

**ADDENDUM #1 – REQUEST FOR PROPOSALS FOR MEDICAL
CLAIMS AUDITING SERVICES
(MAY 19, 2016)**

- 1. *Are we able to view or receive a copy of the entire ASO agreement between the Consortium and Excellus to understand the contractual terms outlined with regards to the scope and requirements of auditing the plans expenses based on the ASO agreement?***

We do not believe it is necessary for the audit company to view the contractual agreement between the Greater Tompkins County Municipal Health Insurance Consortium and Excellus BlueCross BlueShield as the contract does not limit the scope of any audit services nor does it require any fees or expenses to be paid by the Consortium for any audit work conducted.

- 2. *Does the Consortium have access to their full paid claims files for the audit period through alternate sources, such as a broker relationship? This would allow us to provide additional auditing opportunities that extend beyond the limitations (e.g. sample size) that may exist within the ASO agreement.***

The Consortium has access to the entire paid claims files at Excellus BCBS for purposes of conducting an audit. This information is available directly from Excellus BCBS, but can be facilitated through Locey & Cahill, LLC, if necessary. In fact, the last audit conducted by the Consortium included a complete download of the claims file by the auditor and the download process was completed quickly and efficiently by Excellus BCBS.

- 3. *Can you provide the terms of the reinsurance contract with regards to specific deductible, incurred in and paid in terms? This would aid in the selection of appropriate claims for the large loss reviews.***

Currently the GTCMHIC purchases both aggregate and specific stop-loss insurance. The policies provide coverage for all claims incurred during the 2016 Fiscal Year which are paid during the 2016 Fiscal Year and the first three (3) months of the 2017 Fiscal Year {incurred in 12 and paid in 15}. The specific deductible is currently set at \$400,000 without limitation on the maximum amount paid. The aggregate corridor is 125% of the expected claims costs for the year. It should be noted that there is a “laser” for one claimant whose specific deductible is \$1,000,000. If needed detail relative to this member will be provided when the audit is initiated by the successful bidder.