



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

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Request for Proposal – Health Care Claims and Reimbursements Audit of Third-Party Administrators: Questions Submitted to SERS

Submissions have been combined into composite questions in cases where multiple potential bidders submitted similar questions.

Question 1: Please confirm that both the Choice POS II and Traditional Choice plans are included in the medical claims audit. Please confirm that AultCare is not included in the medical claims audit.

Answer: Choice POS II will be included; Traditional Choice will not be included. AultCare is not included in the medical claims audit.

Question 2: Please confirm whether a single statistical sample can be selected from all claims processed by Aetna or whether separate samples are required for POS and traditional plans.

Answer: The Aetna Traditional Choice plan will not be included. SERS will defer to the selected auditor to use an appropriate sample size and methodology in accordance with the audit plans agreed upon with the administrators.

Question 3: Is there stop loss insurance on the Aetna medical plans? If so, what is the attachment point? Is Express Scripts pharmacy expense included under the stop loss insurance coverage, if any?

Answer: SERS does not carry stop loss on the retiree plans for medical or pharmacy.

Question 4: What are the enrollment numbers between the Aetna plans and the Marketplace plans?

Answer: Aetna Choice POS II has approximately 3,000 enrollees, the Marketplace Wrap has approximately 400 enrollees.

Question 5: Can you provide the audit rights language from SERS' agreements with Aetna and UMR? If not, can SERS disclose the sample size that will be supported by each administrator, if such a limit is described in the administrative agreement?

Answer: Please see Appendices A and B for relevant language. SERS will defer to the selected auditor to use an appropriate sample size and methodology in accordance with the audit plans agreed upon with the administrators.

Question 6: Does SERS have a desired statistical sample size in mind for the medical claims audit? For the HRA audit?

Answer: SERS will defer to the selected auditor to use an appropriate sample size in accordance with the audit plans agreed upon with the administrators. The most recent claims audit with Aetna included 180 claims in the random sample. The reimbursements associated with the Wraparound HRA plan administered by UMR have never been audited. UMR processes approximately 1,000 to 2,000 reimbursement requests annually.

Question 7: The Cost Proposal in Appendix C of the RFP includes three rows that were not included in the scope of services: Load Eligibility, Pharmacy Claims Crossover, and Performance guarantees and fees-at-risk. Were these included in error?

Answer: Appendix C is intended to serve as a guide for providing proposed fees for the total project broken down into key milestones. Vendors may include more detail than presented in Appendix C to account for the total cost of the project. For example, a bidder may suggest that loading claims data should be a milestone separate from performing the electronic claims audit.

“Load Eligibility” refers to the selected auditor loading eligibility data provided by SERS. “Performance Guarantees” refers to an audit of performance guarantees that are included in SERS’ contracts with the administrator(s) and any fees at risk. “Pharmacy Claims Crossover” was included in error.

Question 8: Can SERS please confirm its intent to take a hybrid approach on this claim audit – meaning a combination of a targeted sample of claims based on results of the 100% screening coupled with a stratified, random sample.

Answer: Confirmed, SERS will defer to the selected auditor to use an appropriate sample size and methodology in accordance with the audit plans agreed upon with the administrators.

Question 9: Is SERS currently performing the RFP scope of work and if not, who currently performs the work and how long performing this work.

Answer: SERS does not currently perform this scope of work. The Aetna Choice POS II audit was most recently performed by CTI. CTI performed three medical claims audits for SERS covering claims incurred in 2016-2017, 2018-2019, and 2020-2021. The reimbursements associated with the Wraparound HRA plan have never been audited.

Question 10: Are there any benefit or payment concerns related to the vendors for the audit period(s)?

Answer: SERS does not have specific concerns aside from those identified in the RFP.

Question 11: Can you confirm the RFP timeline dates?

Answer: Potential bidders should refer to the tentative timetable in the RFP document. These dates have not changed since the issuance of the RFP. All dates are subject to modification by SERS without prior notice.

Question 12: Do your audit rights include the audit of rebates for medical specialty pharmacy claims?

Answer: Yes, please see Appendix A for other relevant language.

Question 13: With what frequency are medical pharmacy rebates paid to SERS?

Answer: Quarterly.

Question 14: Who holds the contracts with the pharmaceutical manufacturers that describe the terms of the rebates? Is the medical pharmacy rebate program administered by CVS Caremark or Aetna or other entity? If Aetna or other, what is the location of the office hosting rebate audits?

Answer: CVS Caremark holds the medical benefit rebate contracts with the pharmaceutical manufacturers; however, the rebate program is administered by Aetna. Therefore, the rebate audit will be conducted on-site at Aetna's Scottsdale location. Please note question B.3. in Appendix A in the RFP.

Question 15: SERS received multiple questions concerning the scope of the medical specialty pharmacy rebate audit. We are able to provide the following information.

Answer: The rebate audit scope includes the top manufacturer contracts that comprise up to 50% of the total rebate value for the audit period. Such review of pharmaceutical company contracts may include formulary and Rebate provisions to the extent permitted by such contracts and shall be limited to information necessary for validating the accuracy of the Rebate amounts remitted to the Plan Sponsor by Aetna. More information concerning rebateable claims will be provided for the audit sample after a NDA is signed at the time of the audit.

Question 16: Is the HRA administered in Cincinnati or in another UMR office? If other, where is the office located?

Answer: The corporate office is in Wausau, WI. UMR has indicated that the audit can be conducted remotely.

Question 17: If a participant elects the HRA plan and selects a UHC marketplace plan, can UMR coordinate the HRA with the UHC plan electronically, eliminating the need for the participant to file claims with UMR for UHC plan deductibles, etc.?

Answer: There is currently no coordination between UMR and the plans. Members submit copies of their EOB to UMR and receive payments for qualifying expenses.

Question 18: Does UMR provide debit cards to SERS HRA plan participants?

Answer: No, payments are made as reimbursements for qualifying expenses.

Question 19: How are claims filed with the HRA vendor?

Answer: Claims can be sent to UMR either by mail or electronically to a specified e-mail address or by fax.

Question 20: How would SERS provide proof of eligibility of members for the HRA plan?

Answer: SERS will provide an eligibility file with an identical format to the Aetna Choice POS II eligibility file.

Question 21: When did UMR assume administration of the HRA?

Answer: UMR assumed claims administration for dates on service on or after 1/1/2023. It is possible that reimbursement data for 2022 and 2023 will be generated from different systems.

Appendix A: Aetna Contract Language

ARTICLE IX - AUDIT RIGHTS

Section 9.1 Audit Principles

- (a) Vendor acknowledges the importance of System ensuring the integrity of the business relationship between Vendor and System by engaging from time to time in audits of System's financial arrangements with Vendor and Vendor's performance and obligations under this agreement. Vendor will make every reasonable effort to address System's concerns by facilitating a responsive and responsible audit process.
- (b) An audit permitted under the Agreement may be conducted by any entity chosen by System in the reasonable exercise of its discretion and is not precluded from serving as an auditor by Schedule 9.1(b) (an "Auditor").
- (c) An audit involves a review, conducted by System or an Auditor, of Vendor's performance under the terms of the Agreement and financial matters related to that performance or of like matters as to any party supplying Services to System under an arrangement of any type with Vendor. An audit may pertain to any aspect of the Agreement, including, but not limited to, a review and verification of:
 - (i) the payment of claims for health care services provided to Participants;
 - (ii) discounts realized by the System or Participants for health care services provided to Participants under those components of the Plan administered by Vendor, including verification of discounts from charges, case rates, per diem rates and any volume discounts;
 - (iii) delivery to any Participant of any products or services for which coverage, reimbursement or payment is claimed or made under components of the Plan administered by Vendor;
 - (iv) the quality of Vendor's performance, as measured against the terms of the Agreement, including especially the SPGs; and
 - (v) all financial matters that pertain in any manner to the components of the Plan administered by Vendor.
- (d) General claim inquiries, which do not require an audit, can be initiated by System contacting Vendor's Account Management Team at any time.
- (e) System shall supply, in the form then required by Vendor, a written request to begin an audit, after which Vendor will retrieve necessary data to perform the audit within thirty (30) days.
- (f) During the term of the Agreement, and at any time within three (3) years following its termination or as otherwise required by law, an audit of Vendor may

be performed either no more than one (1) time within any twelve (12) month period, or at any time if System has reasonable indications, supported by generally accepted accounting standards, that a material error has occurred in the manner in which Vendor is adjudicating, paying or dealing with claims of Participants or otherwise performing any of the Services.

Section 9.2 Audit Procedures

(a) Cooperation

Prior to commencement of an audit, System or Auditor and Vendor shall agree to a timetable and a work plan for the audit (“**Audit Plan**”).

Vendor shall cooperate fully with System and Auditor during the course of an audit. At no cost to System, Vendor shall make available, upon initiation of and throughout the course of an audit, a designated audit team to assist with the audit. The Vendor audit team shall include designated individuals who are knowledgeable in the business operations associated with individual areas of the audit (e.g., coordination of benefits procedures, performance guarantees, determination of eligibility, etc.), individuals from Vendor’s finance department and a primary contact person assigned by Vendor from its audit department. During the course of the audit, Vendor shall use best efforts to minimize changes in the personnel assigned to the audit team except for illness, leave of absence or termination of employment.

(b) Scope

The scope of an audit shall be set forth in the Audit Plan. The initial scope of any audit will cover a period not to exceed a two (2) year period preceding the year in which the audit is conducted. Other aspects of the scope of an audit shall be reasonable in light of industry standards. If Vendor believes the proposed scope of an audit is a substantial variance from industry standards, it must notify System prior to the finalization of the audit plan. In such cases, System shall enter into good faith discussions with Vendor to resolve the concerns raised by Vendor.

(c) Data

At no additional cost to System, Vendor shall provide data through a process and in a medium that are mutually acceptable to Vendor and the Auditor (CD ROM, FTP site, tapes, etc.) within four (4) weeks of request for the data, provided that any data transfer shall comply with HIPAA’s Privacy and Security Rules. Data shall be provided in a format that is fully disclosed to the Auditor and the Auditor shall be provided with a data dictionary. All data elements (data fields) that are requested by Auditor shall be populated with the relevant data.

Vendor shall provide access to its written policies and procedures, records, contracts, and other documents reasonably needed to verify specific components of the audit.

(d) Remote Audits

To the extent feasible, an audit may be performed remotely via electronic transfer or availability of data. Any requested on-site audits shall be conducted during normal business hours at Vendor's offices at such time as reasonably designated by System with at least fourteen (14) days' notice, provided, however, a request to conduct an audit on the basis of a reasonable belief that Vendor is administering any component of the Plan incorrectly or in breach of the Agreement shall take place as specified by System in a notice to Vendor.

(e) Availability of Information

Vendor shall make available to the System or Auditor sufficient information for the review and verification of relevant information as to any of the matters subject to audit, including, as applicable, all claims files and documentation and agreements with providers and applicable information maintained by subcontractors. A manual review of data conducted as part of an audit must be performed at the location where Services are performed in the continental United States.

(f) Retention of Data

During the course of an audit, all data not subject to confidentiality agreements with third parties, including claims detail and any copies of claims (or compilations thereof) supplied by Vendor may be retained by System.

Appendix B: UMR Audit Rights Language

Audit Rights

Plan Sponsor will have the right, upon at least sixty (60) days prior notice and during normal business hours, to periodically audit, at its own expense, utilizing its own claims and auditing staff, any records of TPA relating to the services provided by TPA under this Agreement; any examination of such records shall be conducted during the term of this Agreement or any time within two years following its termination, in accordance with the procedures mutually agreed to between TPA and Plan Sponsor prior to the audit, which shall include entering into a written agreement as to the parties' rights and duties regarding the audit. Plan Sponsor may

designate a representative to conduct the audit and Plan Sponsor shall be responsible for the conduct of such representative during such audit and manner in which such representative uses information disclosed by TPA during the audit. TPA shall be required to supply only such information that is in its possession and which is reasonably necessary for Plan Sponsor to administer the Plan, provided that such disclosure is not prohibited by any third-party contracts to which TPA is a signatory or any requirements of law. Plan Sponsor represents that to the extent any disclosed information contains personally identifiable or health information about a Participant, the Participant has authorized disclosure to Plan Sponsor or Plan Sponsor otherwise has legal authority to have access to such information.