



STATE OF TENNESSEE  
**RFI # 309.01-141-09**  
**AMENDMENT # 1**

March 31, 2009

**THE SUBJECT RFI IS HEREBY AMENDED AS FOLLOWS:**

**C.4. Following is the RFI schedule:**

March 24, 2009 Confirmed	State issues RFI
March 27, 2009 Confirmed	Deadline for vendor's RFI questions
March 31, 2009 Confirmed	Deadline for State response to questions
April 13, 2009 Confirmed	Vendor responses due

**The following State responses to the questions detailed shall amend or clarify this RFI accordingly.**

NOTICE: Any restatement of RFI text in the Question/Comment column below should not be construed to change the actual wording of the RFI document.

QUESTION/COMMENT	STATE RESPONSE
<p>1) <b>Question concerning your information requested in Section C1. With respect to the integration with PeopleSoft, what information is expected to update between the two systems and what will be the frequency of the updates?</b></p>	<p>At present, the PeopleSoft system is used for FSA enrollment, enrollment and allocation changes, payroll deductions, claims entry, claims payment, and accounting. This RFI is to gather information. Accordingly, we have not mandated which functions must belong to each system. Please describe the FSA functions that your system can perform, the FSA functions that your system must perform, and which FSA functions you would suggest remain in PeopleSoft.</p> <p>Frequency of specific updates will depend on your processes and what is possible between the systems. For example, participation changes due to termination must be updated daily, but updates between systems may be less often if your system allows or requires an employer to enter this information directly. For a second example, we want our participants to be able to view their claims status online. We expect daily or weekly updates for any system that sends this data to the PeopleSoft system for online access, but no updates may be required if participants have access to their claims through your system.</p> <p>In general, we would expect the systems to exchange or reconcile data at least twice a month.</p>

QUESTION/COMMENT	STATE RESPONSE
<p>2) <b>Could you please expand on what you're looking for in the description of "management controls" and "financial controls" under C.1.a.?</b></p>	<p>We are looking for process descriptions that assure that business rules are being followed and for reports that tell us what needs our attention. For instance, you may want to tell us how your system checks for duplicate claims and denies overpayment and what, if any, reports are available.</p> <p>We are looking for financial process descriptions. For instance, you may want to explain how and when your system or service receives and disburses funds. Also, we are looking for a description of what detailed accounting information is available from your system.</p> <p>Please describe the management and financial controls in your system or service.</p>
<p>3) <b>It appears that the state is looking for software assistance, essentially, not outsourced administration. Is this correct?</b></p> <p><b>If so, would the state be interested in outsourced administration?</b></p>	<p>This RFI is to gather information. We will consider outsourced administration of FSA and look forward to receiving information from those vendors.</p>
<p>4) <b>Do you believe the state would be interested in using a debit card program? This would allow participants to use a debit card loaded with their election amount for payment of eligible expenses, which would eliminate the need to file a claim.</b></p>	<p>The State may be interested in using a debit card program, but has not made that decision at this time.</p> <p>Please indicate whether you provide a debit card option and, if you offer that option, how your program substantiates claims and handles paid claims that require additional substantiation.</p>
<p>5) <b>Could you please advise if this RFI is for the software of a flexible benefits information system?</b></p>	<p>This RFI is to gather information. We are considering changing the way we administer and manage our FSA program. We are open to the option of purchasing flexible benefits software that would integrate with our PeopleSoft application. We are open to other options, as well.</p>
<p>6) <b>The only question I have at this stage of the process is whether you were interested in offering an FSA Debit Card to your participants. With the technology advancements that have come along over the past few years, it has actually become less expensive for us to serve our clients where a debit card is the primary means for accessing funds, though we would still always allow manual claims to be submitted.</b></p>	<p>Please refer to our response to question 4 above.</p>
<p>7) <b>Does the State want to complement Edison's FSA functionality by purchasing software in the market place?</b></p>	<p>This RFI is to gather information. We may issue an RFP to purchase software to complement Edison's FSA functionality, or we may choose a different path.</p>
<p>8) <b>Is the State interested in looking at a complete outsourced solution for their FSA?</b></p>	<p>Please refer to our response to question 3 above.</p>
<p>9) <b>Would the State prefer to purchase additional software or outsource FSA?</b></p>	<p>This RFI is to gather information. At this point, we have not established a preference.</p>

QUESTION/COMMENT	STATE RESPONSE
10) <b>Has the State done an ROI to determine if it is more cost effective to purchase software for FSA or outsource?</b>	No. Analysis is underway.
11) <b>If so, what was the result?</b>	Please refer to our response to question 10 above.
12) <b>Is the State interested in increasing participation in FSA and Commuter to increase FICA savings?</b>	Yes, the State is interested in increasing participation in FSA and Commuter programs, as those programs benefit the State and its employees. Increasing participation is not the primary driver of this RFI.
13) <b>Does the state use co-payments for health insurance and prescriptions or co-insurance?</b>	The State offers different insurance programs to its employees. Some use co-payments and some use co-insurance.
14) <b>Has the State ever used a health care debit card? If so, how was the experience.</b>	No, to date the State has not used a health care debit card.
15) <b>If the State has never used a health care debit card, would they be open to using one?</b>	Please refer to our response to question 4 above.
16) <b>Has the State ever outsourced their FSA? If so, how was the experience?</b>	Yes, the State outsourced its FSA when the program was initiated in 1989. After an initial FSA out-source period, the State chose to install a software system to bring FSA processing in-house.  Also, please refer to our response to question 3 above.
17) <b>If the State has not outsourced their FSA, why not?</b>	Please see our response to question 16 above.