

REQUEST FOR PROPOSAL

RFP COVER SHEET

Administrative Information:

TITLE OF RFP:	Third Party Administration of Medical and Pharmacy Insurance Plans		RFP Number:	1118005067
Agency:	Iowa Department of Administrative Services			
State seeks to purchase:	Administration of Medical and Pharmacy Insurance Plans for State Employees and Retirees	Available to Political Subdivisions?	No	
Number of mos. or yrs. of the initial term of the contract:	2 Years	Number of possible annual extensions:	4	
Initial Contract term beginning:	January 1, 2019	Ending:	December 31, 2020	
State Issuing Officer:				
Nancy Wheelock, Purchasing Agent 3				
Phone: 515-725-2268				
Email: nancy.wheelock@iowa.gov				
Department of Administrative Services - Central Procurement Bureau 1305 E. Walnut Street Hoover Building, FLR 3 Des Moines, IA 50319				
PROCUREMENT TIMETABLE—Event or Action:			Date/Time (Central Time):	
State Posts Notice of RFP on TSB website			February 12, 2018	
State Issues RFP			February 14, 2018	
Letter of Intent to Bid – (Mandatory Requirement) Contractors interested in responding to the RFP must send a Letter of Intent to Bid on company letterhead and signed by an authorized executive, stating Contractor has interest in the RFP and intends to submit a bid. This Letter of Intent to Bid must be sent via email, mail, delivery service or may be hand delivered to the Issuing Officer. Letters of Intent to Bid must be received NO LATER than Due Date and time listed here or Contractor will be ineligible to submit a proposal. Letter of Intent to Bid is due:			March 15, 2018 3:00 PM (CT)	
RFP written questions, requests for clarification, and suggested changes from Contractors due:			February 22, 2018 3:00 PM (CT)	
Agency's written response to RFP questions, requests for clarifications and suggested changes due:			February 27, 2018	
Follow-up RFP written questions from Contractors due:			March 7, 2018 3:00 PM (CT)	
Agency's written response to follow-up RFP questions due:			March 12, 2018	
Proposals Due Date:			March 30, 2018	
Proposals Due Time:			3:00 PM (CT)	
Anticipated Date to Award (actual date may vary):			May 1, 2018	
Annual Enrollment Period Begins:			October 2018	
Plan Year Begins:			January 1, 2019	
Relevant Websites:		Web-address:		
Internet website where Addenda to this RFP will be posted:		http://bidopportunities.iowa.gov/		

Internet website where contract terms and conditions are posted:	https://das.iowa.gov/sites/default/files/procurement/pdf/050116%20terms%20services.pdf	
Number of Copies of Proposals Required to be Submitted:	1 Original, 1 Digital, & 5 Copies	
Firm Proposal Terms Per Section 3.2.15, the minimum Number of Days following the deadline for submitting Proposals that the Contractor guarantees all Proposal terms, including price, will remain firm:	120 Days	

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SECTION 1 INTRODUCTION

1.1 Purpose

The purpose of this Request for Proposals (RFP) is to solicit proposals from Responsible Contractors to provide the goods and/or services identified on the RFP cover sheet and further described in Sections 4, 5, 6, and 7 of this RFP to the Agency identified on the RFP cover sheet. The Agency intends to award a Contract(s) beginning and ending on the dates listed on the RFP cover sheet, and the Agency, in its sole discretion, may extend the Contract(s) for up to the number of annual extensions identified on the RFP cover sheet.

1.2 Definitions

For the purposes of this RFP and the resulting Contract, the following terms shall mean:

“Administrative Services” means those services to be performed by Contractor for the Agency in connection with this Agreement, including but not limited to the following: claims processing, dedicated customer services, accounting services, actuarial services, enrollment services, data processing services, and such other related services as the parties may agree are appropriate and necessary to accomplish the objectives of this Agreement. Administrative Services expressly excludes any services for the administration of continued medical coverage, unless included in the Contract, pursuant to the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), as amended, or any state or federal law relating to continuation coverage of the Agency’s plan, except that Contractor agrees to act as billing agent on behalf of the Agency for individuals identified by the Agency as being eligible for continued medical coverage under COBRA.

“90-Day Retail Network” means a network of retail pharmacies that can fill maintenance medication prescriptions for a 90-day supply.

“Agency” or “Department” means the Iowa Department of Administrative Services.

“Benefits Summary” means the written document, which describes and defines a welfare benefit plan for medical services, which the Agency established for eligible employees and their dependents.

“Benefits Expense” means the same amount as Claims Paid for the month.

“Claims Paid” means, for Incurred Claims, the amount for which liability is discharged by Contractor’s payment on behalf of the Agency without regard to the Incurred Date. This amount is calculated by deducting from the Covered Charges, any amounts attributable to Provider Savings, deductibles, coinsurance, and Contract Limitations. The amount of Claims Settled during the Rating Period is determined by the date of Contractor’s check or remittance.

“Contract” means the contract(s) entered into with the successful Contractor(s) as described in Section 9.

“Contractholder” means any individual identified by the Agency as a person eligible for and enrolled in the Medical and Pharmacy Insurance Plans, subject to the terms, conditions and limitations described in the Benefits Summary.

“Contract Limitations” means the amounts that are the liability of the Contractholder under the Medical Insurance Plan. These include services that are not covered, charges for services that

are not medically necessary, penalties for failure to follow notification requirements and charges for services that exceed contract maximums.

“Contractor” means a vendor submitting Proposals in response to this RFP.

“Contractor Allowance” means the lesser of the Covered Charge for a specific medical procedure and the maximum allowable fee that Contractor has established for the same medical procedure.

The maximum allowable fee is established by Contractor for a covered medical procedure that is medically necessary and medically appropriate. It is developed from various sources, such as contracts with physicians, input from Contractor’s consultants, the simplicity or complexity of the procedure, and the billed charges for the same procedures by Providers in Iowa.

“Covered Charge” means the amount billed by a physician for a covered procedure during the term of Agreement.

“Covered Services” means those medically necessary procedures, services or supplies that are listed as benefits in the Benefits Summary.

“Cumulative Benefits Expense and Administrative Fees” means the cumulative sum obtained by adding together Benefits Expense and Administrative Fees each month during the Term of the Contract.

“Formulary” means an official list giving details of medicines which may be prescribed.

“General Terms and Conditions” means the General Terms and Conditions for Services Contracts as referenced on the RFP cover page.

“Incurred Claims” means claims for medical services that are furnished to Members with a date of service during the Term of the Contract.

“Incurred Date” means the date medical services are provided.

“Maximum Liability Unit Rates” means the dollar amounts per contractholder per month which will be used to determine the Monthly Maximum Liability during the Term of the Contract.

“Medical Insurance Plan” means the medical benefits provided to Members by the State of Iowa as described in the benefits certificate, Benefits Summary and associated amendments.

“Member” means any person enrolled in the Medical Insurance Plan, including any enrolled spouse and dependents of the Contract holder, subject to the terms, conditions and limitations described in the Benefits Summary.

“Monthly Maximum Liability” means the monthly total of the amounts obtained by multiplying the Maximum Liability Unit Rates by the number of Contractholders for each coverage classification during each month of the Term of the Contract, including the effects of retroactive additions or deletions of Contractholders reported to Contractor by the Agency.

“Pharmacy Insurance Plan” means the pharmacy benefits provided to Members by the State of Iowa as described in the benefits certificate, Benefits Summary and associated amendments.

“Proposal” means the Contractor’s proposal submitted in response to the RFP.

“Provider” means any licensed provider recognized by Contractor for the provision of Covered Services to Members.

“Provider Savings” means the amount saved due to Contractor’s contracts with Providers. It is calculated as the difference between the Covered Charges and the Contractor Allowance amount.

“Rating Period” means the twelve (12) month time period for which the Administrative Fees, Maximum Liability Unit Rates, Terminal Liability Administrative Fees, Terminal Liability Unit Rates, and Weekly Transfer Amounts apply. The division of the Term of the Contract into one or more Rating Periods shall have no effect upon the State’s cumulative liabilities to Contractor or Unrecovered Deficit position throughout the entire Term of the Contract.

“Responsible Contractor” means a Contractor that has the capability in all material respects to perform the scope of work and specifications of the Contract. In determining whether a Contractor is a Responsible Contractor, the Agency may consider various factors including, but not limited to, the Contractor’s competence and qualifications to provide the goods or services requested, the Contractor’s integrity and reliability, the past performance of the Contractor and the best interest of the Agency and the State.

“Responsive Proposal” means a Proposal that complies with the material provisions of this RFP.

“RFP” means this Request for Proposals and any attachments, exhibits, schedules or addenda hereto.

“State” means the State of Iowa and the Agency identified on the Contract Declarations & Execution Page(s).

“Terminal Benefits Expense” means the amount of Benefits Expense settled by Contractor on behalf of the Agency within seventeen (17) months following the end of the Term of the Contract.

“Terminal Liability” means an upper limit of the State’s liability, following the termination of this Contract, for payment to Contractor of Terminal Liability Administrative Fees, Terminal Benefits Expense, and Unrecovered Deficits that exist when the Contract terminates. Contractor shall determine the Terminal Liability by first adding together the number of Contractholders in effect for each month for each coverage classification during the twelve (12) calendar months preceding the effective date of termination of the Contract. The result of this calculation will be multiplied by the Terminal Liability Unit Rates per coverage classification. Claims, administrative fees, and any remaining Unrecovered Deficit amounts in excess of the amount resulting from this calculation will be the responsibility of Contractor.

“Terminal Liability Administrative Fees” means those amounts expressed as a percentage of Terminal Benefits Expense, following termination of this Contract, which will be charged to the State for payment of Administrative Services following termination of the Contract.

“Terminal Liability Unit Rates” means the dollar amounts per contractholder per month for Terminal Benefits Expense and Terminal Administrative Fees, which will be used to determine the Terminal Liability at termination.

“Unrecovered Deficit” means the amount by which Cumulative Benefits Expense and Administrative Fees exceed the Cumulative Maximum Liability, as measured at the end of any month during the Term of the Contract.

1.3 Overview of the RFP Process

Contractors will be required to submit their Proposals in hardcopy and on CD-ROM or flash drive. It is the Agency's intention to evaluate Proposals from all Responsible Contractors that submit timely Responsive Proposals, and award the Contract(s) in accordance with Section 8, Evaluation and Selection.

Contractor should review Attachment 3, Form 22 Request for Confidentiality, for more information if its Proposal contains confidential information. Any Proposal marked "Confidential" or "Proprietary" on every page may be disqualified.

1.4 Background Information

This RFP is designed to provide Contractors with information and requirements for the preparation of competitive Proposals. The RFP process is for the Agency's benefit and is intended to provide the Agency with competitive information to assist in the selection process. It is not intended to be comprehensive. Each Contractor is responsible for determining, gathering, investigating and evaluating all facts, data, information, and other factors necessary for submission of a comprehensive Proposal.

The State of Iowa, through the Department of Administrative Services, is soliciting proposals from qualified companies to provide a statewide medical and pharmacy network, access to a national network, administration of the medical and pharmacy insurance plan(s), and billing agent services for the Consolidated Omnibus Reconciliation Act of 1985 (COBRA) for State of Iowa employees effective January 1, 2019 with open enrollment for plan year 2019 taking place October 2018.

The State of Iowa medical and pharmacy Insurance plan is currently available to approximately 39,000 active and retired employees in the Executive, Legislative, and Judicial branches. Contractors should review the Benefit comparison document for 2018 and the electronic benefit certificates provided at the State's web site: <https://das.iowa.gov/human-resources/employee-and-retiree-benefits>.

The primary reasons for this solicitation are to assess changes in the marketplace, ensure financial competitiveness, and to comply with State contract term and procurement requirements. The Department is seeking one Contractor to administer all employee health and pharmacy insurance plans and does not intend to select multiple carriers offering different plans and/or networks.

Current Medical and Pharmacy Insurance Plans

Currently, Wellmark Blue Cross Blue Shield of Iowa insures the medical and prescription drug insurance plan under a minimum premium /maximum liability arrangement. CVS/Health Caremark is the subcontracted pharmacy benefit manager (PBM) currently under contract with Wellmark.

1.4.1 Eligibility for Medical and Pharmacy Insurance Plans

The current medical plan is available to approximately 39,000 active and retired State employees in the Executive, Legislative, and Judicial branches. Total covered lives on the medical plan exceed 80,000. Temporary employees and permanent part-time employees working less than 20 hours per week are not eligible for the plan.

Of the approximately 27,000 active medical contracts, 30 percent are single plans and 70% are family plans. The State currently does not offer any other contract levels (i.e., employee +1, +2 etc.).

Chart 1.5.1.a

Summary of Active Health Plan Options	
	All Employees
PPO Option	National Choice
HMO Option	Iowa Choice

Chart 1.5.1.b

Summary of Retiree Health Plan Options	
PPO Option	National Choice
HMO option	Iowa Choice
Group Medicare Supplement Benefit Design Plans	Group Plan F Group Plan N

1.4.1.1 Plan F and N Employer Group Program

The State's current Plan F and N Employer Group Program is currently a fully insured plan paid for through retiree premiums. The State does not contribute, subsidize or collect these premiums.

A Medicare-eligible State of Iowa retiree enrolled in either Iowa Choice or National Choice, has the option of coordinating pharmacy benefits with one particular Medicare Part D plan called Group MedicareBlue Rx Iowa. Group MedicareBlue Rx Iowa becomes the primary payer for prescription drugs and Iowa Choice or National Choice is the secondary payer. This coordination between MedicareBlue Rx and Wellmark results in a reduction in the monthly premiums for Iowa Choice or National Choice. The summaries are available at: <https://das.iowa.gov/human-resources/employee-and-retiree-benefits/retirees/group-f-n-plan>.

1.4.2 Unique Payroll Systems

There are eleven reporting units within the State's Medical Insurance and Pharmacy Insurance Plans, as listed below. Separate premium and claim accounts must be maintained for each unit.

- Central Payroll
- Department of Transportation
- Fair Authority
- Community-Based Corrections Judicial Districts:
 - Waterloo Corrections District
 - Ames Corrections District
 - Sioux City Corrections District
 - Council Bluffs Corrections District
 - Des Moines Corrections District
 - Cedar Rapids Corrections District
 - Davenport Corrections District
 - Fairfield Corrections District

1.4.3 Current Medical Plan Designs

Coverage through Wellmark is available statewide through a single health plan with two options: a HMO plan (Iowa Choice) or PPO plan (National Choice).

Section 4.1 - Description of Desired Medical and Pharmacy Insurance Plans provides information regarding the requested plan design and funding approach.

1.4.4 Current Funding

The current contract with Wellmark is a modified minimum premium arrangement under which the State of Iowa holds the Incurred but Not Reported (IBNR) run-out liability. Under the current contract, upon contract termination, Wellmark is responsible for any cumulative deficit while the State of Iowa receives any surplus. Some modifications to this arrangement are requested for the awarded Contract and are detailed in Section 4.1 of this RFP.

The State currently pays claims weekly as they are paid to providers, subject to the Cumulative Liability. This will be the funding process going forward.

1.4.5 Rates and Employee Contributions Chart

Chart 1.4.5

Medical Plan Full Monthly Premium Rate History					
Plan Year	Contract Type	National Choice		Iowa Choice	
		Total	EE Share	Total	EE Share
2018	Single	\$765.00	\$93.00	\$712.00	\$40.00
	Family	\$1,791.00	\$273.00	\$1,668.00	\$150.00
		Iowa Select*		Blue Access*	
		Total	EE Share	Total	EE Share
2017	Single	\$935.00	\$20.00	\$682.00	\$20.00
	Family	\$2,189.00	\$328.00	\$1,598.00	\$20.00
2016	Single	\$847.04	\$20.00	\$619.10	\$20.00
	Family	\$1,986.69	\$297.82	\$1,453.20	\$20.00
2015	Single	\$821.31	\$0.00	\$582.66	\$0.00
	Family	\$1,922.78	\$288.42	\$1,364.27	\$0.00
2014	Single	\$771.07	\$0.00	\$479.81	\$0.00
	Family	\$1,804.31	\$270.64	\$1,122.37	\$0.00
2013	Single	\$707.05	\$0.00	\$440.96	\$0.00
	Family	\$1,653.18	\$247.98	\$1,030.49	\$0.00

Beginning in 2018, the State began offering National Choice and Iowa Choice. The comparable plans in previous years were Iowa Select -- National Choice and Blue Access -- Iowa Choice.

*Premiums and employee shares were based on AFSCME-covered employees from 2013 - 2017.

SECTION 2 ADMINISTRATIVE INFORMATION
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2.1 Issuing Officer

The Issuing Officer identified in the RFP cover sheet is the sole point of contact regarding the RFP from the date of issuance until a Notice of Intent to Award the Contract is issued.

2.2 Restriction on Communication

From the issue date of this RFP until a Notice of Intent to Award the Contract is issued, Contractors may contact only the Issuing Officer. The Issuing Officer will respond only to written questions regarding the procurement process. Questions related to the interpretation of this RFP must be submitted as provided in Section 2.5. Oral questions related to the interpretation of this RFP will not be accepted. Contractors may be disqualified if they contact any State employee other than the Issuing Officer about the RFP except that Contractors may contact the State Targeted Small Business Office on issues related to the preference for Targeted Small Businesses.

This section shall not be construed as restricting communications related to the administration of any contract currently in effect between a Contractor and the State.

2.3 Downloading the RFP from the Internet

The RFP document and any addenda to the RFP will be posted at <http://bidopportunities.iowa.gov/>. The Contractor is advised to check the website periodically for Addenda to this RFP, particularly if the Contractor downloaded the RFP from the Internet as the Contractor may not automatically receive addenda. It is the Contractor's sole responsibility to check daily for addenda to posted documents.

2.4 Procurement Timetable

The dates provided in the procurement timetable on the RFP cover sheet are provided for informational and planning purposes. The Agency reserves the right to change the dates. If the Agency changes any of the deadlines for Contractor submissions, the Agency will issue an addendum to the RFP.

2.5 Questions, Requests for Clarification, and Suggested Changes

Contractors are invited to submit written questions and requests for clarifications regarding the RFP. Contractors may also submit suggestions for changes to the specifications of this RFP. The questions, requests for clarifications, or suggestions must be in writing and received by the Issuing Officer on or before the date and time listed on the RFP cover sheet. Oral questions will not be permitted. If the questions, requests for clarifications, or suggestions pertain to a specific section of the RFP, Contractor shall reference the page and section number(s). The Agency will send written responses to questions, requests for clarifications, or suggestions received from Contractors on before the date listed on the RFP cover sheet. The Agency's written responses will become an addendum to the RFP. If the Agency decides to adopt a suggestion that modifies the RFP, the Agency will issue an addendum to the RFP.

The Agency assumes no responsibility for oral representations made by its officers or employees unless such representations are confirmed in writing and incorporated into the RFP through an addendum.

2.6 Amendment to the RFP

The Agency reserves the right to amend the RFP at any time using an addendum. The Contractor shall acknowledge receipt of all addenda in its Proposal. If the Agency issues an addendum after the due date for receipt of Proposals, the Agency may, in its sole discretion, allow Contractors to amend their Proposals in response to the addendum.

2.7 Amendment and Withdrawal of Proposal

The Contractor may amend or withdraw and resubmit its Proposal at any time before the Proposals are due. The amendment must be in writing, signed by the Contractor and received by the time set for the receipt of Proposals. Electronic mail and faxed amendments will not be accepted. Contractors must notify the Issuing Officer in writing prior to the due date for Proposals if they wish to completely withdraw their Proposals.

2.8 Submission of Proposals

The Agency must receive the Proposal at the Issuing Officer's address identified on the RFP cover sheet before the "Proposals Due" date and time listed on the RFP cover sheet. **This is a mandatory specification and will not be waived by the Agency. Any Proposal received after this deadline will be rejected and returned unopened to the Contractor.** Contractors sending Proposals must allow ample time for mail or other delivery means to ensure timely receipt of their Proposals. It is the Contractor's responsibility to ensure that the Proposal is received prior to the deadline. Postmarking by the due date will not substitute for actual receipt of the Proposal. Electronic mail and faxed Proposals will not be accepted.

Contractors must furnish all information necessary to enable the Agency to evaluate the Proposal. Oral information provided by the Contractor will not be considered part of the Contractor's Proposal unless it is reduced to writing.

2.9 Proposal Opening

The Agency will open Proposals after the deadline for submission of Proposals has passed. The Proposals will remain confidential until the Agency has issued a Notice of Intent to Award a Contract. See Iowa Code Section 72.3. However, the names of Contractors who submitted timely Proposals will be publicly available after the Proposal opening. The announcement of Contractors who timely submitted Proposals does not mean that an individual Proposal has been deemed technically compliant or accepted for evaluation.

2.10 Costs of Preparing the Proposal

The costs of preparation and delivery of the Proposal are solely the responsibility of the Contractor.

2.11 No Commitment to Contract

The Agency reserves the right to reject any or all Proposals received in response to this RFP at any time prior to the execution of the Contract. Issuance of this RFP in no way constitutes a commitment by the Agency to award a contract.

2.12 Rejection of Proposals

The Agency may reject outright and not evaluate a Proposal for reasons including, without limitation:

- 2.12.1** The Contractor fails to deliver the Cost Proposal in a separate envelope.
- 2.12.2** The Contractor acknowledges that a mandatory specification of the RFP cannot be met.
- 2.12.3** The Contractor's Proposal changes a material specification of the RFP or the Proposal is not compliant with the mandatory specifications of the RFP.
- 2.12.4** The Contractor's Proposal limits the rights of the Agency.
- 2.12.5** The Contractor fails to include information necessary to substantiate that it will be able to meet a specification of the RFP as provided in Section 3 of this RFP.
- 2.12.6** The Contractor fails to timely respond to the Agency's request for information, documents, or references.
- 2.12.7** The Contractor fails to include Proposal Security, if required.
- 2.12.8** The Contractor fails to include any signature, certification, authorization, stipulation, disclosure or guarantee as provided in Section 3 of this RFP.
- 2.12.9** The Contractor presents the information requested by this RFP in a format inconsistent with the instructions of the RFP or otherwise fails to comply with the specifications of this RFP.
- 2.12.10** The Contractor initiates unauthorized contact regarding the RFP with a State employee other than the Issuing Officer.
- 2.12.11** The Contractor provides misleading or inaccurate responses.
- 2.12.12** The Contractor's Proposal is materially unbalanced.
- 2.12.13** There is insufficient evidence (including evidence submitted by the Contractor and evidence obtained by the Agency from other sources) to satisfy the Agency that the Contractor is a Responsible Contractor.
- 2.12.14** The Contractor alters the language in Attachment 1, Certification Letter or Attachment 2, Authorization to Release Information Letter.
- 2.12.15** The Contractor is a "scrutinized company" included on a "scrutinized company list" created by a public fund pursuant to Iowa Code section 12J.3.

2.13 Nonmaterial Variances

The Agency reserves the right to waive or permit cure of nonmaterial variances in the Proposal if, in the judgment of the Agency, it is in the State's best interest to do so. Nonmaterial variances include but are not limited to, minor failures to comply that do not affect overall responsiveness, are merely a matter of form or format, do not change the relative standing or otherwise prejudice other Contractors, do not change the meaning or scope of the RFP, or do not reflect a material change in the specifications of the RFP. In the event the Agency waives or

permits cure of nonmaterial variances, such waiver or cure will not modify the RFP specifications or excuse the Contractor from full compliance with RFP specifications or other Contract specifications if the Contractor is awarded the Contract. The determination of materiality is in the sole discretion of the Agency.

2.14 Reference Checks

The Agency reserves the right to contact any reference to assist in the evaluation of the Proposal, to verify information contained in the Proposal and to discuss the Contractor's qualifications and the qualifications of any subcontractor identified in the Proposal.

2.15 Information from Other Sources

The Agency reserves the right to obtain and consider information from other sources concerning a Contractor, such as the Contractor's capability and performance under other contracts, the qualifications of any subcontractor identified in the Proposal, the Contractor's financial stability, past or pending litigation, and other publicly available information.

2.16 Verification of Proposal Contents

The content of a Proposal submitted by a Contractor is subject to verification. If the Agency determines in its sole discretion that the content is in any way misleading or inaccurate, the Agency may reject the Proposal.

2.17 Proposal Clarification Process

The Agency reserves the right to contact a Contractor after the submission of Proposals for the purpose of clarifying a Proposal. This contact may include written questions, interviews, site visits, a review of past performance if the Contractor has provided goods and/or services to the State or any other political subdivision wherever located, or requests for corrective pages in the Contractor's Proposal. The Agency will not consider information received from or through Contractor if the information materially alters the content of the Proposal or the type of goods and/or services the Contractor is offering to the Agency. An individual authorized to legally bind the Contractor shall sign responses to any request for clarification. Responses shall be submitted to the Agency within the time specified in the Agency's request. Failure to comply with requests for additional information may result in rejection of the Proposal.

2.18 Disposition of Proposals

All Proposals become the property of the State and shall not be returned to the Contractor. Once the Agency issues a Notice of Intent to Award the Contract, the contents of all Proposals will be public records available for inspection by interested parties, except for information for which Contractor properly requests confidential treatment according to exceptions provided in Iowa Code Chapter 22 or other applicable law.

2.19 Public Records and Requests for Confidential Treatment

The Agency's release of public records is governed by Iowa Code chapter 22. Contractors are encouraged to familiarize themselves with Chapter 22 before submitting a Proposal. The Agency will copy and produce public records upon request as required to comply with Chapter 22 and will treat all information submitted by a Contractor as non-confidential records unless Contractor requests specific parts of the Proposal be treated as confidential at the time of the submission as set forth herein **AND the information is confidential under Iowa or other applicable law.**

2.20 Form 22 - Request for Confidentiality

FORM 22 (Attachment #3 to this RFP) MUST BE COMPLETED AND INCLUDED WITH CONTRACTOR'S PROPOSAL. COMPLETION AND SUBMITTAL OF FORM 22 IS REQUIRED WHETHER THE PROPOSAL DOES OR DOES NOT CONTAIN INFORMATION FOR WHICH CONFIDENTIAL TREATMENT WILL BE REQUESTED. FAILURE TO SUBMIT A COMPLETED FORM 22 WILL RESULT IN THE PROPOSAL BEING CONSIDERED NON-RESPONSIVE AND ELIMINATED FROM EVALUATION.

2.21 Copyright Permission

By submitting a Proposal, the Contractor agrees that the Agency may copy the Proposal for purposes of facilitating the evaluation of the Proposal or to respond to requests for public records. By submitting a Proposal, the Contractor consents to such copying and warrants that such copying will not violate the rights of any third party. The Agency shall have the right to use ideas or adaptations of ideas that are presented in Proposals.

2.22 Release of Claims

By submitting a Proposal, the Contractor agrees that it will not bring any claim or cause of action against the Agency based on any misunderstanding concerning the information provided in the RFP or concerning the Agency's failure, negligent or otherwise, to provide the Contractor with pertinent information in this RFP.

2.23 Contractor Presentations

Contractors may be required to make a presentation. The determination as to need for presentations, and the location, order, and schedule of the presentations is at the sole discretion of the Agency. The presentation may include slides, graphics and other media selected by the Contractor to illustrate the Contractor's Proposal. The presentation shall not materially change the information contained in the Proposal.

2.24 Evaluation of Proposals Submitted

Proposals that are timely submitted and are not rejected will be reviewed and evaluated in accordance with Section 8 of the RFP. The Agency will not necessarily award a Contract resulting from this RFP to the Contractor offering the lowest cost. Instead, the Agency will award the Contract(s) to the Responsible Contractor(s) whose Responsive Proposal the Agency believes will provide the best value to the Agency and the State.

2.25 Award Notice and Acceptance Period

Notice of Intent to Award the Contract(s) will be sent to all Contractors submitting a timely Proposal and may be posted at the website shown on the RFP cover sheet. Negotiation and execution of the Contract(s) shall be completed no later than thirty (30) days from the date of the Notice of Intent to Award or such other time as designated by Agency. If the successful Contractor fails to negotiate and deliver an executed Contract by that date, the Agency, in its sole discretion, may cancel the award and award the Contract to the remaining Contractor the Agency believes will provide the best value to the State.

2.26 No Contract Rights until Execution

No Contractor shall acquire any legal or equitable rights regarding the Contract unless and until the Contract has been fully executed by the successful Contractor and the Agency.

2.27 Choice of Law and Forum

This RFP and the Contract shall be governed by the laws of the State of Iowa. Changes in applicable laws and rules may affect the award process or the Contract. Contractors are responsible for ascertaining pertinent legal requirements and restrictions. Any and all litigation or actions commenced in connection with this RFP shall be brought in the appropriate Iowa forum.

2.28 Restrictions on Gifts and Activities

Iowa Code Chapter 68B restricts gifts which may be given or received by State employees and requires certain individuals to disclose information concerning their activities with State government. Contractors are responsible to determine the applicability of this Chapter 68B to their activities and to comply with its requirements. In addition, pursuant to Iowa Code section 722.1, it is a felony offense to bribe or attempt to bribe a public official.

2.29 No Minimum Guaranteed

The Agency does not guarantee any minimum level of purchases under the Contract.

2.30 Appeals

A Respondent whose Proposal has been timely filed and who is aggrieved by the Notice of Intent to Award of the Department may appeal the decision by filing a written notice of appeal (in accordance with 11—Chapter 117.20, Iowa Administrative Code) to: The Director of the Department of Administrative Services, Hoover State Office Building, Des Moines, Iowa 50319-0104 and a copy to the Issuing Officer. The notice must be filed within five (5) days of the date of the Notice of Intent to Award issued by the Department, exclusive of Saturdays, Sundays, and legal state holidays. The written notice may be filed by fax transmission to 515.725.2064. The notice of appeal must clearly and fully identify all issues being contested by reference to the page, section and line number(s) of the RFP and/or the Notice of Intent to Award. A notice of appeal may not stay negotiations with the apparent successful Contractor.

2.31 Letter of Intent to Bid (Mandatory Requirement)

A letter of intent to bid must be emailed, mailed, sent via delivery service or hand delivered to the Issuing Officer and received by the time and date listed in the RFP cover sheet. The Letter of Intent to Bid must identify the RFP by its name and number and include the Contractor's name, mailing address, electronic mail address, fax number, telephone number, a statement of Contractor's intent to submit a proposal in response to the RFP, and an authorized signature.

Submitting a Letter of Intent to Bid is a mandatory condition to submit a Proposal and to ensure Contractor's receipt of written responses to Contractors' questions and Addenda to the RFP. It also ensures that Contractor receives from the State the additional documents associated with the RFP written responses to Contractors' questions and Addenda to the RFP. **Failure to submit a Letter of Intent to Bid by the deadline specified will result in the rejection of the Contractor's Proposal.**

Contractors who have submitted a Letter of Intent to Bid will be provided with a Non-Disclosure Agreement which Contractor must sign and email to the Issuing Officer in order to receive the State of Iowa Medical Census report (**Attachment 9**) and Pharmacy Claims Reports for 2017 (**Attachments 12a-e**). These attachments are required for the development of a Proposal pertaining to this RFP. **The submission of a completed and signed Non-Disclosure Agreement is a mandatory requirement of this RFP.**

SECTION 3 FORM AND CONTENT OF PROPOSALS

3.1 Instructions

These instructions prescribe the format and content of the Proposal. They are designed to facilitate a uniform review process. Failure to adhere to the Proposal format may result in the rejection of the Proposal.

- 3.1.1** The Proposal shall be typewritten on 8.5" x 11" paper and sent in sealed envelope. The Proposal shall be divided into two parts: (1) the Technical Proposal and (2) the Cost Proposal. The Technical Proposal and the Cost Proposal shall be labeled as such and placed in a separate sealed envelope. The envelopes shall be numbered in the following fashion: 1 of 4, 2 of 4, etc. The envelopes shall be labeled with the following information:

RFP Number: RFP1118005067

RFP Title: Third Party Administration of Medical and Pharmacy Insurance Plans

Nancy Wheelock, Purchasing Agent

Department of Administrative Services

Central Procurement Bureau

Hoover Building, FLR 3

1305 E. Walnut Street

Des Moines, IA 50319

[Contractor's Name and Address]

The Agency shall not be responsible for misdirected packages or premature opening of Proposals if a Proposal is not properly labeled.

1 Original, 1 Digital, & 5 Copies of the Technical Proposal shall be timely submitted to the Issuing Officer in a sealed envelope. 1 Original, 1 Digital and 5 Copies of the Cost Proposal shall be submitted in a separate, sealed envelope.

Technical Proposal Envelope Contents

Original Technical Proposal and any copies

Public Copy (if submitted)

Technical Proposal on digital media

Electronic Public Copy on same digital media (if submitted)

Cost Proposal Envelope Contents

Original Cost Proposal and any copies

Cost Proposal on digital media

- 3.1.2** If the Contractor designates any information in its Proposal as confidential pursuant to Section 2.19 and 2.20, the Contractor must also submit one (1) copy of the Proposal from which confidential information has been excised as provided in Section 2 and which is marked "Public Copy".

3.1.3 Proposals shall not contain promotional or display materials.

3.1.4 Attachments shall be referenced in the Proposal.

3.1.5 If a Contractor proposes more than one solution to the RFP specifications, each shall be labeled and submitted in a separate Proposal and each will be evaluated separately.

3.2 Technical Proposal

The following documents and responses shall be included in the Technical Proposal in the order given below. Items listed in Section 3.2 will be considered in the evaluation and scoring of the Technical Proposals.

3.2.1 Transmittal Letter (Required)

An individual authorized to legally bind the Contractor shall sign the transmittal letter. The letter shall include the Contractor's mailing address, electronic mail address, fax number, and telephone number.

Request for Confidential Treatment: Any request for confidential treatment of information shall be included in the transmittal letter in accordance with the provisions of Section 2. Contractor should review its Proposal prior to submission to ensure headers and footers do not contain language requesting confidentiality. Contractor should also review its Proposal and remove any language stating its entire Proposal is confidential. **Any Proposal in which every page is marked "Confidential" or "Proprietary" may be disqualified.**

All information considered confidential or proprietary by Contractor shall be addressed in **Attachment 3 - Form 22 Request for Confidentiality**. **Confidential or proprietary information in a Proposal which is not addressed in Form 22 will be considered public information by the State.**

3.2.2 Table of Contents

The Contractor shall include a table of contents of its Proposal and submit the check list of submittals per Attachment #4.

3.2.3 Executive Summary

The Contractor shall prepare an executive summary and overview of the goods and/or services it is offering, including all of the following information:

3.2.3.1 Statements that demonstrate that the Contractor has read, understands and agrees with the terms and conditions of the RFP including the Contract provisions in Section 9.

3.2.3.2 An overview of the Contractor's plans for complying with the specifications of this RFP.

3.2.3.3 Any other summary information the Contractor deems to be pertinent.

3.2.4 Mandatory Specifications and Scored Technical Specifications

The Contractor shall answer whether or not it will comply with each specification in Section 7 of the RFP. Where the context requires more than a yes or no answer or the specific specification so indicates, Contractor shall explain how it will comply with the specification. Merely repeating the Section 7 specifications may be considered non-responsive and result in the rejection of the Proposal. Proposals must identify any deviations from the specifications of the RFP or specifications the Contractor cannot satisfy. If the Contractor deviates from or cannot satisfy the specification(s) of this section, the Agency may reject the Proposal.

3.2.5 Contractor Background Information

The Contractor shall provide the following general background information:

- 3.2.5.1** Does your state have a preference for instate Contractors? Yes or No. If yes, please include the details of the preference.
- 3.2.5.2** Name, address, telephone number, fax number and e-mail address of the Contractor including all d/b/a's or assumed names or other operating names of the Contractor and any local addresses and phone numbers.
- 3.2.5.3** Form of business entity, e.g., corporation, partnership, proprietorship, limited liability company.
- 3.2.5.4** State of incorporation, state of formation, or state of organization.
- 3.2.5.5** The location(s) including address and telephone numbers of the offices and other facilities that relate to the Contractor's performance under the terms of this RFP.
- 3.2.5.6** Number of employees.
- 3.2.5.7** Type of business.
- 3.2.5.8** Name, address and telephone number of the Contractor's representative to contact regarding all contractual and technical matters concerning the Proposal.
- 3.2.5.9** Name, address and telephone number of the Contractor's representative to contact regarding scheduling and other arrangements.
- 3.2.5.10** Name, contact information and qualifications of any subcontractors who will be involved with this project the Contractor proposes to use and the nature of the goods and/or services the subcontractor would perform.
- 3.2.5.11** Contractor's accounting firm.
- 3.2.5.12** The successful Contractor will be required to register to do business in Iowa before payments can be made.
For Contractor registration documents, go to:
<https://das.iowa.gov/procurement/vendors/how-do-business>

3.2.5.13 Describe any pending agreements to merge or sell the company.

3.2.6 Experience

The Contractor must provide the following information regarding its experience:

3.2.6.1 Number of years in business and company history. Provide the organizational structure of the business.

3.2.6.2 Number of years of experience with providing the types of goods and/or services sought by the RFP.

3.2.6.3 The level of technical experience in providing the types of goods and/or services sought by the RFP.

3.2.6.4 A list of all goods and/or services similar to those sought by this RFP that the Contractor has provided to other businesses or governmental entities.

3.2.6.5 Letters of reference from three (3) previous customers or clients knowledgeable of the Contractor's performance in providing goods and/or services similar to the goods and/or services described in this RFP and a contact person and telephone number for each reference. Public sector references of similar size to the State of Iowa are preferred. At least one letter of reference must be from a client or customer knowledgeable of Contractor's performance in providing Pharmacy Insurance Plan administration.

3.2.6.6 Medical and Pharmacy Insurance Plan Administration Experience

3.2.6.6.1 In the table below, provide the average number of members for the geographic areas and time periods specified:

Chart 3.2.6.6.1

	USA (including Iowa)	Iowa
As of January 2015		
As of January 2016		
As of January 2017		
As of January 2018		

3.2.6.6.2 As of January 2018, what is the average size of Contractor's medical insurance administration clients (in terms of members)? What is the size of Contractor's largest client (number of members)?

As of January 2018, what is the average size of Contractor's pharmacy insurance administration clients (in terms of

members)? What is the size of Contractor's largest client (number of members)?

3.2.6.6.3 Provide the detailed information below for two (2) of the largest medical insurance plans for which Contractor provides medical network and administrative services (insured or self-insured).

Provide the detailed information below for one (1) of the largest pharmacy insurance plans for which Contractor provides pharmacy network and administrative services:

- a. Name of employer sponsoring plan
- b. Date the Contractor was selected
- c. Plan inception date
- d. Number of individuals participating in the plan
- e. Types of services provided to plan sponsor

Contact information for employer (name, phone number, fax number, email address). The companies used for references in Section 3.2.6.5 above may be the same as the companies used as examples in this section.

3.2.7 Personnel

3.2.7.1 Key Personnel Resumes

The Contractor must provide resumes for all key personnel who will be involved in providing the goods and/or services contemplated by this RFP. The following information must be included in the resumes:

- Full name
- Education
- Years of experience and employment history particularly as it relates to the specifications of the RFP.

3.2.7.2 Company Representatives

Designate the names, titles, location, telephone numbers, email addresses, and fax numbers of the following representatives of the company. For the account service individuals listed, provide brief biographical information, such as years of service with your company, experience as it relates to this Proposal, and the number of clients for which they perform similar services.

- The key individual representing your company during the RFP process;
- The key individuals on your proposed implementation team;
- The key individual who would be assigned overall contract management; and
- The key individual who would be responsible for day-to-day service.

3.2.7.3 What is your annual turnover rate in account management staff over the past six years?

3.2.8 Termination, Litigation, Debarment

The Contractor must provide the following information for the past five (5) years:

- 3.2.8.1** Has the Contractor had a contract for goods and/or services terminated for any reason? If so, provide full details regarding the termination.
- 3.2.8.2** State whether, during the preceding three-year period, the Contractor has had a contract for medical or pharmacy benefit management terminated by any large (>10,000 employees) client. If so, identify each such contract, provide a description of the facts and circumstances of the termination, and provide the name, address, and telephone number of a contact person with the entity with whom the Contractor had the contract.
- 3.2.8.3** Indicate whether your company has ever been a party to litigation (other than with a specific member) regarding a medical benefit plan contract or agreement or a pharmacy benefit plan contract or agreement. If so, provide details of the litigation.
- 3.2.8.4** Describe any damages or penalties assessed against or dispute resolution settlements entered into by Contractor under any existing or past contracts for goods and/or services. Provide full details regarding the circumstances, including dollar amount of damages, penalties and settlement payments.
- 3.2.8.5** Describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Contractor to engage in any business, practice or activity.
- 3.2.8.6** A list and summary of all litigation or regulatory proceedings, or similar matters to which the Contractor has been a party.
- 3.2.8.7** Any irregularities discovered in any of the accounts maintained by the Contractor on behalf of others. Describe the circumstances and disposition of the irregularities.

Failure to disclose these matters may result in rejection of the Proposal or termination of any subsequent Contract. The above disclosures are a continuing requirement of the Contractor. Contractor shall provide written notification to the Agency of any such matter commencing or occurring after submission of a Proposal, and with respect to the successful Contractor, following execution of the Contract.

3.2.9 Criminal History and Background Investigation

The Contractor hereby explicitly authorizes the Agency to conduct criminal history and/or other background investigation(s) of the Contractor, its officers, directors, shareholders, partners and managerial and supervisory personnel who will be involved in the performance of the Contract.

3.2.10 Acceptance of Terms and Conditions

By submitting a Proposal, Contractor acknowledges its acceptance of the terms and conditions of the RFP and the General Terms and Conditions without change except as otherwise expressly stated in its Proposal. If the Contractor takes exception to a provision, it must identify it by page and section number, state the reason for the exception, and set forth in its Proposal the specific RFP or General Terms and Conditions language it proposes to include in place of the provision. If Contractor's exceptions or responses materially alter the RFP, or if the Contractor submits its own terms and conditions or otherwise fails to follow the process described herein, the Agency may reject the Proposal, in its sole discretion.

3.2.11 Business Associate Agreement

By submitting a Proposal, Contractor acknowledges its acceptance of the Business Associate Agreement (**Attachment 15**) without change except as otherwise expressly stated in its Proposal. If the Contractor takes exception to a provision, it must identify it by page and section number, state the reason for the exception, and set forth in its Proposal the specific language it proposes to include in place of the provision. If Contractor's exceptions or responses materially alter the RFP, or if the Contractor submits its own business associate terms or otherwise fails to follow the process described herein, the Agency may reject the Proposal, in its sole discretion.

3.2.12 Acceptance of State of Iowa Security Terms

By submitting a Proposal, Contractor acknowledges its acceptance of the State of Iowa Security Terms (**Attachment 16**) without change except as otherwise expressly stated in its Proposal. If the Contractor takes exception to a provision, it must identify it by page and section number, state the reason for the exception, and set forth in its Proposal the specific language it proposes to include in place of the provision. If Contractor's exceptions or responses materially alter the RFP, or if the Contractor submits its own security terms or otherwise fails to follow the process described herein, the Agency may reject the Proposal, in its sole discretion.

3.2.13 Certification Letter

The Contractor shall sign and submit with the Proposal, the document included as **Attachment #1** (Certification Letter) in which the Contractor shall make the certifications included in **Attachment #1**.

3.2.14 Authorization to Release Information

The Contractor shall sign and submit with the Proposal the document included as **Attachment #2** (Authorization to Release Information Letter) in which the Contractor authorizes the release of information to the Agency.

3.2.15 Firm Proposal Terms

The Contractor shall guarantee in writing the goods and/or services offered in the Proposal are currently available and that all Proposal terms, including price, will remain firm 120 days following the deadline for submitting Proposals.

3.3 Cost Proposal

The Contractor shall provide its Cost Proposal in a separately sealed envelope for the proposed goods and/or services. See **Attachments 5 and 6** for information, instructions and cost worksheets for the Cost Proposal.

3.3.1 Payment Methods

The State of Iowa, in its sole discretion, will determine the method of payment for goods and/or services as part of the Contract. The State Pcard and EAP are preferred payment methods, but payments may be made by any of the following methods: Pcard/EAP, EFT/ACH, or State Warrant. Contractors shall indicate in their Cost Proposals all of the payment methods in this section 3.3.1 that they will accept. **This information will not be scored as part of the Cost Proposal.**

3.3.1.1 Credit card or ePayables

The State of Iowa's Purchasing Cards (Pcards) and ePayable solution (EAP) are commercial payment methods utilizing the VISA credit card network. The State of Iowa will not accept price changes or pay additional fees if Contractor uses the Pcard or EAP payment methods. Pcard-accepting Contractors must abide by the State of Iowa's Terms of Pcard Acceptance.

3.3.1.2 Electronic Funds Transfer (EFT) by Automated Clearing House (ACH)

Contractors shall provide a statement regarding their ability to accept payment by EFT by ACH. Payments are deposited into the financial institution of the claimant's choice three working days from the issue date of the direct deposit.

https://das.iowa.gov/sites/default/files/acct_sae/man_for_ref/forms/eft_authorization_form.pdf

3.3.1.3 State Warrant

The State of Iowa's warrant drawn on the Treasurer of State is used to pay claims against the departments of the State of Iowa. The warrant is issued upon receipt of proper documentation from the issuing department.

3.3.2 Payment Terms

Per Iowa Code 8A.514 the State of Iowa is allowed sixty (60) days to pay an invoice submitted by a Vendor/Contractor.

3.3.3 Contractor Discounts

Contractors shall state in their Cost Proposals whether they offer any payment discounts, including but not limited to:

3.3.3.1 Prompt Payment Discount

The State can agree to pay in less than sixty (60) days if an incentive for earlier payment is offered.

3.3.3.2 Cash Discount

The State may consider cash discounts when scoring Cost Proposals.

SECTION 4 SCOPE OF WORK

Overview

The successful Contractor shall provide the goods and/or services to the State in accordance with the specifications as provided in this Section and in Sections 3.2, 5, 6, and 7. The Contractor shall explain how it will comply with each specification in this Section and identify any deviations from the specifications of this RFP or specifications the Contractor cannot satisfy. Contractor's responses to Section 4 will be scored.

4.1 Description of Desired Medical and Pharmacy Insurance Plans

The State of Iowa is soliciting Proposals from qualified companies to provide a statewide medical and pharmacy network, access to a national network, administration of the medical and pharmacy benefit program, and COBRA billing agent services for State of Iowa employees effective January 1, 2019 with open enrollment for plan year 2019 taking place October 2018. Optional services being considered include full service COBRA administration and a Wellness Program (see Section 7.3).

4.1.1 Desired Plan Designs

The desired plan designs for plan year 2019 are the same as the current plan designs. Contractor should review the benefit comparison document for 2018 provided at the State's web site:

https://das.iowa.gov/sites/default/files/hr/benefits/documents/2018_HlthIns/2018_IowaChoice.NationalChoice.pdf.

The health insurance booklets for Iowa Choice and National Choice are:

Iowa Choice:

<https://das.iowa.gov/sites/default/files/hr/benefits/documents/hlthcerts/2018.SOI.IowaChoice.pdf>

National Choice:

<https://das.iowa.gov/sites/default/files/hr/benefits/documents/hlthcerts/2018.SOI.NationalChoice.pdf>

4.1.2 Medical Plan Desired Funding Arrangement General Requirements

The State is seeking a minimum premium funding arrangement for medical and pharmacy coverage starting 2019. **Attachment 8** contains the State of Iowa medical claims history and **Attachment 9** contains the State of Iowa Medical Census data.

4.1.2.1 Minimum Premium Funding Arrangement

4.1.2.1.1 Payment of Claims

The State will pay claims weekly as they are paid to providers, subject to the Cumulative Liability. Contractor agrees to provide weekly billing.

4.1.2.1.2 Terminal Liability

- a. The State of Iowa will hold the IBNR (incurred but not reported) and responsibility for the Terminal Liability.
- b. The Contractor will limit the amount of the Terminal Liability, or maximum IBNR.
- c. Terminal Liability Rates may be adjusted for projected deficits. Projected deficits will be based on any deficits at the time of Contract renewal, projected to the end of the calendar year.

4.1.2.1.3 Pharmacy Rebates

Estimated Pharmacy Rebates will be used to offset Terminal Liability funding through the premium calculation.

4.1.2.1.4 Accumulated Deficits

Upon Contract termination, accumulated deficits are the responsibility of the Contractor and the State will collect any surpluses.

4.1.2.1.5 Administrative Fees

The Contractor must guarantee the administration fees for the initial two year term of this Contract. Thereafter, annual administrative fee renewal increases will be capped at the lesser of two percent (2%) or ninety percent (90%) of the increase, if any, in the CPI for all urban consumers for the Midwest region as determined by the United States Department of Labor, Bureau of Labor Statistics, or successor index, for the twelve-month period ending December 31 of the most recently expired term.

4.1.2.1.6 Premium Rates

The Contractor must guarantee the premium rates for the initial two year term of this Contract.

4.1.2.1.7 Renewal Trend Calculation

The overall renewal trend will be comprised of the State of Iowa actual utilization trend and the Contractor's book of business cost trend.

4.1.2.1.8 Additional Requirements

Any reinsurance agreements or joint administration arrangements must be described in detail in Contractor's Proposal and will be subject to approval by the State.

4.1.2.2 Employee Contributions for Medical Plans

For 2018, the State set the employee contribution for Iowa Choice at \$40.00 per month for single coverage and \$150.00 per month for family coverage. The State contribution for National Choice was fixed at the Iowa Choice contribution. Therefore, if an employee elects National Choice, the employee must contribute at a higher rate than Iowa Choice based on single or family coverage. These contributions are the same for retirees under 65 that are participating in the Sick Leave Insurance Program (SLIP). Medicare-aged retirees pay the entire cost of coverage. **Attachment 10** contains the 2018 retiree medical premiums for the period 2013 – 2018.

4.1.2.3 Medical Claims and Eligibility Administration

4.1.2.3.1 Personally Identifiable Information

- a. Contractor must provide identification cards that do not list participant social security numbers.
- b. Contractor must not use full Social Security numbers in any correspondence as a way to identify Members.

4.1.2.3.2 Self-Enrollment Portal

- a. Contractor shall provide a web-based self-enrollment portal.
- b. Contractor shall provide file feeds to the State of the eligibility information generated from the self-enrollment portal to allow for integration with the State's payroll system.

4.1.2.3.3 Customization of Forms and ID Cards

Contractor shall have the ability to provide customized standard communications/reports (e.g., sample identification cards, medical explanation of benefits (EOB), enrollment form/kits, billing statements).

4.1.2.3.4 Coordination of Benefits (COB)

- a. Contractor's system shall at a minimum maintain spouse's employment, date of birth, and other coverage information.
- b. Contractor shall have computer edit checks or triggers to initiate COB application.

4.1.2.4 Disease Management

4.1.2.4.1 Contractor shall offer a toll-free nurse or health coach line for Members. Nurses/health coaches shall be available 24 hours a day. Contractor shall state whether it offers "online chat" features with personal health/nurse coaches.

4.1.2.4.2 Contractor's nurses/health coaches shall make outbound calls to engage Members in care improvement programs.

4.1.2.5 Claims Appeals

Contractor shall have the ability to process emergency appeals on an expedited basis.

4.1.2.6 Medical Network Profile, Accessibility and Disruption

Contractor shall provide a minimum of 30 days advance notification regarding network changes to the State of Iowa and its Members.

4.1.3 Pharmacy Benefits Administration

The Contractor will be responsible for pharmacy benefit management (PBM) services. The Contractor shall manage the prescription drug program using the concept of “lowest-net-cost”.

Responsibilities of the pharmacy benefit manager include processing prescription drug claims, formulary management, clinical program management, retail, mail, and specialty pharmacy network contracting and ongoing maintenance, rebate contracting and administration, and pharmacy management reporting. **Attachments 12a-e** contain State of Iowa pharmacy claim information for 2017.

4.1.3.1 Pharmacy Network

The State intends to limit pharmacy network disruption by offering a broad national network of pharmacies. Networks that exclude major national pharmacy chains will not be considered. Contractor will complete and submit **Attachment 13** – Retail Network Disruption with its Proposal.

4.1.3.2 Formulary

The State will rely on the selected Contractor to manage and administer the Formulary. Contractors are expected to review the claims experience provided and propose a Formulary that best-fits the State utilization and limits Member disruption as much as possible. Contractor will complete and submit **Attachment 14** – Formulary Disruption with its Proposal.

4.1.3.3 Claims and Eligibility Administration

4.1.3.3.1 Contractor shall have the capability to enter corrections to eligibility records in real time.

4.1.3.3.2 Contractor shall offer Members an option to submit manual claims online (e.g., online submission of claims requests through a secure web application).

4.1.3.4 Retail Network

4.1.3.4.1 Contractor shall be able to accommodate a 90-day retail network.

4.1.3.4.2 Contractor will provide the State a 30 day advance notification when high-utilization pharmacies leave the network.

- 4.1.3.4.3** Contractor will take steps to add pharmacies to the network to address any deficiencies in service capacity based on the location of the State's Members during the term of the Contract including all renewal periods.

4.1.3.5 Retail Network Accessibility and Disruption

- 4.1.3.5.1** Contractor will electronically image all received prescriptions and order forms.
- 4.1.3.5.2** Contractor's mail order operation shall have error tracking and reporting capabilities. **4.1.3.6.3** Contractor shall have the ability to track prescriptions that are not filled within the normal turnaround time and provide a report regarding the untimely filling of prescriptions upon request by the State.
- 4.1.3.5.3** Contractor shall provide, at no cost to Members, expedited shipping of filled prescriptions to Members when it is required due to Contractor service issues or errors.
- 4.1.3.5.4** Contractor shall provide label/inserts for mail order prescriptions containing the total cost to both employer and Members.

4.1.3.6 Plan Design & Clinical Programs

- 4.1.3.6.1** No plan design changes are anticipated in the pharmacy benefits. Contractors must assume the existing plan design.
- 4.1.3.6.2** Under the current program, the State's clinical management programs include: Step Therapy, Prior Authorization, Quantity Limits, Dispense-as-Written penalties.
- 4.1.3.6.3** Contractor shall notify Members when their drug moves from formulary to non-formulary.
- 4.1.3.6.4** Contractor shall confirm it will treat the prescribing physician as the ultimate decision-maker with regards to alternative drug options and generic substitutions.
- 4.1.3.6.5** Contractor shall confirm it will obtain authorization for a drug interchange only with the express, verifiable authorization from the prescriber as communicated directly by the prescriber, in writing or verbally, or by a licensed medical professional or other physician's office staff member as authorized by the prescriber.
- 4.1.3.6.6** Contractor shall confirm it will only interchange a patient's drug from a lower priced drug to a higher priced drug when authorized by the carrier.
- 4.1.3.6.7** Contractor shall confirm its organization will permit pharmacists to express their professional judgment to both the PBM and physicians on the impact of drug interchanges and to answer physicians' questions about dosing. Contractor shall confirm its organization will not require pharmacists to, and will not penalize

pharmacists for refusing to, initiate calls to physicians for drug interchanges that in their professional judgment should not be made.

- 4.1.3.6.8** Contractor shall confirm its organization will, if requested, disclose to physicians, the carrier and Members, (i) the reason(s) why it is suggesting a drug interchange, and (ii) how the interchange will affect the PBM, the plan, and the Members financially.

4.1.4 Employer Group Retiree Program F and N Plan

The Contractor will be required to offer:

- Group plans with benefit designs similar to individual Medicare supplement plans or

Contractor must include the fees for the Employer Group Retiree Program F and N Plans in the Cost Proposal.

4.1.5 COBRA Billing Agent Services

The Contractor will be responsible for the monthly billing services for COBRA participants. See Section 7.3.1 for optional, non-mandatory, COBRA Administration Services for State of Iowa employees that the State may consider adding to the scope of work Contract.

4.2 Customer Support

- 4.2.1** The Contractor shall maintain a dedicated toll-free telephone number to respond to Member inquiries as well as a toll-free TDD line for hearing impaired Members.
- 4.2.2** The dedicated Customer Service unit must be available from 8:00 a.m. – 5:00 p.m. Central Time, Monday through Friday.
- 4.2.3** Contractor shall acknowledge claim and other questions and complaints from Members within two (2) business days.
- 4.2.4** Contractor shall provide client-specific customer service representative training to its staff prior to the State's plan start date.
- 4.2.5** Contractor's customer service representatives shall have access to claims history and previous call notes when a Member calls in to ask a question.
- 4.2.6** Upon proper identification, the Contractor shall, to the extent possible, answer inquiries over the telephone.
- 4.2.7** The Contractor shall also provide an interactive voice response toll-free telephone system, which will enable Member to obtain current, personalized information as well as general information concerning the Medical and Pharmacy Insurance Plans.
- 4.2.8** Customer service representatives shall have on-line access to the following information.

Contractor shall confirm availability below: (type "X" in box)

	Eligibility
	Actual claims (scanned claim form)
	Claims history/status
	Benefits descriptions
	Status of question/complaint
	Hospital and physician status/information
	Integration with prescription drug information, etc.,
	State-specific programs
	Other, please specify

4.2.9 Members shall be able to leave voicemails for with Contractor's customer service representatives.

4.2.10 Contractor shall offer Members a mobile application. Contractor shall explain the information featured by the mobile application and describe Member transactions available within the mobile application (e.g., refill request).

4.3 Website Functionality

4.3.1 Contractor shall provide a website which allows State employees to access their insurance coverage information and other personal health related information.

4.3.2 Contractor's website shall allow State administrators access for reporting purposes and other information. Contractor must provide a link to its website in the Proposal and include a user ID and password, if applicable.

4.3.3 Contractor's website shall, at a minimum, have the following capabilities. Contractor will confirm its website's capabilities below:

Member Can:	Yes	No
Find a provider (Name, address and location)		
Check the status of a claim		
Review EOB for self and/or dependent		
Print out (or request) an ID card		
E-mail a question		
Verify eligibility		
Inquire about plan design		
Review covered items under the plan on-line (i.e., On-line Summary Plan Description (SPD))		
Access information regarding health topics		
Other?		
Employer Can:	Yes	No
Create/Build Reports		
Print Reports		
Print bills		
Print directories		
Order supplies		
Ask a question		

View eligibility information		
Check payment of fees		
Other?		
Provider Can:	Yes	No
Check eligibility of Member		
Submit a claim electronically		
Search for a specialist		
Check status of claim payment		
Check to see if an item is covered		
Review plan requirements (for Pre-Cert)		
Other?		

4.4 Employee Education

The Contractor shall provide State employee education online and as needed in-person classes related to common health issues. Contractor must provide information on current education classes in the Proposal.

4.5 Reporting Capabilities

- 4.5.1 The State shall have access to the following standard reports: eligibility reports, monthly paid claims reports and quarterly reports. The quarterly reports provided shall include extensive utilization, cost, and pharmacy data and program level details to ensure effective monitoring of all aspects of the program.
- 4.5.2 Contractor shall develop standard reports, by predefined State groups, as well as provide a comprehensive program financial summary at no charge.
- 4.5.3 The reporting capabilities of the proposed solution must include Ad Hoc report-writing capability.
- 4.5.4 Contractor shall provide transparent reporting for all aspects of the pharmacy administration (i.e. utilization, financials and rebates).
- 4.5.5 Contractor shall provide a copy of a plan analysis report as an attachment. The plan analysis report shall be a quarterly report and should focus on key trends, PBM actions, recommendations for improvement, etc.

4.6 Quality Controls & Audits

- 4.6.1 At a minimum, Contractor shall perform an annual claims audit on the State's plan.
- 4.6.2 Contractor must have a disaster recovery plan for restoring application software and master files.
- 4.6.3 Contractor shall provide a quarterly report of high cost claims.

SECTION 5 MINIMUM PREMIUM MEDICAL INSURANCE QUESTIONNAIRE

Overview

Each Proposal must contain a response to Section 5 for the provision of medical benefits through a minimum premium funding arrangement. Contractor's responses to Section 5 will be scored.

Each question in this section must be answered specifically and in detail. Include both the question or request for information and the answer in the Proposal. Reference should not be made to a prior response in the RFP unless the question involved specifically provides such an option.

If Contractor's proposal is different in any way from that indicated in this RFP, clearly indicate the deviation. If Contractor does not indicate the deviation, the submission of its Proposal will be deemed a certification that the Contractor will comply in every respect (including, but not limited to, coverage provided, funding method requested, benefit exclusions and limitations, underwriting provisions, general terms and conditions, contract terms and conditions, etc.) with the requirements set forth in this RFP.

If Contractor is unable to perform any required service, indicate clearly: a) what Contractor is currently unable to do; b) what steps will be taken (if any) to meet the requirement; c) the timetable for that process; and, d) who will be responsible for the implementation, along with that person's qualifications.

Answers that state it is the Contractor's policy not to respond to a given question, or that a response will be provided in the future if Contractor is named a finalist, that response will be considered non-responsive and no points will be awarded for that response.

5.1. Claims and Eligibility Administration

5.1.1 Contractor shall explain whether there any benefits in the State of Iowa plan designs that would require manual intervention. If yes, please describe.

5.1.2 Self-Enrollment Portal

Refer to Section 4.1.2.3.2 for additional specifications for the self-enrollment portal.

5.1.2.1 Contractor shall provide all fees for payroll integration and file feeds in the Cost Proposal.

5.1.2.2 Contractor shall explain whether the responsibility for the enrollment portal is handled in-house or through a subcontractor. If handled through a subcontractor, Contractor shall identify the subcontractor and explain its responsibilities regarding the self-enrollment portal.

5.1.3 Customization of Forms and ID Cards

Refer to Section 4.1.2.3.3 for requirements.

5.1.3.1 Contractor shall explain any costs associated with customization of forms and ID cards. Include all fees in the Cost Proposal.

5.1.3.2 Contractor shall explain the length of time needed for producing ID cards after receipt of clean eligibility data.

5.1.4 Contractor shall explain how it approaches coverage continuations for employees terminating State employment and what conversion options are available to employees when they leave employment.

5.1.5 Contractor shall explain its claims turnaround times and processes for the medical plan administration.

5.1.6 Contractor will confirm whether its system can accommodate the following. (Please check all that apply.)

	System Has Capability?
Electronic claim payments	
Multiple fee schedules	
Interface with utilization management system	
Interface with Member service system	
Rebundling Software	
System Edits	
Bulk Claim Payments	
In and Out-of-Network claims paid on same system	

5.1.7 Contractor will complete the table below for calendar year 2017:

	Contractor Response
a. What percentage of Hospital Claims is submitted electronically?	
b. What percentage of Physician Claims is submitted electronically?	
c. What percentage of Hospital Claims are auto adjudicated?	
d. What percentage of Physician Claims are auto adjudicated?	

5.1.8 Contractor shall explain whether it will provide a dedicated service unit (DSU) to service the State of Iowa account for claims administration.

5.1.9 Contractor shall explain how long its claims system has been operational. Contractor shall explain whether it expects to make any major system changes (i.e., move locations, outsource, upgrades, etc.) in the next 24 months. If yes, Contractor shall explain the changes and how they will impact its services to the State of Iowa.

5.1.10 Contractor shall explain the grievance and/or appeals protocols in place for plan Members.

5.1.11 Coordination of Benefits (COB)

Refer to Section 4.1.2.3.4 in the Scope of Work for COB requirements.

5.1.11.1 Contractor shall explain the checks or triggers to initiate COB application.

5.1.11.2 Contractor shall provide details concerning Contractor's COB (Coordination of Benefits) procedures and savings.

5.1.11.3 Contractor shall provide metrics on COB savings across its clients.

5.1.12 Utilization and Large Case Management Programs

5.1.12.1 Contractor shall describe its utilization management and large case management programs.

5.1.12.2 Contractor shall describe its process for identification of patients for large case management and how claims are transferred to case managers.

5.1.12.3 Contractor shall state the ratio of case managers to cases managed.

5.2. Disease Management

5.2.1 Contractor must describe its Disease Management programs. Contractor shall explain whether it is utilizing an outside vendor for the administration of disease management programs. If so, Contractor shall provide the name of the organization and how long this relationship has existed.

5.2.2 Contractor shall complete the following chart based on Contractor's disease management program.

Name of Disease	Start of Program (Yr)	In Development or Current Program	In-house or Outsourced	Outsourced Vendor Name

5.2.3 Contractor shall explain whether there is an additional cost to take advantage of these programs. If so, Contractor shall list all fees in the Cost Proposal. If Contractor bundles services, it will clearly indicate which programs are included in the bundled fees and list the fees in the Cost Proposal worksheet – **Attachment 6**.

5.2.4 Contractor shall explain whether predictive modeling is used to identify potential Members for case management or disease management. Contractor shall explain whether it stratifies Members into "severity tiers" based on their relative risk factors. If yes, Contractor shall describe the outreach protocol based upon the specific strata.

5.2.5 By disease, how is Contractor identifying candidates for disease management? Does intervention vary by status of disease? If so, briefly describe the intervention.

- 5.2.6** What are Contractor's outcomes by disease over a period of six years?
- 5.2.7** Is Contractor willing to guarantee the savings for these programs? For example, is Contractor willing to guarantee that the State will save a minimum amount or percentage of fees for this program during the first year of the Contract? Is Contractor willing to guarantee a penalty of 50% of the fees if the savings guarantee is not met?
- 5.2.8** Contractor shall describe its data integration capabilities for disease management programs with third party vendors and disease management vendors. What vendors does Contractor currently exchange data with? Does Contractor charge any extra fees for this data exchange? If so, include the fees in the Cost Proposal.
- 5.2.9 Personal Nurses/Health Coaches**
- 5.2.9.1** Contractor will explain whether it offers "online chat" features with personal health nurse/coaches.
- 5.2.9.2** Contractor shall provide the percentage of Members who are contacted by personal nurses/health coaches via outbound calls.
- 5.2.9.3** Contractor shall provide the average percentage of Members who actively engage in a care improvement program after being contacted by outbound call.
- 5.2.9.4** Contractor shall explain whether it charges the plan for Members who do not call back and if so, for how long. If there is a charge, Contractor shall include the fees in the Cost Proposal.
- 5.2.10** Contractor shall explain whether it includes health and wellness information, health risk assessments, and patient decision support on its member website or via customer service. Contractor shall indicate any relationships with outside vendors to provide this information.

5.3. Preventive Management

- 5.3.1** Contractor shall describe its preventive management programs. Contractor shall explain if it's utilizing an outside vendor for the administration of preventive management programs. If so, Contractor shall provide the name of the organization and how long this relationship has existed.
- 5.3.2** Contractor shall complete the following chart based on Contractor's preventive management program.

Program	Start of Program (Yr)	In Development or Current Program	In-house or Outsourced	Outsourced Vendor Name

5.3.3 Contractors shall describe any additional costs to take advantage of these programs. If so, Contractor will list all fees in the Cost Proposal. If Contractor bundles services, it should clearly indicate which programs are included in the bundled fees and list the fees in the Cost Proposal.

5.4. Medical Network Profile, Accessibility and Disruption

For the State of Iowa Minimum Premium Medical Insurance Plan, Contractor shall provide a GeoAccess network profile, accessibility and disruption analysis. Contractor shall complete the Excel spreadsheet found in RFP Attachment 11 - Medical Network Exhibits. This attachment provides the instructions and criteria to follow.

5.4.1 Contractor shall provide a list of statewide and contiguous counties medical providers accessible through their proposed solution.

5.4.2 Contractor shall explain whether any part of its network is leased. Contractor will describe the percentage and identify the owner of the network along with the geographic service area.

5.4.3 Contractor shall explain how often it renegotiates medical provider contract rates. Contractor shall explain if its medical provider contracts include a specific clause which limits the amount of increase. Are there automatic annual increase provisions included in any of Contractor's medical provider contracts?

5.4.4 Contractor shall explain how often its hospital contract rates renegotiated. Contractor shall explain whether its medical provider contracts include a specific clause which limits the amount of increase. Are there automatic annual increase provisions included in any of Contractor's medical provider contracts?

5.4.5 Contractor shall explain any anticipated renegotiating of medical provider contracts in the next 12 to 24 months.

5.4.6 Contractor shall explain whether it has renegotiated any medical provider contracts in the last 12 to 24 months. If so, Contractor shall explain the financial impact to Contractor and its customers.

5.4.7 Contractor shall explain whether it negotiates out-of-state claims and provides a network for out-of-state claims. If so, is this network nationwide? Are out-of-state claims incurred at network providers paid at the in-network level? Is there a network access charge for out-of-state claims (e.g. percent of savings)?

5.4.8 Contractor shall explain its medical provider recruitment strategy process if a network gap is identified.

5.4.9 Contractor shall explain whether there are any additional fees (e.g. network access fees) for out-of-area claims? If so, Contractor shall explain and provide additional cost in the Cost Proposal.

- 5.4.10** Contractor shall explain if it provides services to out-of-area dependents. If so, how does Contractor identify dependents in an out-of-service area? Can Contractor provide access to network providers at discounted rates to out of town student Members?
- 5.4.11** Contractor shall describe its system for maintaining credentialing information and how often each medical provider is re-credentialed? Contractor shall explain what information is verified during medical provider re-credentialing.
- 5.4.12** Contractor shall describe the database it utilizes to determine reasonable and customary (UCR). How often is this information updated?
- 5.4.13** Contractor will list the most recent annual network provider turnover rates (percentages) for both voluntary and involuntary turnover?
- 5.4.14** Contractor shall describe its method of reimbursement of network Providers that are reimbursed by the following methods in the following table.

Method of Reimbursement	% Reimbursed by Method
General Practitioners	
Total	100%
Specialists	
Total	100%

- 5.4.14.1** Contractor shall describe its method of reimbursement and provide the percentage of network inpatient hospitals that are covered by each reimbursement method.

Method of Reimbursement	% Reimbursed by Method
Hospitals	

Method of Reimbursement	% Reimbursed by Method
Total	100%

5.4.14.2 Contractor shall explain how it reimburses for hospital outpatient services (facility use charges). Contractor shall be specific and describe the reimbursement methodology for the following types of services:

- a) Emergency Room
- b) Outpatient Surgery
- c) Laboratory
- d) Radiology
- e) Other (specify)

5.4.14.3 Contractor shall explain how it and its networks use incentives to reward cost, quality, safety, and patient satisfaction. Contractor shall explain if it has a value-based network strategy, and if so, what would the impact of its strategy be on the State?

5.4.14.4 The State self-insures its workers compensation program and would like direct handling of work comp claims to Contractor's network to obtain the same discounts as it receives on medical claims. Is this a possibility? If not, please explain why.

SECTION 6 PRESCRIPTION DRUG INSURANCE QUESTIONNAIRE

Overview

In order for Contractor's Proposal to be considered and accepted, Contractor must provide answers to the questions and requests for information presented in this section for Prescription Drug Insurance. Each question must be answered specifically and in detail. Include both the question and the answer in the Proposal. Reference should not be made to a prior response in the RFP unless the questions involved specifically provide such an option. An electronic copy of this questionnaire has been provided to facilitate Contractor's response. Contractor's responses to Section 6 will be scored.

If Contractor's Proposal is different in any way from that indicated in this RFP, clearly indicate the deviation. If Contractor does not, the submission of its Proposal will be deemed a certification that Contractor will comply in every respect (including, but not limited to, coverage provided, funding method requested, benefit exclusions and limitations, underwriting provisions, general terms and conditions, contract terms and conditions, etc.) with the requirements set forth in this RFP.

If Contractor is unable to perform any required service indicate clearly: a) what Contractor is currently unable to do; b) what steps will be taken (if any) to meet the requirement; c) the timetable for that process; and d) who will be responsible for the implementation, along with that person's qualifications.

Answers that state it is the Contractor's policy not to respond to a given question or that a response will be provided in the future if Contractor is named a finalist will be considered non-responsive and no points will be awarded for that response.

6.1 Pharmacy Benefit Management Strategy

- 6.1.1** If Contractor subcontracts with a PBM, Contractor shall identify the subcontractor and the nature of the relationship. Specifically, which entity is responsible for the formulary management, clinical program management, network management and contracting, rebate contracting, customer service, specialty drug management, and claims adjudication?
- 6.1.2** Contractor shall describe what differentiates its organization from its competitors in providing these services. What makes Contractor's organization the best choice for the State?
- 6.1.3** Contractor shall describe the most significant issues that it's addressing with clients around the prescription drug benefit.
- 6.1.4** Contractor shall provide two recommendations for "day 1" to control costs or improve outcomes based on the plan design currently in place, the drug utilization, and the demographics.
- 6.1.5** Contractor shall describe the strategies proposed to achieve the lowest-net-cost in its Proposal.

6.2 Claims and Eligibility Administration

- 6.2.1** Contractor shall provide the required data elements for eligibility feeds from the State. Contractor shall provide desired eligibility format/lay-out in the Proposal.

- 6.2.2** Contractor shall describe its claims processing system and capabilities to show how its organization adjudicates claims. At a minimum include the following:
- 6.2.2.1** Procedures and criteria used to authorize or reject claims to assure that all claims paid are in compliance with the State's Pharmacy Insurance Plan design.
 - 6.2.2.2** How Contractor's system processes dispense as written (DAW) codes, COB payments, and claim reversals/adjustments.
 - 6.2.2.3** Quality control procedures and system edits used for controlling and tracking claims.
- 6.2.3** Contractor shall describe how its system handles electronic claims adjudication at the point of service including rejected claims, COB adjudication (including Medicare Part B), and any messaging provided to pharmacists. Indicate if the messaging to the pharmacist is customizable.
- 6.2.4** Contractor shall describe its established procedures that will evaluate Member exception requests such as copayment reductions, vacation override authorizations, or other requests for coverage outside of established prior authorization, step therapy and quantity limit programs.
- 6.2.5** Contractor shall explain its process for loading and correcting data on eligibility records.
- 6.2.6** Contractor shall explain whether ID cards are the sole means of determining Member eligibility. Please explain other methods for determining eligibility, if any. If having the Member pay the retail price and submitting a claim for reimbursement later is Contractor's only option, please describe that process.
- 6.2.7** Contractor shall provide the details of online submission of manual claims and provide the turn-around time for manual claims processing.
- 6.2.8** Contractor shall describe its billing process in the Proposal.
- 6.2.9** Contractor shall explain if its claims system can support the State's current plan design without alteration or the need for manual intervention.
- 6.2.10** Contractor shall explain its coordination with Medicare Part D. How will any savings from coordination with Medicare Part D be credited back to the plan?

6.3 Member Experience

- 6.3.1** Contractor shall describe its after-hours pharmacist access. Contractor shall explain whether it provides access to a pharmacist 24 hours a day, 365 days a year.

6.4 Clinical Programs

- 6.4.1** Contractor shall describe the key value proposition of its clinical programs and how its clinical strategy is differentiated from other PBMs. Contractor shall explain its clinical programs that are unique or differentiated from the market.
- 6.4.2** Contractor shall provide a description of all of its clinical program offerings.
- 6.4.3** Contractor shall explain if it has any value-based care or outcomes based contracts or programs with manufacturers or in-house that may benefit the State or Members. If so, please describe.

- 6.4.4** Contractor shall provide the number of formulary options available to the State with a short description for each one.
- 6.4.5** Contractor shall indicate which formulary is being proposed for the State and why.
- 6.4.6** Contractor shall describe its policy regarding formulary changes and its procedures for educating and notifying Members.
- 6.4.7** Contractor shall explain how often products are moved from formulary to non-formulary (quarterly, annually).
- 6.4.8** Contractor shall explain if the State participation in the therapeutic interchange program is voluntary.
- 6.4.9** Contractor shall explain how it validates that each of the TIP and the individual interchanges provide financial benefit to employers and Members?
- 6.4.10** Contractor shall describe what it's doing to control compound drug costs. Does Contractor have a dollar threshold that triggers a review? If so, what is it?
- 6.4.11** Contractor shall describe its strategy to address the opioid issues many Members and plan sponsors are facing today.
- 6.4.12** Contractor shall describe its programs for addressing mental health and comorbidities that are often paired with primary conditions like cancer or diabetes.
- 6.4.13** Contractor shall describe its capabilities with regards to condition management.
 - 6.4.13.1** Contractor shall explain how it identifies Members receiving a medication that may intensify an existing disease state.
 - 6.4.13.2** Contractor shall describe its process of identifying Members who may be eligible for a specific program. Contractor shall explain if it typically uses an opt-in or an opt-out method.
- 6.4.14** Contractor shall describe the processes in place to identify Members on multiple medications in the same therapeutic class. Once identified, how does Contractor proceed?
- 6.4.15** Contractor shall describe its review process with drugs that require clinical review.
- 6.4.16** Contractor shall describe its process to measure quality of drug therapy e.g., achievement of quality targets, identification and appropriate use of best practices, application of evidence-based medicine, etc.).
- 6.4.17** Contractor shall describe how its organization will manage generic utilization and substitutions and incentives for the use of cost-effective therapeutic medication for the State's programs.
- 6.4.18** Contractor shall describe the methodology that would be used to calculate savings from the cost management programs.
- 6.4.19** Contractor shall describe how fee savings for clinical programs would be calculated.
- 6.4.20** Is Contractor willing to implement an overall pharmacy trend guarantee with financial penalties for under achieving the guarantee?

6.4.21 Is Contractor willing to implement condition specific trend guarantees with financial penalties for under achieving the guarantee?

6.4.22 What is the generic utilization and substitution rate for Contractor's clients over the past six years?

6.5 Specialty Drug Program

6.5.1 Contractor shall confirm whether the current specialty pharmacy program is administered in-house or subcontracted.

6.5.2 Contractor shall provide the number of specialty pharmacy distribution centers that will serve the State and the distribution center locations.

6.5.3 Contractor shall provide its definition of a specialty drug.

6.5.4 Contractor shall explain how its specialty drug management program is differentiated from the market. Contractor shall describe the advantages for the State having Contractor administer specialty drug management.

6.5.5 Contractor shall list the specific disease states its specialty drug management program covers.

6.5.6 Contractor will describe its clinical programs specifically designed for specialty drug management.

6.5.7 Contractor shall describe if its organization has been involved in any "site of care" utilization management initiatives for infused specialty drugs and Contractor's willingness to work with the State on this type of initiative.

6.5.8 Contractor shall explain the specialty network proposed by Contractor an open network (where Members can use any specialty pharmacy) or "exclusive" network (Members may only go through Contractor's specialty pharmacy)?

6.5.9 Contractor will provide the current number of limited distribution drugs (LDD) dispensed for its clients.

6.5.10 Contractor shall explain its organization's strategy around biosimilars. Contractor shall explain the approval process being used for these new drugs and how these new drugs will be incorporated into Contractor's formularies.

6.5.11 Contractor shall describe any expectation that biosimilars will result in reduced cost for its clients.

6.5.12 Contractor shall explain its capability to perform cost and utilization modeling on anticipated bio-similar introductions to help the State forecast possible outcome scenarios.

6.6 Retail Network

6.6.1 Contractor shall describe each of the network options available to the State and indicate which major chain stores are not included in each network.

6.6.2 Contractor will explain which major retail pharmacy chains participate in its 90 day retail network.

- 6.6.3** Contractor shall explain how frequently pharmacy contracts are renegotiated?
- 6.6.4** Contractor shall explain any anticipated renegotiating of pharmacy contracts with major chains in the next 12 to 24 months. Contractor shall explain if any pharmacy contracts have been renegotiated in the last 12 to 24 months. If so, Contractor will describe the financial impact to its organization and customers.
- 6.6.5** Contractor shall explain its system for maintaining credentialing information and how often each pharmacy is re-credentialed. Contractor shall explain what information is verified during pharmacy re-credentialing.
- 6.6.6** Contractor shall explain the time frame for contracting with additional pharmacies when Contractor recognizes the need for additional pharmacies.
- 6.6.7** Contractor will explain its process for adding new pharmacies to the network.

6.7 Retail Network Accessibility and Disruption

- 6.7.1** Contractor will provide the volume as a percentage of capacity of the mail facilities that will service the State.
- 6.7.2** Contractor shall explain whether its mail service pharmacy performs interventions that are not performed in retail?
- 6.7.3** Contractor will explain whether its error tracking and reporting capabilities for its mail order operation are client-specific.
- 6.7.4** Contractor shall provide the turnaround times for clean claims received via:
 - a. Mail
 - b. Fax
 - c. Phone
 - d. Internet
 - e. For claims with interventions

SECTION 7 SPECIFICATIONS

Overview

The successful Contractor shall provide the goods and/or services to Agency and other agencies using the Contract in accordance with the specifications as provided in this Section and in Sections 3.2, 4, 5, and 6. The Contractor shall address each specification in this Section and indicate whether or not it will comply with the specification. If the context requires more than a yes or no answer or the section specifically indicates, Contractor shall explain how it will comply with the specification. Proposals must address each specification. Merely repeating the specifications may be considered non-responsive and may disqualify the Contractor. Proposals must identify any deviations from the specifications of this RFP or specifications the Contractor cannot satisfy. If the Contractor deviates from or cannot satisfy the specification(s) of this section, the Agency may reject the Proposal.

7.1 Mandatory Specifications

All items listed in this section are Mandatory Specifications. Contractors must mark either **“yes”** or **“no”** to each specification in their Proposals. By indicating **“yes”** a Contractor agrees that it shall comply with that specification throughout the full term of the Contract, if the Contractor is successful. In addition, if specified by the specifications or if the context otherwise requires, the Contractor shall provide references and/or supportive materials to verify the Contractor’s compliance with the specification. The Agency shall have the right to determine whether the supportive information and materials submitted by the Contractor demonstrate the Contractor will be able to comply with the Mandatory Specifications. If the Agency determines the responses and supportive materials do not demonstrate the Contractor will be able to comply with the Mandatory Specifications, the Agency may reject the Proposal.

- 7.1.1** Contractor must accept the fiduciary responsibility for the Medical and Pharmacy Insurance Plans.
- 7.1.2** The Contractor must guarantee the premium rates and administration fees for the initial two year term of the Contract.
- 7.1.3** Contractor must provide the State with a Fidelity/Crime Bond in the minimum amount of five (5) million dollars per occurrence.
- 7.1.4** Contractor must have the ability to provide a statewide medical and pharmacy network and administer its proposed plan designs within the timelines stated in the RFP.
- 7.1.5** Contractor must have access to a national provider network for the State’s medical and pharmacy plan(s).
- 7.1.6** Contractor must have a minimum of ten (10) years’ current experience serving large public sector clients and union groups and have current experience providing similar medical and pharmacy benefit plan administration to at least one other employer with 20,000 or more employees.
- 7.1.7** Contractor must maintain a dedicated toll-free telephone number to respond to Member inquiries as well as a toll-free TDD line for hearing impaired Members available 8:00 a.m. – 5:00 p.m. Central Time, Monday through Friday.

- 7.1.8** Contractor must provide a dedicated account representative for the State of Iowa services defined in this RFP. Dedicated is defined as 75% of the account representative's time shall be exclusively spent providing State of Iowa services.

7.2 Scored Technical Specifications

All items listed below are Scored Technical Specifications. All specifications will be evaluated and scored by the evaluation committee in accordance with Section 8.

7.2.1 Scope of Work

The Contractor shall address each specification in Section 4 – Scope of Work and indicate whether or not it will comply with the specification. If the context requires more than a yes or no answer or the section specifically indicates, Contractor shall explain how it will comply with the specification. Proposals must address each specification and identify any deviations from the specifications of this RFP or specifications the Contractor cannot satisfy.

7.2.2 Customer Service

- 7.2.2.1** Contractor shall describe its typical number of dedicated customer service representatives per company participants.

- 7.2.2.2** Contractor shall describe its primary strategy for reaching Members.

- 7.2.2.3** Contractor shall provide following information on the specific areas listed below that will be servicing the State of Iowa.

	Geographical Location(s)	Hours of Operation (Specify PST/CST/EST)	Is this service provided by a subcontractor? Yes or No? <i>If Yes, provide name of company to which the function is subcontracted.</i>
Member Service Center			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Claims Administration Office			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Account Management Office			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Medical Utilization Management			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No
Internet Pharmacy			<input type="checkbox"/> Yes Specify Company Name: _____ <input type="checkbox"/> No

Pharmacy Mail Order			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Specialty Pharmacy			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Drug Utilization Review and Other Clinical Protocols			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No
Other (Specify functional area)			<input type="checkbox"/> Yes <i>Specify Company Name:</i> _____ <input type="checkbox"/> No

7.2.2.4 Contractor shall describe its customer service triage approach (e.g., live or phone tree) and its call tracking abilities. Contractor shall describe the number of menu options the Member has to go through to get to a live operator. Contractor shall provide the number of minutes on average that it takes for a customer to speak with a live operator.

7.2.2.5 Contractor shall describe its approach to client-specific training for customer service representatives per the requirement in Section 4.2.4.

- a. Provide the duration of the initial training program.
- b. Provide the type of ongoing training provided.
- c. Provide the type of knowledge tools or other job aids provided.

7.2.2.6 Contractor shall describe its Patient Assistance Programs. Specifically, what are the outcomes, for the plan and the Member, from implementing such programs with other clients?

7.2.2.7 Contractor shall provide the percentages of member services inquiries that were resolved on the first call across all clients during the past six years. Contractor shall explain its time goal for a member service representative to return a call to a Member on an issue.

Contractor shall describe the steps it's taking to improve first call resolution.

7.2.2.8 Contractor shall describe how it measures and tracks customer satisfaction. Contractor shall explain its client satisfaction goal and rate for calendar year 2017.

7.2.2.9 Contractor shall provide the address and phone numbers for the call center unit that would service the State.

	Call Center
Address	
Phone Numbers	

- 7.2.2.10** Contractor shall indicate the total number of Members and groups serviced out of this location:

	Call Center
Total Members	
Groups Serviced	

- 7.2.2.11** Contractor shall indicate the average monthly call volume for 2016 and 2017 for this location:

	Answer
2016 Monthly Call Volume	
2017 Monthly Call Volume	
Call Capacity:	

- 7.2.2.12** Contractor shall explain whether customer service calls be shifted to another customer service center if the time-on-hold or abandonment rate exceeds the desired thresholds. If so, how often does this occur?

- 7.2.2.13** Contractor shall explain how service inquiries are tracked and reported. Contractor shall describe the procedures used to guarantee the quality and integrity of the information reported.

7.2.3 Website Capabilities

- 7.2.3.1** Contractor shall describe its website, and provide a list of the information and tools available to Members. Include a description of health decision support and health information tools.
- 7.2.3.2** Contractor shall describe what enhancements, if any, are anticipated for Contractor's website in the near future and the expected delivery date.
- 7.2.3.3** Contractor shall describe the steps it has taken to reduce the possibility of Member identity theft.
- 7.2.3.4** Contractor shall explain the security measures it has in place to ensure the integrity of its data systems and the personal health information of Members on these systems.
- 7.2.3.5** Contractor shall describe how the State could integrate medical and prescription drug data in Contractor's platform? What are the limitations?

7.2.4 Implementation

- 7.2.4.1** Contractor shall describe the timetable and specific tasks involved to have the Medical and Pharmacy Plans operative for the 2019 Plan Year Enrollment (October 2018). Include a detailed implementation plan and business plan or timeline. Be specific with regard to the following:
- Amount of time needed for implementing the new program
 - Recommended activities/tasks and timing
 - Responsibilities of Contractor and State staff

- d. Transition with current carriers, including providing Members 60 days-notice regarding formulary change
- e. Length of time implementation team will be responsible for the State of Iowa
- f. Staff assigned to attend open enrollment/educational sessions at various State of Iowa employee locations

7.2.4.2 Transition of Care Plan

Contractor's proposed transition of care plan shall, at a minimum, address:

- a. Individuals who are in a course of treatment;
- b. Transition of prescriptions;
- c. Communication of transition issues to all plan Members;
- d. Step-therapy measures for affected Members; and
- e. Previously satisfied prior authorization criteria for affected Members.

7.2.4.3 Contractor shall describe the plan for transitioning the medical and pharmacy benefit plan administration services from the current Contractor (proposed dates, etc.). If desired by the State of Iowa, can historical data be transferred from the current Contractor to the successful Contractor? Is this process manual or electronic, please describe?

7.2.4.4 Contractor shall describe the process for handling transition of care issues. Please be specific with respect to inpatient and outpatient services and identify the diagnoses typically used to authorize extended transition of care.

7.2.4.5 Contractor shall describe its process for handling transition of mail order prescriptions.

7.2.4.6 Contractor shall describe its process for testing plan designs prior to the effective date to ensure the system has been coded correctly

7.2.4.7 Describe how current prior authorization and step-therapy milestones will be reflected on Member accounts post-implementation.

7.2.5 Reporting

7.2.5.1 Contractor shall describe its online reporting capabilities available for the State. Please describe the types of reports that can be downloaded from the online system.

7.2.5.2 As an attachment to this Proposal, provide a copy of standard reports available and the State's ability to view plan data. Describe the frequency of reporting provided.

7.2.5.3 Will there be an additional charge for on-line reporting and ad-hoc report requests? If so, please include a list of fees in the Cost Proposal. Contractor shall describe its ad hoc reporting capabilities and the process for requesting ad hoc reports. How is this cost shown in the billing?

- 7.2.5.4** For the website, please indicate how soon prescription data is available once claims are processed. If data is not able to be viewed on a real-time basis, please confirm the associated lag in business days.
- 7.2.5.5** Contractor shall provide its average turnaround time to produce ad hoc reports.
- 7.2.5.6** Contractor shall describe its process for providing transparency in reporting.

7.2.6 Quality Controls & Audits

- 7.2.6.1** Contractor shall describe the quality controls, auditing and peer review mechanisms in place for its claim processing department. Does Contractor use internal or independent/outside auditors?
- 7.2.6.2** Contractor will explain the percentage of claims audited and the frequency that internal audits are performed.
- 7.2.6.3** Does Contractor agree to offer the State the right to audit its claim processing service, records and other relevant activity associated with its plan participants? If so, is Contractor willing to partially pay for the audit as the results can be used to the mutual benefit of both the State and the carrier?

7.3 Optional Services Specifications

All items listed below are specifications for optional, non-mandatory services that the State may consider adding to the scope of work of the Contract. These optional services specifications will be evaluated and scored in both the Technical and Cost Proposals.

7.3.1 COBRA Administration Services

The State of Iowa is seeking information on the provision of the following administrative services for COBRA. These services are separate from the required Billing Agent services specified in the Scope of Work, Section 4.1.5.

Can Contractor provide the State of Iowa with the administrative services listed below? These optional services would assist the State in meeting the requirements of COBRA. In addition to billing and collecting premium payments for COBRA continuation coverage, Contractor must be able to provide the following notices to the persons identified within the number of days permitted by COBRA regulations:

- a. To all employees of the State, a general notice of the right to continuation of coverage.
- b. To current and new employees, their spouses, and dependents, at the address(es) provided by the State, the general notice of the right to continuation of coverage.
- c. To qualified beneficiaries, a COBRA election notice and election form at the address(es) provided by the State, subject to the Contractor receiving notification of the qualifying event from the State.
- d. To such qualified beneficiaries, election notices and election forms, if a second qualifying event occurs during COBRA continuation coverage, and the State

timely notifies the Contractor within 60 days of such event, or a COBRA participant or qualified beneficiary timely notifies the Contractor within 60 days of such event.

- e. During the 180-day period prior to the termination of the COBRA participants' continuation coverage period, to COBRA participants, a notice of their right to purchase a conversion health and/or dental insurance policy, if applicable, when COBRA continuation coverage ends.
- f. Upon written request by the State and upon receiving appropriate paperwork within the period that is 60 to 90 days prior to the State's renewal date, a notice of their open enrollment opportunity to COBRA participants, if the State provides an open enrollment for benefit selection by active employees.
- g. To COBRA participants, a notice of termination of their COBRA continuation coverage at the end of their maximum coverage period or earlier upon their failure to pay or upon the Contractor being properly notified that another event allowing early termination of coverage has occurred.
- h. To COBRA participants or qualified beneficiaries, a notice of any rate changes.

7.3.2 Wellness Program

7.3.2.1 Contractor shall describe the wellness program Contractor offers to its clients?

- a. What percentage of total medical enrollment uses Contractor's offered wellness program?
- b. Provide the name of Contractor's employed wellness vendor and a brief explanation for why this vendor is used and how long this relationship has existed.
- c. Provide any aggregate ROI methodology and measures Contractor may have for its program.
- d. Contractor shall explain what vendors it exchanges protected health information with currently.
- e. What vendors does Contractor currently exchange data with?
- f. Does Contractor charge any extra fees for this data exchange? If so, please include fees in the Cost Proposal.

7.3.2.2 Does Contractor send reminder notices for the following wellness screenings? If yes, please indicate who receives the notices. (Check all that apply).

Wellness Screenings	Reminder Notice (Yes/No)	Who receives the notices? (Member or MD)
Cervical cancer screening		
Cholesterol screening		
Colorectal screening		
Diabetic retinal exam		
Influenza vaccine		

Childhood immunizations		
Mammogram		
Prostate cancer screening		
Pregnancy/Well-child		
Other (please specify)		

SECTION 8 EVALUATION AND SELECTION
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8.1 Introduction

This section describes the evaluation process that will be used to determine which Proposal(s) provides the greatest benefit to the State. Agency will not necessarily award the Contract to the Contractor offering the lowest cost to the Agency. Instead, the Agency will award to the Contractor whose Responsive Proposal the Agency believes will provide the best value to the State.

8.2 Evaluation Committee

The Agency will conduct a comprehensive, fair, and impartial evaluation of Proposals received in response to this RFP. The Agency will use an evaluation committee to review and evaluate the Proposals. The evaluation committee will recommend an award based on the results of their evaluation to the Agency or to such other person or entity who must approve the recommendation.

8.3 Technical Proposal Evaluation and Scoring

All Technical Proposals first will be reviewed to determine if they comply with the Mandatory Specifications in Section 7.1. The Technical Proposals will then be evaluated and scored on the Scored Technical Specifications described in Section 7.2 and on the requirements in Section 3.2, 4, 5, and 6. To be deemed a Responsive Proposal, the Proposal must:

- Answer “Yes” to all parts of Section 7.1 and include supportive materials as required to demonstrate the Contractor will be able to comply with the Mandatory Specifications in that section and
- Obtain the minimum score for the Technical Proposal.

An addendum identifying the points assigned to evaluation criteria for the Technical and Cost Proposals and the minimum score required for the Technical Proposals will be posted prior to the RFP due date.

8.4 Cost Proposal Scoring

The Cost Proposals will remain sealed during the evaluation of the Technical Proposals and any Contractor presentations. After the Technical Proposals are evaluated and scored, the Cost Proposals will be opened, evaluated, and scored by the Department, with the assistance of a third-party vendor. Once the Cost Proposal scores are finalized, the Technical and Cost Proposal scores will be combined to establish the total score for each Proposal.

SECTION 9 CONTRACT TERMS AND CONDITIONS

9.1 Contract Terms and Conditions

The Contract that the Agency expects to award as a result of this RFP shall comprise the specifications, terms and conditions of the RFP, written clarifications or changes made in accordance with the provisions of the RFP, the General Terms and Conditions, the offer of the successful Contractor contained in its Proposal, and any other terms deemed necessary by the Agency. No objection or amendment by a Contractor to the provisions or terms and conditions of the RFP or the General Terms and Conditions shall be incorporated into the Contract unless Agency has explicitly accepted the Contractor's objection or amendment in writing.

The Contract terms and conditions in this Section 9 and the General Terms and Conditions will be incorporated into the Contract. The General Terms and Conditions may be supplemented at the time of contract execution and are provided to enable Contractors to better evaluate the costs associated with the RFP specifications and the Contract. All costs associated with complying with these specifications should be included in any pricing quoted by the Contractor.

By submitting a Proposal, Contractor acknowledges its acceptance of the terms and conditions of the RFP and the General Terms and Conditions without change except as otherwise expressly stated in its Proposal. If the Contractor takes exception to a provision, it must identify it by page and section number, state the reason for the exception, and set forth in its Proposal the specific RFP or General Terms and Conditions language it proposes to include in place of the provision. If Contractor's exceptions or proposed responses materially alter the RFP, or if the Contractor submits its own terms and conditions or otherwise fails to follow the process described herein, the Agency may reject the Proposal, in its sole discretion.

The Agency reserves the right to either award a Contract(s) without further negotiation with the successful Contractor or to negotiate Contract terms with the successful Contractor if the best interests of the State would be served.

9.2 Special Terms

9.2.1 Responsibilities of the Agency

During the Term of the Contract, the Agency agrees to furnish Contractor with timely information necessary for Contractor to properly discharge its responsibilities under this Contract, including but not limited to information necessary for the proper administration of coordination of benefits, subrogation, worker's compensation and other limitations and exclusions described in the Benefits Summary. Agency will provide the information in a form and manner reasonably required by Contractor to achieve these purposes. The Agency shall be responsible for determining the initial eligibility status of Members and providing such information to Contractor. In addition, the Agency shall provide to Contractor any information that affects the eligibility status of Members as the information becomes available to Agency.

9.2.2 Responsibilities of Contractor

Contractor will settle Incurred Claims and perform Administrative Services. Contractor will perform ongoing eligibility maintenance as information becomes available to Contractor that is inconsistent with a Member's eligibility status under the Medical and

Pharmacy Insurance Plans. The Benefits Summaries setting forth the benefits and provisions of the Medical and Pharmacy Insurance Plans will be jointly developed and approved by both parties. Contractor will distribute the Benefits Summaries to Members, unless directed otherwise by the Agency.

9.2.3 Settlement of Incurred Claims and Administrative Service Fees

9.2.3.1 Monthly Statements/Reports

Within twenty (20) calendar days after the end of each calendar month during the Term of the Contract, Contractor shall submit to the Agency a monthly statement report of Incurred Claims and Claims Paid for the preceding month. The statement will show the following amounts, as determined through the last calendar day of the preceding month:

- a. Monthly claims
- b. Cumulative Plan year claims
- c. Monthly premium
- d. Cumulative Plan year premium
- e. Monthly loss ratio
- f. Cumulative Plan year loss ratio

9.2.3.2 Termination of the Contract

Upon termination or expiration of this Contract, Contractor shall pay all claims incurred prior to the termination date regardless of the date the claim is submitted or adjudicated.

9.2.4 Eligibility for Coverage

9.2.4.1 Eligible Individuals

A Member enrolled in the Medical and Pharmacy Insurance Plans as of December 31, 2018 will be deemed to be a Member for purposes of this Contract as of January 1, 2019 such date, unless Agency notifies Contractor that the Member is no longer eligible. During the Term of the Contract, the Agency shall provide to Contractor the names of those individuals who are no longer Members as of the end of a month and thereafter Contractor shall not settle Incurred Claims for services furnished to such individuals after that date.

Non-temporary part-time employees who work at least twenty (20) hours per week are entitled to benefits under the State's Medical and Pharmacy Insurance Plans

9.2.4.2 Eligibility for New Employees

The first day of eligibility for non-temporary new employees, full time and part-time, is the first day of the month following thirty (30) calendar days after the employee's date of hire.

9.2.4.3 Changes in Coverage

Members may not change their level of medical benefits under the Medical and Pharmacy Insurance Plans, unless the Member experience a qualified

life event and the benefit change the Member requests is consistent with the event. This provision shall not apply during the State's annual open enrollment and change period.

9.2.4.4 Eligibility for Medical and Pharmacy Insurance Plans

Employees and other individuals who are eligible to become Members may enroll in the Medical and Pharmacy Insurance Plans if they: (1) apply within thirty (30) calendar days of their date of hire; (2) apply during any of the State's annual open enrollment and change periods; or (3) are State PROMISE Program (as established by Executive Order Number 27, March 3, 1987) hires (and their dependents) and they enroll within thirty (30) calendar days of expiration of their Medicaid benefits.

9.2.4.5 Verification of Eligibility

Contractor shall have the right to make periodic audits, from time to time, of the Agency's records to verify the reports and information as to Employee eligibility for coverage under this Agreement. The Contractor shall provide the Agency with reasonable notice of the audit, which shall take place during regular business hours at a time convenient for the Agency.

9.2.4.6 Determination of Eligibility

The determination of eligibility for the Agency's plans shall be within the discretion of the Agency using criteria defined the Benefits Summary.

9.2.5 Termination of Member Coverage

9.2.5.1 Effects of Termination of Coverage

- a. If a Member's coverage under the Medical and Pharmacy Insurance Plans is terminated, Contractor will not pay for any services or supplies for the Member after the date the coverage is terminated.
- b. If a Member is terminated from the Medical and Pharmacy Insurance Plans for fraud, misrepresentation, or concealment of material facts, Contractor: will retain any available legal remedies for losses from based on the fraud, misrepresentation or concealment.

9.2.6 Resolution of Member Disputes

9.2.6.1 Appeal of Claims Denial

Except where indicated otherwise in this Contract, Members may file an appeal related to any denied benefits with Contractor. Appeals will be reviewed and a written decision mailed to the Member within thirty (30) days of Contractor's receipt of the appeal, unless special circumstances require a longer review period. If a longer review period is required, Contractor will notify the Member of this fact in writing before the end of the initial thirty (30) day period; provided, however, that in no event will the total review time exceed ninety (90) days from the date of Contractor's receipt of the appeal. This appeal process will precede any appeal to the Agency for the same

denied benefits. Contractor will provide the Agency, on request, with a detailed analysis of the issues related to any claims denial appeal filed by a Member with the Agency.

9.2.6.2 Dispute Regarding Medical Necessity

If there is a dispute whether services furnished by a medical provider are medically necessary, as that term is defined in the Benefits Summary, a medical review will be conducted by Contractor. The medical provider may be asked to participate in the review.

9.2.6.3 Dispute Regarding Charges

- a. In the event of a dispute as to the amount of a medical provider's charge to a Member for the provision of services covered under the Medical and Pharmacy Insurance Plans, and if suit is brought by a licensed provider who has a contract with Contractor, to collect the charge from the Member, Contractor will, on prompt written demand, as required by subparagraph b, provide the Member, without charge, a defense of such suit and assume the liability, if any, that a court determines is due from the Member to the licensed provider solely by reason of the charge. The liability so assumed does not include any part of the total charge that was due to an intentional disregard by the Member of the instructions of the licensed provider in the course of diagnosis or treatment. The liability does not include any amounts owed for deductible or coinsurance.
- b. Contractor shall not be obligated to provide such defense or to assume such liability if the Member does not give Contractor written notice of the suit within twenty (20) days after the Member receives notice of the suit. Upon receipt of timely written notice from the Member, Contractor will, within ten (10) days, determine whether it is obligated to defend the suit, and if so obligated, enter its appearance and file necessary pleadings.
- c. Notice under this section shall be addressed to Legal Department, [Contractor Information TBD].

9.2.6.4 Price Adjustments

Contractor must provide 180 days' written notice of any proposed premium rate and administrative fee changes to the Agency's Contract Manager. Upon approval of the pricing adjustment(s) by the State, the Agency Contract Manager will amend the Contract as specified in the State's General Terms and Conditions.

9.3 Contract Length

The term of the Contract will begin and end on the dates indicated on the RFP cover sheet. The Agency shall have the sole option to renew the Contract upon the same or more favorable terms and conditions for up to the number of annual extensions identified on the RFP cover sheet.

9.4 Insurance

The Contract will require the successful Contractor to maintain insurance coverage(s) in accordance with the insurance provisions of the General Terms and Conditions and of the type and in the minimum amounts set forth below, unless otherwise required by the Agency.

Type of Insurance	LIMIT	AMOUNT
General Liability (including contractual liability) written on an occurrence basis	General Aggregate Products – Comp/Op Aggregate Personal injury Each Occurrence	\$3 million \$1 Million \$1 Million \$1 Million
Automobile Liability (including contractual liability) written on an occurrence basis	Combined single limit	\$1 Million
Excess Liability, Umbrella Form	Each Occurrence Aggregate	\$1 Million \$1 Million
Errors and Omissions Insurance	Each Occurrence	\$1 Million
Property Damage	Each Occurrence Aggregate	\$1 Million \$1 Million
Workers Compensation and Employer Liability	As Required by Iowa law	A required by Iowa law

9.5 Surety Insurance or Bond Coverage

Contractor must provide the State with a Fidelity/Crime Bond in the minimum amount of five (5) million dollars per occurrence. The bond shall cover the actions of all Contractor employees, agents and subcontractors, regardless of job description or services performed and shall remain in full force for the duration of the Contract including renewals.

Attachment # 1
Certification Letter

Alterations to this document are prohibited, see section 2.12.14.

[Date]

Nancy Wheelock, Issuing Officer
Department of Administrative Services
Central Procurement Bureau
Hoover Building, FLR 3
1305 E. Walnut Street
Des Moines, IA 50319

Re: RFP1118005067- PROPOSAL CERTIFICATIONS

Dear Nancy:

I certify that the contents of the Proposal submitted on behalf of **[Name of Contractor]** _____ (Contractor) in response to **Department of Administrative Services** for **RFP1118005067** for Third Party Administration of Medical and Pharmacy Insurance Plans are true and accurate. I also certify that Contractor has not knowingly made any false statements in its Proposal.

Certification of Independence

I certify that I am a representative of Contractor expressly authorized to make the following certifications in behalf of Contractor. By submitting a Proposal in response to the RFP, I certify in behalf of the Contractor the following:

1. The Proposal has been developed independently, without consultation, communication or agreement with any employee or consultant to the Agency or with any person serving as a member of the evaluation committee.
2. The Proposal has been developed independently, without consultation, communication or agreement with any other contractor or parties for the purpose of restricting competition.
3. Unless otherwise required by law, the information found in the Proposal has not been and will not be knowingly disclosed, directly or indirectly prior to Agency's issuance of the Notice of Intent to Award the contract.
4. No attempt has been made or will be made by Contractor to induce any other contractor to submit or not to submit a Proposal for the purpose of restricting competition.
5. No relationship exists or will exist during the contract period between Contractor and the Agency or any other State agency that interferes with fair competition or constitutes a conflict of interest.

Certification Regarding Debarment

6. I certify that, to the best of my knowledge, neither Contractor nor any of its principals: (a) are presently or have been debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a Federal Agency or State Agency; (b) have within a three year period preceding this Proposal been convicted of, or had a civil judgment rendered against them for commission of fraud, a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction, violation of antitrust statutes; commission of embezzlement, theft, forgery, falsification or destruction of records, making false statements, or receiving stolen property; (c) are presently indicted for or criminally or civilly charged by a

government entity (federal, state, or local) with the commission of any of the offenses enumerated in (b) of this certification; and (d) have not within a three year period preceding this Proposal had one or more public transactions (federal, state, or local) terminated for cause.

This certification is a material representation of fact upon which the Agency has relied upon when this transaction was entered into. If it is later determined that Contractor knowingly rendered an erroneous certification, in addition to other remedies available, the Agency may pursue available remedies including suspension, debarment, or termination of the contract.

Certification Regarding Registration, Collection, and Remission of Sales and Use Tax

7. Pursuant to *Iowa Code sections 423.2(10) and 423.5(4) (2016)* a retailer in Iowa or a retailer maintaining a business in Iowa that enters into a contract with a state agency must register, collect, and remit Iowa sales tax and Iowa use tax levied under *Iowa Code chapter 423* on all sales of tangible personal property and enumerated services. The Act also requires Contractors to certify their compliance with sales tax registration, collection, and remission requirements and provides potential consequences if the certification is false or fraudulent.

By submitting a Proposal in response to the (RFP), the Contractor certifies the following: (check the applicable box)

- ☐ Contractor is registered with the Iowa Department of Revenue, collects, and remits Iowa sales and use taxes as required by *Iowa Code Chapter 423*; or
- ☐ Contractor is not a “retailer” or a “retailer maintaining a place of business in this state” as those terms are defined in *Iowa Code subsections 423.1(47) and (48)(2016)*.

Contractor also acknowledges that the Agency may declare the Contractor’s Proposal or resulting contract void if the above certification is false. The Contractor also understands that fraudulent certification may result in the Agency or its representative filing for damages for breach of contract in addition to other remedies available to Agency.

Sincerely,

Signature

Name and Title of Authorized Representative

Date

Attachment #2
Authorization to Release Information Letter

Alterations to this document are prohibited, see section 2.12.14.

[Date]

Nancy Wheelock, Issuing Officer
Department of Administrative Services -Central Procurement Bureau
Hoover Building, FLR 3
1305 E. Walnut Street
Des Moines, IA 50319

Re: RFP1118005067- AUTHORIZATION TO RELEASE INFORMATION

Dear Nancy:

[Name of Contractor] _____ **(Contractor)** hereby authorizes the **Department of Administrative Services** ("Agency") or a member of the Evaluation Committee to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matter pertinent to evaluation and the selection of a successful Contractor in response to **RFP1118005067**.

The Contractor acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The Contractor acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from the State or may otherwise hurt its reputation or operations. The Contractor is willing to take that risk.

The Contractor hereby releases, acquits and forever discharges the State of Iowa, the Agency, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the Agency or the Evaluation Committee in the evaluation and selection of a successful Contractor in response to the RFP.

The Contractor authorizes representatives of the Agency or the Evaluation Committee to contact any and all of the persons, entities, and references which are, directly or indirectly, listed, submitted, or referenced in the Contractor's Proposal submitted in response to RFP.

The Contractor further authorizes any and all persons and entities to provide information, data, and opinions with regard to its performance under any contract, agreement, or other business arrangement, its ability to perform, business reputation, and any other matter pertinent to the evaluation of the Contractor's Proposal. The Contractor hereby releases, acquits and forever discharges any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the Contractor that it may have or ever claim to have relating to information, data, opinions, and references supplied to the Agency or the Evaluation Committee in the evaluation and selection of a successful Contractor in response to RFP.

A photocopy or facsimile of this signed Authorization is as valid as an original.

Sincerely,

Signature

Name and Title of Authorized Representative

Date

Attachment #3
Form 22 – Request for Confidentiality
SUBMISSION OF THIS FORM 22 IS REQUIRED

THIS FORM 22 (FORM) MUST BE COMPLETED AND INCLUDED WITH YOUR PROPOSAL. THIS FORM 22 IS REQUIRED WHETHER THE PROPOSAL DOES OR DOES NOT CONTAIN INFORMATION FOR WHICH CONFIDENTIAL TREATMENT WILL BE REQUESTED. FAILURE TO SUBMIT A COMPLETED FORM 22 WILL RESULT IN THE PROPOSAL TO BE CONSIDERED NON-RESPONSIVE AND ELIMINATED FROM EVALUATION. COMPLETE PART 1 OF THIS FORM 22 IF PROPOSAL DOES NOT CONTAIN CONFIDENTIAL INFORMATION. COMPLETE PART 2 OF THIS FORM 22 IF PROPOSAL DOES CONTAIN CONFIDENTIAL INFORMATION.

1. Confidential Treatment Is Not Requested

A Respondent not requesting confidential treatment of information contained in its Proposal shall complete Part 1 of Form 22 and submit a signed Form 22 Part 1 with the Proposal.

2. Confidential Treatment of Information is Requested

A Respondent requesting confidential treatment of specific information shall: (1) fully complete and sign Part 2 of Form 22, (2) conspicuously mark the outside of its Proposal as containing confidential information, (3) mark each page upon which the Respondent believes confidential information appears **and CLEARLY IDENTIFY EACH ITEM for which confidential treatment is requested; MARKING A PAGE IN THE PAGE MARGIN IS NOT SUFFICIENT IDENTIFICATION**, and (4) submit a “Public Copy” from which the confidential information has been excised.

Form 22 will not be considered fully complete unless, for each confidentiality request, the Respondent: (1) enumerates the specific grounds in Iowa Code Chapter 22 or other applicable law that supports treatment of the information as confidential, (2) justifies why the information should be maintained in confidence, (3) explains why disclosure of the information would not be in the best interest of the public, and (4) sets forth the name, address, telephone, and e-mail for the person authorized by Respondent to respond to inquiries by the Agency concerning the confidential status of such information.

The Public Copy from which confidential information has been excised is in addition to the number of copies requested in Section 3 of this RFP. The confidential information must be excised in such a way as to allow the public to determine the general nature of the information removed and to retain as much of the Proposal as possible.

Failure to request information be treated as confidential as specified herein shall relieve Agency and State personnel from any responsibility for maintaining the information in confidence. Respondents may not request confidential treatment with respect to pricing information and transmittal letters. A Respondent’s request for confidentiality that does not comply with this form or a Respondent’s request for confidentiality on information or material that cannot be held in confidence as set forth herein are grounds for rejecting Respondent’s Proposal as non-responsive. Requests to maintain an entire Proposal as confidential will be rejected as non-responsive.

If Agency receives a request for information that Respondent has marked as confidential and if a judicial or administrative proceeding is initiated to compel the release of such information, Respondent shall, at its sole expense, appear in such action and defend its request for confidentiality. If Respondent fails to do so, Agency may release the information or material with or without providing advance notice to Respondent and with or without affording Respondent the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction. Additionally, if Respondent fails to comply with the request process set forth herein, if Respondent’s request for confidentiality is unreasonable, or if Respondent rescinds its request for confidential treatment, Agency may release such information or material with or without providing advance notice to Respondent and with or without affording Respondent the opportunity to obtain an order restraining its release from a court possessing competent jurisdiction.

Part 1 – No Confidential Information Provided

Confidential Treatment Is Not Requested

Respondent acknowledges that Proposal response contains no confidential, secret, privileged, or proprietary information. There is no request for confidential treatment of information contained in this Proposal response.

This Form must be signed by the individual who signed the Respondent's Proposal. The Respondent shall place this Form completed and signed in its Proposal.

- ***Fill in and sign the following if you have provided no confidential information. If signing this Part 1, do not complete Part 2.***

_____ Company	_____ RFP Number	_____ RFP Title
_____ Signature (required)	_____ Title	_____ Date

(Proceed to the next page only if Confidential Treatment is requested.)

Part 2 - Confidential Treatment is Requested

*The below information is to be completed and signed **ONLY** if Respondent is requesting confidential treatment of any information submitted in its Proposal.*

NOTE:

- ***Completion of this Form is the sole means of requesting confidential treatment.***
- ***A RESPONDENT MAY NOT REQUEST PRICING INFORMATION IN PROPOSALS BE HELD IN CONFIDENCE.***

Completion of the Form and Agency's acceptance of Respondent's submission does not guarantee the agency will grant Respondent's request for confidentiality. The Agency may reject Respondent's Proposal entirely in the event Respondent requests confidentiality and does not submit a fully completed Form or requests confidentiality for portions of its Proposal that are improper under the RFP.

Please provide the information in the table below. Respondent may add additional lines if necessary or add additional pages using the same format as the table below.

RFP Section:	Respondent must cite the specific grounds in <i>Iowa Code Chapter 22</i> or other applicable law which supports treatment of the information as confidential.	Respondent must justify why the information should be kept in confidence.	Respondent must explain why disclosure of the information would not be in the best interest of the public.	Respondent must provide the name, address, telephone, and email for the person at Respondent's organization authorized to respond to inquiries by the Agency concerning the status of confidential information.

This Form must be signed by the individual who signed the Respondent's Proposal. The Respondent shall place this Form completed and signed in its Proposal. A copy of this document shall be placed in all Proposals submitted including the Public Copy.

- ***If confidentiality is requested, failure to provide the information required on this Form may result in rejection of Respondent's submittal to request confidentiality or rejection of the Proposal as being non-responsive.***
- ***Please note that this Form is to be completed and signed only if you are submitting a request for confidential treatment of any information submitted in your Proposal. If signing this Part 2, do not complete Part 1.***

Company

RFP Number

RFP Title

Signature (required)

Title

Date

Attachment #4
Response Check List*

RFP REFERENCE SECTION	RESPONSE INCLUDED		LOCATION OF RESPONSE
	Yes	No	
Technical Proposal (submitted in a sealed envelope separate from the Cost Proposal)			
One (1) Original, five (5) Copies of the Proposal and One (1) Digital Copy			
One (1) Public Copy with Confidential Information Excised and One (1) Digital Copy			
2. Form 22 – Request for Confidentiality (Attachment 3)			
3. Transmittal Letter			
3. Specifications (Section 7 - Mandatory Specifications and Scored Technical Specifications)			
3. Contractor Background Information			
3. Experience			
3. Personnel			
3. Terminations			
3. Acceptance of Terms and Conditions			
3. Certification Letter (Attachment 1)			
3. Authorization to Release Information (Attachment 2)			
3. Firm Proposal Terms			
4. Scope of Work (Section 4)			
5. Questionnaire – Minimum Premium Medical Insurance (Section 5)			
6. Questionnaire – Prescription Drug Insurance (Section 6)			
Attachment 11 – Medical Network Exhibits			
Attachment 13 – Pharmacy Retail Network Disruption			
Attachment 14 – State of Iowa Formulary Disruption			
Cost Proposal Contents: (submitted in a separate, sealed envelope)			
One (1) Original, five (5) Copies of the Cost Proposal attachments and One (1) Digital Copy			
Attachment 5 - Cost Proposal Instructions & Questionnaire			
Attachment 6 – Cost Proposal Work Sheet			

*This RFP checklist is **NOT** an all-inclusive list. Contractor is solely responsible for submitting all required information as specified in this RFP.

ATTACHMENT #5 – Cost Proposal Instructions and Questionnaire

Payment Terms

Per *Iowa Code § 8A.514* the State of Iowa is allowed sixty (60) days to pay an invoice submitted by a Contractor, but can agree to payment terms of less than sixty days if the State receives a financial incentive or benefit that would otherwise not be available from the Contractor.

What discount will you give for payment in 15 days?

What discount will you give for payment in 30 days?

10.1 Cost Proposal

Contractor's Cost Proposal shall include an all-inclusive, itemized, total cost in U.S. Dollars (including all travel, expenses, etc. in prices). All pricing to be FOB Destination, freight cost and all expenses included; and based on Net 60 Days Payment Terms. Contractor must use the worksheet in **Attachment 6 – Cost Proposal** and must submit it in Excel file format.

10.2 Cost Proposal Submission

Contractors must use the document labeled **Attachment 6 - Cost Proposal Worksheet** to submit costs for this RFP. Please use additional pages to provide any additional narrative support for the costing information. The Cost Proposal must be submitted in Excel format. Do NOT submit your Cost Proposal in PDF file format. Any additional narrative pages supporting the costs in the Cost Proposal may be submitted in PDF file format.

10.3 Attachment Points

The Minimum Premium Medical Insurance section of the Cost Proposal requests premium rates for the medical plan based on a 100% attachment point.

10.4 Cost Proposal Requirements and Questionnaire

In addition to submitting the Cost Proposal template, Contractor shall provide responses to the following questions and submit responses to these questions in the Cost Proposal envelope. This section will be included in the scoring of the Cost Proposal.

10.4.1 Provide detailed information regarding Contractor's proposed initial and ongoing premium rate calculation for the Minimum Premium Medical and Pharmacy Insurance Plan.

10.4.2 Contractor shall confirm to waive all actively at work requirements and pre-existing condition limitations for the initial transition period.

10.4.3 For the proposed State of Iowa PPO network, please complete the following table with Contractor's average discounts/estimated savings on billed charges for Des Moines, Iowa and all other Iowa locations. If Contractor currently does not do business in Iowa, please provide comparable information for a comparable client.

Table for Iowa

	Des Moines	All Other Iowa
Professional (split out by specialty category if applicable)		
Hospital		
Pharmacy		

Table for Comparable Data

	[Enter Name of City Here]	All Other [Enter Name Here]
Professional (split out by specialty category if applicable)		
Hospital		
Pharmacy		

10.4.4 For the proposed PPO network, does Contractor negotiate with providers using a universal fee reimbursement methodology or individual provider negotiated rates?

10.4.5 For the State of Iowa PPO network and any out-of-state network proposed, does Contractor pay any network administrative or access fees? If so, explain these fees and itemize and include them in the Administration and Retention costs in the Cost Proposal.

10.4.6 Contractor shall provide its actual or expected book of business cost trends for the following years:

	Cost Trend (medical + Rx)
2018 Expected	
2017	
2016	

Attachment 7

Performance Criteria

Performance-based measures are required to be included in any State contract pursuant to Iowa Code section 8.47 (1). Contractor should review these proposed performance criteria carefully and provide comments and any deviations from them in the Contractor comments column. If you need additional space for comment, please submit additional pages in the Proposal.

Performance Objective	Measurement	Contractor Comments
Implementation (2018 only)		
10% of total Administrative Fees are at risk. This risk is separate from all other potential fees listed below.	Contractor will meet all significant deadlines related to program implementation as discussed and agreed to at the initial project planning meeting	
Percentage of Administrative Fees at Risk		
11% of total Administrative Fees for each Rating Period during the Term, as allocated below, are at risk.	Contractor shall conduct an annual review and report of performance measures listed which shall occur no later than March 31 st of the year following the performance review period (calendar year). Any resulting credit shall be made on the next monthly settlement letter. Interim updates shall be made available no later than forty-five (45) days following the end of each calendar quarter in the performance review period.	
Account Service- 4% at risk (each bullet is equal to .5% with the exception of the Miscellaneous which is equal to 2%).		
<ul style="list-style-type: none"> The Contractor will provide a dedicated account executive that will handle service issues related to performance of services under this Agreement. 	Contractor supplies an experienced, dedicated account executive who effectively and promptly addresses service performance issues.	
<ul style="list-style-type: none"> The Contractor's representatives (all levels) will be accessible and responsive to the State's benefits staff via electronic mail and telephone. 	Contractor will fully staff a dedicated account team to service the State's account, including an officer of the Contractor assigned to monitor any issues and facilitate prompt resolution. Contractor's account team members will respond to emails and telephone calls from State staff within 24 hours.	
<ul style="list-style-type: none"> Reporting Contractor will send timely and accurate reports. 	<p>Billing Reports – Contractor will produce and send within 5 days of the close of the billing cycle.</p> <p>Membership Reports – Contractor will provide quarterly, unless otherwise specified.</p>	

	<p>Claims Data – Contractor will provide monthly and quarterly reports in State’s requested format within 10 days after the end of the relevant time period.</p> <p>Contractor will provide annual reports by the end of the month following the end of the year.</p>	
• Pharmaceutical Rebates	Contractor will provide State with full access to rebate contracts with pharmaceutical manufacturers, upon reasonable notice and during regular business hours. Contractor will provide State with full disclosures of rebates received by Contractor as a result of State of Iowa utilization, including line item detail by National Drug Code number, line item detail by State of Iowa group number and line item detail by pharmaceutical manufacturer.	
• Miscellaneous	<p>Penalty applied if Contractor fails to meet three or more items in this category.</p> <p>i) Prompt notice of state/federal law changes</p> <p>ii) Delivery of contracts and amendments prior to effective dates for review and signatures</p> <p>iii) Attendance at regularly scheduled meetings as determined by the State</p> <p>iv) Meeting service quality as determined by the State</p>	
<i>Claims Administration/Quality Assurance – 3% at risk (Claims Administration equal to 2% and Audit Activities equal to 1%). All Claims measures are based on State of Iowa specific claims.</i>		
• Claims Administration:	Penalty applied if Contractor fails to meet three or more items in this category.	
Financial Precision	99%	
Accurate Payment Frequency	99%	
Accurate Processing Frequency	97%	
Coordination of Benefit Savings	1.5%	
Claims System Availability	99.5% online availability	
Claim Adjudication Accuracy	99% rate of accuracy	
Online Claim Processing Turnaround	On average, clean claims shall be processed in 7 days and 100% of clean claims paid or denied within 30 calendar days.	
Paper Claims Processing	95% or greater of all paper claims will be processed within 10 business days.	

Paper Claims Processing with Review	95% or greater of all paper claims that require additional review will be processed within 15 business days.	
• Audit Activities	Contractor must audit a statistically significant sample of State of Iowa specific claims on a monthly basis.	
Provider Network- 2% at risk (Network Turnover equals 1% and Network Accessibility equals 1%).		
• Network Turnover:	Less than 10% annually within the State of Iowa (turnover is defined as any withdrawal by a Provider from the network for reasons other than illness, death, licensure restriction or quality).	
• Network Accessibility:	Minimum of 75% of all participating Providers must have open practices (e.g., currently accepting new patients).	
Member Services- 4.5% at risk. (Each bullet equals .5%, for a total of 4.5%).		
• Member Services Phone Response	Member Services Phone Response/Abandonment Rates: <ul style="list-style-type: none"> • 85% reach a live voice within 30 seconds • Call Center overall abandonment rate less than 3% • Call blockage (busy signal) abandonment rate of 5% or less • 85% of member services issues will be resolved on the first call Written Responses: <ul style="list-style-type: none"> • 100% within 7 working days to acknowledge receipt of inquiries • 90% of written inquiries resolved within 30 business days 	
• ID Card Distribution	99% of initial ID cards mailed within 30 days of receipt of electronic data file from State.	
• Eligibility	<ol style="list-style-type: none"> 1. Tapes, in a format acceptable to Company, uploaded bi-weekly from the State. 2. 99% accuracy rate on all complete/clean eligibility records. 	
• Member Satisfaction Survey	Survey conducted annually and results reported to State within 45 days after survey conducted.	
Mail Order Services - Pharmacy		
• Dispensing Accuracy	99.95% rate of accuracy	
• Order Turnaround Time	Prescriptions will either be dispensed or	

	returned with explanation within 5 business days of receipt.	
<i>Rebates - Pharmaceutical</i>		
<ul style="list-style-type: none"> • Payment Reconciliation • Disclosure • Distribution of Monies 	<p>Initial payment will be within 120 days following the end of the calendar quarter. Reconciliation will occur within 180 days.</p> <p>Full access should be provided to all rebate contracts with manufacturers within 10 business days of the request.</p> <p>Contractor will distribute monies within 10 business days of reconciliation.</p>	
<i>Client Services- 2% at risk. (Each bullet equals .33%, and an additional .01% penalty applied if Company fails all three bullets).</i>		
<ul style="list-style-type: none"> • Renewal and information requests provided to the State in a timely and accurate manner. • Renewal rates finalized with the State by September 1 of the year prior to the renewal's effective date. • Written data requests from the State 	<p>Upon a request for renewal by the State, Contractor will provide renewal information requested by the State within 30 days of written request.</p> <p>Final renewal rating exhibits sent to State with agreed-upon rates – assumes no benefit changes by the State.</p> <p>Contractor acknowledges receipt within one (1) business days, including a timeframe for completion <u>and</u> all written data requests must be presented to the State within the timeframes in the acknowledgement, but in no event later than five (5) business days.</p>	

Claims Administration/Quality Assurance Operational Definitions:

- **Financial Precision** compares the total correct claim payments that were made to the total dollars of correct claim payments that should have been made for the Audit Sample. The formula for this measure is: total correct payments (claims paid in the sample minus overpayments plus underpayments) minus the absolute variance (overpayments plus underpayments), divided by total correct payments.
- **Accurate Payment Frequency** compares the number of bills paid correctly to the total number of bills paid for the Audit Sample. This shows how many payment errors were made; it won't include errors that don't affect payment.
- **Accurate Processing Frequency** compares the number of bills processed without errors to the total number of bills processed in the Audit Sample. This includes all errors, even those that don't affect payment.
- **Coordination of Benefit Savings** compares claim dollars saved by the employer's group plan through coordination with other group plans (including Medicare) to correct total claim dollars paid for the Audit Sample.