Missouri Consolidated Health Care Plan
Responses to Vendor Questions
2019 Banking and Investment Services RFP
April 24, 2018

These responses are provided by MCHCP to questions received from potential bidders for the 2019 Banking and Investment Services RFP.

	General	Response
1	I noticed there was a depository requirement within the state of MO. Our organization does not have this at this time. Should we remove ourselves from this RFP process?	Pursuant to A2 Minimum Bidder Requirements and specifically, A2.6 - it is required that the bidder has a depository facility in the State of Missouri (not an ATM).
2	Can you please send a copy of MCHCP's current banking and investment services contracts?	MCHCP has provided the current banking and investment services contract as Attachment 4. It is available on MCHCP's website at http://www.mchcp.org/biddingOpportunities/index.asp.
3	Can I please speak to someone at MCHCP or MCHCP's financial advisor? We do not have a previous relationship with MCHCP and we want to know if there is a connection with the advisor or MCHCP staff before we work on a proposal.	MCHCP's investment advisory relations is contractual through 12/31/2018 and within our existing banking and investment services contract.
4	If our organization wanted to bid on the Banking Services only, would we be eliminated if we did not bid on the entire Banking and Investment portion of the RFP?	Pursuant to A1.7, MCHCP prefers to award one comprehensive banking and investment services contract, but reserves the right to award only the banking services and separately bid out the Investment Services portion of the RFP.
5	Can you please provide the following information from your current contractor? • Current interest rate on interest earnings for all accounts in RFP. • Most current analysis statement showing volumes, balances, ECR, etc.	MCHCP does not receive an account analysis statement. All of the items of activity are currently included in the pricing attachment of the RFP.
6	Is MCHCP requiring the financial institution to consult on your current investments being held in the accounts or is MCHCP requiring the financial institution to manage the investments on behalf of MCHCP?	With the awarding of the investment services contract, the contractor will manage the investments on behalf of MCHCP pursuant to the investment policies of the Plan.
7	Could you please provide the total current asset base for all investments?	Capital Markets - $37MM; State Retiree Welfare Benefit Trust - $114MM
8	Section A4.1.4 states that "This account is swept nightly into the Operations Account." Is this nightly funds sweep automatic or manual?	The nightly funds sweep is performed by the contractor and is currently automatic. The bidder may propose an alternate method of funds sweep.
9	How much is invested with the Missouri Consolidated Health Care Plan? How much is invested in with the MCHCP State Retiree Welfare Benefit Trust? Are these two seen as completely independent investment pools?	Capital Markets - $37MM; State Retiree Welfare Benefit Trust - $114MM. See Response to Question - General #13 for average collected balances.
10	Will MCHCP provide a copy of the most recently awarded banking and investment services bid?	MCHCP has provided the current banking and investment services contract as Attachment 4. It is available on MCHCP's website at http://www.mchcp.org/biddingOpportunities/index.asp.
11	Please provide a list of current pricing for bank services.	Please refer to Page 524 of Attachment 4.
12	Is the file transfer automated?	Yes

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13	What is the monthly average collective balance for the sweep account?	The average sweep balances as of January 2018 are illustrated on Attachment 1 - Schedule of Accounts. All balances are swept daily and are paid interest monthly. The average sweep balance for March 2018 are as noted: Medical Operations Account - $22,598,334; Benefit Manager Account - $8,778,977; PE Operations Account - $6,270,187; UMR State Account - $5,633,031; OPEB Payments Account - $4,389,417; Investment Clearing - $3,811,566; UMR PE Account - $1,672,122; Aetna Account - $804,062; Wellness Program Account - $592; Electronic Payments Account (ZBA) - $0
14	Please describe the “Image Statement Fee” on the Schedule of Accounts.	The image statement fee represents the number of monthly statements that include images of cleared checks and deposit slips.
15	Would you be able to provide an analysis statement from your current banking provider?	MCHCP does not receive an account analysis statement. All of the items of activity are currently included in the pricing attachment of the RFP.
16	What is your annual volume for the purchasing card?	Calendar year (CY) 2017 volume was $96,000.
17	What is your average transaction size for purchasing card?	MCHCP has not calculated an average transaction size, but monthly spends ranged from a low of $3,000 to a high of $14,000 per month in 2017.
18	Describe your expense reporting process for purchasing card?	Employees must submit proof of charge via an expense report for supervisory signature at month end. Employees undergo card training before cards are issued.
19	Do you currently have a compensating balance with Central Bank? And if so, what is the dollar amount?	No
20	With respect to ACH activity, what is the highest Debit and Credit file total amounts being processed in any one day? Also, please identify the potential for stacking of files i.e., received files and future settlement dates being held while current files are also being received.	The highest transaction types are payments related to medical claims, pharmacy payments and third party administration (TPA) vendor payments. Medical claims payments range from $7MM to $9MM once weekly. Pharmacy payments are twice a month (2nd and 4th Wednesday) and also range approximately $7MM to $9MM per each transaction. TPA payments are made on the 10th of each month and are approximately $1MM. Other smaller accounts payable ACH transactions are initiated each Friday when accounts payable is processed.
21	Does MCHCP have any special processing requirements (such as end of month or end of year processing)?	Investment returns are posted at each month end for all accounts. All bank statements and bank reporting closes at reports to MCHCP at each month end. MCHCP operates on a fiscal year end of 6/30 each year for financial statement purposes and some related work is performed by our current financial institution for our fiscal year end audits each year. IE. Bank confirmation work and some audit interviews by the external auditor as a normal occurrence of the banking relationship to the Plan's financial statements.
22	What is MCHCP’s current Earnings Credit Rate? What is the formula for calculating this rate?	MCHCP does not receive an Earnings Credit Rate.
23	Does MCHCP plan to circulate the most recent Account Analysis Statement from Central Bank by April 24th?	MCHCP does not receive an account analysis statement. All of the items of activity are currently included in the pricing attachment of the RFP.
24	What software is being used for your AP and AR?	MCHCP's utilizes MS Dynamics for its financial system software.

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25	What type and how many remote deposit scanners does MCHCP work with today? Does MCHCP own the scanners and therefore transferable to a new provider?	MCHCP does not currently utilize remote deposit scanning for deposits.
26	What is MCHCP's average monthly collected balance?	See response to Question #13.
27	The RFP indicates that MCHCP prefers to award one comprehensive banking and investment services contract. However, MCHCP also reserves the right to separately bid out the Investment Services portion. Does this mean that it would also be acceptable for a prospective contractor to bid only on the Investment Services portion, and not the Banking Services?	Pursuant to A1.7, MCHCP prefers to award one comprehensive banking and investment services contract, but reserves the right to award only the banking services and separately bid out the Investment Services portion of the RFP.
28	How many claim payments are made by 1) check and 2) ACH monthly?	March 2018 activity - For our two largest activity accounts - UMR Account - 20,090 payments were made via electronic payment and 5,433 were paid via check. The Aetna Account had 16 unique wire outs for the month of March 2018.
29	What percentage of claims remittance data are sent by 1) paper EOB and 2) ERA as measured by % of paid claims?	Claims payments and remittance information is sent by our third party administrators.
30	Are EOBs and checks printed in house or outsourced to a third party?	Claims payments and remittance information is sent by our third party administrators.
31	What is the claims adjudication system?	Claims payments are not processed and adjudicated by MCHCP. Third party administration for medical claims is through UMR and Aetna. Pharmacy Benefit Management is through Express Scripts.
32	Does the current process support HIPAA compliant 835 version 5010 remittance data and ACA compliant ACH claim payments?	Claims payments are not processed and adjudicated by MCHCP. Third party administration for medical claims is through UMR and Aetna. Pharmacy Benefit Management is through Express Scripts.
33	How many premium payments are made monthly 1) by checks and 2) by ACH?	MCHCP is assuming you are referring to claims payments versus member premium payments to MCHCP. March 2018 claims payment activity - For our two largest claims payment accounts - UMR Account - 20,090 payments were made via electronic payment and 5,433 were paid via check. The Aetna Account had 16 unique wire outs for the month of March 2018.
34	Is a process in place to support EDI payments using the HIPAA 820 premium payment standard or the 835 HIPAA enrollment standard?	Claims payments are not processed and adjudicated by MCHCP. Third party administration for medical claims is through UMR and Aetna. Pharmacy Benefit Management is through Express Scripts.
35	Is MCHCP currently utilizing a PCard or Virtual Pay Program? a. If so, who is the incumbent? b. If so, please provide details (etc. Annual Spend, average ticket, Day to Pay (avg.))	MCHCP utilizes a Pcard program offered through Central Bank. The CY 2017 volume was $96,000.
36	Would it be possible to get a copy of your current A/P Vendor File?	MCHCP does not utilize banking software for vendor set-up and maintenance. Vendor maintenance and history is maintained within MCHCP's MS Dynamics financial reporting software. Banking software is necessary to transmit the ACH payment via the vendor's bank account and bank routing number.

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37	Please provide a further breakdown of the following items: Electronic Credits Paper Credits Paid Checks Electronic Debits	Electronic Credits – 13,005 Paper Credits – 178 (deposits) and 1,199 (deposited items) Paid Checks – 7,876 Electronic Debits - 943
38	Does the third party administrator send check issue files through an FTP protocol or as a direct upload through your online system? How many check issue files are sent monthly?	Third party administrators send positive pay files to the bank for claims payment. UMR, on behalf of MCHCP, processes claims files on a weekly basis. As recent as March 2018, Aetna, on behalf of MCHCP, processed 16 wires out for the month.

	Scope of Work	Response
1	Does MCHCP require a physical banking/trust location in the Jefferson City area of the financial institution? Will that eliminate the financial institution in the RFP process if they do not have one?	Pursuant to A2 Minimum Bidder Requirements and specifically, A2.6 - it is required that the bidder has a depository facility in the State of Missouri (not an ATM).
2	What is MCHCP's needs of the local branch/trust location? Does MCHCP receive cash that needs to be deposited? If so, how often and how much?	MCHCP prepares daily physical deposits transported by MCHCP personnel to the local depository. MCHCP does not accept cash payment for premium.
3	Regarding Section B2.1.2, can you please explain what MCHCP places in those user-defined fields? Does MCHCP produce reports showing that user-defined information and how are they used?	MCHCP does not currently utilize remote deposit services, but wishes to include the possibility of this service should operational needs change.
4	Regarding Section B2.1.17, how many deposit slips will MCHCP need? How many physical deposits are made?	MCHCP prepares daily physical deposits. See Attachment 1 - Schedule of Accounts for deposit activity for January 2018 by account.
5	Regarding Section B2.3.2, does MCHCP require a repurchase agreement? Would an interest-bearing checking account with full collateralization suffice for MCHCP?	Pursuant to B2.3.2, MCHCP prefers a repurchase agreement; bidders may offer an alternative approach for consideration.
6	Regarding Section B2.4.2, can you further explain the email to confirm ACH File totals? Are you receiving an email from Central Bank each time an ACH file is uploaded? If the online system can show ACH File was received by bank, will that suffice?	MCHCP does receive a system generated email and an additional notification via online system of the ACH transmission.
7	Regarding Section B2.7.5, can you provide current interest rate/earnings credit rate MCHCP is receiving today?	Please refer to Page 524 of Attachment 4. MCHCP does not receive an ECR.
8	Regarding Section B2.11, what is the average annual spend on the purchasing card by MCHCP?	Calendar year (CY) 2017 volume was $96,000.
9	Regarding Section B1.2, what does MCHCP's current full account reconciliation consist of from a functionality and reporting standpoint?	MCHCP does not receive a full account reconciliation. See Question 4 above.
10	Sections B2.1.1 and Question E1.4 mentions the need for local depository services. Will the Jefferson City location be the sole location serviced, or does the scope include other locations?	MCHCP's office in Jefferson City, MO will be the sole location serviced.

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11	Section B2.4.2 states "Contractor must provide same-day ACH capabilities and accept e-mail to confirm ACH file totals." Is this currently how MCHCP is handling their ACH file total confirmations? Is MCHCP flexible on the method on which to confirm ACH totals?	MCHCP does receive a system generated email and an additional notification via online system of the ACH transmission.
12	Section B2.11.1 states "MCHCP requires a minimum of forty (40) cards with a maximum of seventy five (75)." What is your current average monthly spend on the overall card program?	The average monthly spend for CY 2017 was $8,000.
13	Regarding Section B2.1.2, how many user defined fields for remote deposit services are required by MCHCP?	MCHCP does not currently utilize remote deposit services, but wishes to include the possibility of this service should operational needs change.
14	Regarding Section B2.1.7, how are physical deposits delivered; employee, courier, armored courier, etc.? How are they processed; real-time, day drop, night drop, etc.	MCHCP's physical deposits are prepared daily by MCHCP accounting staff and courier by MCHCP personnel to the local depository for same day posting.
15	Regarding Section B2.11, what was the total 2017 annual purchasing card program spend? What is MCHCP's current expense reporting process and do you use a card to pay accounts payable vendors?	Employees must submit proof of charge via an expense report for supervisory signature at month end. Employees undergo card training before cards are issued. CY 2017 volume was $96,000.
16	Regarding Section B2.16.6, please define "Safekeeping".	Provide custody for all fixed income holdings to include receipts at the Federal Reserve, collect interest and maturities and all related interest and principal payments and provide postings to related accounts.
17	Regarding Section B2.17.2, would you except LIBOR or Fed rate?	No
18	Regarding Section B2.2.3, how often is there an overdraft on the combined total of state demand accounts? What is the longest timeframe an overdraft has occurred? What was the largest overdraft for the current contract period?	MCHCP has not incurred an overdraft on the combined total of state demand accounts.
19	Regarding Sections B2.3.2 and B2.7.1, are Repurchase Agreements mandatory if we simply provide a net interest checking account that is fully collateralized at a market rate (i.e. no need to sweep anything)?	Pursuant to B2.7.1; contractor must provide an automated repo sweep account. Bidder may offer an alternative approach for consideration.
20	Regarding Section B2.4.5, with the addition of Same-Day ACH in 2015, are you sure this is an up to date requirement?	Confirmed. B2.4.5 should have indicated its reference to non-same day ACH services.
21	Regarding Section B2.6.2, will MCHCP share information on who are their TPA's?	MCHCP's third party administrators for self insured medical claims are UMR and Aetna and Express Scripts for pharmacy benefit management.
22	Regarding Section B2.8.1, what current ERP or accounting software is used and does MCHCP have plans to change or update their software?	MCHCP's utilizes MS Dynamics for its financial system software. We currently are not anticipating a platform change.
23	Regarding Section B2.8.2, would a phone (land line or mobile that provide "out of band" authentication) be classified as an "authentication device" as they allow for greater security than tokens?	Pursuant to B2.8.2; contractor shall provide security tokens or other individual authentication devices which provide strong user authentication. Bidder may offer an alternative approach for consideration.
24	Regarding Section B2.12.1, does the contractor have to provide HSAs to MCHCP members?	Yes
25	Regarding Section B2.13.2, does MCHCP want the physical checks returned?	MCHCP does not want to receive the physical checks.

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26	Regarding Section B2.1.6, fraud prevention tools are required but there are not any fees on the pricing schedule provided for these services. Are they being used currently at no cost or does MCHCP plan on adding these services with the new contract.	MCHCP does currently receive fraud prevention tools within the existing contract at no cost. If necessary, the bidder may propose fees for this service on Exhibit A-1.
27	Regarding Section B2.1.2, do you need each remote deposit user to have a different defined field or do you need different defined fields for each account? Which accounts have remote deposit services?	MCHCP does not currently utilize remote deposit services, but wishes to include the possibility of this service should operational needs change.

Mandatory Contract Provisions		Response
1	Are any of these provisions negotiable?	MCHCP will consider modifications to some provisions. Please indicate any changes on Exhibit E.
2	Confirm that part of the Contract Documents (C1) will include all banking agreements, including but not limited to, Master Treasury Management Service Agreement and Customer Profiles/Service Schedules, Deposit Agreement and Commercial Cards.	Confirmed.
3	We have a Business Associate Agreement form. Will MCHCP use other BAA besides the form provided in the RFP?	We prefer MCHCP's BAA, please indicate changes on Exhibit E.

Exhibit A		Response
1	In Exhibit A-1, the bidder must provide number of basis points either above or below the 91-day T-Bill rate. What balance will be used to calculate the resulting interest to compare the bidders?	Bidders should utilize the balances as provided in Attachment 1 - Schedule of Accounts. MCHCP is funded primarily through the appropriation process of the Missouri General Assembly, contributions from members and investment return. Balances are subject to current and future funding levels and the claims needs of the Plan.
2	In Exhibit A-2, for evaluation purposes, what length of time will be used for the existence of the $30M? 1-2 years?	Yes, bidders should presume a 12-24 month Capital Markets presence. Although, as noted pursuant to B2.15.1, the contractor should assume should claims expenditures necessitate a heightened need for liquidity for claims payment purposes a more accelerated maturity schedule may be necessary.

Missouri Consolidated Health Care Plan
Historical E-Payment Volume

	Apr - Dec, 2017		2018 YTD	
Amount	**Count**	**Total $**	**Count**	**Total $**
0.01 - 100.00	111	$4,649.83	53	$2,267.35
100.01 – 250.00	95	$16,810.07	35	$6,606.00
250.01 – 500.00	31	$11,685.58	32	$10,874.40
500.01 – 1000.00	140	$91,098.18	79	$55,609.29
Over 1000.00	19	$26,767.41	7	$9,503.94
Total	**396**	**$151,011.07**	**206**	**$84,860.98**