

## Attachment 21 – Questions and Answers

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

1. **PDF Pg. 7 – Schedule of Key Dates in the Proposal Process**  
Pre-proposal conference and final deadline for submission of all questions **10/09/2024**  
  
**PDF Pg. 14 – Part 1; 1.34 Pre-Proposal Conference/submission of questions:** There will be a Pre-Proposal Conference at **10am ET on Tuesday, October 9, 2024**, at the South Carolina Public Employee Benefit Authority, 202 Arbor Lake Drive, Board Room, Columbia, South Carolina.  
  
**A:** The pre-proposal conference was Wednesday, October 9, 2024. See Amendment 1.
2. **Attachment 16: Questions and Answers from PEBA 0352022**
  - a. **Can vendors rely on PEBA’s answers to previous solicitation of Third Party Administration of the State Flexible Benefits Plan PEBA 0352022?**  
  
**A:** While the previous questions might provide insight, each solicitation is a separate and distinct document. The deadline for questions has passed. Any questions regarding the current solicitation must have been made by the appropriate deadline.
  - b. **If previous answers would not apply to current solicitation, would PEBA provide a list of which answers would not apply to current solicitation?**  
  
**A:** See answer to Question 2.a.
  - c. **Or do vendors need to resubmit similar questions already answered by PEBA 0352022?**  
  
**A:** See answer to Question 2.a.
3. **3.15.5 Please confirm that written waivers, issued by PEBA before the date of the agreed upon time for completion and changes by mutual agreement, will avoid the necessity to withdraw penalty fund from the security.**  
  
**A:** Confirmed.
4. **3.9.4 Conduct an annual Employer Satisfaction Survey**  
**Is the most recent employer satisfaction survey available for review?**  
  
**A:** The most recent Employer Satisfaction Survey questions are available in Amendment 2 as Attachment 20.
5. **7.5 Contract Documents & Order of Precedence (May 2024):**  
**Will PEBA agree to our depositor agreements to control this relationship first and foremost, and then the documents listed in 7.5 fall in order?**  
  
**A:** No. The order of precedence applies. Offerors must include any other required agreements, such as depositor agreements, with their proposal. These agreements cannot contradict PEBA’s terms and conditions.

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

**6. Are you willing to waive the corporate seal requirement on the “Nonresident Taxpayer Registration Affidavit Income Tax Withholding” form if our signers Incumbency Certificate is included with our corporate seal?**

**A:** Questions regarding this form must be referred directly to the S.C. Department of Revenue.

**7. Can you provide the total number of employees that are currently enrolled in the group’s HDHP?**

**A:** As of October 1, 2024, there are 11,869 subscribers in the Savings Plan.

**8. What are the total HSA plan assets – including a breakdown between cash vs investment balances?**

**A:** As of September 30, 2024, the cash account balance is \$13,728,183.80 and the investment fair market value is \$6,471,142.45.

**9. 3.13.1: Please confirm if each individual payroll center will be funding actual payroll contributions for the one separate account established in PEBA’s name? This account would then be used to fund claim payments.**

**A:** Confirmed.

**10. 3.13.1: Please describe the current HSA contribution funding process and whether the HSA contributions can be maintained in the same bank account that will receive the FSA payroll contributions. Does the State allow the contractor to ACH funds from a State-owned account?**

**A:** Currently, the administration of flexible spending accounts and Health Savings Accounts are under separate contracts. Each contract requires a bank account in PEBA’s name for the purpose of receiving Participant contributions from employers. For this contract, it is acceptable to maintain one account in PEBA’s name to receive all contributions from employers (flexible spending accounts and Health Savings Accounts). The Contractor can transfer contributions via ACH from the account to the Health Savings Account Trustee(s) as required by Section 3.7.2.

**11. 3.12.3 and 3.12.4: Please confirm that PEBA is willing to sign an NDA with our technology provider prior to receiving the SOC 1 and SOC 2 reports along with the security questionnaire?**

**A:** No. Refer to Section 1.29 for details about submitting confidential information.

**12. 3.3.5: Please confirm that all 632 payroll centers are sending/uploading HSA and FSA payroll contributions separately.**

**A:** Confirmed.

**13. 3.3.5: Please confirm if there is a requirement to send the administrative fees (PPPM) fees to each individual payroll center monthly. Would a report/invoice broken out by the various populations/payroll centers be sufficient if provided monthly?**

**A:** The Contractor does not have to invoice each payroll center monthly. Payroll centers will remit administrative fees and contributions to the Contractor according to their individual pay cycle, but no less than monthly, based on enrollment data from PEBA.

**14. 3.7.9: Please confirm that it is acceptable for retired participants to continue to have access to their HSA account and pay the monthly PPPM (orphan) fees upon retirement. How will PEBA provide eligibility for current retirees with an active HSA account?**

**A:** Retirees can access their HSA funds in retirement but cannot contribute pretax after they leave covered employment. Currently, the administrative fee for HSAs is deducted from the bank account and is not remitted via payroll deduction.

**15. 5.1.4.3: How many automated contribution files do the various payroll entities expect to implement? What percentage of the 632 centers would be uploading contributions through the Employer Portal?**

**A:** Currently, employers report deductions using a common file format or by entering payroll deduction data manually through a secure portal. Each employer is responsible for reporting and sending funds for the actual amount of each payroll deduction every payroll cycle.

**16. 3.11.1: Please confirm if PEBA would be open to the Contractor providing additional PG's that would be measured against the contractor's book of business and were not specific to PEBA such as claims processing accuracy metrics?**

**A:** Offerors must respond to Section 5.1.4.11 and provide their PEBA-specific monthly performance standards and related liquidated damages for deviation from those performance standards. Offerors can also propose additional performance guarantees as long as those performance guarantees do not conflict with PEBA's performance measurements listed in Section 5.1.4.11.

**17. 3.4.2: Would PEBA be amenable to a claim turnaround time of 98% of claims processed in two business days and 100% within 5 days that measured across the contractor's book of business?**

**A:** No.

**18. 5.1.5.7: To avoid violating our current client contracts, would PEBA be amenable to receiving an anonymized list of clients notated as public or private sector along with other key program information.**

**A:** PEBA will accept an anonymized list of clients if all other information is listed, including public sector vs. private sector; what industry the client represents; the programs for which services are provided; the number of participants for each program; and the number of years you have been retained.

The required references requested in Section 5.1.5 Offeror's Background and Experience, Item 9, must be completely transparent.

19. **With respect to 7.39 (b), PEBA references 7.37(a), please advise if the 7.37 (a) reference is correct. If not, please advise the appropriate provision to be referenced.**

A: Section 7.39(b) should reference Section 7.39(a). Similarly, Section 7.40(b) should reference Section 7.40(a).

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

20. **Section 5.1.5, question 9 of the RFP (p.38) states that bidders must “provide not less than three (3) public employee reference accounts...” including number of participants at each employer. – When citing the number of participants managed under each employer, is it expected that bidders will include all participants covered by their custodial bank for HSAs (HSA Administration)? Are “accounts under management” assumed to be owned by the Administrator contractually?**

A: Yes.

21. **Section 3.7.7 (p. 22) of the RFP states that bidders must “Provide a fiduciary institution for the Health Savings Account that is a bank, credit union or IRS approved nonbank HSA trustee...” – When you refer to IRS approved nonbank HSA trustees, are you referring to the FDIC’s list of nonbank trustees attached? (Sourced from [Approved nonbank trustees and custodians | Internal Revenue Service \(irs.gov\)](https://www.irs.gov/retirement-plans/approved-nonbank-trustees-and-custodians)) <https://www.irs.gov/retirement-plans/approved-nonbank-trustees-and-custodians>**

A: Yes.

22. **Section 3.13.1 (p. 26) of the RFP states that “accumulated funds.... Shall be invested in short-term interest-bearing investments that are FDIC insured.” – This section refers to investments, but the bid does not state that the custodial account for HSA funds must be FDIC insured. Is that a requirement?**

A: It is PEBA’s intent that the Contractor maintain one account in PEBA’s name to receive all contributions from employers (flexible spending accounts and Health Savings Accounts). This account should be FDIC insured. See answer to Question 10.

23. **Referencing the PEBA language above (Section 3.13.1), is it PEBA’s intention that all HSA interest bearing accounts that are not invested (FDIC insurance does not cover stock investments, bond investments, mutual funds, crypto assets, life insurance policies, annuities, municipal securities, and safe deposit boxes-- [Your Insured Deposits | FDIC](#)) should be FDIC insured with the custodial bank or nonbank trustee for PEBA member health savings accounts?**

A: PEBA expects the HSA trustee to set up and manage HSAs in accordance with federal rules and regulations. Refer to Sections 3.7.1 and 3.7.6. Offerors should explain their approach to managing HSAs in their proposals.