



**Solicitation Information
September 20, 2013**

RFP # 7513369

**TITLE: Individual Medicare Exchange and Health Reimbursement Account (HRA)
Administration Services**

SUBMISSION DEADLINE: October 18, 2013 Time: 2:00 pm (EST)

PRE-BID/ PROPOSAL CONFERENCE: Yes

Date: October 1, 2013 Time: 10:00 am (EST)

Mandatory: No

**Location: Department of Administration, Conference Room "C", 2ND Floor,
One Capitol Hill, Providence RI**

Questions concerning this solicitation must be received by the Division of Purchases at rfp.questions@purchasing.ri.gov no later than **October 1, 2013 at 5:00 PM (ET)**. Questions should be submitted in a *Microsoft Word* attachment. Please reference the RFP# in the subject of all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to monitor the website and download this information.

BID SURETY REQUIRED: No

PERFORMANCE BOND REQUIRED: No

**Daniel W. Majcher, Esq.
Assistant Director, Special Projects**

Vendors must register on-line at the State Purchasing Website at www.purchasing.ri.gov.

NOTE TO VENDORS:

Offers received without the completed three-page RIVP Generated Bidder Certification Form attached may result in disqualification. This form is available at www.purchasing.ri.gov.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

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Appendix A: Limited Use, Confidentiality and Non-Disclosure Agreement

1. PURPOSE

The Rhode Island Department of Administration/Division of Purchases ("Division"), on behalf of the Office of Employee Benefits, is soliciting proposals from qualified organizations to provide individual Medicare Exchange and Health Reimbursement Account (HRA) administrative services for the State of Rhode Island's (the "State") retiree population. The active employees and the non-Medicare-eligible retirees are not part of this RFP. Specifically, the State seeks a partner that will meet the following objectives:

- Administer a HRA for the State's Medicare eligible retiree population; and
- Provide the State's Medicare retirees and dependents nationwide access to fully insured Medicare Advantage (MA and MAPD), Prescription Drug Plans (PDP), Medicare Special Needs Plans, and Medigap plans through a Medicare Exchange.

The State currently provides health coverage for approximately 8,200 Medicare eligible retirees and offers two plan options: Medicare Advantage (HMO) or Plan 65 (Supplemental Medicare Plan). The State of Rhode Island has recently enacted legislation requiring these members to be moved to a private Medicare Exchange during calendar year 2014.

The State will award at a maximum one vendor to administer the Medicare Exchange and HRA administration services.

2. PROPOSAL PROCESS/SUBMISSION GUIDELINES

2.1. General Procurement Process

This procurement for Individual Market Medicare Exchange and HRA administration services will be conducted in accordance with the State's procurement regulations and laws available at www.purchasing.ri.gov.

This section includes instructions for vendors to follow in preparing and submitting proposals. Failure to comply with these instructions in full may result in a vendor's disqualification. The State also reserves the right to reject any and all proposals received or to cancel this Request for Proposal (RFP) at any time in the best interests of the State.

2.2. Instructions and Notifications to Vendors

- a. If a vendor intends to submit a proposal, they will need to request **Attachment C: Confidential Data.xlsx** from the State that contains non-public information (census data for the current Medicare eligible retirees, including unique identifier, group, relationship to the retiree, date of birth, gender, current plan name, state and ZIP Code). Therefore, vendors shall be required to sign the attached non-disclosure/confidentiality agreement, which is located in Appendix A, in order to receive the non-public information.

Organizations may request the CD containing **Attachment C: Confidential Data.xlsx** by emailing rfp.questions@purchasing.ri.gov, with a signed copy of the non-disclosure/confidentiality agreement attached. Vendors should state whether they would like the CD with the worksheets sent by mail or whether they will pick up the CD in person (please include the name of the person who will pick up the CD). An email confirmation will be sent with further instructions. The State reserves the right to investigate any requests for the confidential data in order to make sure the information contained therein will be used for its intended purposes and deny any requests to provide this data at its sole discretion.

- b. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
- c. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive in the sole discretion of the Division of Purchases.
- d. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs. Therefore, the State shall not be responsible in any way, for reimbursement or otherwise, for the Bidder's costs incurred by a Bidder during the procurement process or the contracting period.
- e. Acceptance Period: In consideration of being allowed to submit a proposal, a submitted proposal shall remain valid from the proposal submission date through the first to occur of (i) the date of contract execution, (ii) the date the RFP is cancelled (which the Division may do at any time, in accordance with R.I. Gen. laws § 37-2-23), or (iii) six (6) months after the due date for proposals. Proposals containing an acceptance period of less than the aforementioned period shall be automatically disqualified and rejected. Proposals are considered to be irrevocable and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
- f. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
- g. Proposals misdirected to other state locations, or which are otherwise not present in the Division at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.
- h. It is intended that an award pursuant to this RFP will be made to a prime vendor, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly

indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.

- i. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at www.purchasing.ri.gov. Please include only one (1) W-9 in the original proposal.
- j. A signed and completed four-page RIVIP Vendor Certification Form with a letter of transmittal signed by an owner, officer or authorized agent of the firm or organization, acknowledging and accepting the terms and conditions of this Request, and tendering an offer to the Division. The signature of the official with legal authority to bind an organization into a contractual agreement should also be included. This form is downloadable by registered vendors at <http://www.purchasing.ri.gov>
- k. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
- l. Vendors are advised that all materials submitted to the State for consideration in response to this RFP may be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, and may be released for inspection immediately upon request after an award has been made. Prior to an award and at the time of proposal submission, only the name and location (State) of a Bidder will be made public. In its response to this RFP, each Bidder may designate any portion(s) of its proposal the Bidder deems proprietary or confidential, and which the Bidder believes to be exempt from disclosure, citing the specific statutory authority upon which it relies. A Bidder's assertion of exemption will not be binding on the Division, but will be considered in responding to an "Access to Public Records Request." If a Bidder does not appropriately designate confidential or proprietary portions of its proposal or fails to provide valid legal authority for such designation, all portions of the Bidder's proposal may be subject to disclosure. Any highly confidential documents such as financial statements of the Bidder should be placed in a separately sealed envelope and marked as "confidential."
- m. Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP. It is the responsibility of the Bidder to monitor the Division's website for any addendums.
- n. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) – § 28-5.1-1 Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Opportunity Office at (401) 222-3090 or Raymond.lambert@hr.ri.gov .

- o. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).
- p. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information, contact the MBE Administrator at (401) 574-8253 or visit the website www.mbe.ri.gov or contact charles.newton@doa.ri.gov.
- q. Restrictions on Communications – No Bidder-initiated contact, other than normal business activities not associated with this procurement, will be allowed after the issuance of this RFP between Bidders and State employees or their agents regarding this solicitation, except with express permission of the Division. Any such other contact may be considered improper and may disqualify a Bidder from further consideration. The appropriate channel to direct any communications, concerns or questions regarding the RFP is through the email address provided herein. For technical questions for registering as vendor with State of Rhode Island, the Bidder may contact the Division of Purchases.
- r. State employees are subject to the Rhode Island Code of Ethics, R.I. Gen. Laws § 36-14-1 et seq., § 36-14.1-1 et seq. and Sections 2 (Procurement Structure and Accountability) and 3 (Code of Ethics) of the State Procurement Regulations. Therefore, any gift or employment offer or proposing any business arrangement whatsoever to any member or employee of the State-commissioned evaluation team during the evaluation may be inappropriate. A Bidder making any such inappropriate offer or proposition may be disqualified from further consideration and/or may be otherwise sanctioned in accordance with State Procurement Regulations.
- s. Non-Material and Material Deviations: Failure to furnish all required information or to follow the format specified in this RFP may disqualify a proposal. The Division may or may not (in its sole discretion) waive any material or non-material deviation in a proposal. The Division's waiver of any deviation shall not modify the RFP requirements nor excuse the proposing Bidder from full compliance with the Contract requirements.
- t. Amendments to the RFP: The Division reserves the right to amend the RFP at any time prior to submission. Any amendments will be posted on the Division's website in the form of an addendum.
- u. If a Bidder fails to notify the Division contact person of an error in this RFP which was known or reasonably should have been known to the Bidder, the Bidder shall submit a response at the Bidder's own risk. If awarded the contract, the Bidder shall not be entitled to additional compensation or performance time by reason of the error or its later correction.

Questions concerning this Request for Proposals may be emailed to the Division of Purchases at rfp.questions@purchasing.ri.gov no later than the date and time specified on the cover page of the solicitation. Questions should be submitted in a Microsoft Word attachment. Please reference the RFP number on all correspondence in the subject of the email. Questions received, if any, will be posted on the Division's website as an addendum to this RFP. It is the responsibility of all interested parties to download this information. For computer technical assistance, call the Help Desk at (401) 222-3766 or lynda.moore@doit.ri.gov. Vendors should recognize that the only official answers to any questions are those made in writing and issued by the Division of Purchases which will be posted as an addendum on the purchasing website.

Interested vendors may submit proposals to provide the services covered by this Request on or before the date and time specified in the RFP cover page. Proposals received after this time and date will not be considered. If a Bidder submits more than one (1) proposal, all proposals from that Bidder may be rejected. Within the single proposal, the Bidder may identify offered options, including unsolicited products, services, features, or substitutions, which the Bidder believes may be appealing and useful to the State. Any unsolicited products, services, features, or substitutions will not be evaluated and will be considered only as a value add-on and not a requirement. For purposes of this RFP, the term "Bidder" is defined to include each direct and indirect parent corporations of the entity submitting a proposal in response to the RFP, and each direct and indirect subsidiary of each such parent corporation.

Each Bidder must submit one (1) original plus five (5) bound, paper copies of both the technical and financial proposals. In addition, two (2) electronic copies of both the technical and financial proposals shall be submitted on CDs or flash drives. The financial proposal should be submitted in **a separately sealed envelope** and marked "Financial Proposal". The responses shall be mailed or hand-delivered in a sealed envelope marked "**RFP # 7513369 Medicare Exchange & Health Reimbursement Account (HRA) Administration Services**" to:

**Rhode Island Department of Administration
Division of Purchases, 2nd Floor
One Capitol Hill
Providence, RI 02908-5855**

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or which are otherwise not presented in the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed to the Division of Purchases will not be considered. The official time clock is located in the reception area of the Division of Purchases.

3. BACKGROUND

The State of Rhode Island currently offers health care coverage to retired state workers who, immediately prior to retirement, were employees of the State. In addition, public school teachers who are members of the Employees Retirement System of Rhode Island (ERSRI) may also obtain health care coverage through ERSRI.

Medicare eligible participants, including retirees, spouses or dependent children who are Medicare eligible, have two plan options to choose from: (1) Medicare Advantage HMO and (2) Supplemental 65 Plan, both of which are currently administered by United Healthcare (UHC). A Medicare eligible participant must have both Part A and Part B of Medicare prior to enrollment in either of these plans. For more information on plan benefits, go to www.employeebenefits.ri.gov and click on the link to “Retiree Health.”

On July 13, 2013, the State of Rhode Island passed Article 2 Relating to Medicare Exchange Program for Medicare Eligible Retirees, which amends Sections 36-12-1 and 36-12-4 of the General Laws in Chapter 36-12. This amendment allows the director of the Department of Administration to establish a Health Reimbursement Account (HRA) for each Medicare eligible retiree of the State.

Contributions to each Medicare eligible retiree’s HRA will be determined by the retiree’s years of service with the State. For more information, go to <http://webservice.rilin.state.ri.us/PublicLaws/law13/law13144-02.htm>.

Medicare eligible retirees of the State who will be transitioned to a HRA and the Medicare Exchange will include state retirees and teachers who are members of ERSRI. In addition, Medicare eligible individuals who retired from the Rhode Island Public Transportation Authority (RIPTA) and/or the Board of Governors for Higher Education (BOG) may also be included in the transition; however, each of these entities will make an independent decision as to whether or not it will join the Medicare Exchange. For informational purposes, the current census for each of the three entities is shown below.

Current Medicare Retiree Census			
State Entity	Number of Retirees	Number of Spouses	Total
ERSRI	6,568	1,643	8,211
RIPTA	424	0	424
BOG	784	0	784
TOTAL	7,776	1,643	9,419

During the fiscal year ending June 30, 2013, there were 653 state retirees who aged into Medicare and 157 new retirees eligible for Medicare.

4. CONTRACT/RATE GUARANTEE PERIODS

The State plans to enter into an agreement with the selected vendor(s) effective March 1, 2014 for an initial period of 34 months. The State would like the vendors to guarantee contract period administrative fees through December 31, 2016 in three sequential periods based on the calendar year as outlined in the financial quote worksheet, Attachment B-1: Financial Proposal. Failure to offer guarantees for the full 34 months may negatively impact the analysis of bidders' financial proposal.

After the initial guarantee period through December 31, 2016, the State requires two (2) one-year "option" years to be exercised at the sole discretion of the State. Services shall commence upon completion of the award, contract, and the issuance of a State Purchase Order/Agreement by the Division.

5. EVALUATION & SELECTION

5.1. Evaluation Team

The State will establish and assemble an Evaluation Team, made up of State employees, to review proposals and to make recommendations for award of the contract.

5.2. Evaluation Process General

The State has retained Gabriel Roeder Smith & Company (GRS) to assist in the evaluation process of the proposals.

The Evaluation Team described above will be responsible for conducting a comprehensive and impartial evaluation of all proposals. GRS, in its capacity as a consulting firm, will also review the technical and cost proposals and deliver an analysis of each to the State. GRS will not be playing any role in making the final decision, but will be advising the State. The Evaluation Team will provide a recommendation to the Division, who will be solely responsible for awarding contract(s).

The evaluation process will consist of two (2) separate components. Specifically:

1. Technical Proposal Evaluation
2. Financial Proposal Evaluation

To advance to the Financial Proposal Evaluation phase, the Bidder's technical proposal must receive a minimum of 48 (80%) out of a maximum of 60 technical points. Any technical proposals scoring less than 48 points will not have the cost component either opened or evaluated and the proposal will be removed from further consideration.

The State is committed to the concept of providing its Medicare eligible retirees with a defined contribution into a HRA and retaining an organization experienced with assisting retirees in selecting an individual health plan through a Medicare Exchange. An organization’s ability to minimize costs while offering uniform, high quality services is important.

5.3. Evaluation of the Technical Proposals

Each technical proposal will be evaluated to determine whether it is complete and comprehensive. The State may request clarification of proposals. Proposals deemed by the Evaluation Team to be incomplete, non-responsive, or not in accordance with proposal submission requirements will be disqualified.

Each proposal will undergo a technical review based on responses to the questions and requirements included below. The technical proposal is worth 60 points. The State reserves the right to waive any condition, if waived consistently across all proposals. The primary criteria are:

- Commitment to service the State and its members through high standards of performance;
- Flexibility and innovation in addressing the State’s needs;
- Demonstrated ability to deliver on representations and commitments concerning vendor’s service; and
- Availability of carriers and plans offered on the Bidder’s Medicare Exchange.

The Technical Proposal components are as follows:

Technical Proposal Component	Points Assigned
Organization and Staffing	15
Individual Medicare Exchange Services	20
HRA Administrative Services	20
Performance Guarantees	5
Total	60

The Evaluation Team reserves the right to conduct written or oral discussions with some, all, or none of the vendors during the Technical proposal evaluation.

5.4. Evaluation of Financial Proposals

Evaluation of financial proposals will be based on an analysis and assessment of the responses to Attachment 8: Financial Proposal. The cost proposal is worth 40 points. The cost proposal will not be evaluated unless the Bidder achieves the Technical threshold score. The State reserves the right to waive any condition, if waived consistently across all proposals. Cost components are as follows:

Financial Proposal Component	Points Assigned
Medicare Exchange Services Administrative Fees (PMPM)	40
HRA Administrative Services Fee (PEPM)	

The lowest cost bidder will receive 40 points. Other bidders will receive a proportional number of points based on the following formula:

$$\# \text{ Points Assigned} = 40 \times [\text{Lowest Cost Amount} / \text{Bidder's Cost Amount}]$$

For example, if the lowest cost amount proposed is \$250, then the following scores will be assigned to the bidders:

Cost Proposed	# Points Assigned
\$250	$40 \times (250/250) = 40.00$
\$275	$40 \times (250/275) = 36.36$
\$325	$40 \times (250/325) = 30.77$

Unless all qualified proposals exceed the budget, there will not be any period of time after the submission of the cost proposal where the vendor will have a chance to improve upon their proposal. The cost proposal must reflect the most competitive and final terms the vendor is willing to offer.

The technical proposal and financial proposal are worth a total of 100 points.

6. TIMETABLE & DEADLINES

It is the intent of the State to implement the plan on March 1, 2014. The following timetable is anticipated:

Target Date	Event
September 20, 2013	RFP Issue Date
October 1, 2013	Questions from potential Bidders due in writing to the State via email
October 1, 2013	<ul style="list-style-type: none"> • Pre-proposal conference the State's offices in Providence, RI • Completed Non-Disclosure Agreement (Appendix A) due date
October 8, 2013	Goal for posting of official responses to questions submitted in writing and at the pre-proposal conference
October 18, 2013	Complete proposals submitted via hard copy in a manner specified by the RFP
November 4-6, 2013	Finalist presentations at the State's offices in Providence, RI, if applicable
November 7-8	Tentative Selection of Vendor
November, 2013 thru February, 2014	Implementation
March 1, 2014	Plan Effective Date

This is a tentative schedule and all dates are subject to change at the sole discretion of the State without notice. Finalists selected at the end of the vendor analysis may be asked to participate in vendor interviews. Please keep the weeks noted above open for interviews.

7. TECHNICAL PROPOSAL FORMAT

Bidders shall submit their proposals in accordance with the requirements set forth below. Regarding the Proposal, Bidders are hereby advised of the following:

- Each proposal shall be prepared simply and economically, providing a straightforward, concise description of the Bidder's ability to meet the requirements of this RFP as outlined in Attachment A-3: Administrative Requirements. Emphasis should be on completeness,

clarity of content, responsiveness to the requirements and an understanding of the State's needs. **It is the State's intent to receive proposals that provide substantive content to address the specific information requested in this RFP and not pre-prepared marketing materials.**

- Proposals that are qualified with conditional clauses, alterations, items not called for in the RFP documents, or irregularities of any kind are subject to disqualification by the State, at its option.
- Representations made within the proposal will be binding on the respondent, but not the State. Additionally, the State will not be bound to act by any previous communication or proposal submitted by the respondent other than this RFP and any proposal submitted in response to this RFP.

The Proposal shall include the following sections in the order in which they appear below. Each of the Attachments described in this section must be completed in the MS Excel format in which it is provided.

7.1. Transmittal Letter

A transmittal letter shall be provided with the Respondent's Technical Proposal. The letter should bear the name and address of the Respondent and the name and number of this RFP. The purpose of this letter is to transmit the Proposal(s) and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Respondent to the services and requirements as stated in this RFP.

7.2. Table of Contents

The Proposal shall include a Table of Contents that lists page number references. The Table of Contents should be in sufficient detail to facilitate easy reference to the sections of the Proposal and separate attachments (which shall be included in the main Table of Contents). If supplemental materials are included with the Proposal, each copy of the Proposal must include such supplemental materials. Supplemental information (i.e., information not required) and attachments included by the Respondent should be clearly identified in the Table of Contents and provided as a separate section.

Information which is claimed to be confidential is to be identified on a separate sheet(s) after the Table of Contents in the Respondent's Technical Proposal. Such indication shall include the section(s) and page number(s) and a brief explanation for each claim of confidentiality shall be included.

7.3. IRS W-9 Form – Only required in the proposal marked as “Original.”

As described in Section 2.2(i) of this RFP, the proposal shall include one (1) original IRS W-9, which is downloadable from the Division's website at www.purchasing.ri.gov.

7.4. Rhode Island VIP Vender Certification – Only required in the proposal marked as “Original.”

As described in Section 2.2(j) of this RFP, the proposal shall include a signed and completed four-page RIVIP Vendor Certification Form with a letter of transmittal signed by an owner, officer or authorized agent of the firm or organization. The signature of the official with legal authority to bind an organization into a contractual agreement should also be included. This form is downloadable at <http://www.purchasing.ri.gov>.

7.5. Attachment A_Medicare Exchange & HRA Technical Proposal.xlsm

The following exhibits are located in the MS Excel (version 2007) documents labeled **Attachment A: Medicare Exchange & HRA Technical Proposal** and **Attachment C: Confidential Documents**.

Attachment A: Medicare Exchange & HRA Technical Proposal will be included with the posting on the Division of Purchases website (after retrieving the the RFP, click on the link in the INFO field). **Attachment C: Confidential Documents** will be sent only to those Respondents who submit an executed Limited Use, Confidentiality and Non-Disclosure Agreement (Appendix A).

The Bidder shall complete each of the tabs in Attachment A according to the instructions described below and any additional instructions included at the top of each worksheet.

Cells which have been highlighted in yellow require a response from the Bidder. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Bidder shall not provide a response that is not provided in the drop down list.

Microsoft Excel will only print the first 1,024 characters in each cell. Therefore, please limit the length of your response to 1,024 characters. Additional space has been provided in Attachment A-4b: Additional Questionnaire Answers for the Respondent to continue a response from Attachment A-4a: Questionnaire.

In addition, the unlocked cells will automatically lock if the Respondent pastes an answer into a cell. This will prohibit the user from editing the cell(s) at a later time. The Respondent can use the Undo function to unlock the cell only if changes have not been saved since the paste occurred.

7.5.1. Attachment A-1: Minimum Qualifications

The Bidder shall complete Attachment A-1 by describing how the Bidder satisfies each requirement.

7.5.2. Attachment A-2: Organization Information

The Bidder’s Legal Name entered in Attachment A-2 will automatically be used to populate the Attachment A-8: Deviations & Clarifications and Attachment A-9: Signature Page, in addition to other areas of the MS Excel attachments.

The Bidder shall complete each section of Attachment A-2 as requested. References provided shall include at least one reference for which the proposed account manager currently provides service.

7.5.3. Attachment A-3: Administrative Requirements

The Bidder shall complete the exhibit by selecting either “Agree” or “Disagree” from the drop down list next to each administrative requirement. For each requirement for which the Bidder selects “Disagree”, an explanation must be provided in Attachment A-8: Deviations & Clarifications.

7.5.4. Attachment A-4: Questionnaire

The Bidder shall answer each question in A-4a: Questionnaire completely/briefly in the space provided. If additional space is needed, the response can be continued in Attachment A-4b: Additional Answers to Questionnaire. Continued responses should be labeled clearly with both the Section number (A-4a) and the corresponding question number.

If a drop down list is available, the Bidder shall select a response from the list provided.

7.5.5. Attachment A-5: Subcontractor Questionnaire

The Bidder shall complete one section of the Subcontractor Questionnaire for each subcontractor proposed to perform any of the administrative requirements of this contract.

7.5.6. Attachment A-6: Access to Carriers and Plans

The Bidder shall complete each section of the table provided based on its book of business Medicare Exchange services. Each entry shall be a numeric value representing the number of covered lives for whom the Bidder has provided Medicare Exchange and HRA services; the number of insurance carriers offered on the Bidder’s Medicare Exchange; the number of plan offerings; and the average monthly premium for the given age/gender of the individual, plan type and geographic area.

For “Other” plan types provided, please identify the Plan Type in Attachment A-8: Deviations and Clarifications.

7.5.7. Attachment A-7: Performance Guarantees

The Bidder shall indicate its willingness to comply with each of the performance guarantees described. For those guarantees in which the Bidder selects “Disagree” from the drop down list, an explanation for the disagreement and/or a modification to the reporting measurement must be described in Attachment A-8: Deviations & Clarifications.

The Bidder shall also provide the State with its proposed Amount at Risk for each performance standard. The value entered shall be entered as a dollar amount greater than or equal to zero.

7.5.8. Attachment A-8: Deviations & Clarifications

The Bidder shall complete this attachment regardless of whether or not deviations from the administrative requirements or performance guarantees are proposed. The top right of the worksheet includes buttons for the Bidder to indicate whether or not deviations are included in the table below the signature line.

Prior to printing the final Proposal, the Bidder shall ensure that the print area of this document is set appropriately. If no deviations are claimed, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last deviation described in the table.

7.5.9. Attachment A-9: Signature Page

The Bidder shall complete this attachment and provide documentation granting authorization for the signing officer to bind the Bidder to the agreements and representations made in the Bidder's Proposal. Label the documentation as A-9: Authorization Documentation.

7.6. Response Attachments

The following response attachments shall be included in the following order:

- A-4: Certificates of Insurance
- A-4: Financial Statements
- A-4: Financial Ratings
- A-4: Implementation Team Organizational Chart
- A-4: Implementation Team Resumes
- A-4: Implementation Plan
- A-4: Account Management Team Organizational Chart
- A-4: Account Management Team Resumes
- A-4: Account Management Support
- A-4: Sample Education Materials
- A-4: Sample Age-in Welcome Kit
- A-4: Communications Timeline
- A-4: Standard Script for Plan Selection
- A-4: HRA Plan Document Development
- A-4: HRA Banking and Funding Schedule
- A-4: HRA Reimbursement Process Flow
- A-4: Participant Reports

- A-4: System Integration
- A-4: Sample Standard Reporting Package – Exchange
- A-4: Sample Standard Reporting Package – HRA
- A-4: Website Tool
- A-7: Performance Guarantees
- A-9: Authorization Documentation

8. FINANCIAL PROPOSAL FORMAT

Bidders shall submit their financial proposal in accordance with the requirements set forth below. Regarding the Proposal, Bidders are hereby advised of the following:

- Each proposal shall be prepared simply and economically. Emphasis should be on completeness, clarity of content, responsiveness to the requirements and an understanding of the State's needs.
- Proposals that are qualified with conditional clauses, alterations, items not called for in the RFP documents, or irregularities of any kind are subject to disqualification by the State, at its option.
- Representations made within the proposal will be binding on the respondent, but not the State. Additionally, the State will not be bound to act by any previous communication or proposal submitted by the respondent other than this RFP and any proposal submitted in response to this RFP.
- The financial proposal should be submitted in **a separately sealed envelope** and marked "Financial Proposal". The Financial Proposal must be completed in the MS Excel format in which it is provided.

8.1. Attachment B_Medicare Exchange & HRA Financial Proposal.xlsm

The financial proposal is located in the MS Excel (version 2007) document labeled **Attachment B: Medicare Exchange & HRA Financial Proposal** and will be included with the posting on the Division of Purchases website (after retrieving the the RFP, click on the link in the INFO field).

The Bidder shall complete Attachment B-1: Financial Proposal according to the instructions described below and any additional instructions included at the top of the worksheet.

Cells which have been highlighted in yellow require a response from the Bidder. Response types may include selecting from a pre-set drop down menu or entering a numerical value. If the cell includes a drop down menu, the Bidder shall not provide a response that is not provided in the drop down list.

8.1.1. Attachment B-1: Financial Proposal

The financial evaluation will be based upon the total of all proposed administrative fees proposed for the initial term of the contract.

- a. Individual Market Medicare Exchange services, plus
- b. HRA Administrative services

For evaluation purposes only, an enrollment assumption of 7,776 Medicare retirees and 1,643 spouses will be used to calculate aggregate fees for calendar years 2014, 2015 and 2016.

All per retiree per month (PEPM) fees are to be inclusive of all costs associated with the services described in the RFP, including travel expenses.

8.1.2. Response Attachments

The following response attachment shall be included in the Financial Proposal as a MS Word or PDF document:

- B-1: Additional Revenue Sources

9. EVALUATION FORMAT AND CONTENT

Each proposal submitted will be scored based on each answer provided within the questionnaire or explanation document. Do not refer to vendor provided attachments in response to the questions. Responses should reflect data specific to the market(s) to which you are responding. Do not default to nationally collected data or statistics unless the information or processes are identical. **YOU MUST CLEARLY IDENTIFY ANY QUALIFICATIONS OR CONTINGENCIES ON YOUR PROPOSED FEES AND PERFORMANCE GUARANTEES.** Failure to do so could result in disqualification.

10. SUMMARY OF ELIGIBILITY REQUIREMENTS

A retiree is eligible to enroll in one of the two Medicare plan options available upon retirement from the State if the following conditions are met:

- (1) He/she is a retired state worker who, immediately prior to retirement, was an employee of the State; and
- (2) He/she is enrolled in both Part A and Part B of Medicare.

An individual who ages into Medicare at a later date may enroll in either of the two Medicare plan options once he/she is enrolled in both Part A and Part B of Medicare.

A spouse is eligible to enroll in one of the two Medicare plan options if the following conditions are met:

- (1) He/she is a spouse of a retired state worker who, immediately prior to retirement, was an employee of the State;
- (2) He/she is enrolled in both Part A and Part B of Medicare; and
- (3) The retiree currently receives a pension and is enrolled in the State's health care coverage OR the spouse receives a survivorship pension from the State.

The effective date of coverage is the first of the month following the date of retirement.

11. GOVERNING CONDITIONS

The State's General Conditions of Purchase contain the specific contract terms, stipulations and affirmations to be utilized for the contract awarded to the RFP. The State's General Conditions of Purchases/General Terms and Conditions can be found at the following URL:

<https://www.purchasing.ri.gov/RIVIP/publicdocuments/ATTA.pdf>

Additionally, the **Attachment A-3: Administrative Requirements** worksheet provides additional terms and conditions for this RFP. The State reserves the right to specify special terms and conditions as part of making the award, in addition to those specified in the RFP worksheets. If the award includes any special terms and conditions, the award will not be considered official until the vendor complies with these terms and conditions.

The contents of vendor's bid response, including all performance guarantees, will be incorporated by reference into the Agreement between the State and Vendor. If there are any explicit discrepancies between terms laid out in the Agreement and the bid response, the bid response will take precedence.

11.1. Insurance Requirements

11.1.1. Errors and Omissions Coverage

Vendor shall obtain, at vendor's expense, and keep in effect during the term of this Contract errors and omissions insurance covering any damages caused by an error, omission or any negligent acts of vendor, its subcontractors, agents, officers or employees under this Contract. Combined single limit per claim shall not be less than \$1,000,000. Annual aggregate limit shall not be less than \$1,000,000.

11.1.2. Workers Compensation and Employers Liability

Vendor shall obtain statutory Workers Compensation coverage in compliance with the compensation laws of the State of Rhode Island. Coverage shall include Employers Liability Insurance with minimum limits of \$100,000 each accident, \$500,000 disease or policy limit, \$100,000 each employee.

The State will be defended, indemnified and held harmless to the full extent of any coverage actually secured by the vendor in excess of the minimum requirements set forth above. The duty to indemnify the State under this agreement shall not be limited by the insurance required in this agreement.

The insurance required in this agreement, through a policy or endorsement shall include:

- A. A Waiver of Subrogation waiving any right to recovery the insurance company may have against the State.
- B. A provision that vendor's insurance coverage shall be primary as respects any insurance, self-insurance or self-retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the vendor's insurance and shall not contribute.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal without thirty days (30) written notice from the vendor or its insurer(s) to the Department of Administration. Any failure to comply with the reporting provisions of this clause shall be grounds for immediate termination of this contract.

As evidence of the insurance coverage required by this contract, the Successful Bidder shall furnish Certificate(s) of Insurance to The Department of Administration, Purchasing Division at least 48 hours prior to the commencement of work. A copy of additional insured wording from the commercial liability insurance policy will be sent along with the insurance certificate. Failure to comply with this provision shall result in rejection of the bid offer.

Insurance coverage required under the contract shall be obtained from insurance companies acceptable to the Department of Administration.

The vendor shall pay for all deductibles, self-insured retentions and/or self-insurance included hereunder.

The Purchasing Agent reserves the right to consider and accept alternative forms and plans of insurance or to require additional or more extensive coverage for any individual requirement.

12. VENDOR RESPONSIBILITIES

12.1. Conditions Governing Subcontracting

If the vendor intends to use any subcontractor, the vendor must clearly identify the subcontractor in the response to the RFP and provide documentation of their skill sets and applicable experience. The vendor retains responsibility for the completion and quality of any work assigned to subcontractors. The vendor is expected to supervise the activities of subcontractors and employees in order to ensure quality. For all sub-contractors the State reserves the right to review and approve of contractual documentation between vendor and subcontractor.

For any subcontractor not specifically named in the bid, or any subcontractor to be named during the term of the contract, the State reserves the right to monitor the vendor's procurement process, and expressly approve any subcontractors to be used.

12.2. Compliance with Statutory, Regulatory and Other Standards

The vendor must comply with all applicable State and Federal regulations and statutes.

12.3. Confidentiality and Protection of Public Health Information (PHI) and Related Data

The vendor shall be required to execute a Business Associate Agreement Data Use Agreement. Among other requirements, such agreement shall require the successful vendor to comply with 45 C.F.R 164.502(e), 164.504(e), 164.410, governing Protected Health Information (“PHI”) and Business Associates under the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191), 42 U.S.C. Section 1320d, et seq., and regulations promulgated there under, and as amended from time to time, the Health Information Technology for Economic and Clinical Health Act (HITECH) and its implementing regulations, and regulations promulgated there under, and as amended from time to time, 45 C.F.R. 155.260 as it may be amended from time to time, and the Rhode Island Confidentiality of Health Care Information Act, R.I. General Laws, Section 5-37.3 et seq. The successful vendor shall be required to ensure, in writing, that any agent, including a subcontractor to whom it provides Protected Health Information received from or created or received by and/or through this contract, agrees to the same restrictions and conditions that apply through the above-described Agreements with respect to such information. Any information provided by the State to the vendor for t otherwise shared with outside parties.

The vendor shall comply with all relevant Federal and State laws, regulations, and policies such as HIPAA, PHI, PII, and PCI and comply with best practices surrounding information transfer and patient confidentiality.

12.4. Data and Reports

Data, information, and reports collected or prepared by the vendor in the course of performing its duties and obligations and paid by the State under this contract shall be deemed to be owned by the State of Rhode Island. This provision is made in consideration of the vendor’s use of public funds in collecting and preparing such data, information, and reports.

12.5. Travel

All travel costs for vendor staff, including in-state and out-of-state travel necessary to carry out the tasks within the contract, shall be included in the vendor’s cost proposal.

13. PROPOSAL SUBMISSION INSTRUCTIONS

Your proposal **MUST** be submitted in the requested RFP format. Do not edit the RFP files in any way such as adding or deleting rows, columns, or cells, or otherwise changing the file format. Failure to comply with the specifications provided will negatively impact the analysis of bidders' proposal.

13.1. Vendor Requirements

Qualified vendors must provide a proposal that includes individual market Medicare Exchange and HRA administrative services.

13.2. Proposal Submission

Proposals must include:

- A. A completed and signed W-9 (included in the original proposal only) downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
- B. A signed and completed four-page RIVIP Vendor Certification Form with a letter of transmittal signed by an owner, officer or authorized agent of the firm or organization, acknowledging and accepting the terms and conditions of this Request, and tendering an offer to the Division. The signature of the official with legal authority to bind an organization into a contractual agreement should also be included. This form is downloadable by registered vendors at <http://www.purchasing.ri.gov>.
- C. A Technical Proposal (original and 5 copies in paper form and bound) includes the Minimum Qualifications, Organization Information, Administrative Requirements, Questionnaire, Subcontractor Questionnaire, Access to Carriers and Plans, Performance Guarantees, Deviations & Clarifications and Signature Page. Two (2) electronic copies of the Technical Proposal should be placed with the original.
- D. A separately sealed Financial Proposal (original and 5 copies in paper form and bound) reflects the Administrative Fees proposed by the Bidder. Two (2) electronic copies of the Financial Proposal should be placed with the original.
- E. The Technical Proposal and Financial Proposal shall be separately sealed and clearly marked, but may be shipped in the same container. There shall be no reference to cost(s) in the Technical Proposal.

Note: The State makes no representations regarding the data or the format in which the data is prepared.

13.3. Submission Date

All proposals are due in accordance to the date and time stated on page 1 of this RFP. The opening of proposals shall be limited to revealing the names of vendors submitting a proposal in response to the RFP which will also be posted on the Division's website. Proposals shall not be available for public inspection at the proposal opening.

13.4. Oral Presentation

The State may require some or all vendors to make oral presentations of their proposal. If a presentation is required, the State will contact the vendor. Final notice and exact time schedule shall be communicated in advance.

13.5. Proposal: Clarification and Revisions

The State may ask some or all vendors to clarify in writing portions of their technical proposal at any time prior to awarding of contracts. If such a clarification is requested, the vendor will be given a reasonable amount of time to formulate a response.

13.6. Contract Awards

- A. The review team will present written findings, including the results of all evaluations, to the State Purchasing Agent or designee, who will make the final selection for this solicitation. When a final decision has been made, a notice will be posted on the Rhode Island Division of Purchases web site.
- B. Because the evaluation takes into consideration both the technical and cost components in a value based approach, the lowest cost vendor may not necessarily be awarded the contract.
- C. Notwithstanding anything above, the State, and its agents reserve the right either to accept or to reject any, or all, bids, proposals, award on cost alone, cancel the solicitation and to waive any technicality in order to act in the best interests of the State and to conduct additional negotiations as necessary.

LIMITED USE, CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

This Confidentiality and Nondisclosure Agreement (“Agreement”) is entered into for the benefit of the State of Rhode Island (“State”), by and through Division of Purchases, and the _____ (“Vendor”) (collectively hereinafter “Parties”).

The Parties acknowledge that certain confidential and/or sensitive information and/or material may be disclosed to the Vendor during the request for proposal process for Medical and Pharmacy Plans for the State of Rhode Island, in order to assist the Vendor in formulating a proposal. The State will release this “Confidential Information,” as defined below, to the Vendor for the limited purpose of assisting the Vendor in formulating a proposal and pursuant to the terms and conditions contained in this Agreement.

NOW THEREFORE, in consideration of the above premises and the promises contained herein, the Contracting Parties agree as follows:

1. Whenever used in this Agreement, the term “Confidential Information” shall mean (i) information exempt from disclosure to the public or other unauthorized persons under either the Rhode Island General Laws or federal statutes; or (ii) information in any medium related RFP# 7513369; or (iii) any other information which the State has identified to the Vendor in writing as confidential at the time Confidential Information is released to the Vendor or within thirty (30) days after such release; or (iv) information that would ordinarily be reasonably considered confidential or proprietary in the light of the circumstances surrounding its release to the Vendor. Confidential Information may take the form of, but is not limited to, plans, calculations, charts, concepts, know-how, inventions, licensed technology, design sheets, design data, diagrams, system design, materials, hardware, manuals, drawings, processes, schematics, specifications, instructions, explanations, research, test procedures and results, equipment, identity and descriptions of components or materials used, any and all personal and/or confidential information pertaining to personnel. Confidential Information may be in tangible or intangible form. The State’s failure to expressly identify Confidential Information as such shall not in any way lessen or negate the Parties’ obligation to keep such information confidential in accordance with this Agreement.

2. Notwithstanding the foregoing, the term Confidential Information shall not be construed to include information that (i) is or becomes readily available in public records or documents, other than as a result of an inappropriate disclosure by the Parties or other entity or persons acting on behalf of the Parties, or (ii) can be documented to have been known by the Parties prior to its release to the Parties by the State, or (iii) is disclosed pursuant to applicable Rhode Island law and/or federal law, judicial action or government regulations.

3. The Parties acknowledge that the Confidential Information is confidential and proprietary information and that its protection is essential. The purpose of this Agreement is to enable State to make disclosure of the Confidential Information to the Vendor for the limited purpose of formulating a proposal in response to RFP# 7464385, while still maintaining rights in and control over the Confidential Information in conformance with such mandate. The purpose is also to preserve confidentiality of the Confidential Information and to prevent its unauthorized

disclosure during the RFP# 7513369 process. The vendor shall not use the Confidential Information for any other purpose as stated herein. It is understood that this Agreement does not grant the Parties an express or implied license or an option on a license, or any other rights to or interests in the Confidential Information.

4. The Parties shall require its employees, officers, independent contractors, and subcontractors, agents and any other entities acting on its behalf (collectively "Affiliates") to:

(a) Copy, reproduce or use Confidential Information only for the purpose described herein and not for any other purpose unless specifically authorized to do so in writing by the State; and

(b) Not permit any other person to use or disclose the Confidential Information for any purpose other than those expressly authorized by this Agreement; and

(c) Disclose such Confidential Information only to those of its Affiliates who require knowledge of the same for the purpose described in herein; provided such Affiliates are obligated to maintain the confidentiality of the Confidential Information and otherwise comply with the terms of this Agreement; and

(d) Implement physical, electronic and managerial safeguards to prevent unauthorized access to or use of Confidential Information, including without limitation, providing Affiliates a copy of the terms of this Agreement and any other non-disclosure agreement the State may provide for said Affiliates' signature. Such restrictions will be at least as stringent as those applied by the Parties to its own most valuable confidential and proprietary information.

5. The acts or omissions of the Parties' Affiliates with respect to the Confidential Information shall be deemed to be acts or omissions of the Party.

6. The Parties will not remove, obscure or alter any confidentiality or trade secret notation from the Confidential Information without the State's prior written authorization.

7. Confidential Information will remain the exclusive property of the State unless as otherwise provided for in any agreement and/or the contract between the State and the Vendor; upon completion of the review of the Confidential Information, or whenever requested by the State, the Parties will promptly destroy or return to the State all Confidential Information and all copies thereof, including summaries, reports or notes based thereon, unless otherwise expressly authorized otherwise by the State in writing.

8. The Parties agree that the breach of the terms of this Agreement would cause irreparable damage to the State. Therefore, the Parties agree that the State has the right to seek an order to restrain the Vendor from breaching this Agreement. If the State does seek such an order, the Parties agree at this time to waive any claim or defense that the State has an adequate remedy at law or in damages. The State shall have the right to commence any and all legal action, whether in law and/or in equity, the State determines is necessary and required pursuant to this Agreement, to include but is not necessarily limited to, any alleged violation of this Agreement by the any of the Parties and/or Affiliates.

9. This Agreement sets forth the entire agreement of the Parties with respect to the use and disclosure of the Confidential Information and may be modified only by a writing signed by the Parties. This Agreement will be construed and enforced in all respects in accordance with the laws of the State of Rhode Island. The Parties consent to the exclusive jurisdiction of the

Superior Court of the State of Rhode Island and exclusive venue in Providence County, Providence, Rhode Island.

10. The term of this Agreement shall be concurrent with award of a contract by the State under RFP# 7513369.

Signed and agreed by an authorized agent of the Vendor,

By: _____

Vendor Name: _____

Date: _____