



**Responses to Inquiries
RFP 21-01
Retirement Medical Benefits Account Administration**

December 17, 2021

1. Please describe the current participant experience.

a. Do participants access a website to view the value of their account while in-service?

Answer: Active Employee Participants (in-service participants) can view the value of their account at <https://www.soisb501.com/>.

b. Do participants have access to a mobile app for either investments or claims submission?

Answer: The current HRA Administrator provides a mobile app for Retired Participants which allows for the following:

- Request a reimbursement
- View account balances, View pending claims
- Download forms, including a claim form
- Update personal information, including email addresses, physical addresses, and telephone numbers
- Add mobile number to start receiving alerts via text message

Active Employee Participants do not currently have access to account information via a mobile app.

c. Do participants have access to a debit card for payment of claims?

Answer: Payment of claims is by Direct Deposit or check only.

2. Does INPRS have a preference for fee structure (e.g. Asset Based Fees or Hard Dollar per account fees)?

Answer: The fee structure should be hard dollar by account.

3. Does the RMBA allow for submission of claims for all expenses described in Internal Revenue Code Section 213(d) or are claims limited to insurance premiums (medical, dental, vision, and long term care)?

Answer: For the foreseeable future, claims will be limited to insurance premiums.

4. Please describe how investment earnings and assets are currently being tracked?

Answer: Investment earnings and assets are tracked with monthly Bank of New York Mellon (INPRS's custodian bank) reports.

5. We noted assets are 100% invested in intermediate U.S. government bonds and U.S. credit bonds. Are these investments in individual securities/issues or are plan assets invested in '40 Act Mutual Funds, CIT's, or separately managed accounts?

Answer: Investments are in a separately managed account managed by INPRS's RMBA asset manager, State Street Global Advisors.

- a. We noted participants do not have other investment options. Is there a desire to change this and provide participants with access to a diversified investment menu that might mirror INPRS' Defined Contribution Fund?

Answer: Providing other investment options is not in the scope of this RFP and is not currently required by INPRS. However, INPRS would like to know if your firm can support this capability in case INPRS decides to add it in the future. Please answer Question #1 in Part IX of the Questionnaire (Appendix C).

6. Are there plans to post contributions to participant accounts more frequently than annually?

Answer: No.

7. Would INPRS prefer to have daily valuation of investments and associated earnings or does the current investment structure preclude this?

Answer: Providing daily valuation of investments is not in the scope of this RFP and is not currently required by INPRS. However, INPRS would like to know if your firm can support this capability in case INPRS decides to add it in the future. Please answer Question #2 in Part IX of the Questionnaire (Appendix C).

8. Active Employee Participant Database –

- a. How is demographic information transmitted to the current HRA Administrator (Key Benefit Administrators) to maintain this database?

Answer: As described in the RFP in Section 3.3.2 – Current Processes, data is currently transmitted to the current HRA Administrator by sending Excel spreadsheets via email. As part of their proposals, RFP respondents should propose methods of automation.

- b. Are there automated feeds established for this database?

Answer: No. As described in the RFP in Section 3.3.2 – Current Processes, data is currently transmitted to the current HRA Administrator by sending Excel spreadsheets via email. As part of their proposals, RFP respondents should propose methods of automation.

- c. Is demographic information in the database integrated with any of INPRS other plans (e.g. Defined Benefit, Defined Contribution)?

Answer: No.

9. Section-3 Scope of Services:

a. Active Employee Participants

- i. #9. What is the expectation of the delivery of an annual statement for Active Employee Participants? Currently KBA provides this through a website. Clarify if other means of delivery (email/US Mail) is required.

Answer: Currently, the Active Employee Participant account balance information is only available via a web portal. However, in the future INPRS may decide it is necessary to improve participant experience by delivering account balance information by other means (e.g. email / U.S Mail).

b. Retired Participants

- i. #10. What is the expectation after the inactive Participant is identified? What is the process and tasks that will be required after the inactive participants have been identified?

Answer: Send initial welcome packet when individuals become eligible for RMBA. If welcome packet comes back as undeliverable, make a note in the participant's file.

- ii. #12. What is the expectation of the delivery of an annual statement for Retired Participants? Currently KBA provides this through a website. Clarify if other means of delivery (email/US Mail) is required.

Answer: Currently, the Retired Participant account balance information is only available via a web portal. However, in the future INPRS may decide it is necessary to improve participant experience by delivering account balance information by other means (e.g. email / U.S Mail).

c. Additional Requirements

- i. #5. Clarify “all information” as it relates to Active Employee data.

Answer: The same information as is currently available in the Active Employee Participant database and Retired Participant database should be accessible from a single portal.

- ii. #6 Provide Call Center support to participants. Does this include Active Employee Participants?

Answer: INPRS will continue to provide Call Center support for Active Employee Participants. It is possible that at some time in the future INPRS may ask the HRA Administrator to take responsibility for Call Center support for Active Employee Participants.

10. Attachment A is blank. Was something omitted?
11. Attachment C is blank. Was something omitted?

Answer: No. Attachments A, B and C on pages 38 to 40 of the RFP are attachments to the Sample Contract for Services. These attachments will be drafted during contract negotiations.

12. Why has INPRS decided to bid these services at this time (fees, service issues, standard due diligence, etc.)?

Answer: The Indiana State Budget Agency (SBA) was originally responsible for the RMBA plan. In July 2013 SBA entered into a contract with Key Benefit Administrators (KBA) for administration of the RMBA plan. Responsibility for RMBA was transferred from SBA to INPRS July 1, 2019 and the Key Benefit Administrators contract was assigned to INPRS. It has been nine years since an RFP was last issued for RMBA plan administration services, so INPRS is performing its due diligence by issuing a new RFP. In addition, the framework for the current RMBA administrative processes was largely established by the State Budget Agency and, as described on page 16 of the RFP (Section 3.3.2 – Current Processes), INPRS is asking respondents to propose solutions that improve on the current processes.

- a. Are there service level concerns with the current administrator?

Answer: See above.

- b. If no service issues, what would be the catalyst for INPRS to change administrators?

Answer: See above.

13. How long has the current administrator provided services to the INPRS?

Answer: See Question 12.

14. Can INPRS confirm the effective date of the Plan services presented in this RFP?

Answer: TBD

15. What is the current administrative fee for the benefits INPRS is seeking? Can INPRS confirm all participant fees are deducted from interest earnings?

Answer: The current administrative fee is \$.40/participant per year for Active Employee Participants and \$3.70/participant per month for Retired Participants. Confirmed that participant fees are deducted from earnings.

16. Can INPRS confirm the current investment rate of return for the Plan investments?

Answer: The calendar year (Jan to Nov) YTD current investment rate of return is - .41%.

17. Have Plan participants seen investment growth (additional contributions) into their accounts after admin fees over the last 12 months?

Answer: Yes, the participants saw net investment growth in their accounts over the past fiscal year (Jul 2020 to June 2021).

18. Does INPRS have new technological objectives for administration of these services?

Answer: As described on page 16 of the RFP (Section 3.3.2 – Current Processes), INPRS is asking respondents to propose solutions, including technological solutions, that improve on the current processes.

19. Has INPRS received a PLR regarding the operations of the Plan from the IRS?

Answer: INPRS, specifically, has not received a PLR for the operations of the Plan.

20. Is INPRS open to adjustments in the custodian relationship present in the Plan operations today if it provided additional benefits to the Plan and participants?

Answer: As described on page 16 of the RFP (Section 3.3.2 – Current Processes), INPRS is asking respondents to propose solutions that improve on the current processes. Regarding the custodian relationship, the Bank of New York Mellon will continue to be INPRS's custodian bank throughout the term of contract that results from this RFP.

21. Can INPRS confirm that there are no individual investment options for the participants in the Plan? Is there interest in establishing the ability for participants to direct the investment of their account?

Answer: See Question 5a.

22. Can INPRS confirm that only 4 categories of Insurance premiums are eligible for reimbursement? Has INPRS exploring allowing for other categories of qualified health care expense to be eligible for reimbursement?

Answer: For the foreseeable future, claims will be limited to insurance premiums.

23. Can INPRS confirm if a debit card is made available to retired claims eligible participants? Would the ability to provide a debit card be compelling for the Plan?

Answer: Payment of Retired Participant claims is by Direct Deposit or check only. INPRS does not desire to provide a debit card.

24. Does the current services provider provide any audit or hold harmless guarantees to the Plan regarding Plan operations?

Answer: Please refer to the Sample Contract for Services included in the RFP as Appendix A.2.

25. What is the current administrator's claims processing turnaround time for claims processing?

Answer: 5 to 7 days.

26. Do retired claims eligible participants have the option to request recurring premium reimbursements from the current service provider?

Answer: Retired Participants can request recurring premium reimbursements. The current HRA Administrator will reimburse claims for each month as the month becomes eligible for reimbursement.

27. Can INPRS confirm the customer care of active employee participants is handled by INPRS? Would INPRS be interested in these participants being supported by the new service provider?

Answer: INPRS will continue to provide Call Center support for Active Employee Participants. It is possible that at some time in the future INPRS may ask the HRA Administrator to take responsibility for Call Center support for Active Employee Participants. Any substantial change in services would require an amendment and agreement on costs of such a change.

28. Does the current service provider provide an annual SBC for the Plan?

Answer: No.

29. Does the current service provider provide PCORI support for the Plan?

Answer: No.

30. Does the current service provider provide COBRA support for the Plan?

Answer: No.

31. Has INPRS explored provision of the Path Act of 2015 as it relates to heir death benefit provisions which would allow for a distribution to non-dependent heirs or is the Plan following IRS Rev Ruling 2006-36 restricting reimbursements upon the death of a claims eligible participant to a legal spouse and tax qualified dependent?

Answer: No. As per our statutes and rules, only a Retired Participant and the Retired Participant's covered dependents are entitled to receive benefits from the plan.

32. Can INPRS confirm the intent of Attachment A, B, C on pages 38,39, and 40 of the RFP?

Answer: See Questions #10 and #11.

33. Please describe your current fee structure, including any administrative fees paid to the incumbent provider and fees charged for claims handling. Please also include which fees are paid by the participant and which are paid by INPRS.

Answer: The current administrative fee is \$.40/participant per year for Active Employee Participants and \$3.70/participant per month for Retired Participants. All fees are paid by INPRS.

34. Are fees charged according to the participant's employment status, i.e. is the fee for active participants different from the fee for retirees?

Answer: See Question 33.

35. Would INPRS be willing to provide a copy of the current plan document and/or adoption agreement? If yes, please provide in your response.

Answer: Title 35 Article 23 of the Indiana Administrative Code (IAC) constitutes the "plan document" for RMBA. See page 13 of the RFP.

36. Is INPRS able to provide data on customer service center call volume for both active and retired participants? If yes, please provide in your response.

Answer: For Active Employee Participants, the INPRS Contact Center receives about 80 calls per month regarding RMBA. The Current HRA Administrator receives about 776 calls per month from Retired Participants.

37. What is the extent of the duties related to the preparation and distribution of welcome packets? Is this a responsibility you would consider delegating to the TPA?

Answer: Currently the HRA Administrator distributes the Welcome Packets to Retired Participants after review and commentary from INPRS. Please refer to the RFP for further information on the responsibilities of INPRS and the HRA Administrator regarding preparation and distribution of Welcome Packets. As described in the RFP in item 10 under Additional Requirements in Section 3.3.1, the HRA Administrator must retain records of all correspondence with RMBA participants.

38. We intend to provide information related to the "future state" desired by INPRS. Is there a desire to implement the new state during conversion, or does INPRS prefer to discuss it as a longer term strategy to a future implementation?

Answer: As described on page 16 of the RFP (Section 3.3.2 – Current Processes), INPRS is asking respondents to propose solutions that improve on the current processes. INPRS might decide to implement some elements of the respondent's proposed solution during conversion and other elements may be considered for future implementation.