

Q&A TO THE MANDATED BENEFIT REVIEW REQUEST FOR PROPOSALS

Q. The proposed contract terms set forth in the RFP do not contain a limitation on damages clause. This creates a risk profile for the proposer that is higher and broader than what is customary in the industry and what is necessary to provide adequate protection to CID. We propose that a limitation on damages clause be incorporated into the resultant contract that places reasonable, commercially standard parameters on the proposer's liability obligations. Is CID willing to incorporate such a clause into the final contract?

A. As stated in the RFP, CID is not willing to negotiate the terms or conditions of the contract.

Q. The proposed contract terms set forth in the RFP contain indemnification terms that are broader than what is customary in the industry and what is necessary to provide adequate protection to CID. We propose that an indemnification clause be incorporated into the resultant contract that places reasonable, commercially standard parameters on the proposer's obligations. Is CID willing to negotiate such terms into the final contract?

A. As stated in the RFP, CID is not willing to negotiate the terms or conditions of the contract.

Q. The RFP lists seven mandated benefits required for individual and/or group insurance. Will CID be providing any data or other resources for use in the analysis or pricing of the listed mandated benefits?

A. We would expect the actuarial contractor, in collaboration with the University of Connecticut Center for Public Health and Health Policy will determine what data or other resources are necessary for the analysis as required by the Public Act.

Q. The RFP indicates that the selected contractor will begin the benefit review process no later than October 1, 2009. Is there a known deadline for completion of the evaluation and review of the listed mandated benefits and associated deliverables?

A. As stated in the Public Act, the Insurance Commissioner must issue a report on the analysis to the Insurance and Real Estate Committee of the General Assembly no later than January 1 of the year following the requested review. In order to meet that deadline we expect a report to be

delivered by the University of Connecticut to the Insurance Commissioner by mid-December.

Q. The RFP states specific benefits that are to be included in the fixed-fee pricing. It is also stated that the initial term of the contract will be a two year period. Are there known follow-up projects or tasks that are to be included in the proposal? If so, which tasks are to be included in the fixed fee price and which would be billed based on hourly rates?

A. Rates have been requested on both an hourly rate or a per mandate review rate. The fees should include all costs associated with completing the statutory requirement.

Q. Item #30 in the “Agreement for Consulting Services” section of the RFP indicates that the agreement will include any “legislative, administrative, legal or regulatory proceedings that may arise as a result of the Evaluation”. The level of effort required pursuant to the above listed proceedings is difficult to project in advance of the project. Should costs associated with these types of proceedings be included in the fixed fee, or may they be billed hourly as incurred?

A. Rates have been requested on both an hourly rate or a per mandate review rate. The fees should include all costs associated with completing the statutory requirement.

Q. Please provide any available information regarding the expected number of contractor hours associated with evaluation and review of the seven benefit types listed in the RFP.

A. It is expected that the contractor will identify a projected number of hours to complete the task based on experience in having performed such a review.