



STATE OF TENNESSEE  
DEPARTMENT OF FINANCE & ADMINISTRATION, BENEFITS ADMINISTRATION

**REQUEST FOR PROPOSALS #31786-00182  
AMENDMENT #ONE  
FOR HEALTH SAVINGS ACCOUNTS AND FLEXIBLE  
SPENDING ACCOUNT SERVICES**

DATE: October 2, 2024

RFP #31786-00182 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		August 29, 2024
2. Disability Accommodation Request Deadline	2:00 p.m.	September 4, 2024
3. Pre-response Conference	1:00 p.m.	September 6, 2024
4. Notice of Intent to Respond Deadline	2:00 p.m.	September 9, 2024
5. Written "Questions & Comments" Round 1 Deadline  <b>*NOTE: Submit written questions and comments on Appendix 7.6 the written questions and comments template</b>	2:00 p.m.	September 12, 2024
6. State Response to Written "Questions & Comments"		October 2, 2024
7. Written "Questions & Comments" Round 2 Deadline  <b>*NOTE: Respondents may submit no more than five (5) questions to the State in the 2<sup>nd</sup> round of Written Questions and Comments.</b>	2:00 p.m.	October 14, 2024
8. State Response to Written "Questions & Comments" Round 2		November 4, 2024
9. Response Deadline	2:00 p.m.	November 12, 2024
10. State Completion of Technical Response Evaluations		December 12, 2024
11. State Schedules Respondent Oral Presentations		December 17-19, 2024
12. Respondent Oral Presentations		January 6-9, 2025
13. State Opening & Scoring of Cost Proposals	2:00 p.m.	January 10, 2025
14. Negotiations	4:30 p.m.	January 14-16, 2025
15. State Notice of Intent to Award Released <u>and</u> RFP Files Opened for Public Inspection	2:00 p.m.	January 23, 2025
16. End of Protest Period		January 30, 2025

17. State sends contract to Contractor for signature		January 31, 2025
18. Contractor Signature Deadline	2:00 p.m.	February 7, 2025

**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.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
	1.	Are there any areas of concern with current servicing?	No. State rules require competitive procurements on a regular schedule. This contract term is ending, thus the requirement for this RFP. Please also see the State's response to question #8.
	2.	Are there are any enhancements the State is looking to see added?	<p>The most significant enhancement the State has added to this pro forma contract is the requirement to conduct non-discrimination testing for Central State products such as the general purpose FSA, limited purpose FSA, dependent care FSA, and our medical, vision and dental products to ensure IRS non-discrimination compliance.</p> <p>If there are additional features the Contractor wants to present during implementation, the State is open to that, but it will be at no additional cost to the State.</p>
	3.	With the State's multi-agency system, is it expected that there will be centralized files or files from each agency?	<p><b><u>HSAs:</u></b>  Central State will send eligibility and termination records for <u>all</u> plan participants enrolled in the CDHP or Local CDHP. These are the enrollees who will need to have an HSA opened and serviced. Central State will also send to the Contractor <b>state</b> employees' seed funds (currently \$500 or \$1,000) each January, and each higher education institution will send their own employees' HSA seed funds throughout the year as well. The Contractor will work with hundreds of different local education agencies (school systems) and local government agencies (primarily city or county governments or similar agencies) if they choose to submit pretax payroll contributions. Central State, as a single employer, will submit to the Contractor only our own employees' pretax HSA payroll contributions.</p>

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			<p><b><u>FSAs:</u></b></p> <p>Central State will send enrollment records for state employees' FSA, L-FSA and DC-FDA enrollments/terminations, along with contributions each pay period (an imprest account will not be permitted to be set up). Higher Education (UT system and TBR system of many colleges, universities, and applied colleges of technology (TCATs) will be independent employer groups and will manage and fund each of their own employees' FSA contributions during various pay periods (some monthly, some 2x monthly, etc.)</p>
	4.	Do the medical plans have co-pay information that can be shared to assist with substantiation?	Benefits Administration will share with the Contractor each summer a list of the flat dollar copayments possible under the medical, pharmacy, vision, and dental plans to assist with copay matching and debit card transactions. Additionally, Benefits Administration requires in pro forma contract section A.16.f that the Contractor receive regular and ongoing claims files from our other vendors to assist with debit card substantiation and claims matching. Our current vendors (which may change during the term of this contract) are: BCBS-TN, Cigna, CVS Caremark, Delta Dental of TN, and EyeMed.
	5.	Will we be able to receive vendor claim files from providers, (Medical, Dental, Rx, Vision). Cigna, BCBS of TN etc. We receive [REDACTED] files automatically but other vendors if we are able to receive files the auto adjudication rate will increase with files.	Yes. Benefits Administration requires in <i>pro forma</i> contract section A.16.f that the Contractor receive regular and ongoing claims files from our other vendors to assist with debit card substantiation and claims matching. Our current vendors (which may change during the term of this contract) are: BCBS-TN, Cigna, CVS Caremark, Delta Dental of TN, and EyeMed.

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N/A	6.	Why is the State going out to bid?	The current contract with the State's HSA/FSA vendor terms on June 30, 2026.
1.1	7.	Is the marketing due to the contract ending? If so, have all contract renewal terms been leveraged?	The current contract with the State's HSA/FSA vendor terms on June 30, 2026.
N/A	8.	Pain points with current provider?	None other than we want to increase debit card transactions and reduce the need for members to submit EOBs or itemized receipts. That is a standard issue with all plans that offer debit cards for their FSAs and L-FSAs, though, rather than a reflection on our current vendor. We do not currently have our vendors submit claims files to the existing vendor, but we are working on that now and plan to have it in place by 1/1/2025. It will be required under this contract, as noted in section A.16.f of the pro forma contract.
1.1	9.	What has gone well with the current administrator?	Member communications, webinars, increased HSA enrollment, and member satisfaction
1.1	10.	What are 2-3 areas for improvement with the current HSA and FSA experience?	Please see the state's response to question #8.
	11.	<p>What are the State's current assets under management?</p> <ul style="list-style-type: none"> <li>• What are the current HSA Cash balances?</li> <li>• What are the current HSA Investment balances?</li> </ul>	<p><b><u>CASH:</u></b></p> <p>Central State-</p> <ul style="list-style-type: none"> <li>• 2021 \$4,765,429.96</li> <li>• 2022 \$5,610,901.50</li> <li>• 2023 \$6,905,200.21</li> <li>• 2024 \$8,065,577.87</li> </ul> <p>Higher Education-</p> <ul style="list-style-type: none"> <li>• 2021 \$5,084,579.27</li> <li>• 2022 \$6,294,994.04</li> </ul>

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			<ul style="list-style-type: none"> <li>• 2023 \$7,432,259.70</li> <li>• 2024 \$8,397,361.65</li> </ul> <p>Local Education-</p> <ul style="list-style-type: none"> <li>• 2021 \$2,652,063.46</li> <li>• 2022 \$3,085,002.25</li> <li>• 2023 \$4,476,736.77</li> <li>• 2024 \$4,759,436.28</li> </ul> <p>Local Government-</p> <ul style="list-style-type: none"> <li>• 2021 \$1,172,999.79</li> <li>• 2022 \$945,773.15</li> <li>• 2023 \$1,172,999.79</li> <li>• 2024 \$1,437,720.84</li> </ul> <p><b><u>INVESTMENTS:</u></b></p> <p>Central State-</p> <ul style="list-style-type: none"> <li>• 2021 \$1,753,456.47</li> <li>• 2022 \$2,104,758.35</li> <li>• 2023 \$3,376,088.55</li> <li>• 2024 \$4,861,905.84</li> </ul> <p>Higher Education-</p> <ul style="list-style-type: none"> <li>• 2021 \$2,762,146.53</li> <li>• 2022 \$3,610,519.96</li> <li>• 2023 \$6,171,600.58</li> </ul>

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			<ul style="list-style-type: none"> <li>• 2024 \$8,912,907.94</li> </ul> <p>Local Education-</p> <ul style="list-style-type: none"> <li>• 2021 \$434,863.90</li> <li>• 2022 \$533,663.05</li> <li>• 2023 \$865,203.27</li> <li>• 2024 \$1,212,093.31</li> </ul> <p>Local Government-</p> <ul style="list-style-type: none"> <li>• 2021 \$172,927.71</li> <li>• 2022 \$89,096.04</li> <li>• 2023 \$172,927.71</li> <li>• 2024 \$242,179.07</li> </ul>
	12.	How many HSA accounts are under management?	The state most recently paid the incumbent contractor for 9,505 active HSAs (all combined – participants from central state, higher education, local education and local government).
	13.	How many HSA accounts are investing?	3,501
	14.	What is the current HSA account management fee PPPM with the incumbent provider?	\$0.75 per active account per month, though this amount depends on the number of HSAs managed and will be set each January and stay at that rate for the remainder of the calendar year regardless of increases or decreases in HSA enrollment. It will be reviewed again the following January and then set again for the next 12 months, etc. For additional information please see the current contract located at <a href="https://www.tn.gov/content/dam/tn/finance/fa-">https://www.tn.gov/content/dam/tn/finance/fa-</a>

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			benefits/documents/contracts-hsa/hsa_contract_2021.pdf
	15.	Is there any expectation for in-person attendance at open enrollment? If so, when is open enrollment and how many sessions are normally held?	Yes. Historically, Benefits Administration’s annual enrollment period is during the month of October. While we do not host a benefits fair, we request that staff from the HSA-FSA contractor attend, at a minimum, our annual 2-day training for agency benefits coordinators. These meetings have been held in August in Nashville, Jackson and Lebanon, TN in past years. Vendors are also expected to attend member agencies’ benefits fairs as requested if at all possible.
	16.	Does the State of a curated/custom HSA investment line up today?	Yes, the state currently requires that the existing contractor offer 12 Vanguard funds that were chosen by the state’s Treasury department investment staff. The ticker symbols for those twelve funds are: VTSAX, VTIAAX, VWENX, VBTLX, VSCSX, VTABX, VTAPX, VTWNX, VTHR, VFORX, VFIFX, AND VTTSX. This contract will require, per Treasury Department request, that these same 12 Vanguard funds be offered to HSA investors effective 1/1/2026 until notified otherwise.
	17.	If [question 16] is true, how often has the State made adjustments to the investment line up in a standard year?	These 12 Vanguard investments have been offered non-stop since contract inception. The only change that has occurred is during September 2024 when the Vanguard Total Stock Market Index fund (VTSAX) in the HSA lineup became eligible to move to the institutional share class with a lower expense ratio, because it now exceeds the \$5 mil asset threshold required to qualify for the institutional share class. Treasury requested this of BA, and BA requested that our existing Contractor work to make this change. This update is currently in progress.



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	18.	What are the HSA investment management fees (monthly fee to invest, custodial management fees, etc)?	There are no monthly HSA management fees under the existing contract, nor were there any one-time set up fees payable in year 1 of the current contract. Members also do not currently pay any investment fees out of their HSAs.
	19.	Has the State transitioned HSAs in the past? If so, how did the experience go?	Yes. When the state transitioned from Payflex (our 2016-2020 contractor) to Optum Financial (our 2021-2025 contractor), the process went smoothly overall. Benefits Administration conducted a Formstack survey informing all HSA participants about the contractor change. Since HSAs are personal bank accounts, we needed participants' approval to transfer the funds. The survey requested that they choose "YES" or "NO" to having any of their applicable invested funds liquidated and all assets transferred to Optum. Those who did not respond or who answered "NO" had their balances remain with PayFlex and were required to pay the PayFlex retail monthly account administrative fee. Employer-provided seed funds will always be provided to the Contractor under this contract. If this contract changes vendors, Benefits Administration will follow the same process noted above to work with Optum Financial and the new vendor.
	20.	Are their integrations between the State's medical, dental, and vision carriers and the HSA/FSA incumbent to support claim filing and/or claim adjudication? If so, with which carriers?	Please see the responses to questions #4 and #5.
	21.	What does Open Enrollment look like today in regard to how many locations, how many days, and how many sessions take place?	The Contractor will be required to attend at a minimum a 2-day agency benefits coordinator meeting at a TN location to be determined (see additional information in the state's response to question #15). Additionally, the Contractor will be required to set up and utilize an online enrollment portal/link for all higher education

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			employees to enroll in their FSA, L-FSA, and/or DC-FSAs each October 1-31, annually. Contractor staff must also participate in monthly ABC calls throughout the year and weekly ABC calls during September and October as our enrollment period starts and progresses. While we do not host a benefits fair, contractors are expected to attend member agencies' benefits fairs as requested if at all possible. The number and locations of these events will vary from year to year.
	22.	Please confirm the State is willing to work with the vendor on building integrations that fit the specifications of the Contractor's system	Not confirmed. This question is vague, and the state would need additional information from the respondent in order to provide an answer. Please clarify in Round 2 of Written Questions and Comments.
	23.	Is the State's paper for contracting required, or is the State willing to utilize the proposer's standard agreements as the foundation of the agreement, incorporating the State's paper through the redlining process?	The pro forma contract substantially represents the contract document that the successful Respondent must sign.  See RFP Section 5.3 for more information.
	24.	Do we have permission to utilize the State's logo for the sole purpose of a potential demonstration to showcase our customization abilities?	Respondents may use the State's logo during the live demonstration required in RFP Section D: Oral Presentation. This permission is granted only for the demonstration in your meeting with the state and such materials with our logo may not be used elsewhere.
	25.	Is there an employee benefits consultant the State works with for other projects outside of this RFP? If so, which office?	Benefits Administration is currently contracted with Aon, procured through a competitive process. Aon provides benefits consulting and actuarial services but has minimal involvement with our HSA and FSA offerings.
NA	26.	What approximate percentage of the population does not have an email address on file?	Do have an email on file – 97.48%  Do not have an email on file – 2.52%

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1.1	27.	What is the balance of the H S A cash in the member accounts. The investment balance was provided but not the cash balance.	See the State's response to question #11.
1.1	28.	<p>Can you please explain the billing structure of the multiple participating employers.</p> <ul style="list-style-type: none"> <li>• Will the 550 different employers be set up as divisions or as separate accounts?</li> <li>• Would we get 500+ files from different groups?</li> </ul>	See the state's response to question #3.
1.1	29.	Please confirm the expectations of the vendor for providing online enrollment services. Is the expectation that participants will enroll on the hired vendor website?	<p>The vendor will be expected to provide an online enrollment portal for all higher education FSA, L-FSA and/or DC-FSA participants during October each year.</p> <p>New higher education employees hired during the plan year must complete forms provided by their institution. The institution will then work with the Contractor to send the Flex enrollment. Central State will send all HSA enrollees and all Central State employees' flex enrollments to the Contractor electronically in a file mutually agreed to by the Contractor and the State.</p>
1.1	30.	What are the total HSA plan assets – including a breakdown between cash vs investment balances?	See the State's response to question #11.
1.1	31.	If available, can you provide the current average annual spending for the Healthcare FSA and HSA accounts?	<b>FSAs-</b>

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			<p>Central State:</p> <table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>FSA</td> <td>\$3,855,636</td> <td>\$4,252,091</td> <td>\$4,344,023</td> </tr> <tr> <td>L-FSA</td> <td>\$94,468</td> <td>\$127,371</td> <td>\$126,259</td> </tr> <tr> <td>DC-FSA</td> <td>\$1,054,668</td> <td>\$917,791</td> <td>\$1,028,933</td> </tr> </tbody> </table> <p>Higher Education:</p> <table border="1"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>FSA</td> <td>\$3,885,910</td> <td>\$4,210,635</td> <td>\$3,763,088</td> </tr> <tr> <td>L-FSA</td> <td>\$73,539</td> <td>\$106,485</td> <td>\$139,447</td> </tr> <tr> <td>DC-FSA</td> <td>\$1,192,791</td> <td>\$1,074,372</td> <td>\$1,168,224</td> </tr> </tbody> </table> <p><b>HSAs-</b></p> <p>All HSAs (state, higher education, local education and local government) took in \$16.1M in 2021, \$17.0M in 2022, \$23M in 2023 and \$15.1M thus far in 2024 in combined employee and employer contributions. The same HSAs had withdrawals/spending of \$9.1M in 2021, \$11.9M in 2022, \$15.1M in 2023 and \$9.2M thus far in 2024.</p>		2021	2022	2023	FSA	\$3,855,636	\$4,252,091	\$4,344,023	L-FSA	\$94,468	\$127,371	\$126,259	DC-FSA	\$1,054,668	\$917,791	\$1,028,933		2021	2022	2023	FSA	\$3,885,910	\$4,210,635	\$3,763,088	L-FSA	\$73,539	\$106,485	\$139,447	DC-FSA	\$1,192,791	\$1,074,372	\$1,168,224
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1.1	32.	How many employees are enrolled in the high deductible health plan today?	The state most recently paid the incumbent contractor for 9,505 active HSAs (all combined – participants from central state, higher education, local education and local government).																																
1.1	33.	Please confirm the total number of payroll system that are utilized for the higher education members.	All University of Tennessee campuses use the same payroll center/system and count as one (1). The Tennessee Board of Regents (TBR) indicate to the state that they currently only have one payroll system. The universities, however,																																

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			are moving to a different system in the near future, and will then have two (2).
1.1	34.	What is the approximate number of Higher Education employees that will require enrollment support for the Health Care and Dependent Care Flexible Spending Account?	Between 3,000-4,000 estimated
1.1	35.	Please confirm how the FSA enrollment support for the Higher Education group functions for new hires throughout the year. Is FSA enrollment limited to Annual Enrollment?	Please see the response to question #29.
1.1	36.	Please provide the total benefit eligible employee count across the three separate insurance plans. It appears the numbers within the RFP include dependents. Note, retirees should only be included in the benefit eligible count if they are offered the FSA and HSA under the State plans.	<p><b>State plan-</b></p> <p>Central State 41,478 heads of contract/employees who can enroll in the CDHP/HSA and applicable flex benefits</p> <p>UT system 14,315 heads of contract/employees who can enroll in the CDHP/HSA and applicable flex benefits</p> <p>TBR system 17,562 heads of contract/employees who can enroll in the CDHP/HSA and applicable flex benefits</p> <p><b>Local Education plan</b> – 77,063 eligible heads of contract (i.e. eligible to enroll in the CDHP/HSA, but <u>not</u> flex benefits)</p> <p><b>Local Government plan</b> – 22,854 eligible heads of contract (i.e., eligible to enroll in the CDHP/HSA, but <u>not</u> flex benefits)</p> <p>Retirees are eligible to enroll in the consumer directed health plans that are paired with an HSA, but retirees are not eligible to enroll in flex benefits.</p> <p>For reference, there are about 4,515 retirees in the State plan, 3,700 retirees in the Local Education plan, and about 222 retirees in the Local Government plan</p>

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1.1	37.	Of the total benefit eligible employee count, please provide the break out of each of the entities (SGIP, LEGIP, LGGIP).	Please see response to question #36.
1.1	38.	Would all participants under the 550 entities the State RFP is made up of be required to move to the same selected vendor, or do the entities have a level of choice on their HSA and FSA provider?	All Central State and Higher Education flex accounts under this contractor will be provided by the Contractor who is awarded this contract. All enrollments for 2026-2030 HSAs will be provided by this Contractor. Past HSAs presently provided by the incumbent vendor may not be required to move. For additional information, please see the state's response to question #19.
1.1	39.	How often are entities added to the 550+ making up the State RFP, and at what rate (five entities on average per year, etc)?	No new state agencies or higher education agencies are expected. New local education or local government agencies may join the plan, and if their employees choose to enroll in the Local CDHP, then the Contractor may see an increase in HSAs. Typically, there are between approximately 5-10 new LEAs or LGAs each plan year.
1.1	40.	Do entities ever leave and if so, how often does this occur?	State and higher education agencies do not leave the plan. There may be between 5-10 LEAs or LGAs leave the Local Education and/or Local Government Plan in a year, historically.
1.1	41.	Would the Contractor need to provide divisional access in which a contact needing access to a population's information is not allowed to access data from a fellow population? Example: the team for LEGIP should not be able to access data from LGGIP. If so, what are these parameters across the 550+ entities.	Central State should have access only to all participant's HSAs, limited to high-level enrollment and contribution information, without any personal details. Additionally, Central State should have access to our Central State employees' FSA, L-FSA and DC-FSA account enrollments and activity. Each higher education institution will need access to their own school's HSAs and no others. Each LEA and LGA will need ability to upload payroll contribution files on the contractor's portal. No agency should see other agency's employees or other information.

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1.1	42.	What is the current HSA standalone fee?	<p>\$0.75 per active account per month currently. Please see additional information in the response to question #14.</p> <p>Please review the current contract details and rates at <a href="https://www.tn.gov/content/dam/tn/finance/fa-benefits/documents/contracts-hsa/hsa_contract_2021.pdf">https://www.tn.gov/content/dam/tn/finance/fa-benefits/documents/contracts-hsa/hsa_contract_2021.pdf</a></p>
1.1	43.	What is the current FSA standalone fee?	<p>The fees for the FSAs vary depending on the enrollment each January and are set then for the rest of the year, as this contract will be. Currently, the fees paid per active account per month for the FSAs are as follows:</p> <p>*\$2.70 - per month for each medical FSA, each DC-FSA, or for members with both a medical FSA plus a DC-FSA, or for members with both a DC-FSA and a L-FSA</p> <p>*\$1.50 - per month for members who only are enrolled in a L-FSA</p> <p>Please review the current contract details and rates at <a href="https://www.tn.gov/content/dam/tn/finance/fa-benefits/documents/contracts-hsa/hsa_contract_2021.pdf">https://www.tn.gov/content/dam/tn/finance/fa-benefits/documents/contracts-hsa/hsa_contract_2021.pdf</a></p>
1.1	44.	If someone is enrolled in two types of FSAs, such as a DCA and MFSA, is only one FSA administrative fee assessed for the given month?	<p>The footnote for Cost Table A in the cost proposal states that for plan members enrolled in both a general-purpose FSA and a dependent care FSA, the State will not pay an administration fee each month for both accounts; the state will only pay one fee. For members enrolled in both an L-FSA and DC-FSA, the</p>

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			State will only pay one administration fee but shall pay the higher of the two fees if they vary.
1.1	45.	Does the State receive a bundled rate for a participant enrolled in a HSA and FSA today? If so, what is the rate?	No, rates for HSA and FSAs are separate.
1.1	46.	What are the HSA assets under management including both cash and the investment balance listed (\$14.7 million)?	See the State's response to question #11.
1.1	47.	Would the vendor be provided employee email addresses from the varying entities considering the State does not have for all employees covered under the RFP?	The State will be able to provide email addresses for most heads of contract who have an HSA and for Central State employees who enroll in a FSA, L-FSA, or DC-FSA. The state cannot provide email addresses for higher education agency employees who enroll in a flex benefit plan, but the Contractor may receive this information from the separate institutions that are part of the higher education systems.
3.2	48.	Page 15 of the RFP document indicates that an electronic or facsimile signature is acceptable on the Cost Proposal. Are electronic or facsimile signatures acceptable on all other proposal forms	Respondents may sign electronically; however, the signature should be authenticated. Please note that the signatory must have the legal authority to bind the proposing entity to the provisions of the RFP and any contract awarded pursuant to it.
3.3.1-3.3.2	49.	Can you confirm if these clauses mean a proposer is not able to submit their standard service agreement terms and conditions for the proposed products (FSA and HSA)? Typically, through the redlining process, we combined the Requester's terms with our standard terms to create the end contract.	Confirmed. The State intends to sign the <i>pro forma</i> contract included in RFP Attachment 6.6. Please note in Round 2 Questions and Comments Respondents may submit no more than five (5) questions to the State.
3.3.1-3.3.2	50.	Can you confirm if these clauses mean a proposer is not allowed to submit redlines to the proposed contract terms as written within the RFP?	See the State's response to question #49.
3.3.8	51.	[REDACTED] is the industry leading technology platform in our industry with more than 500 technology partners including Third-Party Administrations, Carriers, Financial Institutions, and more. We anticipate our partners will be submitting their proposals to the State. [REDACTED]. is also a direct Third-Party Administration, and we desire to submit a proposal as a Primary Contractor. Can you confirm if clause 3.3.8 would disqualify [REDACTED].	Confirmed. RFP Section 3.3.8 states that a Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the



RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
		from submitting a proposal directly, if one or more of our partners leveraging [REDACTED] for technology also submits a proposal as a primary contractor with [REDACTED] as the subcontractor? [REDACTED], the intended contracting party, is a separate legal entity from [REDACTED], and is an affiliated entity within the [REDACTED]. holding company system.	disqualification of all Respondents knowingly involved.
3.3.8	52.	Many TPAs and HSA custodians use [REDACTED] as a subcontractor. Does this section prohibit [REDACTED] from submitting a separate bid as the prime contractor and be included as a subcontractor by any other bidder?	See response to question #51.
4.4	53.	With respect to RFP, section 4.4 (page 13) and Pro-Forma Contract, section D.7 (page 73), would the State agree that, with respect to approval of subcontractors, that this would not apply to our book of business subcontractors?	Section 4.4 only applies to those subcontractors the Contractors is using to provide services for the pro forma contract included in this RFP.
A.7	54.	The minimum amount of AUM for HSAs of \$250,000,000 seems unjustified given the size of this contract. What is the justification for such a high AUM given this contract is only for about \$47,000,000?	Item A.7. of the Mandatory Requirements establishes a minimum of \$250m for a respondent's <u>total</u> HSA assets under management. The minimum threshold was established to ensure respondents have the experience and track record to deliver reliable service and safeguard participant interests.
RFP A.7	55.	<p>[REDACTED]</p> <p>Our partner, [REDACTED], who [REDACTED] uses to process, track, and interface as custodian, is one of the largest cloud-based processors in HSA's today (7.5 million HSAs on their platform and over \$4.5 billion assets under management as a custodian).</p> <p>Therefore, [REDACTED] can prove, via reference, that its group can operate the State of Tennessee's needs in these areas. Further, [REDACTED'S] equity capital exceeds \$3 billion and, for example, is twice as large as Optum's liquid assets. This large (unencumbered) capital should provide the State with plenty of capital, which is more than twice the national average.</p> <p>In this section of the RFP, our company does not qualify to submit a proposal due to the Assets Under Management (AUM) requirement as well as the reference requirements of having greater than 100,000 participants for one reference and 50,000 for another reference.</p>	<p>The State agrees to lower the account sizes required for references in B.16. See amendment item #4.</p> <p>The State does not agree to lower the AUM requirement. Item A.7. of the Mandatory Requirements establishes a minimum of \$250m for a respondent's <u>total</u> HSA assets under management. The minimum threshold was established to ensure respondents have the experience and track record to deliver reliable service and safeguard participant interests.</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE																																																																																																
		<p>Our research shows that only 16 companies in the country meet the AUM requirement (Exhibit 1 at the bottom of this document).</p> <p>Given the size of State of Tennessee HSA Portfolio, will you make exception of both of these requirements, giving us the ability to bid on these accounts?</p> <p><b>Exhibit 1: Top HSA Providers</b></p> <p><b>Top 20 HSA Providers</b></p> <ul style="list-style-type: none"> <li>The top 20 largest HSA providers hold an estimated 88% of health savings account assets.</li> <li>Of the top 20 HSA provider's HSA assets, 59% are held in deposit accounts with the other 41% held in investment accounts.</li> </ul> <p>The table below is compiled of the largest HSA providers by their total assets as of 12/31/2023.</p> <table border="1" data-bbox="464 581 972 1045"> <thead> <tr> <th></th> <th>Total Accounts</th> <th>Total Assets</th> <th>Assets Market Share (%)</th> </tr> </thead> <tbody> <tr><td>HealthEquity</td><td>8,593,000</td><td>\$24,155,000,000</td><td>20%</td></tr> <tr><td>Fidelity</td><td>3,596,000</td><td>\$22,396,000,000</td><td>18%</td></tr> <tr><td>Optum Financial</td><td>5,778,000</td><td>\$21,696,000,000</td><td>18%</td></tr> <tr><td>HSA Bank</td><td>3,184,000</td><td>\$12,930,000,000</td><td>10%</td></tr> <tr><td>Bank of America</td><td>1,210,000</td><td>\$5,446,000,000</td><td>4%</td></tr> <tr><td>WEX Health</td><td>2,362,000</td><td>\$5,421,000,000</td><td>4%</td></tr> <tr><td>Inspira Financial</td><td>1,460,000</td><td>\$4,368,000,000</td><td>4%</td></tr> <tr><td>UMB Bank</td><td>1,575,000</td><td>\$4,000,000,000</td><td>3%</td></tr> <tr><td>BenefitWallet</td><td>795,000</td><td>\$2,840,000,000</td><td>2%</td></tr> <tr><td>Lively</td><td>284,000</td><td>\$1,276,000,000</td><td>1%</td></tr> <tr><td>PNC Bank</td><td>229,000</td><td>\$702,000,000</td><td>1%</td></tr> <tr><td>Willis Towers Watson</td><td>183,000</td><td>\$620,000,000</td><td>1%</td></tr> <tr><td>Associated Bank</td><td>113,000</td><td>\$443,000,000</td><td>&lt; 1%</td></tr> <tr><td>Avidia Bank</td><td>173,000</td><td>\$383,000,000</td><td>&lt; 1%</td></tr> <tr><td>McGriff (Trust)</td><td>101,000</td><td>\$331,000,000</td><td>&lt; 1%</td></tr> <tr><td>Alerus Financial</td><td>72,000</td><td>\$255,000,000</td><td>&lt; 1%</td></tr> <tr><td>Lake Michigan Credit Union</td><td>45,000</td><td>\$188,000,000</td><td>&lt; 1%</td></tr> <tr><td>First American Bank</td><td>44,000</td><td>\$187,000,000</td><td>&lt; 1%</td></tr> <tr><td>Central Bank</td><td>63,000</td><td>\$144,000,000</td><td>&lt; 1%</td></tr> <tr><td>Pinnacle Financial Partners</td><td>40,000</td><td>\$109,000,000</td><td>&lt; 1%</td></tr> <tr><td><b>Top 20 Totals</b></td><td><b>29,900,000</b></td><td><b>\$107,888,000,000</b></td><td><b>88%</b></td></tr> <tr><td>Other Custodians</td><td>7,488,000</td><td>\$15,388,000,000</td><td>13%</td></tr> <tr><td><b>Total</b></td><td><b>37,388,000</b></td><td><b>\$123,276,000,000</b></td><td></td></tr> </tbody> </table> <p><small>Accounts rounded to the nearest thousand; assets rounded to the nearest million. Providers that did not participate were given our estimate for their business and the opportunity to provide guidance prior to this report. There is a small amount of overlap amongst various HSA providers in the table above due to partnerships in the marketplace. Throughout the remainder of this report we have controlled for account and asset overlap, where identified.</small></p> <p><small>14   2023 Year-End Diverse HSA Research Report</small></p>		Total Accounts	Total Assets	Assets Market Share (%)	HealthEquity	8,593,000	\$24,155,000,000	20%	Fidelity	3,596,000	\$22,396,000,000	18%	Optum Financial	5,778,000	\$21,696,000,000	18%	HSA Bank	3,184,000	\$12,930,000,000	10%	Bank of America	1,210,000	\$5,446,000,000	4%	WEX Health	2,362,000	\$5,421,000,000	4%	Inspira Financial	1,460,000	\$4,368,000,000	4%	UMB Bank	1,575,000	\$4,000,000,000	3%	BenefitWallet	795,000	\$2,840,000,000	2%	Lively	284,000	\$1,276,000,000	1%	PNC Bank	229,000	\$702,000,000	1%	Willis Towers Watson	183,000	\$620,000,000	1%	Associated Bank	113,000	\$443,000,000	< 1%	Avidia Bank	173,000	\$383,000,000	< 1%	McGriff (Trust)	101,000	\$331,000,000	< 1%	Alerus Financial	72,000	\$255,000,000	< 1%	Lake Michigan Credit Union	45,000	\$188,000,000	< 1%	First American Bank	44,000	\$187,000,000	< 1%	Central Bank	63,000	\$144,000,000	< 1%	Pinnacle Financial Partners	40,000	\$109,000,000	< 1%	<b>Top 20 Totals</b>	<b>29,900,000</b>	<b>\$107,888,000,000</b>	<b>88%</b>	Other Custodians	7,488,000	\$15,388,000,000	13%	<b>Total</b>	<b>37,388,000</b>	<b>\$123,276,000,000</b>		
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RFP B.16	56.	<p>Does the number of covered lives referenced in this section mean the number of eligible employees or the number of participants? If number of participants, how is this requirement justified given the much smaller size of this contract</p>	<p>Total number of covered lives (eligible participants but not necessarily enrolled). Item A.7. of the Mandatory Requirements establishes a minimum of \$250m for a respondent's <u>total</u> HSA assets under management. The minimum threshold was established to ensure respondents have the</p>																																																																																																

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
			experience and track record to deliver reliable service and safeguard participant interests.
RFP C.4	57.	Please confirm if there is any requirement to support HSA enrollment where the Contractor is confirming eligibility and capturing annual contribution amounts and sending deductions to payroll.	<p>The state will send all CDHP and Local CDHP enrollments to the contractor, and the contractor will then be required to open HSAs for this population.</p> <p>The State will also send our own FSA, L-FSA and DC-FSA enrollments to the contractor on a mutually agreeable file on a to-be determined basis.</p> <p>The vendor will set up an online portal to be open from Oct 1-31 each year for all higher education employees to enroll in their next year's FSA, L-FSA or DC-FSAs. The contractor may work with each higher education institution to have payroll contribution amounts uploaded and to notify the higher education agency which employees enrolled in flex benefits. During the course of the plan year, new enrollees will not use said portal; instead, they will enroll in flex benefits by working directly with their agency benefits coordinator(s) who will work directly with the Contractor to submit the enrollment for flex benefits.</p>
RFP c.8(e)	58.	Does the statement "[REDACTED] does not allow use of any form of an imprest account for any of the FSA monthly per member fees or claims" apply to all 500 agencies? Does each agency fund claims independently?	The state will not allow an imprest account for any HSAs or for our own central state FSAs. It may be possible to discuss this with the higher education institutions (University of Tennessee and the Tennessee Board of Regents) during contract implementation to determine their interest or ability to fund imprest accounts.
RFP C.8	59.	Please confirm how many unique banking arrangements would need to be established for FSA/HSA claims funding across the multiple higher education and Central State groups.	<p><b>FSAs:</b> Each higher education agency (as well as Central State) has their own FSA claims funding banking arrangement. There are 43 higher</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
			<p>education groups, all of whom have separate banking setups. Central State has its own.</p> <p><b>HSAs:</b></p> <p>Additionally, each Local education, Local government, and higher education group has separate banking arrangements with Optum as well. There are 43 higher education groups, 63 local education groups and 46 local government groups currently set up with HSA bank funding. Central State has its own.</p>
RFP c.12(d)	60.	If an employee transfers from one Board of Regents school to another BOR school is that employee considered a new enrollee at the new school and terminated at the original school or is the employee considered to continue with his/her original enrollment?	Each school is different and funds differently, so the employee would be considered a new employee upon such a transfer.
Evaluation Guide	61.	Please confirm if the State will accept deviations to their requested Scope of Services.	See answer to question #49.
A.1.b	62.	Can you confirm if it is the intent of the State to have HSA enrollments conducted by the employee on the Contractor's platform? Or, would a file with HSA enrollments and demographic details be sent to the Contractor from the varying entities?	The State will conduct all HSA enrollments and transmit those for all central state, higher education, local education and local government employees to the Contractor in a mutually agreeable file on a to-be-determined basis. The State, however, is not the employer of record for higher education, and we will not be transmitting the flex enrollments to the Contractor. See additional information in various other answers throughout this response.
A.3.C	63.	Can you confirm if the salary deduction notification is sent from the State to the contractor, or is it expect that the Contractor will send deduction information back to the State (and entities)? If the latter, is it acceptable to provide in a report format, or will an outbound file be required? Furthermore, is it acceptable that the Contractor only supports deduction data during the designated Open Enrollment period but not mid year?	The state and higher education institutions will send salary deduction files regularly throughout the year as needed to the Contractor for FSAs.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
A.3.h	64.	Would the State be willing to provide the current investment line up that is offered today for the HSA investment experience?	Yes. This information and the fund lineup ticker symbols are provided in the response to question #16.
A.3. I	65.	Would the State be open to allowing a non-FDIC insured HSA cash account if additional benefits can be provided to account holders along with the option to hold dollars in a stable value fund available in the investment menu?	The State would need further clarification regarding the recommended product offering(s) to assess its appropriateness and suitability.
A.3 N	66.	Please confirm how many individual wellness contribution files exist for the various agencies and if the payroll department for the group will be sending any contribution amounts to the Contractor or are they provided directly by wellness vendor.	Sharecare sends five incentive files each month to the state and participating agencies. Currently, only Central State employees (not higher education, local education or local government employees) may divert their wellness incentive dollars to their HSA. The wellness vendor sends the files to the state and the state will send one file to the Contractor to distribute the incentive dollars to the HSA.
A.3.v	67.	What is the HSA investment threshold today?	The current threshold is \$1,000. The State requires the Contractor to have an investment threshold of \$1,000 minimum to encourage members to keep a balance sufficient enough to cover their plan's higher deductible. See amendment item #5.
A.3. aa	68.	Please confirm if the State would be open to transitioning prior HSA balances from the incumbent based on a mid-January timeline. This will allow for all year end contributions with the final payroll schedule to be deposited with the incumbent and available for the transition and transfer. Generally, if the last contribution occurs as of 12/31, the incumbent would not be able to provide final balances until early January.	The State is open to this and would work with the Contractor during the implementation period in 2025 toward this goal, if applicable.
A.4	69.	Is the State open to Contractor working with your current health plans (BCBS TN, Cigna, Davis Vision, and Delta Dental) to establish claims files that can be used for debit card substantiation purposes?	Confirmed. Please also see the responses to questions #4 and #5. Please note that presently Davis Vision is not our vision vendor; EyeMed is. As contracts come up for bid, our existing contractors may change during the term of this contract and the Contractor will be expected to work with any new State contractors to receive

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
			and load ongoing claims files (e.g., medical TPAs, PBM, vision and dental vendors).
A.4	70.	Please confirm the approximate number of FSA COBRA continuants each year.	Less than 10
A.4	71.	Please confirm if COBRA is currently offered to all Health Care and Limited Purpose FSA members or those that have underspent their contributions for the current plan year.	Confirmed. All FSA and L-FSA plan members who terminate coverage during the plan year who still have balances remaining to be spent are offered COBRA.
A.4.a	72.	Please confirm if the State expects the Contractor to hold all FSA payroll deductions in a bank account that is then used to offset claim payments.	The Contractor initially makes FSA claim payments from its own bank account and will be reimbursed at least weekly by ACH debit from the Contractor to a State bank account.
A.4.C	73.	How many meetings does the State typically have, and are they virtual or in person? Are they centralized or in how many different locations?	It is possible that there could be anywhere from 10-20 in person meetings during the year and these could be all over the state. To the extent possible, the state holds meetings virtually with our ABCs. But ABCs who expect a large enough turnout of 100 or more members in attendance will need a representative at their campus in person.
A.4.f	74.	Is it allowable that the Contractor would conduct FSA enrollments and elections during the Open Enrollment designated timeframe, but that the State (and entities) manages the midyear changes and new hire elections on an ongoing basis? In turn, providing this information to [REDACTED].	<p>As noted in the RFP and pro forma contract, we require that the Contractor set up an online enrollment portal on the splash page annually for all higher education employees to choose and enroll in their various FSA, L-FSA and DC-FSA plans for the following year. Outside of that time period and during the plan year, new higher education employees who want to enroll in flex will do so via paper form provided by their ABC and the ABC will then work with this Contractor to transmit the flex enrollment.</p> <p>The State will provide all HSA enrollments throughout the year and our own new year flex</p>

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
			enrollments to the Contractor each year via file transmittal around Thanksgiving.
RFP A4G	75.	Define what you mean by adjudication rate of 90% Do you mean validate or substantiate the expense automatically at a rate of 90%?	90% or more of all debit card transactions should be automatically substantiated without the plan member needing to provide an EOB or itemized receipt. This should be attainable since during this contract all of the state's contractors (medical TPAs, PBM, vision and dental vendors) will be required to provide ongoing claims files to the Contractor and the Contractor will be required to receive and load them.
A.4.g	76.	What is the current auto-substantiation rate?	Since 2021 it has ranged from 83%-87% but that has also been without medical TPA, PBM, vision and dental contractors providing claims files. We are currently working on implementing that before 1/1/25 and expect that amount to increase.
A.4.x	77.	Is the State (and its entities) agreeable to arranging a reserve account of funds with the Contractor in which is replenished regularly for claims to be paid out from? This would require an upfront lump sum of money to be provided to the Contractor in advance of the plan launch in order to pay out immediate claims. If the latter is not approved, is the State (and its entities) willing to establish an ACH in which funds can be deducted as eligible claims and/or HSA contributions are submitted or made?	This description implies an imprest account, and the State has noted in the RFP and pro forma contract that an imprest account is not permitted for Central State employees. The State will allow an ACH debit process for reimbursement of FSA expenditures at least weekly for Central State employees. Please refer to A.4.x. concerning the requirement that the Contractor work with each agency as to its FSA funding process.
A.5.c	78.	Does the incumbent support in person Open Enrollment events at no cost today?	There is not a cost associated with this, and all costs are part of the regularly paid monthly administrative fees. The incumbent typically does not attend in person annual enrollment events unless asked by a higher education institution and there must be at least 100 or more participants expected.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
A.10	79.	Does the State require prior approval of all communications, including systematic account-related communications such as substantiation request emails, etc?	We do typically approve all member messaging. If you have standard notification messages for events such as substantiation requests, we will only need to approve the messaging during implementation, not each time it was issued.
A.4.r	80.	How many underspent FSA qualified events occur on average annually in which a COBRA notice is warranted?	Average number of Cobra notices sent to participants in 2021- 251, 2022- 501, and 2023- 629.
A.4.r	81.	How many FSA COBRA Qualified Beneficiaries elect the FSA via COBRA today?	For Central State, five (5) or fewer each year.
A4.r	82.	Is the incumbent managing the FSA COBRA for the State today? If so, what is the pricing model utilized (per event/communication, per FSA covered employee per month, etc)?	Yes. It is incorporated into their existing monthly administrative fee.
A.7.	83.	Please confirm the timing of the Debt Substantiation report. Section A.7.p states the report should be available by July 30 and the date listed in the <i>Pro Forma Contract</i> states December 15.	In the current HSA/FSA contract, the Debt Substantiation report for Central State is due by February 15 of the second year, and that is how Benefits Administration prefers to continue receiving this report under this contract: the 2026 report would be due by 2/15/2028, the 2027 report would be due by 2/15/2029, and so on. See amendment item #6.
A8W	84.	How does the state define complaint. Many calls are simply questions, so is this an appeal or dispute of a claim?	Simple questions by plan members or guidance sought by them would not be complaints. The state defines a member complaint as a situation where a member calls Customer Care frustrated and wants to escalate their situation to a manager or supervision to effectuate a resolution, or where a member emails with a legitimate complaint to the Contractor. Standard and ongoing customer service issues would not be considered "complaints."
Contract A.13 f.	85.	Is it permissible to issue a card for the limited purpose FSA and a separate card for the HSA? Some systems do not allow the HSA to be on the same card as an FSA.	No, the state and higher education prefer a single debit card with different purses on it for



RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
			the HSA and the L-FSA for ease of member use and simplification.
A.21	86.	Please confirm if the “website go-live” date of September 15, 2025, is related to enrollment functions or the actual live website with participant data.	Enrollment functions. However, the contractor must have the online portal on their splash page live from 10/1/25-10/31/2025 for all higher education flex participants to enroll in their 2026 flex benefits. Benefits for all flex and HSAs go live on 1/1/2026 as noted in the contract.
A21 Section B	87.	Does the awarded vendor begin billing the State of TN in March of 2025 on the “effective date”	No, the implementation period from March 2025-December 2025 is not eligible for payments to the Contractor. The Contractor is expected to work with the State and higher education institutions to implement the contract successfully during this time period and may bill during the period where benefits are live and in place from January 2026-December 2030 and also for the runout period of 2030 claims from January 2031-May 2031.
Contract C.6.b(3)	88.	Are the fees charged subject to sales or use tax?	If this question refers to the monthly administrative fees for FSAs, L-FSAs, DC-FSA, and/or HSAs, no.
D.27	89.	With respect to D.27 Entire Agreement ( <b>page 101</b> ), is the State agreeable to the following edit:  Entire Agreement. <a href="#">The Administrative Services Agreement, and T</a> his Contract <del>is</del> <a href="#">are</a> complete and contains the entire understanding between the Parties relating to its subject matter, including all the terms and conditions of the Parties’ agreement. <del>This Contract</del> <a href="#">The Administrative Services Agreement</a> supersedes any and all prior understandings, representations, negotiations, and agreements between the Parties, whether written or oral.	The State does not agree.
Contract D.32.e	90.	The amount of insurance required is excessive and not consistent with industry norms. Is a lesser amount of insurance acceptable?	See amendment item #8 below.
Attachment B	91.	Please confirm if the State is willing to accept redlines to their proposed Performance Guarantees.	See answer to question #49.

RFP SECTION		QUESTION / COMMENT	STATE RESPONSE
Attachment C	92.	#8 Define how a "complaint" is defined. Escalations, appeals?	Please refer to the answer for question #84.
Contract Attachment D	93.	Please confirm if the State would be open to establishing a percentage metric tied to the KPI for the Average Speed of Answer.	This question needs clarification. Please clearly state what contract references or KPI metric you suggest changing and provide specific language that you suggest so that the state can evaluate it in the next round of questions.
Attachment E	94.	With respect to Attachment E., our Administrative Services Agreement (ASA) for HSA/FSA contains all HIPAA-required BAA terms. Is the State in agreement that once the ASA has been provided and reviewed that the carrier will not need to sign a separate BAA as part of its contractual provisions as it relates to FSA/HSA services?" Will the state accept edits to the BAA agreement if the ASA is not accepted?	The State does not agree. The successful Respondent will be required to sign the HIPAA BAA. Respondents may submit redlines to the HIPAA BAA in the second round of Written Questions and Comments.

3. Delete the headings in RFP Section 1.1 in their entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted). Renumber any subsequent sections as necessary.

**2023 FSA enrollment, contribution amounts, and forfeitures for the State, UT, and TBR-**

	Health care reimbursement FSA	Dependent care	Limited purpose FSA
<b>State</b>			
• Enrollment	4,629	332	223
• Contributions	\$4,635,970.84	\$1,144,642.71	\$135,928.35
• Forfeitures	Not yet available	Not yet available	Not yet available
<b>University of Tennessee (UT) system</b>			
• Enrollment	1,667	223	11
• Contributions	\$1,937,549.90	\$877,285.46	\$69,940.00
• Forfeitures	Not available	Not available	Not available
<b>Tennessee Board of Regents (TBR) and associated entities</b>			
• Enrollment	1,603	114	94
• Contributions	\$1,851,721.33	\$349,890.62	\$61,345.04
• Forfeitures	Not available	Not available	Not available

**2024 FSA enrollment, contribution amounts, and forfeitures for the State, UT, and TBR-**

	Health care reimbursement FSA	Dependent care	Limited purpose FSA
<b>State</b>			
• Enrollment	4,915	339	227
• Contributions	\$5,174,741.88	\$1,209,307.38	\$115,964.97
• Forfeitures	Not yet available	Not yet available	Not yet available
<b>University of Tennessee (UT) system</b>			
• Enrollment	1,771	233	129
• Contributions	\$2,213,513.12	\$936,818.72	\$86,476.33
• Forfeitures	Not available	Not available	Not available
<b>Tennessee Board of Regents (TBR) and associated entities</b>			
• Enrollment	1,574	109	111
• Contributions	\$2,016,676.88	\$393,969.79	\$78,639.92
• Forfeitures	Not available	Not available	Not available

4. Delete RFP Question B.16 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted). Renumber any subsequent sections as necessary.

<b>B.16.</b>	<p>Provide up to five (5) customer references from individuals for projects similar to the goods or services sought under this RFP and which represent:</p> <ul style="list-style-type: none"> <li>▪ two (2) accounts Respondent currently services with at least one of them covering <b>25,000</b> lives and the other covering at least <b>15,000</b> lives; <b>and</b></li> <li>▪ three (3) completed projects.</li> </ul> <p>References from at least three (3) different individuals are required to satisfy the requirements above, e.g., an individual may provide a reference about a completed project and another reference about a currently serviced account. The standard reference questionnaire, which must be used and completed, is provided at RFP Attachment 6.4.</p>
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	<p>References that are not completed as required may be deemed non-responsive and may not be considered.</p> <p>The Respondent will be solely responsible for obtaining fully completed reference questionnaires and ensuring they are e-mailed to the solicitation coordinator.</p> <p><b>Reference questionnaire and instructions for submission are included with the RFP.</b></p> <p>NOTES:</p> <ul style="list-style-type: none"> <li>• The State will not accept late references or references submitted by any means other than the two which is described above, and each reference questionnaire submitted must be completed as required.</li> <li>• The State will not review more than the number of required references indicated above.</li> <li>• While the State will base its reference check on the contents of the reference e-mails, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires and may consider clarification responses in the evaluation of references.</li> </ul> <p>The State is under no obligation to clarify any reference information.</p>
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**5. Delete Pro Forma Contract Sections A.3.v in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted). Renumber any subsequent sections as necessary.**

- v. The HSA shall have no minimum balance requirement to open or maintain the account and Member fees shall not vary based on the account balance. Fees related to overdrafts are permissible and must comply with the fee schedule outlined in contract section C.3. Contractor shall require that a Member have a minimum HSA deposit account balance of \$1,000 before any funds over that can be invested.

**6. Delete Contract Attachment C, #14 in its entirety and insert the following in its place (any sentence or paragraph containing revised or new text is highlighted). Renumber any subsequent sections as necessary.**

- 14. **Debt Substantiation report(s)**, submitted annually by February 15 for the previous calendar year on Central State employees to the State via secure email in compliance with contract Section A.7.o.

**7. Delete Pro Forma contract D.32.c in its entirety and renumber any subsequent sections as necessary.**

a. ~~Automobile Liability Insurance~~

- 1) ~~The Contractor shall maintain automobile liability insurance which shall cover liability arising out of any automobile (including owned, leased, hired, and non-owned automobiles).~~
- 2) ~~The Contractor shall maintain bodily injury/property damage with a limit not less than one million dollars (\$1,000,000) per occurrence or combined single limit.~~

**8. Delete Pro Forma contract D.32.d in its entirety and renumber any subsequent sections as necessary.**

b. Technology Professional Liability (Errors & Omissions)/Cyber Liability Insurance

- 1) The Contractor shall maintain technology professional liability (errors & omissions)/cyber liability insurance appropriate to the Contractor's profession in an amount not less than three million dollars (\$3,000,000) per occurrence or Claim and ten million dollars (\$10,000,000) annual aggregate, covering all acts, Claims, errors, omissions, negligence, infringement of intellectual property (including

copyright, patent and trade secret); network security and privacy risks, including but not limited to unauthorized access, failure of security, information theft, damage to destruction of or alteration of electronic information, breach of privacy perils, wrongful disclosure and release of private information, collection, or other negligence in the handling of confidential information, and including coverage for related regulatory fines, defenses, and penalties.

- 2) Such coverage shall include data breach response expenses, in an amount not less than five million dollars (\$5,000,000) and payable whether incurred by the State or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services and expenses in the performance of services for the State or on behalf of the State hereunder.

**9. Delete RFP #31786-00182 in its entirety, and replace with RFP #31786-00182, Release #2.**

Revisions of the original RFP document are emphasized within the new release. Any sentence or paragraph containing revised or new text is highlighted.

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