

	State of South Carolina Request for Proposal Amendment 3	Solicitation Number: PEBA0102016 Date Issued: 08/12/2016 Procurement Officer: Georgia Gillens, CPPO, CPPB Phone: (803) 734-0010 E-Mail Address: GGillens@peba.sc.gov
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DESCRIPTION: **Tobacco Cessation Services for the S.C. Public Employee Benefit Authority**

USING GOVERNMENTAL UNIT: **S.C. Public Employee Benefit Authority (PEBA)**

The Term "Offer" Means Your "Bid" or "Proposal". Unless submitted on-line, your offer must be submitted in a sealed package. Solicitation Number & Opening Date must appear on package exterior. See "Submitting Your Offer" provision.

SUBMIT YOUR OFFER by the appropriate date and time below and following the instructions on Page 3.

SUBMIT OFFER BY (Opening Date/Time): **08/29/2016 11:00 AM E.T.** (See "Deadline For Submission Of Offer" provision)

QUESTIONS MUST BE RECEIVED BY: **Passed** (See "Questions From Offerors" provision)

NUMBER OF COPIES TO BE SUBMITTED: See Page 3. If no redacted copy is being provided, initial here _____

CONFERENCE TYPE: Previously held. DATE & TIME: 07/20/2016 10:30 AM <small>(As appropriate, see "Conferences - Pre-Bid/Proposal" & "Site Visit" provisions)</small>	LOCATION: SC Public Benefit Authority _____ 200 Arbor Lake Drive, Room 210A Columbia SC 29223
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AWARD & AMENDMENTS	Award will be posted on 09/12/2016 . The award, this solicitation, any amendments, and any related notices will be posted at the following web address: http://www.procurement.sc.gov
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You must submit a signed copy of this form with Your Offer. By submitting a bid or proposal, You agree to be bound by the terms of the Solicitation. You agree to hold Your Offer open for a minimum of one hundred and twenty (120) calendar days after the Opening Date. (See "Signing Your Offer" and "Electronic Signature" provisions.)

NAME OF OFFEROR <small>(full legal name of business submitting the offer)</small>	Any award issued will be issued to, and the contract will be formed with, the entity identified as the Offeror. The entity named as the Offeror must be a single and distinct legal entity. Do not use the name of a branch office or a division of a larger entity if the branch or division is not a separate legal entity, i.e., a separate corporation, partnership, sole proprietorship, etc.	
AUTHORIZED SIGNATURE <small>(Person must be authorized to submit binding offer to contract on behalf of Offeror.)</small>		
TITLE <small>(business title of person signing above)</small>	STATE VENDOR NO. <small>(Register to Obtain S.C. Vendor No. at www.procurement.sc.gov)</small>	
PRINTED NAME <small>(printed name of person signing above)</small>	DATE SIGNED	STATE OF INCORPORATION <small>(If you are a corporation, identify the state of incorporation.)</small>

OFFEROR'S TYPE OF ENTITY: (Check one) (See "Signing Your Offer" provision.)		
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Partnership	<input type="checkbox"/> Other _____
<input type="checkbox"/> Corporate entity (not tax-exempt)	<input type="checkbox"/> Corporation (tax-exempt)	<input type="checkbox"/> Government entity (federal, state, or local)

PAGE TWO

(Return Page Two with Your Offer)

<p>HOME OFFICE ADDRESS (Address for offeror's home office / principal place of business)</p> 	<p>NOTICE ADDRESS (Address to which all procurement and contract related notices should be sent.) (See "Notice" clause)</p> <p align="right">_____ Area Code - Number - Extension Facsimile _____ E- mail Address</p>
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<p>PAYMENT ADDRESS (Address to which payments will be sent.) (See "Payment" clause)</p> <p>____ Payment Address same as Home Office Address ____ Payment Address same as Notice Address (check only one)</p>	<p>ORDER ADDRESS (Address to which purchase orders will be sent) (See "Purchase Orders and "Contract Documents" clauses)</p> <p>____ Order Address same as Home Office Address ____ Order Address same as Notice Address (check only one)</p>
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ACKNOWLEDGMENT OF AMENDMENTS Offerors acknowledges receipt of amendments by indicating amendment number and its date of issue. (See "Amendments to Solicitation" Provision)							
Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date	Amendment No.	Amendment Issue Date

<p align="center">DISCOUNT FOR PROMPT PAYMENT (See "Discount for Prompt Payment" clause)</p>	10 Calendar Days (%)	20 Calendar Days (%)	30 Calendar Days (%)	_____ Calendar Days (%)
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PREFERENCES - A NOTICE TO VENDORS (SEP. 2009): On June 16, 2009, the South Carolina General Assembly rewrote the law governing preferences available to in-state vendors, vendors using in-state subcontractors, and vendors selling in-state or US end products. This law appears in Section 11-35-1524 of the South Carolina Code of Laws. A summary of the new preferences is available at www.procurement.sc.gov/preferences. ***ALL THE PREFERENCES MUST BE CLAIMED AND ARE APPLIED BY LINE ITEM, REGARDLESS OF WHETHER AWARD IS MADE BY ITEM OR LOT. VENDORS ARE CAUTIONED TO CAREFULLY REVIEW THE STATUTE BEFORE CLAIMING ANY PREFERENCES. THE REQUIREMENTS TO QUALIFY HAVE CHANGED. IF YOU REQUEST A PREFERENCE, YOU ARE CERTIFYING THAT YOUR OFFER QUALIFIES FOR THE PREFERENCE YOU'VE CLAIMED. IMPROPERLY REQUESTING A PREFERENCE CAN HAVE SERIOUS CONSEQUENCES.*** [11-35-1524(E)(4)&(6)] **PREFERENCES DO NOT APPLY.**

PREFERENCES - ADDRESS AND PHONE OF IN-STATE OFFICE: Please provide the address and phone number for your in-state office in the space provided below. An in-state office is necessary to claim either the Resident Vendor Preference (11-35-1524(C)(1)(i)&(ii)) or the Resident Contractor Preference (11-35-1524(C)(1)(iii)). Accordingly, you must provide this information to qualify for the preference. An in-state office is not required, but can be beneficial, if you are claiming the Resident Subcontractor Preference (11-35-1524(D)). **PREFERENCES DO NOT APPLY.**

____ In-State Office Address same as Home Office Address
____ In-State Office Address same as Notice Address **(check only one)**

IMPORTANT NOTICE

**AMENDMENT #3
REQUEST FOR PROPOSAL – PEBA0102016**

Tobacco Cessation Services

PLEASE NOTE: The original Request for Proposal document was superseded and replaced in its entirety by Amendment 1. Amendment 2 includes a new schedule of events that establishes a deadline for follow-up questions based on Amendment 1. Amendment 3 answers follow-up questions to Amendment 1. It is recommended that Offerors, discard all superseded documents as described above and refer and respond only to Amendment 1, Amendment 2 and Amendment 3. Please continue to check the following website for updates: <http://www.mmo.sc.gov/PS/PS-eip-solicitations.phtm>

No additional questions will be considered. The deadline for questions has passed.

AMENDMENTS TO SOLICITATION (JAN 2004)

(a) The Solicitation may be amended at any time prior to opening. All actual and prospective Offeror's should monitor the following web site for the issuance of Amendments: www.procurement.sc.gov (b) Offeror's shall acknowledge receipt of any amendment to this solicitation (1) by signing and returning the amendment, (2) by identifying the amendment number and date in the space provided for this purpose on Page Two, (3) by letter, or (4) by submitting a bid that indicates in some way that the bidder received the amendment. (c) If this solicitation is amended, then all terms and conditions which are not modified remain unchanged. [02-2A005-1]

Solicitation # PEBA0012015 has been amended as follows:

Pages 23-24, Amendment 1, replace Eligibility Section with the following:

B. Eligibility Determination and Computer Support

1. PEBA shall determine and maintain eligibility and enrollment information. PEBA shall provide the Contractor, on a daily basis, an electronic file of eligibility updates including adds, terminations and changes since the last file transmission. The Contractor shall accept, process, maintain and update eligibility information from the files provided by PEBA on a daily basis. The Contractor shall verify eligibility from eligibility data provided by PEBA. The Contractor shall refer to PEBA, for consideration and PEBA's final decision, any questions with respect to subscriber or dependent eligibility for benefits.
2. PEBA's eligibility database shall be considered the system of record and eligibility data stored on the Contractor's systems must mirror the eligibility data maintained by the state. Any modifications to the Contractor's system needed to accommodate PEBA eligibility data shall be done at the Contractor's expense.
3. PEBA shall provide the Contractor, on a schedule determined by PEBA, a full positive enrollment file. It is anticipated that this type of file shall be provided by PEBA to the Contractor on an annual basis.
4. The Contractor shall comply with HIPAA provisions related to Electronic Transaction Standards.
5. PEBA conforms to the standard X12 834 data transmission. PEBA shall provide the Contractor with file transfers of eligibility through electronic data interchange. Data transfer shall be performed by FTP using VPN tunnel. The contractor shall accept and deliver eligibility data through this method.
6. The Contractor shall comply with PEBA's 834 Medical Companion Guide, which has been written to assist in implementing the ASC X12N 834 Benefit Enrollment and Maintenance Transaction Set.
7. The Contractor shall provide PEBA with a daily acknowledgement of files received and entered in Contractor's system.
8. The Contractor shall provide PEBA with a daily processing report, in a format acceptable to PEBA, of any transactions that did not update when eligibility data sent from PEBA to the Contractor was entered into the Contractor's system.
9. The Contractor shall provide PEBA with a monthly membership file, containing only members and their dependents in an active status, for comparison to PEBA's database. PEBA will accept the file by FTP using VPN tunnel.
10. PEBA assigns a Benefits Identification Number or BIN that is used in lieu of the subscriber's Social Security Number. The Benefits Identification Number is eight (8) numeric digits, randomly generated by PEBA. The Contractor will be required to accommodate the use of BIN numbers.
11. PEBA shall provide to the Contractor the ability to inquire into PEBA enrollment eligibility. The Contractor shall utilize Employee Benefit Services (EBS) to respond to any enrollment questions from

subscribers and/or providers. The Contractor shall notify PEBA's Operations Manager when one of their employees, who have previously been granted access to EBS leaves employments so that the employee's user rights to EBS can be deleted.

12. The Contractor shall be responsible for transmitting and maintaining data security and confidentiality as required by state and federal law, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
13. The Contractor shall maintain database backups in a manner that will eliminate disruption of service or loss of data due to system or program failures.

Page 24, Amendment 1, replace Customer Service Section with the following:

C. Customer Service

1. The Contractor shall provide a toll-free customer service telephone line and customer service personnel and equipment necessary to support the toll-free telephone service. The system must have the capacity to handle multiple, simultaneous in-bound and out-bound calls.
2. The customer service call center shall provide live response to assist subscribers, providers and PEBA administrative staff via dedicated toll-free customer service telephone line(s), fully staffed with knowledgeable customer services representatives (not a recording), and open for at a minimum of 12 p.m. to 8 p.m. eastern time and open on the same business days as PEBA. The Contractor will be required to demonstrate that it has established and staffed telephone lines by November 15, 2016.
3. The customer service call center must have the capacity to channel callers to the most appropriate trained staff to meet the needs of the caller.
4. The Contractor shall have the capability to provide after-hours service.
5. Provide callers with a survey instrument to gauge customer satisfaction with the Contractor. Measures should include, but are not limited to, wait time, courtesy of staff, knowledge of product, willingness to assist, and problem resolved/question answered. Satisfaction survey results shall be submitted to PEBA quarterly with a minimum 95% overall satisfaction rate with key components identified. **An assessment of \$2,500 per quarter shall be levied against the Contractor for each quarter the Contractor fails to obtain a 95% overall satisfaction rate as liquidated damages for the Contractor's failure to meet this performance standard.** The survey instrument shall be subject to review and approval by PEBA.
6. Annually conduct and submit the results to PEBA of a Satisfaction Survey for participants to gauge satisfaction with the tobacco cessation program. Coordinate with PEBA on the development of the satisfaction survey. The results of the Satisfaction Survey shall be submitted to Georgia Gillens, PEBA.

All other terms and conditions remain unchanged.

The following questions were submitted in writing by Vendor B. (Answers follow.)

1. Regarding Attachment #9, the utilization data provided in the Excel file: Can you confirm the tobacco cessation coaching in 2015 consisted of 312 enrollments with 32 completing the program?

A: Confirmed.

2. Regarding Attachment #9, the utilization data provided in the Excel file: Can you please explain the discrepancy between coaching enrollments (312 in 2015) and those with drug products (1,459 in 2015). Does the latter include drug product utilization for members who enrolled in 2014?

A: In 2015, there were 312 unique members participating in the current tobacco-cessation program. The 1,459 represents the unique count of members who either participated in the tobacco-cessation program or had a prescription for a tobacco-cessation product.

3. Regarding Attachment #9, the utilization data provided in the Excel file: Can you confirm no brand name drugs are included in those totals?

A: Brand name drugs are included in these totals.

4. Relative to over 462,000 eligible members, 312 coaching enrollments in 2015 is extraordinarily low. Can you please comment on why enrollments are so low, whether this coaching utilization is representative of prior year and what expectations you have for the new vendor to deliver? Has there been any change to engagement marketing over the years?

A: While the State Health Plan has a tobacco surcharge, employees self-report their tobacco use. This self-reporting may lead to lower participation in the tobacco-cessation program and is representative of prior year's participation. PEBA expects the contractor to use effective marketing to grow participation in the program so that tobacco users are encouraged to get the needed help to quit.

5. In the scope of work, Section B Eligibility of Subscribers and Computer Support it states, "The Contractor shall provide a secured encrypted VPN tunnel for purposes of permitting selected PEBA authorized staff to make online inquiries and/or have eligibility update and entry capabilities of the Contractor's system." Can you provide some guidance as to what PEBA is trying to accomplish? Does PEBA require access to our internal systems? Additionally, can you clarify the need for PEBA Staff to have access to make eligibility updates as the eligibility will be submitted and acknowledged daily?

A: Please delete this requirement. See Eligibility Section above.

6. In the scope of work, Section C, Customer Service: Can PEBA clarify if this metric is intended for customer service satisfaction or participation satisfaction based on coaching interactions? Has this survey been in place for prior years and what have been the parameters as the number of completers may not be statistically significant?

A: The metric is intended for customer service satisfaction and not participation satisfaction based on coaching interactions. This survey is in place for the current vendor providing behavioral health services as the tobacco-cessation program is a part of this contract. The survey does not break-out results specific to the tobacco-cessation program. See Customer Service Section above.

7. In the scope of work, Section D Communications and Training: Can you supply the number of mailings that have been conducted on an annual basis as mailing costs can drive up the cost of the program? Are there any estimates on the number of posters printed or other materials that were developed?

A: For 2015 and 2016 the following types of materials were produced by the incumbent in digital format. No print mailings were done.

Tobacco cessation marketing campaigns
Information for email use
Digital banners
Power Point slides
Newsletter blurbs
Various fliers
Various posters

8. Regarding print fulfillment for which the vendor will be responsible, could you please specify either a print fulfillment budget or a number of mailings that should be accounted for in the vendor proposals so that all vendors can apply the same print fulfillment assumptions? As described in the requirements and noted in the Q&A, the State may or may not require an unspecified number of print communications. Given the large population, the costs of a single mailing to each household is significant, and thus different vendor assumptions may result in very different pricing. Example requirement: "Vendor is responsible for print fulfillment and postage for up to two mailing per year to each household."

A: PEBA is interested in alternative methods of member communications to include providing turnkey toolkits for employer use to market and promote the tobacco-cessation program to employees. PEBA can also use its member-based communications methods to promote and educate members on the tobacco-cessation program as well as the Plan's coverage of tobacco-cessation products through the prescription drug benefit.

Currently there are 21,233 subscribers paying the tobacco surcharge. Should a mailing be done, it would be to that segment of the population.