



STATE OF TENNESSEE
TREASURY DEPARTMENT

**REQUEST FOR PROPOSALS # 30901-61125
AMENDMENT # 1
FOR RETIREMENT DISABILITY RECOMMENDATIONS
AND MANAGEMENT**

DATE: November 14, 2024

RFP # 30901-61125 IS AMENDED AS FOLLOWS:

- 1. This RFP Schedule of Events updates and confirms scheduled RFP dates. Any event, time, or date containing revised or new text is highlighted.**

EVENT	TIME (central time zone)	DATE
1. RFP Issued		October 22, 2024
2. Disability Accommodation Request Deadline	2:00 p.m.	October 25, 2024
3. Pre-Response Teleconference	10:00 a.m.	October 28, 2024
4. Notice of Intent to Respond	2:00 p.m.	October 29, 2024
5. Written "Questions & Comments" Deadline	2:00 p.m.	November 5, 2024
6. State Response to Written "Questions & Comments"		November 14, 2024
7. Technical Response and Cost Proposal Deadline	2:00 p.m.	November 21, 2024
8. State Completion of Technical Response Evaluations		December 5, 2024
9. State Schedules Respondent Oral Presentations		December 6, 2024
10. Respondent Oral Presentations	8:00 a.m. – 4:30 p.m.	December 12, 2024 – December 13, 2024
11. Completion of Oral Presentation Evaluations		December 16, 2024
12. State Opening & Scoring of Cost Proposals		December 17, 2024
13. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection		December 20, 2024
14. End of Protest Period		January 2, 2025

15. State sends contract to Contractor for signature		January 10, 2024
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2. State responses to questions and comments in the table below amend and clarify this RFP.

Any restatement of RFP text in the Question/Comment column shall NOT be construed as a change in the actual wording of the RFP document.

QUESTION / COMMENT	STATE RESPONSE
<p>1. Since the vendor is hosting a portal, is there a place within RFP Section 6.3 COST PROPOSAL & SCORING GUIDE to include costs for the administration and maintenance of the platform?</p>	<p>The cost for portal administration is covered in the Cost Proposal section of the RFP but is not included in the Payment Methodology section under C.3. of the Pro Forma Contract. The Pro Forma Contract section C.3. now reflects Portal Administration and Maintenance.</p> <p>Please see item 3 below for an amendment to RFP Attachment 6.6 (Pro Forma Contract).</p>
<p>2. Per the template Contract, Section A2. (b)(6) (page 44 of the RFP), what is meant by providing “percentage of disability”, and how this impacts the clinical analysis required.</p>	<p>In this context, "percentage of disability" refers to an assessment of the degree to which an individual's disability impacts their ability to work or perform daily activities. A.2.(b)(6) is intended to provide the Contractor the opportunity to detail additional observations that led to the recommendation to approve or deny.</p>
<p>3. Does TCRS use an Attending Physician Statement, Attending Physician Attestation, or the like at the onset of the claim application process to set the scope of clinical review of the claim? In other words, does the claim review methodology focus on medical conditions and diagnoses that are attested to by the Treating Provider?</p>	<p>Yes, the Attending Physician's Report of Disability is available here: https://treasury.tn.gov/Retirement/Information-and-Resources/Forms-and-Guides#945310-disability-retirement</p> <p>The Attending Physician's Report is collected from all first-time applicants and members subject to reevaluation.</p>
<p>4. Can you please provide an average claim file size for both Initial Disability Recommendations and Re-Evaluations?</p>	<p>File sizes vary but typically do not exceed 250MB.</p>
<p>5. For fiscal year 2022, 2023 and YTD 2024, can you please provide the volume of:</p> <ul style="list-style-type: none"> a. Vocational Assessments completed b. In-Office or Telehealth Medical Examinations completed 	<p>FY2022: 42 vocational assessments; 2 in-office exams/telehealth exams</p> <p>FY2023: 3 vocational assessments; 1 in-office exams/telehealth exam</p> <p>FY2024: 8 vocational assessments, 0 in-office exams/telehealth exam</p> <p>FY2025 (thru October 2024): 3 vocational assessments; 0 in-office exams/telehealth exams</p>
<p>6. Per section 1.1., Statement of Procurement Purpose (page 2 of RFP), when medical considerations alone are not determinative of the issue of disability, consideration shall also be given to vocational factors.</p> <ul style="list-style-type: none"> a. Please provide clarification to the “consideration given to vocational factors” and the various types of vocational factors that need to be considered. For example: 	<p>T.C.A 8-36-504(b)(4) provides vocational factors shall take into consideration the individual's age, education, training, and work experience.</p>

<ul style="list-style-type: none"> i. Wage Earning Capacity ii. Geography of employment opportunities iii. Transferable Skills, etc. 	
<p>7. Per RFP Section 6.2 – Section C, Item Reference C.11 (page 32 of the RFP), the question asks for the Bidder’s procedure for completing an “administrative review” if a member provides additional medical records AFTER a denial of the member’s application. Please respond to the following questions related to this RFP inquiry:</p> <ul style="list-style-type: none"> • Does TCRS consider this an “Appeal” of the claim denial? <ul style="list-style-type: none"> b. Is it TCRS’ requirement that the “administrative review” be a de-novo claim review? c. Based on this additional review, after the claim has been completed, in what format should the Bidder price this in RFP Section 6.3 (Cost Proposal & Scoring Guide) as there is no Cost Item Description. 	<p>A.7. of the Proforma Contract states, “In the event there is a reconsideration in response to a denial of disability retirement benefits, the Contractor, upon request from the State, shall review any additional medical documentation provided and make an additional Disability Recommendation which will be considered part of the initial Disability Recommendation.”</p> <p>Members are notified of the opportunity to request a reconsideration of a denial and must submit their request for reconsideration in writing within 90 days by completing the provided form. Reconsiderations may take the form of a reassessment or appeal. Reassessments are initiated when the member submits additional medical information that was not included in the original case. This new information will be added to the original case file for review by the Contractor. Alternatively, the member may appeal their decision to the TCRS Director’s Office without initiating a reassessment of medical records. A case is not considered closed until the reconsideration period has expired.</p> <p>An administrative review would not constitute a de-novo claim review.</p> <p>The cost for any reconsideration should be included as part of the initial review.</p>
<p>8. Per RFP Section 6.2 – Section C, Item Reference C.12 (page 32 of the RFP), the questions ask how the Bidder would access previous medical records used in previous reviews for those claims for which disability retirees were already approved for retirement disability at the beginning of the contract period. Please address the following:</p> <ul style="list-style-type: none"> a. Does TCRS keep records (including all medical records and claim documents) of the historical claim recommendations? b. If the above question is affirmative, would TCRS be sending the historical claim documents and medical records to the new Vendor when referring the Re-Evaluation Claim? 	<p>Medical records and claim documents are maintained by the Contractor. Consistent with section A.19 of the Proforma Contract, the State’s current contract provides that upon the natural expiration of this Contract or in the event of its termination for any reason, the Contractor shall transfer in accordance with the State’s instructions, all records and other property of the State to whomever the State may designate in writing to the Contractor.</p>

<p>9. What weight, if any, will TCRS scoring have on those Bidders who are certified by the Governor’s Office of Diversity Business Enterprise?</p>	<p>Please refer to B.15. of RFP Section 6.2 Technical Response & Evaluation Guide.</p> <p>Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, service-disabled veterans, persons with disabilities, and small business enterprises and who offer a diverse workforce.</p>
<p>10. I understand the initial claim and what level of effort is required. Can you provide some detail on the re-evaluation component? Are the re-evaluations claims after the initial determination has been rendered?</p>	<p>T.C.A. 8-36-506 provides any disability retiree who has not attained service retirement age may be required to submit current medical records annually until attaining service retirement age, by a physician or physicians designated by the board of trustees. The initial determination will contain a recommended date for reevaluation.</p>
<p>11. The numbers provided of 228,900 active employees and 156,700 Retirees, please confirm that both populations are eligible for the benefit? Are you saying that 385,600 are eligible for this benefit?</p>	<p>No. Disability retirement is available to active and inactive members satisfying the eligibility requirements for Ordinary, Inactive and Accidental Disability described on page 2 of this RFP.</p> <p>Retirees currently receiving TCRS benefits cannot apply for disability retirement benefits.</p>
<p>12. Based on the numbers you provided there are approximately 150-208 new claims per year. Is there a reason the numbers are so low based on the total number of people being eligible?</p>	<p>The numbers provided reflect the data as it stands and offer an accurate snapshot based on current claims activity.</p>
<p>13. Please confirm that you would be expecting 2 responses from the participants. One being the technical response and the other being the cost proposal?</p>	<p>Yes. Per the RFP Section 3.1. “A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.”</p>
<p>14. What would be the effective date of the contract? I realize decisions will be made on 12-20-24, just need to know when the expected “go live” date would be.</p>	<p>Per RFP Section 6.6 <i>Pro Forma</i> Contract, Section B Term of Contract: This Contract shall be effective on March 8, 2025.</p>
<p>15. For the pricing component. Are you looking for a Per Employee Per Month (PEPM) charge or would you prefer a Per Claim Charge?</p>	<p>The State requires a per claim cost model, as indicated by RFP Section 6.3 Cost Proposal and Scoring Guide and amended Section C.3 (see item 3 below) of the <i>Pro Forma</i> Contract.</p>
<p>16. How many total claims are currently open today?</p>	<p>20 claims are open as of November 8, 2024</p>
<p>17. Are you looking for the chosen vendor to provide check cutting and W2 services?</p>	<p>No, check cutting and W2 services are not within the scope of this RFP.</p>

18. Are you able to share the current rates?	The State is not able to share current rates.
19. Are there any items that you would like to see improved from current state?	The scope of the contract is outlined in Attachment 6.6 (Pro Forma Contract).
20. How does an employee initiate a claim? Telephonically, paper?	To initiate a case the member must complete and return the following paper forms: Application for Disability Retirement Benefits, Declaration of Disability, Medical Records Release Authorization, Attending Physician's Report of Disability. Members without access to internet may contact TCRS to have these forms mailed to them.
21. Are you able to share the current process flow document?	Process workflow documents attached for initial review and reevaluation.
22. What is the rate guarantee you are requesting, is it 3 or 5 years? If there is a different rate guarantee period, please specify.	The rates proposed in the Respondent's Cost Proposal shall be for the Term of the Contract.
23. 3. Response Requirement For ease of submittal and review, would the State accept financial information (A.4-A.6) and resumes (B.12) as attachment files to the Technical Response?	RFP Section 3.2.2.1. states, "The Technical Response document should be in the form of one (1) digital document in "PDF" format or other easily accessible digital format attached to an e-mail to the Solicitation Coordinator.' The State's preference is one PDF but the State can accept separate attachments where needed.
24. RFP Attachment 6.3, Cost Proposal & Scoring Since the vendor is hosting a portal, is there a place within RFP Attachment 6.3, Cost Proposal & Scoring Guide to include costs for the administration and maintenance of the platform?	Please refer to the State's answer in #1.
25. RFP Attachment 6.6, Pro Forma Contract Should we understand all "State data" references in E.12 to be references to the defined term "State Data"?	Yes.
26. RFP Attachment 6.6, Pro Forma Contract "Subcontractor" does not appear to be a defined term. Can the State please clarify if these E.12 provisions are meant to apply to all approved subcontractors, or just those used by Contractor to host State data, including data center vendors?,	Per section A.23. of RFP Section 6.6. <i>Pro Forma</i> Contract, "Contractor shall ensure that its approved subcontractors (only as approved in accordance with this Contract) who collect, retain, or disclose State Data agree in writing to the same restrictions and requirements that apply to Contractor with respect to Confidential Information and PII."
27. <u>RFP Section</u> : D.16 Patient Protection and Affordable Care Act	In the event the successful selected Respondent is a governmental or public entity and is prohibited by law from indemnifying the State, the State will seek a rule

<p><u>Requested Modification:</u> Delete last sentence (“The Contractor shall indemnify...”) and replace with the following:</p> <p><i>Contractor agrees to pay for the loss, liability or expense that arises out of or relates to the Contractor’s negligent acts or omissions with respect to its obligations under the Contract, where a final determination of liability on the part of the Contractor is established by a court of competent jurisdiction or where settlement has been agreed to by the Contractor. This statement shall not be construed to limit the Parties’ rights, claims, defenses or immunities that arise as a matter of law or pursuant to any provision of the Contract.</i></p> <p><u>Rationale:</u> As a public entity the Vendor cannot indemnify another entity as it is prohibited from pledging the credit of the Vendor without authorization per the Vendor’s Constitution, as amended.</p>	<p>exception request to modify the Contract such that any provision of this Contract requiring the Respondent to indemnify the State shall not apply.</p>
<p>28. <u>RFP Section:</u> D.18 Limitation of Contactor’s Liability</p> <p><u>Requested Modification:</u> In clause (i), delete the word “indemnity”</p> <p><u>Rationale:</u> As a public entity the Vendor cannot indemnify another entity as it is prohibited from pledging the credit of the Vendor without authorization per the Vendor’s Constitution, as amended.</p>	<p>In the event the successful selected Respondent is a governmental or public entity and is prohibited by law from indemnifying the State, the State will seek a rule exception request to modify the Contract such that any provision of this Contract requiring the Respondent to indemnify the State shall not apply.</p>
<p>29. <u>RFP Section:</u> D.19 Hold Harmless</p> <p><u>Requested Modification:</u> Delete entire section and replace with the following:</p> <p><i>Liability: Contractor agrees to pay for the loss, liability or expense that arises out of or relates to the Contactor’s negligent acts or omissions with respect to its obligations under the Contract, where a final determination of liability on the part of the Contractor is established by a court of competent jurisdiction of where settlement has been agreed to by the Contractor. This statement shall not be construed to limit the Parties’ rights, claims, defenses or immunities that arise as a matter of law</i></p>	<p>In the event the successful selected Respondent is a governmental or public entity and is prohibited by law from indemnifying the State, the State will seek a rule exception request to modify the Contract such that any provision of this Contract requiring the Respondent to indemnify the State shall not apply.</p>

<p><i>of pursuant to any provision of the Contract.</i></p> <p><u>Rationale:</u> As a public entity the Vendor cannot indemnify another entity as it is prohibited from pledging the credit of the Vendor without authorization per the Vendor's Constitution, as amended.</p>	
<p>30. <u>RFP Section:</u> D.20 HIPAA Compliance</p> <p><u>Requested Modification:</u> Delete subsection (d) and replace with the following:</p> <p><i>d. Contractor agrees to pay for the loss, liability or expense that arises out of or relates to the Contractor's negligent acts or omissions with respect to its obligations under the Privacy Rules, including the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach and any fines, penalties, or damages paid by the State because of the violation, where a final determination of liability on the part of the Contractor is established by a court of competent jurisdiction or where settlement has been agreed to by the Contractor. This statement shall not be construed to limit the Parties' rights, claims, defenses or immunities that arise as a matter of law or pursuant to any provision of this Contract.</i></p> <p><u>Rationale:</u> As a public entity the Vendor cannot indemnify another entity as it is prohibited from pledging the credit of the Vendor without authorization per the Vendor's Constitution, as amended.</p>	<p>In the event the successful selected Respondent is a governmental or public entity and is prohibited by law from indemnifying the State, the State will seek a rule exception request to modify the Contract such that any provision of this Contract requiring the Respondent to indemnify the State shall not apply.</p>
<p>31. <u>RFP Section:</u> D.26 Governing Law</p> <p><u>Requested Modification:</u> Delete entire section and replace with the following:</p> <p><i>The Parties wish to remain silent with respect to governing law and venue.</i></p> <p><u>Rationale:</u> The Vendor proposes silence on governing law and venue.</p>	<p>The State declines to make this change. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee, without regard to its conflict or choice of law rules.</p>

<p>32. <u>RFP Section: E.7 Intellectual Property</u></p> <p><u>Requested Modification:</u> Delete entire section and replace with the following:</p> <p><i>Intellectual Property. Contractor agrees to pay for the loss, liability or expense that arises out of or relates to the Contractor's negligent acts or omissions with respect to its obligations under the Contract, where a final determination of liability on the part of the Contractor is established by a court of competent jurisdiction or where settlement has been agreed to by the Contractor. This statement shall not be construed to limit the Parties' rights, claims, defenses or immunities that arise as a matter of law or pursuant to any provision of the Contract concerning or arising out of any claim of an alleged patent, copyright, trade secret or other intellectual property infringement. This Section shall not grant the Contractor, through its attorneys, the right to represent the State of Tennessee in any legal matter, as provided in Tenn. Code Ann. § 8-6-106.</i></p> <p><u>Rationale:</u> As a public entity the Vendor cannot indemnify another entity as it is prohibited from pledging the credit of the Vendor without authorization per the Vendor's Constitution, as amended.</p>	<p>In the event the successful selected Respondent is a governmental or public entity and is prohibited by law from indemnifying the State, the State will seek a rule exception request to modify the Contract such that any provision of this Contract requiring the Respondent to indemnify the State shall not apply.</p>
<p>33. <u>RFP Section: E.8 Personally Identifiable Information</u></p> <p><u>Requested Modification:</u> In the fifth sentence, delete the word "immediately" and replace with "promptly"</p> <p><u>Rationale:</u> The Vendor and the State may differ in their understanding of "immediately".</p>	<p>The State prefers to keep section E.8. of RFP Section 6.6 Pro Forma Contract as written.</p>
<p>34. <u>RFP Section: E.9 Unauthorized Disclosures</u></p> <p><u>Requested Modification:</u> In the first sentence, delete the phrase "instances of unauthorized access to or potential disclosure of PII" and replace with "confirmed instances of unauthorized</p>	<p>The State prefers to keep section E.9. of RFP Section 6.6 Pro Forma Contract as written.</p>

<p><i>access to or disclosure of”</i></p> <p><u>Rationale:</u> The Vendor does not have the capability to report out “potential” incidents. This term could encompass a very wide range of occurrences.</p>	
<p>35. <u>RFP Section:</u> E.9 Unauthorized Disclosures</p> <p><u>Requested Modification:</u> In the first sentence, replace “twenty-four (24) hours” with <i>“three business days</i></p> <p><u>Rationale:</u> The Vendor requests a reasonable reporting timeframe.</p>	<p>The State prefers to keep section E.9. of RFP Section 6.6 Pro Forma Contract as written.</p>
<p>36. <u>RFP Section:</u> E.9 Unauthorized Disclosures</p> <p><u>Requested Modification:</u> Delete third (beginning “The Contractor, at the sole discretion of the State...”) and all subsequent sentences in this section.</p> <p><u>Rationale:</u> An “Unauthorized Disclosure”, as defined, will not always rise to the level of a data breach.</p>	<p>The State prefers to keep section E.9. of RFP Section 6.6 Pro Forma Contract as written.</p>
<p>37. <u>RFP Section:</u> E.12 Information Technology Security Requirements (State Data, Audit, and Other Requirements)</p> <p><u>Requested Modification:</u> In subsection (5), last sentence, replace “twenty-four (24) hours after the unauthorized disclosure” with <i>“three business days after the data breach or security incident”</i></p> <p><u>Rationale:</u> The Vendor requests a reasonable reporting timeframe. The Vendor also seeks to distinguish unauthorized disclosures from data breaches/ security incidents.</p>	<p>The State prefers to keep section E.12. of RFP Section 6.6 Pro Forma Contract as written.</p>

3. Delete Section C.3(b). of the *Pro Forma Contract (RFP Attachment 6.6)* in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted):

- b. The Contractor shall be compensated based upon the following payment methodology:

Goods or Services Description	Amount (per compensable increment)
Disability Recommendation under Section A.2	\$ amount per unit
Re-Evaluation under Section A.3	\$ amount per unit
In-Office Medical Examinations under Section A.8	\$ amount per unit
Vocational Assessment under Section A.9	\$ amount per unit
Portal Administration and Maintenance	\$ amount per month

4. **RFP Amendment Effective Date.** The revisions set forth herein shall be effective upon release. All other terms and conditions of this RFP not expressly amended herein shall remain in full force and effect.