



# OFFICE *of the* STATE COMPTROLLER

## Benefit, Financial, Dependent and Medicare Plan Compliance Auditing Services RFP

### Bidder Questions & Answers – September 25, 2023

*Questions and answers have been grouped by scope of service to the best of our ability. All questions received have been answered. Please review all sections.*

#### General

1. Can you please verify the covered lives per line of business, including the total number of groups and covered lives in the Partnership?  
**Covered Lives are provided in 8.2 Scope of Service 2 of the RFP. The listing of Partnership groups with dental coverage will be posted to Proposal Tech as soon as it is available.**
2. Please confirm which lines of business are fully insured and which are self-insured.  
**Medical & Pharmacy are self-insured, and Dental is fully insured.**
3. What are the claims volumes per line of business?  
**Claim dollars are provided in 8.2 Scope of Service 2 of the RFP.**
4. Is the State able to list the incumbent vendors supporting each Scope of service? Is one vendor currently satisfying all these Scopes of service?  
**Currently, the State does not have one vendor supporting all Scopes of services. The State's intent is to identify the best service providers for each scope of work.**
5. Section 2.1A - page 9 - Is there a current vendor performing these services now? If yes, what has been their experience and how have they been compensated?  
**Some of the services are currently being provided and other services are currently not being provided. The Medical claims, Dental claims and pharmacy rebate audits are currently being performed annually and the fee is a flat fee per year. The initial Dependent Eligibility Verification Audit is not currently a service provided by a vendor; however, should be priced at a per dependent fee with the ongoing audits priced as a per member per month fee. All other services should be priced at a per member per month fee.**
6. Section 6.1.1 - Page 19 - For a Company that does not have a physical location in Connecticut, what are the requirements to be licensed to do business in the State of Connecticut?  
**Please refer to <https://portal.ct.gov/DCP/Businesses/Businesses--Licenses-Registrations--Permits>**
7. Section 1.3 - Pages 5 & 6 - Is the State willing to issue partial awards on the 9 different scopes?  
**Yes, the State does not have one vendor supporting all Scopes of services. The State's intent is to identify the best service providers for each scope of work.**

8. Is there a standard format in which the vendor would receive the claims from the state or is this to be decided (please provide format details if available)?

To be determined during implementation.

9. Are any of the required audited plans involve any plans that fall under the Taft-Hartley Act, also known as multiemployer plans, which are pension plans bargained between a union and multiple employers?

No.

10. Is it anticipated that Bidder will have to, at any time, provide any expert testimony in any proceedings that are part of the duties of the audit in Scope 3?

Yes.

11. Is it expected that Bidder will be required to prepare assist or participate in DEA audits?

Yes; however, the structure of these services is to avoid needing time to prepare since the full process should support the audit efforts, when and if needed.

12. Can you please provide an explanation, on page 15 D. Eligible Organizations about any conflict of interest requirement where Bidder will have to list any and all contracts with the State of CT.

Bidders must include a disclosure statement concerning any current business relationships (within the last three (3) years) that pose a conflict of interest, as defined by C.G.S. § 1-85. A conflict of interest exists when a relationship exists between the Bidder and a public official (including an elected official) or State employee that may interfere with fair competition or may be adverse to the interests of the State. The existence of a conflict of interest is not, in and of itself, evidence of wrongdoing. A conflict of interest may, however, become a legal matter if a Bidder tries to influence, or succeeds in influencing, the outcome of an official decision for their personal or corporate benefit. The Comptroller will determine whether any disclosed conflict of interest poses a substantial advantage to the Bidder over the competition, decreases the overall competitiveness of this procurement, or is not in the best interests of the State. In the absence of any conflict of interest, a Bidder must affirm such in the disclosure statement.

13. Section - 7.1.3. If applicable, provide the most recent ratings and date of rating for Bidder by the major rating organizations.

Could you please define "if applicable"? If the ratings applicable to this procurement and a firm does not possess any of the ratings that are included, could Dun and Bradstreet be submitted as evidence of financial stability?

It is understood that bidders may not be publicly traded or be subject to rating agencies. Dun and Bradstreet rating is acceptable.

14. Section 7.1.9 Does Bidder maintain cyber security insurance that protects the State and its employees/retirees or Partnership Employer Groups and its employees/retirees? (If yes, explain [500 words])

7.1.10 Does Bidder maintain cyber security insurance that protects the State and its employees/retirees or Partnership Employer Groups and its employees/retirees?

Sections 7.1.9 and 7.1.10 seems to ask the same question. Can you confirm that is correct?

Yes, it is the same questions, please provide response to both questions.

15. Section 8.5. Acquisition Cost Verification for Specialty and Mail Order Pharmacy(s) for State and Partnership Plan services

Section 8.5 references audits to ensure that acquisition cost of the dispensed specialty drugs and mail order drugs are consistent with the aggregate costs billed to the State. Does the State's contract with the PBM allow the State access to documentation, such as drug purchase invoices, in support of applicable pharmacies' acquisition cost? If so, will the audit be based on such supporting documentation? Alternatively, if supporting documentation of acquisition cost will not be made available to the auditor, is it the expectation that the auditor will utilize other market data in order to verify the reasonableness of any billings which are contractually required to be based on acquisition cost?

Claim audit provisions exist in each carrier's contract.

16. Section 6.2.1.2 Bidder must confirm it agrees to annually provide a SSAE-16 Report (Statement on Standards for Attestation Engagements - 16) if the State determines there is a need (allowable time will be given to provide this information, if the Bidder doesn't currently have a completed or a SAS 70 and any other applicable audits and certifications).

SOC 2 is the modern equivalent to SSAE - 16, and SAS70 was replaced with SSAE-16. As a result, is it acceptable for vendors to submit a SOC 2 report for the SSAE-16 requirement?

Yes.

17. Will the same carriers be in-place for medical and pharmacy for the 2024 - 2026 plan years?

- Current contract with Anthem is from 7/1/2023 - 6/30/2026
- Current contract with Quantum is 4/1/2023 - 6/30/2026
- Current contract with CAREMARK PCS is 7/1/2022 - 6/30/2024

18. Will the medical/Rx plans be the same for 2024 - 2026? If not, will there be more or less choice?

The plan designs are collectively bargained, and the current labor agreement is in effect through 2027.

19. Are the plan provisions expected to be similar in the 2024 - 2026 plan years?

The plan designs are collectively bargained, and the current labor agreement is in effect through 2027.

20. Which of the 9 audits have been completed in the past 3 years and what are the results?

Medical and dental audits are performed annually. The most recent rebate audit was for FY 2020, but additional rebate audits are underway with the existing vendor for FY 2021, 2022 and 2023. Results of prior audits will not be published.

21. Does management have a financial goal in place for each of the 9 audits and if so, what are they?

There is not a financial goal in place for each of the audit scopes.

22. Are these projects budgeted and if so, the 2024 budget is at least \$2,000,000?

There is no confirmed budget for each of the audit scopes.

23. Is management interested in confirming the accuracy of 2022 and 2023 1095-Cs and 1094-Cs?

No.

24. Is management interested in analytics-driven cost containment levers?  
**No.**
25. Can we propose just point-in-time eligibility leakage (and possibly other areas) across all relevant audit initiatives?  
**No.**
26. **Data** - Will the State have in its possession the medical and pharmacy claims as well as the enrollment data by February 1, 2024?  
**Yes.**
27. **Technology** - Is management amenable to using artificial intelligence to help facilitate the audits?  
**Any such use would need to be discussed and approved.**

## 8.1 Scope of Service 1: Pre-adjudication and Post-adjudication Medical Claims Review System for State and Partnership Plan

28. Section 8.1 - Page 27 - What level of effort is contemplated for the verification of medical necessity?  
**Review of Physician documentation.**
29. Section 8.1 - Page 27 - What is the State's definition of "real-time" in the context of Scope 1 services?  
**The State has not defined "real-time" and expects that the bidder will provide the details including turnaround time that they operate within.**
30. Section 8.1 - Page 27 - What is the State's definition of Pre-adjudication in the context of Scope 1 services?  
**The claim would run through a system that would determine the level the claim should be paid at as well as determine the cost share to employees prior to payment. This process is meant to improve processing time, increase the accuracy of payments, and ensure employees are well informed of the amount they are responsible to pay.**
31. Section 8.1 - Page 27 - What is the State's definition of Post-adjudication in the context of Scope 1 (e.g. after adjudication but before payment, after adjudication but after payment, etc)?  
**The post-adjudication is meant to occur after payment and meant to measure the success of the pre-adjudication process.**
32. Section 8.1 - Page 27 - What provisions are in the State's contract that will require the TPA to send claims data or has TPA agreed to provide the claims or access to the claims on a frequency anticipated by the State?  
**Claim audit provisions exist in each carrier's contract.**
33. Section 8.1 - Page 27 - What provisions are in the State's contract that will require the TPA to send adequate data fields for the claims for proper analysis?  
**Claim audit provisions exist in each carrier's contract.**

34. Section 8.1 - Page 27 - What provisions are in the State's contract that will require the TPA to review the findings submitted by the vendor who awarded this contract?  
**Claim audit provisions exist in each carrier's contract.**
35. Section 8.1 - Page 27 - To perform the analysis, at least one year's worth of previous data will need to be provided by the TPA. Has the TPA agreed to provide this data?  
**Claim audit provisions exist in each carrier's contract.**
36. Section 8.1 - Page 27 - If previous data is provided, is the State interested in reviewing the previous data for errors and overpayments as well?  
**No.**
37. Section 8.1 - Page 27 - What standards will carrier adjudication practices be assessed against (e.g., national standards and best practices like the NCCI, carrier policy or some combination)?  
**National standards.**
38. Section 8.1 - Page 27 - If the TPA is not willing to provide the data on a frequency to satisfy the State's "real-time" objective, would a different frequency be acceptable by the State (e.g. monthly)?  
**Yes, please provide your best-practice recommendation.**
39. Section 8.1 - Page 28 - Will the carrier be the vehicle through which medical charts are secured from providers?  
**Yes.**
40. Section 8.1 - Page 28 - Will medical necessity be expected on every potential claim or will a sampling be sufficient?  
**The State would expect it based upon specific diagnosis and/or category, such as DME.**
41. Section 8.1 - Page 29 - What are the expectations for the awardee of this RFP relative to the carrier as it concerns overpayment recovery?  
**The expectation is that the Bidder would provide the level of detail required for the State to present for any potential recovery from the carrier (including details to any payments the carrier may indicate were already paid to the state).**
42. Section 8.1 - Page 29 - Will discretion to pursue recoveries on audit findings reside exclusively with the State even if the carrier disagrees?  
**The expectation is that the Bidder will provide evidence of effort to collaborate with the carrier for the Bidder to make a determination; however, if the carrier and Bidder cannot come to an agreement after the Bidder presents their reasoning for disagreement with the carrier's, then the recovery efforts will rest with the State.**
43. Does management prefer a sample-based audit or a 100% data-driven audit?  
**A combined method is preferred.**
44. Is management (or the carrier) able to provide a list of experimental procedures?  
**Most experimental procedures are not covered.**
45. How is medical necessity audited / governed today?  
**The carrier's medical policy assists in the determination of medical necessity. The service is to be prescribed by a licensed physician or provider who makes a clinical determination regarding medical necessity. There is a formal Grievance and Appeal Rights policy in place.**

46. Which types of procedures require prior authorization and pre-certification?

For the first audit period these are: Air ambulance, Bariatric-surgery, Chemotherapy, High cost diagnostic imaging (MRI, MRA, CAT, CTA, PET, SPECT scans), Gender reassignment surgery, Hearing aids (bone-anchored), Infertility treatments, Inpatient non-emergency care, Inpatient hospice, Inpatient mental health/intensive outpatient (IOP) mental health, Inpatient substance abuse treatment, Internal & external prosthetic devices, Oral surgery, Organ transplant, Orthoptic exercise, Outpatient occupational therapy, Outpatient physical therapy, Outpatient surgery, Partial Hospitalization, Private duty nursing, Skilled nursing facility admission, Speech therapy, Specialized formula, Specialized infant formula, Substance abuse residential treatment.

These should be confirmed annually as they are subject to change.

47. In regard to “real-time” governance, is management amenable to a phased approach where functionality is expanded over time?

Yes, provide the details including the phase approach and what the turnaround time would be at each phase.

48. In regard to “real-time” governance does the State how many FTEs does the State have that can help pursue and manage these exceptions?

The State has never implemented this service and would need information and feedback from bidders as to the expected resources required from the State in order to properly manage the bidder’s service.

## 8.2 Scope of Service 2: Dental Claims Audit of State and Partnership Plan services

49. The following questions are concerning Scope 2 - **Dental Claims**:

a. 15a. Who is the incumbent?

Segal.

b. When was the last dental audit performed?

The last audit period for 2021 / 2022 was recently completed.

c. Can you outline the potential schedule of dental audits? Will this be annual, biennial, etc.?

The State performs Dental claim audits annually.

## 8.3 Scope of Service 3: Pharmacy Claims Financial Reconciliation of State and Partnership Plan Services

No questions received.

## 8.4 Scope of Service 4: Pre-adjudication and Post-adjudication Pharmacy Claims Audit of State & Partnership Plans

For Scope 4 - Pre-adjudication and Post-adjudication Pharmacy Claims Audit of State & Partnership Plans

50. Can you confirm that our CPA firm is not required to have this technology/product, but the scope is to help identify and select a vendor that does?

A CPA firm is not required for this scope of service.

51. Please clarify the intent/expectation of the bidder for the below two questions as the PBM would be processing the pharmacy claim.

8.4.1.11 Describe Bidder's current pre-adjudication processing turnaround time and impact to point of sale claims.

Currently, the State does not have a vendor to perform the services for a pre-adjudication claim process.

8.4.1.12 Describe Bidder's current post-adjudication processing turnaround time.

Currently, the State does not have a vendor to perform the services for a post-adjudication claim process; other than annual audits performed.

Please confirm the below 2 questions are directed toward pharmacy claims as the bidder would be reviewing pharmacy claims following adjudication through the PBM.

8.4.1.14 What steps will Bidder take to review, evaluate, and report on the accuracy and efficiency of the post-adjudication claim submission process (including electronic data interface between specialty pharmacies, hospitals, etc.)?

The intent is to have the bidder audit the PBM and compare the post adjudication payments to the pre-adjudication approvals in order to measure the success of the pre-adjudication process.

8.4.1.13 What steps will Bidder take to review, evaluate, and report on the accuracy and efficiency of the pre-adjudication claim submission process (including electronic data interface between hospitals, providers and contracted vendors)?

The intent is to have the bidder audit the PBM and compare the pre adjudication approval to the post-adjudication payments in order to measure the success of the pre-adjudication process.

52. **Scope 4 - Pre-adjudication and Post-adjudication Pharmacy Claims Audit of State & Partnership Plans.**

Reference: Page 10 of the RFP document, Scope 4 - Pre-adjudication and Post-adjudication Pharmacy Claims Audit (of State and Partnership Plans):

Is it the goal of the audit to re-adjudicate claims before the PBM completes their actual adjudication or after the adjudication has been completed by the PBM? Is it expected the pre or post-adjudication should be completed in real-time or is there a lag to the adjudication? If there is a lag, what is the time frame of the lag?

The State's goal is to complete a pre-adjudication claim audit before the PBM completes their actual adjudication and then follow with a post-adjudication to confirm it was processed as expected from the pre-adjudication. This allows for full process improvement. It is expected due to point of sale claims.

What type of output or reporting, and with what frequency is the State requesting?

Please refer to 8.4 as outlined in h.

Quarterly as well as YTD Report of Findings is expected to include:

- Identify error patterns or trends by category, identify causes, assess effects, the provided recommendations to the PBM for corrections, date of the recommendation and resolution

date Report must include the total number of errors by category with status including but not limited to resolved errors, unresolved errors including ETA on final resolution date;

- Provide a Summary Table of payment dollar errors with a clear description of the error category detected through the Pre-Adjudication review;
- Provide a Summary Table of payment dollar errors with a clear description of the error category detected through the post-adjudication review;
- An action plan for overpayment recovery.

53. Is there a current process for this scope of work in place today, and can the State provide any details on how errors are shared, reviewed, and resolved between the PBM and the party responsible for this platform?

Currently, the State does not have a vendor supporting this Scope of services.

54. Is the party responsible for this platform the current consultant, or is this sub-delegated to another entity?

Currently, the State does not have a vendor supporting this Scope of services.

Who is the sub-delegate and is the State interested in continuing to work with them?

Currently, the State does not have a vendor supporting this Scope of services.

## 8.5 Scope of Service 5 (Certified Public Accounting (CPA) Firm or Qualified Auditing Firm only): Acquisition Cost Verification for Specialty and Mail Order Pharmacy(s) for State and Partnership Plan services

For Scope 5 - Acquisition Cost Verification for specialty and mail order pharmacy(s) of State and Partnership Plans

55. Will the state provide the necessary benchmarking data such as AWP or is that the firm's responsibility?

The State will provide the contractual details to the Bidder.

It will be the firm's responsibility to work directly with the State's vendors to obtain State specific details to the outlined PBM agreement with the State.

56. Are there specific software tools or platforms currently used to manage and analyze these claims?

Currently, there are no tools to manage and analyze these claims.

57. How often will the state require reporting of the audit results?

Quarterly.

58. Have there been similar audits conducted in the past? If so, can we access the reports or findings from those audits?

Medical & Dental audits are performed annually. Results will not be published.

59. How are rebates currently tracked and recorded?

Rebates are provided at the point of sale in the form of a reduced net price to the member and or plan. Rebates are trued up quarterly to account for over/under payments that may occur due to the prospective estimated nature of pass-through rebates.



The most recent rebate audit was for FY 2020, but additional rebate audits are underway with the existing vendor for FY 2021, 2022 and 2023.

60. What level of access will the firm have to the PBM data?

Claim audit provisions exist in the PBM contract.

61. Please define “Qualified Audit Firm” required to perform this scope.

An audit firm that has experience performing these services and can provide references for these services.

62. Scope 5 - **Acquisition Cost Verification for specialty and mail order pharmacy(s) of State and Partnership Plans.**

Reference: Page 11 of the RFP document, Scope 5 - Acquisition Cost Verification for specialty and mail order pharmacy(s) (of State and Partnership Plans) (Bidder must be a CPA Firm or Qualified Audit Firm only - Certified Public Accounting (CPA) Firm or Qualified Auditing Firm Required (for Scope of Service 5 only):

Can you please clarify how the State is defining a Qualified Audit Firm? Are there certifications or accreditations a firm must have? If yes, can you please provide certifications or accreditations required?

An audit firm that has experience performing these services and can provide references for these services.

## 8.6 Scope of Service 6: Dependent Eligibility Verification Audit and Monitoring for State Plan only

63. Are email and mobile numbers available for the majority of the subscribers (dependent audit)?

No, email and mobile numbers are available for some subscribers but not most.

64. Is management open to a predictive analytics-driven approach where initially the at-risk population gets audited and then lower risk subscribers are audited?

In your response, please describe in detail how you determine the at-risk population and what triggers them to be at risk.

How is the eligibility of newly added dependents managed today?

Proof is provided at the time of enrollment.

65. What types of supporting documentation are acceptable to substantiate eligibility?

Please refer to [Procedures-for-Health-Insurance-Benefits--Revised-DAS-Official-Memoranda-1502--February-25-2015.pdf \(ct.gov\)](#)

66. What are the top 20 cities that subscribers with one or more dependents live in (this will help with AI)?

City/State	% of Subs with at least 1 dep
WEST HARTFORD, CT	3.2%
WATERBURY, CT	2.5%
BRISTOL, CT	2.2%
MANCHESTER, CT	2.2%
HARTFORD, CT	2.0%

NEWINGTON, CT	1.9%
NEW BRITAIN, CT	1.9%
MIDDLETOWN, CT	1.9%
WINDSOR, CT	1.9%
EAST HARTFORD, CT	1.8%
HAMDEN, CT	1.7%
WETHERSFIELD, CT	1.7%
MERIDEN, CT	1.6%
SOUTHINGTON, CT	1.5%
GLASTONBURY, CT	1.4%
NEW HAVEN, CT	1.4%
SOUTH WINDSOR, CT	1.3%
BRIDGEPORT, CT	1.3%
BLOOMFIELD, CT	1.2%

67. Does management prefer an attestation approach or a mandatory proof approach for each subscriber enrolled with one or more dependents?

**Mandatory proof approach.**

68. Would management be amenable to a hybrid approach?

**No.**

69. In regard to annual spouse audit will the same spouses be verified in each of these out-years or will it be a different population?

**All spouses should be verified annually.**

70. What is the per capita claims spend (medical/Rx) for young children, young adults, active adults, and retiree spouses?

<b>Category</b>	<b>Plan Cost PMPM (Med + Rx)</b>
Young Children (<18 yrs)	\$393
Young Adults (18-49 yrs)	\$671
Active Adults (50+ yrs)	\$1,175
Early Retirees (Any Age)	\$1,300

Note: Medicare retirees will be included in the dependent eligibility audit, the above does not reflect those claims. Membership is below:

<b>Membership</b>	<b>Retiree</b>	<b>Dependent</b>	<b>Total</b>
State	42,309	17,145	59,454
Partnership			3,100

71. Approximately how many newly eligibles with one or more dependents are enrolled each month?

**On average there are 186 monthly newly enrolled subscribers with one or more dependents.**

72. Can we employ a 100% digital approach or must we send packets to homes? What about reminder notices etc?

No, the State will not contemplate a 100% digital approach.

## 8.7 Scope of Service 7: Loss of Dependent Status Review

73. How is this handled today?

Currently, the State does not have a vendor to perform the services for Loss of Dependent and it is left to the employee / retiree to report the death.

74. What is your current data source and are you pleased?

Currently, the State does not have a vendor to perform the services for Loss of Dependent and it is left to the employee / retiree to report. The State has the ability to query divorces in Connecticut using the Auditors of Public Accounts database (APA DB).

## 8.8 Scope of Service 8: Medicare Advantage Prescription Drug (“MAPD”) Audit

75. May we submit this as an attachment and also may we be allowed to submit more than one page as this is a complex area of audit?

8.8.1.1 Provide an overview and timeline of Bidder's proposed MAPD review process (limit one page).

Yes.

76. Is the below question duplicative to question 8.8.1.1?

8.8.1.4 Attach an overview of your operational review process (limit one page).

No, 8.8.1.1 is the audit of the claims where 8.8.1.4 is an audit of the operation / adjudication process review.

77. Does Scope 8 encompass both pharmacy claims and medical claims or just one? If only pharmacy, is the vendor defined as the PBM?

The State is looking to audit both medical and pharmacy claims for their MAPD plan.

78. Scope 8 - **Claims Audit of Medicare Advantage Prescription Drug (“MAPD”) programs for State and Partnership Plans.**

Reference: Page 11 of the RFP document, Scope 8 - Claims Audit of Medicare Advantage Prescription Drug (“MAPD”) programs (of State and Partnership Plans):

Item #7, confirm benefits were paid under the proper classification, diagnostic, and procedure codes - Is the State looking for the vendor to verify the diagnostic and procedure codes are appropriate for the drug dispensed?

No, the State is not seeking clinical expertise; however, the State is seeking an auditor with experience to understand if a drug classification is associated with a specific diagnosis.

79. Item #8, verify payment was made to appropriate party - who is/are the party/parties that are being referred to that the audit vendor would be responsible for verifying payments?

The provider.

## 8.9 Scope of Service 9: Audit and Monitoring of Medicare Advantage Prescription Drug (“MAPD”) programs for Compliance with Centers for Medicare & Medicaid Services (“CMS”) Regulations

80. Can we submit an attachment for the below question and any questions requesting similar?

*8.9.1.7 Identify the implementation team Bidder proposes to work on this account and provide an organization chart defining the implementation team roles. Include names, titles, experience, and qualifications for the entire proposed implementation team including key positions and support staff.*

Yes

### Pricing

81. Is management amenable to creative terms, such as success-based for certain/all portions of the audit or commissions from other products, such as ancillary benefits?

No

82. Is management amenable to an ROI ceiling for each audit? If so, is management amenable to additional ROI “buy-ups?”

No.

83. What is the budget for each of these initiatives?

There is no confirmed budget goal established for each of the audit scopes.

84. Can overpayment recovery results be paid for on a success or partial success basis?

Such arrangements may be considered.