SAN FRANCISCO
HEALTH SERVICE SYSTEM
Affordable, Quality Benefits & Well-Being

ADDENDUM NO. 2

RFP for Health Plans – 2022 Plan Year

September 25, 2020

REQUEST FOR PROPOSAL
Health Plans—2022 Plan Year
RFPQ#HSS2020.M1

CONTACT: Michael Visconti, michael.visconti@sfgov.org, (628) 652-4645

This Addendum is being issued to modify the requirements in the above-referenced Request for Proposal as amended by Addendum No. 1 issued on September 23, 2020 (collectively, the "RFP") and to respond to additional questions and requests for clarification received by or before the Deadline for RFP Questions (2:00 p.m. PDT on Wednesday, September 30, 2020).

Please review the terms of the RFP and this Addendum carefully. If there are any inconsistencies between the RFP and the terms of this Addendum, then the terms of this Addendum shall prevail. Section references below are to the RFP and are provided for convenience of reference only. Additional Addenda to this RFP will be issued in response to any further questions and requests for clarification received by or before the Deadline for RFP Questions.

A. Modifications to RFP:

1. Section 5.2 (Non-Medicare Population). All references within the RFP to "group-model" shall refer to the Kaiser Permanente staff-model plans.

2. Section 3.4 (Conflict of Interest Disclosure Statement), reference to Appendix C-2 is hereby corrected and deleted as follows. A reference to Sec(tion) 5.4 of the RFP is sufficient to direct Respondents to the form of the Conflict of Interest Disclosure Statement, as well as the reference therein to Section 1.126 of the San Francisco Campaign and Governmental Conduct Code regarding prohibited campaign contributions.

3.4 CONFLICT OF INTEREST DISCLOSURE STATEMENT

Each Respondent must submit a Conflict of Interest Disclosure Statement (Sec. 5.4~~, Appendix C-2~~) by 2:00 p.m. PDT on October 7, 2020 via e-mail to: michael.visconti@sfgov.org.

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B. Questions & Answers

1. **Q:** Which carrier(s) provided HMO solutions to the City in 2008 following Health Net (who provided HMO solutions to the City and County from 1994 to 2007) and which carrier(s) have provided HMO solutions to the City since 2008?

   A: Following the 2006-2007 plan year, SFHSS provided HMO solutions to our Members through PacifiCare, Blue Shield of California and Kaiser Permanente. PacifiCare continued to provide HMO solutions through the 2008-2009 plan year. Kaiser Permanent and Blue Shield of California have continued to provide HMO solutions to our Members since that time. Please note that as of the 2018 plan year, the Blue Shield of California HMO solution expanded to include Blue Shield TRIO HMO, as described in the RFP.

2. **Q:** Please confirm the number of covered lives in the Non-Medicare Population.

   A: There are 94,452 covered lives (as of January 1, 2020, pursuant to the 2020 Demographics Report) in the Non-Medicare Population as defined in the RFP. This has been updated in the TBS/Greater Insight platform as of September 15, 2020 and a notification was sent to all registered entities on September 15, 2020.

3. **Q:** What questions, if any, may be submitted after the Deadline for RFP Questions and prior to the Deadline for Proposals.

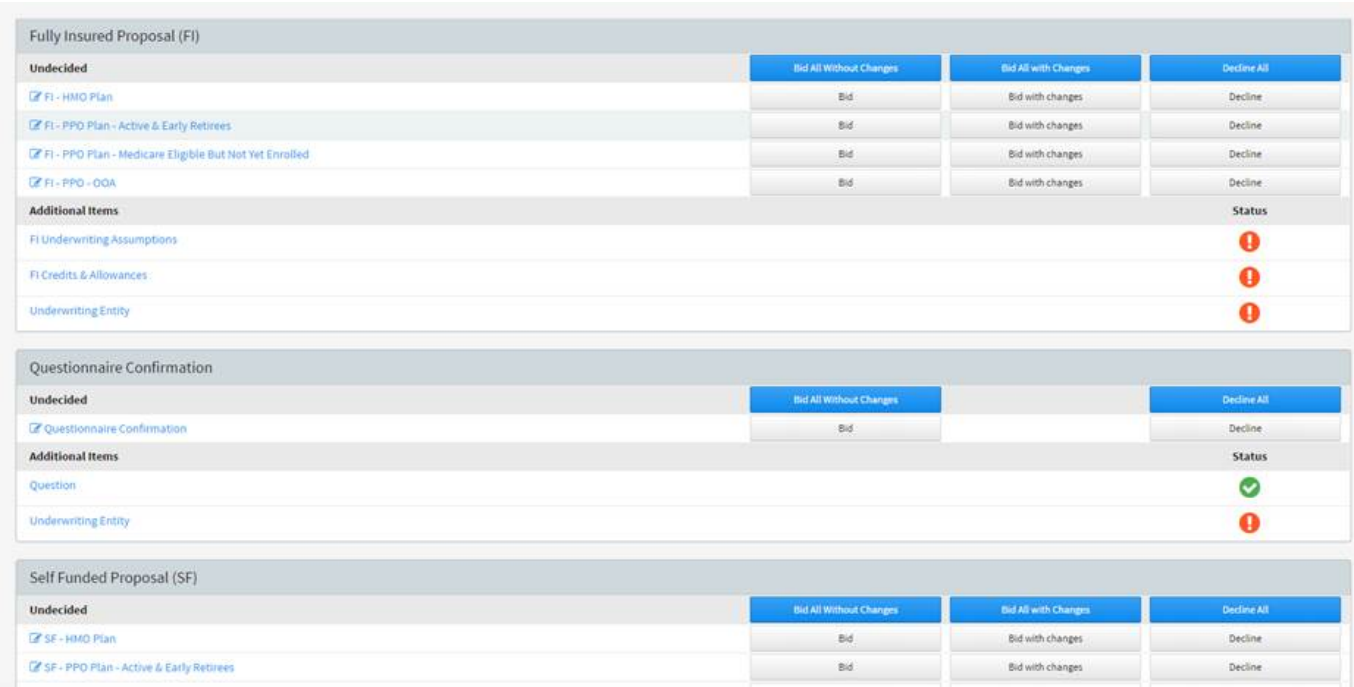
   A: No questions regarding the RFP including, but not limited to, the Questionnaire and data available through the TBS/Greater Insight platform, will be answered by SFHSS if submitted after the Deadline for RFP Questions on September 30, 2020 at 2:00 p.m. PDT.

   Technical questions related to the TBS/Greater Insight platform, such as those necessary to address an inability to access the TBS/Greater Insight platform or diagnosing technical errors related to the TBS/Greater Insight platform, *only* may be submitted after the Deadline for RFP Questions and prior to the Deadline for RFP Proposals (October 21, 2020 at 12:00 p.m. PDT).

   However, Respondents are advised to submit any technical questions related to the TBS/Greater Insight platform prior to October 20, 2020 at 12:00 p.m. PDT so as to permit TBS/Greater Insight sufficient time to address the issue(s) prior to the Deadline for RFF Proposals.

4. **Q:** In the 'Financial Parameters' section of the RFP (Section 2.1.15, page 21 of 94), the first bullet reads "Provide financial quotes for both HMO and PPO Plan(s)". May a Respondent provide only an HMO financial quote?

A: Yes. If a Respondent does not want to bid on a certain product, they would select 'Decline All' under that product (FI or SF). The Respondent can then select decline to bid on certain plans. For example, if they are bidding on the PPO plans under the FI option, then they would select Bid (for bid without changes) or Bid With Changes and Decline the PPO plans. For reference, please see the screen shot below:



5. Q: If a prospective Respondent to the RFP for health plans for the 2022 plan year is headquartered in one of the banned states listed in Chapter 12X (Prohibiting City Travel And Contracting In States That Allow Discrimination), has SFHSS determined whether such a Respondent would fit within any of the categories listed in Section 12X.5.(Contracting), subsection (b) and/or 12X.15 (Contracting), subsection (b) (Nonapplicability, Exceptions, and Waivers)?

A: Should a contract resulting from this RFP with a selected Respondent fall under the auspices of Chapter 12X, SFHSS has determined that it is unlikely to fall within one of the exceptions contained within 12X.5 or 12X.15.

6. Q: Will SFHSS provide guidance to prospective Respondents on SFHSS-preferred third-party partners, services, subcontractors and/or carveouts?

Will SFHSS provide guidance to entities seeking to partner with prospective Respondents on preferred prospective Respondents?

Will SFHSS provide guidance on preferred networks or plans for partnership purposes?

A: SFHSS does not have a recommended or pre-approved list of prospective Respondents, plans, carriers, networks, partners, third party administrators, or other entities for this RFP. All decisions to partner with other entities will be the sole responsibility of Respondent(s).

7. **Q:** Will SFHSS accept Proposals for a HDHP (high deductible health plan) and subsequently HSAs (health savings accounts) to accompany qualified plans?

   A: No. The plan designs requested in the RFP are not HSA-eligible.

8. **Q:** Will SFHSS be keeping the self-funded plan?

   If so, will the eligibility remain the same?

   A: Funding (e.g. self-funded, fully funded, flex-funded) will be assessed as a result of the Proposals submitted in response to the RFP. Pursuant to Section 1.3, SFHSS will retain at least one HMO and one PPO plan to provide plans for the entire Non-Medicare Population.

9. **Q:** Are the Large Claimants for the Kaiser Permanente HMO plans included in the data already provided? If not, can we please receive?

   Has drug (Rx) and medical claims data been separated for the HMO claims?

   A: Yes, deidentified Large Claimant data for the Kaiser Permanente HMO plans is included in the data accessible through the TBS/Greater Insight platform. Drug and medical claims data are also separated for the HMOs from both Kaiser and Blue Shield of California (Access+ and TRIO).

10. **Q:** In a fully insured arrangement, what pooling level would SFHSS like us to include for rating purposes?

    A: Any pooling level should be determined by the quoting Respondent.

11. **Q:** Has claims data for all current carriers been provided?

    A: Yes, claims data for all current carriers has been provided through the TBS/Greater Insight platform as of September 21, 2020 and may be found in the "Reference Documents" section of the online platform. Please also note that each year, SFHSS presents claims experience to the Health Service Board in February (UnitedHealthcare) and in March (Blue Shield of California). These presentations and all materials presented are available publicly on the SFHSS

website (https://sfhss.org/health-service-board) and on through the City and County of San Francisco Government TV (https://sfgovtv.org/).

12. **Q:** Will SFHSS ask for early (non-Medicare-eligible) retiree rates to be inclusive of the active employees or separate?

    A: Please reference the tier-ratios provided under the sixth (6th) bullet point within Section 2.1.15 (Financial Parameters) of the RFP.

13. **Q:** The RFP states that Section 2.1.12 (Pharmacy) is negotiable. When will Pharmacy be negotiated, if needed?

    A: Following approval of selected Respondent(s) plans and rates as a result of the RFP by the Health Service Board (May 2021) and approval of the rates by the San Francisco Board of Supervisors (July 2021) SFHSS will begin pharmacy negotiations with approved Respondent(s).

14. **Q:** Please clarify the Quadruple Aim (RFP Section 1.2.7. subsection 3, Section 1.5.2, subsection 8, and Section 5.7.16.5)?

    A: Please refer to the Institute for Healthcare Improvement website at: http://www.ihi.org/communities/blogs/the-triple-aim-or-the-quadruple-aim-four-points-to-help-set-your-strategy.

15. **Q:** Please clarify the requested call center dates, they show 2020 and 2021?

    A: The requested call center dates should be the years 2019 and 2020.

    Please enter 2019 call center information under what appears as 2021 in the TBS/Greater Insight platform.

16. **Q:** If a Respondent determines that the EOC (Evidence of Coverage) language for the current carriers' coverage of transgender benefits (gender dysphoria) appears vague, will SFHSS accept more defined benefit language or does SFHSS intend for Respondents to replicate, duplicate, or mirror the current EOC language? Are there more specific requirements within the realm of transgender benefits and gender dysphoria that a Respondent should include in their Proposal?

    A: SFHSS seeks clear and unambiguous language in all plan materials including EOCs (Evidence of Coverage) regarding standards of care and benefits coverage for transsexual, transgender, and gender non-conforming people. Respondents are advised to reference, in addition to the existing EOCs, the World Professional Association for Transgender Health (WPATH) report (available at https://www.wpath.org/publications/soc), the Gender Dysphoria Benefits Coverage presentation to the Health Service Board on March 9, 2016 and

update on March 9, 2017 (available at https://sfhss.org/health-service-board), and the SFHSS Gender Dysphoria Benefit Policy (available at https://sfhss.org/resource/april-13-2017-gender-dysphoria-benefit-policy).

17. Q: Under RFP Section 2.1.2 regarding creditable coverage notices, the language states that the Respondent would provide SFHSS members with these notices once each calendar year. Does this apply to both self-insured and fully-insured plans?

A: For self-insured plans, employers (SFHSS) would provide creditable coverage notices. However, for fully-funded plans, Respondent would provide SFHSS members with creditable coverage notices.

18. Q: When splitting out active employees and early (non-Medicare-Eligible) retirees, in which of the two groups do we put Survivors (572 covered lives), Suspended, and Terminated with Benefits?

A: This has been updated in the TBS/Greater Insight platform as of September 18, 2020.

19. Q: Some sections of the RFP (Sections 5.7, subsections thereunder, and Section 5.8) are labeled as "Negotiable" – should Respondents interpret this to mean that sections without this label are absolute, and required of us in order to be eligible for selection?

A: Minimum Requirements (Sec. 1.5.1) are the only absolute requirements for Proposals in response to the RFP. Pursuant to Section 1.5.1, "Respondents must meet the [stated] minimum requirements at the time their Proposal is submitted to SFHSS." Evidence supporting and certifying Minimum Qualifications are required pursuant to RFP Section 3.5.4.5. Pursuant to RFP Section 3.6.2 (Proposal Deadline and Review of Minimum Qualifications), on October 21, 2020 following receipt of Proposals, "SFHSS will determine … in is sole discretion, whether Respondents have met the Minimum Qualifications[.]"

However, Respondents are advised to review RFP Section 3.6.8. (Contract Negotiation) which reads in full as follows (<u>emphasis added</u>):

> "Following approval by the Board, SFHSS will commence contract negotiations with Respondent(s). Approval to commence contract negotiation by the Health Service Board does not imply or guarantee acceptance by SFHSS of the terms of Respondent's Proposal, which will be subject to further negotiations and approvals before SFHSS may be legally bound.
>
> If SFHSS is unable to negotiate a satisfactory contract with one or more highest-ranked Respondent(s) within a reasonable time, <u>or if Respondent(s) deviate materially from the terms of the RFP including all addendum, amendments and attachments thereto</u>, SFHSS, in its sole discretion, may terminate negotiations with Respondent(s) and begin contract negotiations with the next highest ranked

Respondent(s), as applicable, following approval by the Board pursuant to the Health Service Board Governance Manual.

20. Q: Will responses to the RFP Questionnaire "roll up" into the contract, or will the designated negotiation period be used to settle any uncertain or ambiguous topics/questions?

A: Pursuant to RFP Section 3.5.4, "Respondent's Proposal will serve as the base for negotiations with a Selected Respondent(s)." Furthermore, pursuant to Section 3.5.4, "[p]roposals that are contingent upon SFHSS and the City making substantial changes to the material terms and specifications published in the RFP may be disqualified."

As the RFP includes the Questionnaire provided through the TBS/Greater Insight System, responses to the Questionnaire will be included as the base for contract negotiations. Furthermore, as Responses to the Questionnaire are a required components of Proposal(s) in response to the RFP, Respondents that "deviate materially from the terms of the RFP" (RFP Sec. 3.6.8), including, but not limited to, providing inaccurate responses to the Questionnaire, are advised to refer to the Answer to Question 19 regarding disqualification.

Finally, failure by a Respondent to adhere to its Proposal submitted in response to the RFP, including responses to the Questionnaire, may results in unreasonable delay in contract negotiations. Pursuant to RFP Section 3.6.8. (Contract Negotiation), "[i]f SFHSS is unable to negotiate a satisfactory contract with one or more highest-ranked Respondent(s) within a reasonable time… SFHSS, in its sole discretion, may terminate negotiations with Respondent[] and begin contract negotiations with the next highest ranked Respondent(s)".

21. Q: What scenario(s) that are likely or possible to occur as it relates to carrier selection? Should Respondent(s) expect to replace an incumbent carrier, or perhaps be brought in alongside?

A: Respondent(s) are advised to refer to the System Competition Model and sample System Competition Scenario in RFP Section 1.3, as well as the presentation to the full Health Service Board on August 13, 2020 and as further discussed on September 3, 2020 (Governance Committee Meeting). Both presentations and all materials presented are available publicly on the SFHSS website (https://sfhss.org/health-service-board) and through the City and County of San Francisco Government TV website (https://sfgovtv.org/).

22. Q: What is Appendix A (Scope of Services) and Appendix B (Calculation of Charges) as described in RFP Section 5.5 (Standard Agreement) Appendix E-1 (Form of Agreement P-600)?

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A: Appendix E-1 (Form of Agreement, P-600) in Section 5.5 (Standard Agreement) refers to the standard appendices contained within each City agreement, including, Appendix A (Scope of Services) and Appendix B (Calculation of Charges) which will be dependent on the Proposal(s) submitted by any Selected Respondent(s).

By contrast, other Appendices are not dependent on the Proposal(s) of the Selected Respondent(s), such as the Business Associates Agreement (Sec. 5.5 E.2.) which addresses the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as well as other applicable laws intended to protect the privacy and provide for the security of Protected Health Information (PHI).