already provided in the RFP?

Answer: WVOIC Website (www.wvinsurance.gov) has reports, studies and papers.

76. Part of the scope extends beyond evaluation/feasibility. Is the project being funded by an evaluation grant or a level 1 grant? Is the State looking to tie the deliverable due dates of this project to successful receipt of the grant monies? Does the State anticipate needing assistance with grant applications?

Answer: The WVOIC website (www.wvinsurance.gov) has reports, studies and papers and a link to Health Benefit Exchange information.

77. Is there a task force or work group established that the contractor will be in contact with? Who are the members of the Task Force and what Offices from the State do they represent?

Answer: Please refer to the WVOIC website (www.wvinsurance.gov) linking to Health Benefit Exchange information.

78. On page 19, the RFP states that the firm shall have no conflict of interest with any carrier that is actively writing individual or group health products in West Virginia. Can the state clarify if an audit relationship would constitute a conflict if the engagement team had no relationship with such carriers?

Answer: This could potentially create a conflict of interest. More information would be required about the nature of the relationship, such as the name of the carrier, whether the unit or division of the vendor in the business relationship with the WV carrier is the same units as would be performing the work under the subject RFP, and all other details which could be germane to determining whether a conflict of interest could potentially arise.

79. Can the state elaborate on the level of involvement that state personnel would provide? For example, in identifying state available data elements?

Answer: WVOIC will work closely with the successful bidder.

80. What minimal number of subsets has the State targeted based upon their review of the available and credible data?

Answer: All tasks are a priority.

81. Will the state accept evidence of qualification certifications of individual personnel to be provided at a later date by the successful vendor?

Answer: It is WVOIC's desire that all necessary documentation be provided by the bidder at the time of the submission of their bid.

82. In section 3.3, there is reference to "key personnel." Does the state have a definition of key personnel? Are these personnel expected to be onsite?

Answer: Key Personnel – Persons assigned to the project. On-site information is not available.

83. The time table for the scope of work is very broad. Does the state have an expected start and finish date for the fixed fee component of work (understanding that the ad hoc work is by definition is random)?

Answer: No.

84. Who are the current actuarial vendors being used by the Insurance Commission or any other agency of the State?

Answer: We can only respond to the actuarial services utilized by the WVOIC. Currently, we have contracts with Merlino & Associates Inc., Pinnacle Actuarial Resources, and United Health Actuarial Services.

85. Who is on the Agency evaluation committee?

Answer: This information is not available.

86. Will the state make available or provide access to their data on health, health insurance, insured, uninsured, health care costs, insurance company financials, insurance company rate filings and rate reviews?

Answer: WVOIC will work closely with the successful vendor.

87. Will the state be using funding from the federal government?

Answer: This information is not available.

88. We do not have a copy of Attachment E. Please furnish.

Answer: This is a typographical error. There is no Attachment E. Please refer to Attachment A.

89. Are there start dates and target completion dates? We could not find in the RFQ. If they are in the RFQ, please direct us to the section.

Answer: The timeline will be established after the award of the contract.

Attachment C: Cost Sheet

Cost information below as detailed in the Request for Proposal and submitted in a separate sealed envelope. Cost should be clearly marked.

Name of Proposing Firm:		Proposed Bid (flat fee)
Section 2.4.1	Background Research	
Section 2.4.2	Exchange Design Options	
Section 2.4.3	Exchange Organizational and Impact Assessment	
	Section 2.4.1, 2.4.2 and 2.4.3	
		SUBTOTAL 1 \$
Section 2.4.4	Ad Hoc Services in Support of Continued Exchange Planning	
	Section 2.4.4	
		Composite Hourly Rate = \$
		Estimated Number of hours 1,500
		SUBTOTAL 2 \$
		TOTAL (SUBTOTAL 1+2) \$

If applicable, sign and submit the attached Resident Vendor Preference Certificate with the proposal.

In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES** - Any references in the agreement to arbitration or to the jurisdiction of any court are hereby deleted. Disputes arising out of the agreement shall be presented to the West Virginia Court of Claims.
2. **HOLD HARMLESS** - Any provision requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.
3. **GOVERNING LAW** - The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.
4. **TAXES** - Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.
5. **PAYMENT** - Any references to prepayment are deleted. Payment will be in arrears.
6. **INTEREST** - Any provision for interest or charges on late payments is deleted. The Agency has no statutory authority to pay interest or late fees.
7. **NO WAIVER** - Any language in the agreement requiring the Agency to waive any rights, claims or defenses is hereby deleted.
8. **FISCAL YEAR FUNDING** - Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.
9. **STATUTE OF LIMITATION** - Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.
10. **SIMILAR SERVICES** - Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.
11. **FEES OR COSTS** - The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
12. **ASSIGNMENT** - Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.
13. **LIMITATION OF LIABILITY** - The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on special, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.
14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination.
15. **TERMINATION CHARGES** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
16. **RENEWAL** - Any reference to automatic renewal is deleted. The agreement may be renewed only upon mutual written agreement of the parties.
17. **INSURANCE** - Any provision requiring the Agency to purchase insurance for Vendor's property is deleted. The State of West Virginia is insured through the Board of Risk and Insurance Management, and will provide a certificate of property insurance upon request.
18. **RIGHT TO NOTICE** - Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.
19. **ACCELERATION** - Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.
20. **CONFIDENTIALITY** - Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. State contracts are public records under the West Virginia Freedom of Information Act.
21. **AMENDMENTS** - All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Purchasing Division and the Attorney General.

ACCEPTED BY:

STATE OF WEST VIRGINIA

VENDOR

Spending Unit: _____

Company Name: _____

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____

In the event of conflict between this addendum and the agreement, this addendum shall control:

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4. **TAXES** - Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.
5. **PAYMENT** - Any references to prepayment are deleted. *Fees for software licenses, subscriptions, or maintenance are payable annually in advance.* Payment for services will be in arrears.
6. **INTEREST** - Any provision for interest or charges on late payments is deleted. The Agency has no statutory authority to pay interest or late fees.
7. **NO WAIVER** - Any language in the agreement requiring the Agency to waive any rights, claims or defenses is hereby deleted.
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14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination. *In such event, Agency will not be entitled to a refund of any software license, subscription of maintenance fees paid.*
15. **TERMINATION CHARGES** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
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ACCEPTED BY:

STATE OF WEST VIRGINIA

VENDOR

Spending Unit: _____

Company Name: _____

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____