

REQUEST FOR PROPOSAL

RFP COVER SHEET

Administrative Information

RFP Number	005-RFP-1326-2025	Title of RFP	Third Party Administration of Medical and Pharmacy Insurance Plan
Agency	Iowa Department of Administrative Services (DAS)		
Available to other State agencies?			No
Initial contract term:	2	Number of possible extensions	4
State Issuing Officer: Craig Trotter Phone: 515-322-8593 Email: craig.trotter@iowa.gov			
PROCUREMENT TIMETABLE—Event or Action		Date/Time (Central Time)	
State Posts Notice of RFP on TSB website		November 19, 2024 @ 2:00 PM	
State Issues RFP		November 21, 2024 @ 2:00 PM	
Letter of Intent to Respond		December 2, 2024 @ 4:00 PM	
RFP written questions, requests for clarification, and suggested changes from Contractors due		December 11, 2024 @ 1:00 PM	
Follow-up RFP written questions, requests for clarification, and suggested changes from Contractors due (no questions accepted or responded to after this date)		January 3, 2025 @ 1:00 PM	
Proposals Due		January 17, 2025 @ 1:00PM	
Annual Enrollment Period Begins:		October 1, 2025	
Plan Year Begins:		January 1, 2026	
Relevant Websites			
Internet website where Addenda to this RFP will be posted http://bidopportunities.iowa.gov and IMPACS Electronic Procurement System .			
Internet website where contract terms and conditions are posted https://das.iowa.gov/sites/default/files/procurement/pdf/050116%20terms%20services.pdf			
Firm Proposal Terms			
The minimum number of days following the deadline for submitting proposals that the Contractor guarantees all proposal terms, including price, will remain firm is 120 Days.			

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Exhibit 1: Intent to Respond Form (return completed form to gain access to data needed for proposal)

Exhibit 2: Choice Plans_Min Prem Cost Proposal Workbook

Exhibit 2a: Minimum Premium Cost Detail – e.g., Service/Program Offering Details and fees, Assumptions, Caveats, etc. (**produced by Contractor**)

Exhibit 3: Choice Plans_Self-Funded Cost Proposal Workbook

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Exhibit 5: Iowa Repriced Medical Claims (to be submitted via Segal secure workspace)

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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 Section 4 of this RFP to the Agency identified on the RFP cover sheet. The Agency intends to award a Contract(s) for the initial period identified 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 Responder 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.

“Allowed Amount” 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.

“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 number 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.

“Contract holder” 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 holder is the State employee or State retiree who holds the plan. A member is any contract holder and dependents listed on the plan.

“Contract Limitations” means the amounts that are the liability of the Contract holder 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.

“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 contract 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 Contract holders for each coverage classification during each month of the Term of the Contract, including the effects of retroactive additions or deletions of Contract holders 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.

“Contractor” means the company, organization or other business entity submitting a proposal in response to this RFP.

“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 Contract holders 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 contract 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

This RFP is designed to provide Contractors with the information necessary 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 all factors necessary for submission of a comprehensive Proposal.

Contractor should review Request for Confidentiality, for more information if its Proposal contains confidential information. Any Proposal marked “Confidential” or “Proprietary” on every page may be disqualified.

It is the Agency’s intention to evaluate Proposals from all Contractors that submit timely Responsive Proposals, and award the Contract(s) in accordance with evaluation and selection criteria provided in this RFP.

1.4 Background

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, 2026 with open enrollment for plan year 2026 taking place October 2025.

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 via a combination of fully insured and modified minimum premium arrangements. Contractors should review the Benefit comparison document for 2024 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 integrated medical and pharmacy benefits or, as an alternate, only the medical benefits. Award will be made to a single Contractor.

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 54,000 Temporary employees and permanent part-time employees working less than 20 hours per week are not eligible for the plan.

Of the approximately 20,000 active medical contracts, 35% are single plans and 65% 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 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. The Group MedicareBlue Rx plan was created specifically for State of Iowa retirees through Wellmark and is not part of this RFP. Group MedicareBlue Rx Iowa becomes the primary payer for prescription drugs and Iowa Choice or National Choice is the secondary payer. This coordination between Group 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>. It would be preferred to keep these programs integrated.

1.4.2 Unique Reporting Units

There are three 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.

1.4.3 Current Medical Plan Designs

Coverage through Wellmark is available statewide through a single health plan with two options: an 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 approaches.

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. The State currently pays claims weekly, subject to the Cumulative Liability.

Going forward, the State is considering separate contracts for medical and PBM services. Proposals are being solicited for integrated medical and pharmacy benefits, and for stand-alone medical coverage. The State will accept insured quotes, as well as quotes for administration services associated with a self-funded benefits plan.

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
2019	Single	\$769.00	\$109.26	\$699.00	\$39.26
	Family	\$1806.00	\$311.66	\$1642.00	\$147.66
2020	Single	\$837.00	\$121.00	\$761.00	\$45.00
	Family	\$1964.00	\$336.00	\$1788.00	\$160.00
2021	Single	\$845.00	\$130.00	\$769.00	\$54.00
	Family	\$1966.00	\$342.00	\$1804.00	\$180.00
2022	Single	\$845.00	\$130.00	\$769.00	\$54.00

	Family	\$1966.00	\$342.00	\$1807.00	\$180.00
2023	Single	\$878.00	\$135.00	\$799.00	\$56.00
	Family	\$2057.00	\$370.00	\$1874.00	\$187.00
2024	Single	\$966.00	\$148.00	\$879.00	\$61.00
	Family	\$2261.00	\$407.00	\$2059.00	\$205.00
2025	Single	\$988.00	\$152.00	\$900.00	\$64.00
	Family	\$2314.00	\$418.00	\$2106.00	\$210.00

SECTION 2 - ADMINISTRATIVE INFORMATION

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. 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 and any addenda to the RFP will be posted at <http://bidopportunities.iowa.gov/> and [IMPACS Electronic Procurement System](#). 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 Intent to Respond

Contractors are required to select Intent to Respond in the State's [IMPACS Electronic Procurement System](#) by the time and date listed in the RFP cover sheet.

Submitting Intent to Respond is a mandatory condition to submit a Proposal and to receive written responses to Contractors' questions and Addenda to the RFP. **Failure to submit Intent to Respond by the deadline specified will result in the rejection of the Contractor's Proposal**

2.5 Attachments (*Source documents for use in developing proposals*)

The following attachments are provided for use in developing your proposal for the benefits and services on which you intend to bid. A brief description of each is provided, below. Note that Attachments 1 – 6a include proprietary data and require submission of **Exhibit 1: Intent to Respond**, and further confirmation of a global or bid-related NDA on file with Segal. Proprietary data will be released through Segal's secure workspace. See expanded instructions in item 2.7.

Attachment 1: Iowa Choice & Nat'l Choice Summary Data

Tab 1: Enrollment Census

Tab 2: Monthly enrollment and paid claims, by plan

Tab 3: List of current programs and services

Tab 4: Top 10 diagnoses by year, 2022-2024

Tab 5: Top 20 prescription drugs, by volume and cost, by year, 2022-2024

Tabs 6-8: High-cost claimant info, by year, 2022-2024

Attachment 2 - Choice Plans_RxFlex Formulary Blue Rx Value Plus

Attachment 3 - EGRP Med-Supp Look-alike Summary Data

Tab 1: Enrollment Census

Tab 2: Monthly enrollment and paid claims, by plan

Tab 3: Monthly PDP Claims for all Medicare Members

Tab 4: Medicare BlueRx Benefit Summary

Attachment 4: EGRP_Grp Medicare BlueRx PDP Formulary

Attachment 5: Iowa Medical Claims For Repricing

Detailed Medical claims data to be repriced and submitted as **Exhibit 5** via Segal’s secure workspace. See expanded instructions for accessing data in item 2.7, and for submitting the repriced claims file in item 2.6 – Exhibit 5 description.

Attachment 5a: Iowa Medical Extract Layout

Data layout and field descriptions to accompany Attachment 5

Attachment 6: Iowa Pharmacy Detail

Detailed Rx claims data to be used when preparing Exhibits 6, 7, and 8

Attachment 6a: Iowa Rx Extract Layout

Data layout and field descriptions to accompany Attachment 6

2.6 Exhibits (To be submitted with proposals)

The following Exhibits must be submitted with your proposal. A brief description of each exhibit and where to submit, is provided below.

Exhibit 1: Intent to Respond Form

For Contractors interested in submitting a proposal, this Exhibit must be submitted in order to gain access to the Attachments that contain proprietary data necessary to complete your proposal.

Exhibit 2 – Choice Plans_Min Prem Cost Proposal Workbook

Contractor must complete all tabs in this Excel workbook and submit with your proposal. Please read the instructions on each tab.

Exhibit 2a: Choice Plans_Minimum Premium Cost Detail

Service/Program Offering Details and fees, Assumptions, Caveats, etc. (produced by Contractor)

Exhibit 3 – Choice Plans_Self-Funded Cost Proposal Workbook

Contractor must complete all tabs in this Excel workbook and submit with your proposal. Please read the instructions on each tab.

Exhibit 3a: Choice Plans_Self-Funded Cost Detail

Service/Program Offering Details and fees, Assumptions, Caveats, etc. (produced by Contractor)

Exhibit 4: EGRP Med-Supp Cost Proposal Workbook

Contractor must complete all tabs in this Excel workbook and submit with your proposal. Please read the instructions on each tab.

Exhibit 4a: EGRP Med-Supp Look-alike_Insured Cost Detail

Service/Program Offering Details and fees, Assumptions, Caveats, etc. (produced by Contractor)

Exhibit 5: Iowa Repriced Medical Claims (to be submitted via Segal secure workspace)

Attachment 5: Iowa Medical Claims For Repricing is the detailed claims file to be repriced and **Attachment 5a: Iowa Medical Extract Layout** displays and defines the data fields included. The three (3) fields/columns at the end of the file are to be populated by the Contractor:

1. Allowed/Contract Amount (based on provider contracts in place **at the time of proposal**)
2. Network Status – Y/N/L
 - Y = Currently under contract (Network provider)
 - N = Not under contract (Non-Network provider)
 - L = Letter of intent (Signed letter of intent to contract prior to 1/1/26)

3. Payment Type – A/B/C/D/F/O
 - A – Ambulatory Payment Classification
 - B – Bundled Payment
 - C – Capitated
 - D – Discount off eligible charges
 - F – Fee schedule
 - O – Other

If more than one (1) network is being proposed, the three (3) fields/columns must be replicated and populated appropriately for each network proposed. When completed, label the file as, **Exhibit 5: Iowa Repriced Medical Claims**, and upload the full file to the Segal secure workspace, **in the same order and format as received**.

Exhibit 6: Rx Network Analysis (Excel file created by Contractor)

Attachment 6: Iowa Pharmacy Detail is the detailed pharmacy claims file and **Attachment 6a: Rx Extract Layout** displays and defines the data fields included. Contractors are expected to use these two files to prepare a disruption analysis based on your proposed **Broad Retail Network**.

If your retail pharmacy 90-day network is different from your 30-day network, please answer separately for each.

Create an Excel file labeled, **Exhibit 6: Rx Network Analysis**.

Exhibit 7: Rx Formulary Analysis (Excel file created by Contractor)

Attachment 6: Iowa Pharmacy Detail is the detailed pharmacy claims file and **Attachment 6a: Rx Extract Layout** displays and defines the data fields included. Contractors are expected to use these two files to prepare a formulary disruption report, noting all drug exclusions.

Create an Excel file that lists the specific drugs that will be impacted (excluded, higher-cost tier, or lower-cost tier) along with the total number of scripts and members impacted for each of these drugs.

Create an Excel file labeled, **Exhibit 7: Rx Formulary Analysis**.

Exhibit 8: Limited Distribution Drug List (Excel file created by Contractor)

Contractor shall provide a complete list of limited distribution drugs.

Create an Excel file labeled, **Exhibit 8: Limited Distribution Drug List**.

Exhibit 9: Network Provider Access by County

Using the member data and GeoAccess reports, Contractor shall complete the last 3 tabs in this Excel workbook and submit with proposal. Be sure to read and follow directions at the top of each tab.

Exhibit 9a: GeoAccess Reports (produced by Contractor)

Use the enrollment census data on tab 1 in **Attachment 1: Iowa Choice & Nat'l Choice Summary Data** and the network access standards provided below, to produce GeoAccess reports.

Only providers currently under contract with the plan should be included. Distance parameters represent *driving* distance.

Facilities	Urban/Suburban	Rural
Hospitals	1 within 25-mile radius	1 within 35-mile radius
Ambulatory Surgical Centers	1 within 25-mile radius	1 within 35-mile radius
Urgent Care facilities	1 within 25-mile radius	1 within 35-mile radius
Free-Standing Imaging Centers	1 within 25-mile radius	1 within 35-mile radius

Free-Standing Rehabilitation Facilities	1 within 25-mile radius	1 within 35-mile radius
Skilled Nursing Facilities	1 within 25-mile radius	1 within 35-mile radius
Inpatient Behavioral Health Facilities	1 within 25-mile radius	1 within 35-mile radius
Primary Care		
General/Family Practitioner (includes Internal Medicine, Family Practice, General Practice and Family Nurse Practitioner)	2 within 10-mile radius	2 within 25-mile radius
Specialists		
Allergist	2 within 25-mile radius	2 within 50-mile radius
Anesthesiologist	2 within 25-mile radius	2 within 50-mile radius
Cardiologist	2 within 25-mile radius	2 within 50-mile radius
Chiropractor	2 within 25-mile radius	2 within 50-mile radius
Dermatologist	2 within 25-mile radius	2 within 50-mile radius
Endocrinologist	2 within 25-mile radius	2 within 50-mile radius
Gastroenterologist	2 within 25-mile radius	2 within 50-mile radius
General Surgeon	2 within 25-mile radius	2 within 50-mile radius
Hematologist/Oncologist	2 within 25-mile radius	2 within 50-mile radius
Neurologist	2 within 25-mile radius	2 within 50-mile radius
OB/GYN (female members, age 12 and older)	2 within 10-mile radius	2 within 50-mile radius
Orthopedist	2 within 25-mile radius	2 within 50-mile radius
Pediatrician (members, birth through age 18)	2 within 10-mile radius	2 within 50-mile radius
Psychiatrist/Psychologist	2 within 25-mile radius	2 within 50-mile radius
Pulmonologist	2 within 25-mile radius	2 within 50-mile radius
Radiologist	2 within 25-mile radius	2 within 50-mile radius
Urologist	2 within 25-mile radius	2 within 50-mile radius

Exhibit 10: Performance Guarantees (File created by Contractor)

Include your standard Performance Guarantees labeled as, **Exhibit 10: Performance Guarantees**, including measurement standards and at-risk amounts for medical and pharmacy.

The guaranteed target should be the guaranteed target. A “Pass/Fail” assessment is preferred. For any guarantees offered that are not “Pass/Fail”, there shall be more than 2 penalty gradients per guarantee, with total variance from target no broader than 2 percentage points.

Example of 2 acceptable guarantees, using Financial Accuracy metrics:

- A. **Preferred:** 99% of all claims will be paid accurately. If actual results are lower than 99%, then 100% of the penalty associated with this metric will be paid (“pass/fail”).
- B. **Acceptable:** 99% of all claims will be paid accurately. If actual results fall between 97% and 98.9%, then 50% of the penalty (1st penalty gradient) associated with this metric will be paid. If actual results are lower than 97% (maximum of 2 percentage

points from the 99% target), then 100% of the penalty (2nd penalty gradient) associated with this metric will be paid.

The details of these guarantees will be negotiated during the finalist selection process.

Exhibit 11: Exceptions and Deviations

All exceptions and/or deviations should be recorded in this Exhibit.

2.7 Accessing Data for Proposal Development

The Department of Administrative Services has retained The Segal Company (Southeast) Inc. ("Segal") as its third-party consultant to assist with this project. Attachments 1-6a include proprietary data and require submission of Exhibit 1: Intent to Respond.

Interested Contractors responding to the RFP must submit a signed *Intent to Respond* form directly to Gina Sander, VP and Senior Health Consultant with Segal: gsander@segalco.com. The form should include the name and email address of the primary contact and the designated data recipient(s). Upon receipt of the Intent to Respond form, Segal will check to see if there is a current Global or Bid-Related NDA/Confidentiality Agreement on file. No data will be issued without first having a signed NDA/Confidentiality Agreement on file.

If there is no NDA/Confidentiality Agreement on file with Segal, a document will be issued to the interested Contractor for signature. Verbiage is non-negotiable. Upon receipt of the newly signed NDA, or confirmation of an existing NDA on file, Segal will establish a secure workspace and upload the data file(s). A system-generated e-mail will be sent to the Contractor's designated data recipient(s), containing a link to instructions for accessing the workspace.

2.8 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.

2.9 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 post written responses to questions, requests for clarifications, or suggestions received from Contractors. 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.

2.10 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.

2.11 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.

2.12 Submission of Proposals

Contractor must submit Proposal in the State's [IMPACS Electronic Procurement System](#) 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 upload time to ensure timely receipt of their Proposals. It is the Contractor's responsibility to ensure that the Proposal is received prior to the deadline. Electronic mail and faxed Proposals will not be accepted. There is a 50MB per file size limitation, but no limit to number of files. Plan accordingly.

The financial evaluation will include a claims repricing exercise. These files will be made available through a secure workspace established by Segal, for each interested Contractor. Contractor must download, complete, and submit **Exhibit 5: Iowa Repriced Medical Claims**, through Segal's secure workspace.

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.

2.13 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.

2.14 Costs of Preparing the Proposal

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

2.15 No Commitment to Contract

The Agency reserves the right to award any service in whole or in part, if proposals suggest that doing so would be in the Agency's best interest. The Agency also reserves the right to issue multiple awards, no award, or cancel or alter the procurement prior to the execution of the Contract. Issuance of this RFP in no way constitutes a commitment by the Agency to award a contract.

2.16 Rejection of Proposals

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

2.16.1 The Contractor fails to deliver the Cost Proposal as a separate file.

2.16.2 The Contractor acknowledges that a mandatory specification of the RFP cannot be met.

2.16.3 The Contractor's Proposal changes a material specification of the RFP or the Proposal is not compliant with the mandatory specification of the RFP.

2.16.4 The Contractor's Proposal limits the rights of the Agency.

2.16.5 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 4 of the RFP.

- 2.16.6 The Contractor fails to timely respond to the Agency's request for information, documents, or references.
- 2.16.7 The Contractor fails to include proposal security, if required.
- 2.16.8 The Contractor fails to include any signature, certification, authorization, stipulation, disclosure or guarantee as provided in Section 4 of this RFP.
- 2.16.9 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.
- 2.16.10 The Contractor initiates unauthorized contact regarding the RFP with a State employee other than the Issuing Officer.
- 2.16.11 The Contractor provides misleading or inaccurate responses.
- 2.16.12 The Contractor's Proposal is materially unbalanced. A Proposal in which line item prices are structured so that it is possible that the Contractor who appears to be low will not end up having the lowest overall cost to the State, due to high prices on particular line items.
- 2.16.13 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.
- 2.16.14 The Contractor is a "scrutinized company" included on a "scrutinized company list" created by a public fund pursuant to Iowa Code section 12J.3.

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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 and be 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.

2.23 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.**

2.24 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.

2.25 Release of Claims

By submitting a Proposal, the Contractor agrees that it will not bring any claim or cause of action against the Agency or the State based on Contractor's misunderstanding concerning the information provided in the RFP or concerning the Agency's or the State's failure, negligent or otherwise, to provide the Contractor with complete, pertinent, or accurate information in this RFP, or for any failure to provide information that any Contractor might consider relevant for purposes of making a decision to submit a Proposal or to enter into any Contract resulting from this RFP.

2.26 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.

2.27 Evaluation of Proposals Submitted

Proposals that are timely submitted and are not rejected will be reviewed in accordance with Section 5 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.

2.28 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.

2.29 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.

2.30 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.

2.31 Preference

By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the state of Iowa. Preference application: Tied responses to solicitations, regardless of the type of solicitation, are decided in favor of Iowa products and Iowa-based businesses per 11 IAC 117.5(1)-(2), 117.12(4).

2.32 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.

2.33 No Minimum Guaranteed

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

2.34 Post Solicitation Debriefing

A debriefing is available to any Contractor who submitted a proposal in response to this RFP. Contractor shall submit a written request for a debriefing to the Issuing Officer via email or other delivery method. All Contractors will be accorded fair and equal treatment with respect to its opportunity for debriefing. The debriefing shall be scheduled by the Agency as soon as practicable after the receipt of debriefing request.

2.35 Appeals

A Contractor 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 emailing a written notice of appeal (in accordance with 11—Chapter 117.20, Iowa Administrative Code) to the Director of the Department of Administrative Services and carbon 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.

SECTION 3 - FORM AND CONTENT OF PROPOSALS

3.1 Instructions

These instructions describe and define 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 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 as separate files. The files shall be labeled with the following information:

005-RFP-1326-2025 – Contractor Name –Technical Proposal

005-RFP-1326-2025 – Contractor Name –Cost Proposal

3.1.2 Files must be attached to Contractors submission in the State’s [IMPACS Electronic Procurement System](#).

3.1.3 If the Contractor designates any information in its Proposal as confidential pursuant to Section 2, the Contractor must also submit public copy Proposal from which confidential information has been excised as provided in Section 2 and which is marked “Public Copy”.

005-RFP-1326-2025 – Contractor Name – Public Copy

3.1.4 Proposals shall not contain promotional or display materials.

3.1.5 Exhibits shall be properly labeled and referenced in the Proposal.

3.2 Technical Proposal

Any information provided in the Technical Proposal is subject to consideration for evaluation, and scoring. The following documents and responses shall be included in the Technical Proposal in the order given below:

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.

3.2.2 Table of Contents

The Contractor shall include a table of contents of its Proposal.

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.
- 3.2.5.14** Contractor's ratings and the date of the rating:
 - 3.2.5.14.1** A.M. Best
 - 3.2.5.14.2** Moody's
 - 3.2.5.14.3** Fitch

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) current and two (2) recently terminated 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 employer group plan members for the geographic areas and time periods specified:

<i>Chart 3.2.6.6.1</i>	US (including Iowa)	Iowa
As of January, 2021		
As of January, 2022		
As of January, 2023		
As of January, 2024		

3.2.6.6.2 List your organization’s ten (10) largest employer group clients in your overall book of business and ten (10) largest clients in the State of Iowa, including their size (number of members), and sort by client size. Provide separate lists for medical and for pharmacy clients and indicate whether the funding basis is insured or self-funded.

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 for each of the past six years (2018-2024 YTD)?

3.2.7.4 How do you assess the Account Team’s performance and quality of service? Provide a sample of an annual score card or template used.

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 associated with medical and/or pharmacy benefits. 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.
- 3.2.8.8** Have any senior officers, board members, or directors of your organization been convicted of a felony?

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 that any Contract resulting from this solicitation will include a Business Associate Agreement materially similar to the Business Associate Agreement attached to this RFP. Contractor acknowledges its acceptance of the terms of the Business Associate Agreement 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 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 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 **Exhibits 2, 3, and 4**, workbooks and instructions for the Cost Proposals.

- Provide any one time and recurring costs for plan. Recurring costs are to be for a 6-year period to cover initial term and extensions to contract.
- Any other costs associated with proposed plan.
- Pricing for options.
- Contractor shall provide a listing of all fees. One administrative fee is preferred.
- No start-up charges
- Detailed documentation demonstrating how the financial proposal was determined
- Value-added and optional products and services are listed out separately.

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.

3.3.2.1. Confirm your agreement that no penalties and/or interest will be assessed in the event of late payment.

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 and technical specifications as provided in this Section. 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.

4.1 Description of Desired Medical and Pharmacy Insurance Plans

The State of Iowa is soliciting Proposals from qualified companies to provide comprehensive national and statewide medical and pharmacy networks. The State is considering separate contracts for medical and PBM services. Therefore, proposals are being solicited for integrated medical and pharmacy benefits, and for stand-alone medical coverage. Whether integrated or stand-alone, proposals should include high quality, robust, case management, disease management and cost containment including Pre-Diabetes and Diabetes Management programs, internal marketing team, health and wellbeing strategies with emphasis on preventive care and wellness programs, and COBRA billing agent services for State of Iowa employees effective January 1, 2026. Open enrollment for plan year 2026 will take place in October 2025

4.1.1 Desired Plan Designs

The desired plan designs for plan year 2026 are the same as the current plan designs. Contractor should review the benefit comparison document for 2025 found on the State's web site along with the National Choice and Iowa Choice Summary of Benefits <https://das.iowa.gov/state-employees/human-resources/employee-benefits-programs/health-insurance>

4.1.2 Desired Funding Arrangement

The State seeks to provide high quality, cost-effective benefits to its employees, retirees, and their families. Currently, the State offers an integrated medical and pharmacy benefits plan through a minimum premium funding arrangement. This arrangement is described, below, in section 4.1.2.1.

Going forward, the State is considering separate contracts for medical and PBM services. Proposals are being solicited for integrated medical and pharmacy benefits, and for stand-alone medical coverage. The State will accept insured quotes, as well as quotes for administration services only (ASO) associated with a self-funded benefits plan. See the Self-Funded Arrangement description, below, in section 4.1.2.2.

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.

- a. **Attachment 1** contains the State of Iowa medical census, monthly medical and pharmacy claims history, top medical conditions, top prescription drugs, and high cost claims. Claims data represents the period January 1, 2022 – June 30, 2024 (30 months).

- b. **Attachments 5 and 6** contain State of Iowa detailed medical and pharmacy claim information, respectively, from July 1, 2023 to June 30, 2024.

4.1.2.1.2 Terminal Liability

- a. The State of Iowa will retain 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 term of this Contract. Thereafter, annual administration fee renewal increases will be capped at the lesser of two percent (2%) or 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. Renewals will be provided no later than 6/1 annually.

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 Self-Funded Arrangement

4.1.2.2.1 Administration Services and Fees

The plan administrator will serve as claims fiduciary, with the responsibility of adjudicating and paying claims according to the benefit design and intent of the State, and will manage all benefit determination and appeal processes associated with the plan.

In addition, the administrator will provide various programs and services, including but not limited to, health and wellness, cost containment/care management, and disease/chronic condition management programs, concierge customer/member services, robust plan management reporting, member education/communication materials, attendance at employee/retiree annual enrollment meetings, employer and member portals, mobile app, and cost/value tools. Vendor will also be responsible for COBRA billing services.

Fees will be quoted on a per employee/retiree (subscriber), per month (PSPM or PEPM) basis. The Contractor must guarantee the administration fees for the initial term of this Contract and as many future terms as possible. Thereafter, annual administration fee renewal increases will be capped at the lesser of two percent (2%) or 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.

4.1.2.2.2 Network Requirements

The plan administrator will offer a broad national and statewide provider network and will manage all contracting and ongoing maintenance. The term “broad” applies to the number of providers/facilities, the depth and number of general and specialized practice areas represented, and access to those providers/facilities. Discounts and provider disruption will be evaluated through a claim’s repricing exercise. **Attachment 5 represents 12 months of paid claims to be repriced by the vendors. This exercise will be managed directly through Segal.**

4.1.2.2.3 Claims Payment

The State will fund claims weekly, according to the weekly wire notification from the administrator. Additionally, the State of Iowa will retain the IBNR (incurred but not reported) reserve.

4.1.2.2.4 Additional Requirements

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

4.1.2.3 Employee Contributions for Medical Plans

Currently, the State contribution for National Choice is fixed at the Iowa Choice contribution. Therefore, if an employee elects National Choice, the employee pays the difference between the State’s Iowa Choice contribution level and the cost of the National Choice plan, based on single or family coverage. This same contribution strategy applies to retirees under 65 that are participating in the Sick Leave Insurance Program (SLIP). However, Medicare-aged retirees pay the entire cost of coverage.

4.1.2.4 Medical Claims and Eligibility Administration

4.1.2.4.1 Personally Identifiable Information

- a. Contractor is responsible for providing identification cards that do not list participant social security numbers.

- b. Contractor shall not use full Social Security numbers in any correspondence as a way to identify Members.

4.1.2.4.2 Communications and Identification Cards

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

- 4.1.2.4.3** All member and provider materials shall be submitted to the State for review and approval prior to distribution, including auto-generated emails and messaging.

4.1.2.4.4 Coordination of Benefits (COB)

- a. Contractor is responsible for providing a system that at a minimum maintains spouse's employment, date of birth, and other coverage information.
- b. Contractor is responsible for having computer edit checks or triggers to initiate COB application.

4.1.3 Pharmacy Benefits Administration

For proposals representing integrated medical and pharmacy benefits, 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.

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.

- 4.1.3.1.1** Contractor will use the pharmacy data in **Attachment 6** to create and submit **Exhibit 6: Pharmacy Network Disruption** with its Proposal. If retail pharmacy 90-day network is different from your 30-day network, answer separately for each. Complete summary responses, as applicable in Section 6.

- 4.1.3.1.2** Contractor is responsible for being able to accommodate a 90-day retail network.

- 4.1.3.1.3** Contractor is responsible for providing the State a 30-day advance notification when high-utilization pharmacies leave the network.

- 4.1.3.1.4** Contractor is responsible for taking 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.

- 4.1.3.1.5** Contractor is responsible for electronically imaging all received prescriptions and order forms.

- 4.1.3.1.6** Contractor is responsible for providing a mail order operation that has error tracking and reporting capabilities.

- 4.1.3.1.7 Contractor is responsible for tracking 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.
- 4.1.3.1.8 Contractor is responsible for providing, at no cost to Members, expedited shipping of filled prescriptions to Members when it is required due to Contractor service issues or errors.
- 4.1.3.1.9 Contractor is responsible for providing label/inserts for mail order prescriptions containing the total cost to both employer and Members.
- 4.1.3.2 **Pharmacy Formulary**
The State will rely on the selected Contractor to manage and administer the Formulary. Contractors are expected to review the current Formulary and claims experience provided and propose a Formulary that best-fits the State utilization and limits Member disruption as much as possible. Contractor will use the pharmacy data in **Attachment 6** to create and submit **Exhibit 7: Formulary Disruption** with its Proposal.
 - 4.1.3.2.1 Contractor shall provide a complete list of limited distribution drugs. Create an Excel file labeled, **Exhibit 8: Limited Distribution Drug List**.
 - 4.1.3.2.2 Complete summary responses as applicable in Section 6.
- 4.1.3.3 **Pharmacy Claims and Eligibility Administration**
 - 4.1.3.3.1 Contractor must have the capability to enter corrections to eligibility records in real time.
 - 4.1.3.3.2 Contractor is responsible for providing Members an option to submit manual claims online (e.g., online submission of claims requests through a secure web application).
- 4.1.3.6 **Pharmacy 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 is responsible for notifying impacted Members of Formulary changes and benefit tier changes.
 - 4.1.3.6.4 Contractor is responsible for confirming it will treat the prescribing physician as the ultimate decision-maker with regard to alternative drug options and generic substitutions.
 - 4.1.3.6.5 Contractor is responsible for confirming 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 is responsible for confirming 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.

4.1.3.6.7 Contractor is responsible for confirming 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 Plans F and N

4.1.4.1 The Contractor will be required to offer Group plans with benefit designs similar to individual Medicare supplement look-alike plans F and N, and must include the rates for the Employer Group Retiree Program F and N Plans in the Cost Proposal.

4.1.4.2 The desired funding for Employer Group Program Plans F and N is fully insured.

4.1.4.2.1 The State does not collect these premiums.

4.1.4.2.2 The State does not contribute or subsidize premiums.

4.1.4.2.3 If Pharmacy services are completed outside of this contract, The State would also seek medical-only self-funded proposals for Plan F and N.

4.1.4.3 A Medicare-eligible State of Iowa retiree enrolled in either Iowa Choice or National Choice, shall continue to have the option of coordinating pharmacy benefits with Group MedicareBlue Rx Part D plan. Group MedicareBlue Rx Iowa becomes the primary payer for prescription drugs and Iowa Choice or National Choice is the secondary payer.

4.1.4.4 Summaries for the Employer Group Program Plans F and N and Group MedicareBlue Rx are available at: <https://das.iowa.gov/human-resources/employee-and-retiree-benefits/retirees/group-f-n-plan>

4.1.5 COBRA Billing Agent Services

The Contractor will be responsible for the monthly billing services for COBRA participants.

4.2 Member Services/Customer Support

4.2.1 The Contractor is responsible for maintaining a dedicated US based toll-free telephone number to respond to Member inquires as well as a toll-free TDD line for hearing impaired Members.

4.2.2 The dedicated Member/Customer Service unit must be available from 8:00 a.m. – 6:00 p.m. Central Time, Monday through Friday.

4.2.3 Contractor is responsible for acknowledging claim and other questions and complaints from Members within two (2) business days.

4.2.4 Contractor is responsible for providing client-specific member/customer service representative training to its staff prior to the State's plan start date.

4.2.5 Contractor's member/customer service representatives must 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 is responsible for, to the extent possible, answering inquiries over the telephone.
- 4.2.7 The Contractor is responsible for also providing 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 Member/Customer service representatives must 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 must be able to leave voicemails with Contractor’s member/customer service representatives.
- 4.2.10 Contractor is responsible for offering Members a mobile application. Contractor is responsible for explaining the information featured by the mobile application and describing Member transactions available within the mobile application (e.g., refill request).

4.3 Website Functionality

- 4.3.1 Contractor is responsible for providing a website that allows State employees to access their insurance coverage information and other personal health related information.
- 4.3.2 Contractor is responsible for providing a website that allows State administrators access for reporting purposes and other information. Contractor must provide a link to its website in the Proposal and include a demo user ID and password, if applicable.
- 4.3.3 Contractor is responsible for providing a website that at a minimum, has 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		
Compare costs of services among various sites of care		
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 is responsible for providing 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 Contractor is responsible for ensuring that the State has 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 is responsible for developing standard reports, by predefined State groups, as well as provide a comprehensive program financial summary at no additional charge.

4.5.3 Annually, contractor shall provide to the State and/or its consultant, medical claim-line detail. The medical claim-line detail file shall include but not be limited to claimant details, provider/facility details, service/procedure details, diagnoses, revenue, and payment codes.

4.5.4 If PBM services are integrated with medical, annually, contractor shall provide to the State and/or its consultant, prescription drug claim line detail. The prescription drug claim-line detail file shall include but not be limited to claimant details, pharmacy details, drug details, clinical edits, revenue, and payment codes.

4.5.5 Contractor is responsible for providing transparent reporting for all aspects of the pharmacy administration (i.e., utilization, financials and rebates).

4.5.6 Contractor is responsible for providing 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 Contractor must perform regular and frequent internal audits of the operations and claim payment accuracy for the State’s plan.

4.6.2 Contractor must allow annual third-party claim operations and payment audits.

4.6.3 Contractor must have a disaster recovery plan for restoring application software and master files.

4.6.4 Contractor is responsible for providing a quarterly report of high-cost claims.

4.6.5 Contractor is responsible for reporting and monitoring mutually agreed Performance-based measures.

SECTION 5 - MEDICAL

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 are part of the Technical Proposal that will be evaluated and scored.

Each question in this section 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 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 will be considered non-responsive and no points will be awarded for that response.

5.1 Claims and Eligibility Administration

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

5.1.2 Communications and ID Cards

5.1.2.1 Describe your strategy for communicating with, and engaging, rural members who may not have internet access and/or those who do not want to use website or smart phone applications.

5.1.2.2 Explain any costs associated with customization and co-branding of education and promotion materials, forms, and ID cards. **Include all fees in the Cost Proposal.**

5.1.2.2 Explain the length of time needed for producing ID cards after receipt of clean eligibility data.

5.1.3 Claims

5.1.3.1 Explain process and claims turnaround times for the medical plan administration. Include your definitions of a "paid" claim, a "clean" claim, and a "suspense" claim with time frames required to process under each of the categories mentioned. If you have additional categories, list them and state the time frames for processing those categories of claims.

5.1.3.2 Complete table below for CY 2023 and 2024 through 3Q:

Percentage of claims:	Contractor Response
Paid in under 5 days	
Paid in 5 - 10 days	
Paid in 11 - 20 days	
Paid in over 20 days	

5.1.3.3 Please complete the table below for CY 2023 and 2024 through 3Q:

Claims Office	Contractor Response
Location	
Hours of operation	
Average claims per processor per day	
Annual claim volume	
Percent of claims that are auto adjudicated	
Number of staff	
Average years of claims administration experience with your organization	
Annual Turnover (%)	
Work remotely /from home (%)	

5.1.3.4 Explain whether you will provide a dedicated service unit (DSU) to service the State of Iowa account for claims administration.

5.1.3.5 Explain how long the claims system has been operational.

5.1.3.5.1 Describe how your claims system identifies fraudulent claims, duplicate claims, other insurance (e.g., from another employer, workers' compensation, or motor vehicle insurance), communicates with members and providers, and interfaces with other group carriers/Medicare.

5.1.3.5.2 What safeguards and provisions do you have to prevent and monitor creative billing, up-coding, unbundling, providers billing in excess of contracted rates, etc.?

5.1.3.5.3 Please explain whether you expect to make any major system changes (i.e., relocations, outsourcing, upgrades, etc.) in the next 24 months. If yes, describe the changes and how they will impact services to the State of Iowa.

5.1.3.6 Explain the grievance and/or appeals protocols in place for plan Members including your ability to track and report member grievances and appeals. Do you track and report provider appeals?

5.1.3.7 Describe your subrogation recoveries process. Are there any additional fees or retainage for subrogation recoveries?

5.1.3.8 Describe how your company will assure that the plan and any subcontractors or third-parties who are providing assistance to you will be in compliance with federal law and regulations concerning surprise billing and transparency with respect to the services provided by your company.

5.1.4 Coordination of Benefits (COB)

5.1.4.1 Explain the checks or triggers to initiate COB application.

5.1.4.2 Provide details concerning Contractor's COB (Coordination of Benefits) procedures and savings.

5.1.4.3 What are your Medicare coordination procedure options, including claim filing procedures for a retiree? How does the proposed policy coordinate with Medicare? Show illustrations including calculations of coordination of benefits.

5.1.4.4 Provide metrics on COB savings across its clients.

5.1.5 Utilization and Large Case Management Programs

- 5.1.5.1** Describe your utilization management and large case management programs. Outline your organization's programs and options related to utilization management, concurrent review, retroactive review, appeals, and cost containment. Include a description of Medical Director involvement on clinical review, peer-to-peer, denials, and appeals.
- 5.1.5.2** Describe your pre-certification prior authorization (include categories of review for pre-certification), utilization review process, disease and case management philosophy and how it directly impacts the cost and quality of services for plan members.
- 5.1.5.3** Describe your process for identification of patients for large case management and how claims are transferred to case managers.
- 5.1.5.4** What is your definition of engagement in case management?
- 5.1.5.5** What percentage of a typical client population do you identify for case management? Of the identified population, what percentage do you anticipate typically engage in your programs (express on a unique member, annualized basis)?
- 5.1.5.6** Describe the criteria and process for case management referrals to the Medical Director, specialty programs, and community resources including how you address social determinates of health.
- 5.1.5.7** State the ratio of case managers to cases managed.
- 5.1.5.8** Describe your capabilities and processes regarding discharge planning. Include how many on-site (in facility) and remote case managers you propose at the various facilities statewide to serve the State's membership to minimize as much as possible any disruption during the discharge or transition of care process.
- 5.1.5.9** Describe your organization's procedures for managing catastrophic and potentially high-cost medical claims. Include how your organization defines and identifies catastrophic and high-cost claims.
- 5.1.5.10** Describe any efforts used to educate members of available behavioral health services. Also describe education efforts to medical providers and facilities of your behavioral health services so that members who could benefit from those services can be referred if presenting at a medical provider.
- 5.1.5.11** Describe the support you provide to members that reside in lower income zip codes to access/link to community-based services including any tools to help members access and use virtual health care services.
- 5.1.5.12** Describe in detail the methodology and policy for calculating case management savings.

5.2. Disease Management

- 5.2.1** Describe your Disease Management programs. Is Contractor utilizing an outside vendor for the administration of disease management programs? If so, please provide the name of the organization and how long this relationship has existed.
- 5.2.2** Please complete the following chart based on Contractor's disease management program.

- 5.4.5** Explain any anticipated renegotiating of medical provider or hospital contracts in the next 12 to 24 months.
- 5.4.6** Explain whether you have renegotiated any medical provider contracts in the last 12 to 24 months. If so, Contractor shall describe the financial impact to Contractor and its customers.
- 5.4.7** Describe any network access available to eligible employees, retirees, and their dependents living outside the network service area.
- 5.4.8** Explain your process and medical provider recruitment strategy if a network gap or deficiency is identified.
 - 5.4.8.1** When a qualified network provider is not available, what is your process for approving use of non-network providers and describe your ability to negotiate favorable reimbursements on behalf of the State and the members. Confirm that the State can require a prior approval in such instances.
- 5.4.11** Describe your selection, credentialing and re-credentialing process for physicians, hospitals, ambulatory surgery facilities and any other providers. What quality of care measures are used, and how often is the re-credentialing process carried out and reviewed?
- 5.4.12** Describe the database used to determine reasonable and customary (UCR). How often is this information updated?
- 5.4.13** List the most recent annual network provider turnover rates (percentages) for both voluntary and involuntary turnover?
- 5.4.14** What percent of current contracted facilities/physicians in the State of Iowa are not currently accepting new patients?
- 5.4.15** How diverse is the physician/health professional provider network panel? Provide percentage of provider by race for the network being proposed.
- 5.4.16** How do you notify clients and participants of changes in provider networks? What is the length of time of notice provided?
- 5.4.17** Confirm you offer a comprehensive behavioral health network that includes a variation of providers. Please complete the table below.

Behavioral Health Providers	Included in network?	Percentage accepting new patients	Avg wait time to get appointment
Psychiatrists (MDs)			
Psychologists			
Therapists			
Licensed Professional Counselors			
Social Workers			
DEA waiver providers			
ABA Paraprofessionals			
Other			

- 5.4.18** Describe your methodology of payment for participating hospital charges, primary care, and specialists?
 - 5.4.18.1** What are your current average network discounts or other payment arrangements for hospital, primary care, specialty and ancillary services? Describe how these are calculated. Are you willing to guarantee your network discounts and other payment provisions to help predict cost?

5.4.18.2 Explain how you reimburse for hospital outpatient services (facility use charges). Please 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)

5.4.18.3 Explain how you and your networks use incentives to reward cost, quality, safety, and patient satisfaction. Explain if you have a value-based network strategy, and if so, what would the impact of its strategy be on the State?

5.4.19 Do you offer a Centers of Excellence network? Confirm the existence of and describe the services, programs, and how members access care for each of the conditions and needs listed in the table below:

Program	Currently in your COE network? Y/N	Describe the services provided and how members access care.
Bariatric surgery		
Burns		
Cancer		
Cardiovascular		
HIV		
Joint Replacement		
Cardiac Surgery and Interventional Cardiac Procedures		
Disease Management		
End Stage Renal Disease		
Transplants (including bone marrow, heart, lung, kidney and other transplants)		
Wellness		
Any other Centers of Excellence		

5.4.20 The State self-insures its workers' compensation program and would like direct handling of workers' compensation 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.

5.4.21 Are members required to select PCPs? If yes, what is the selection process? What limitations are there on a member's ability to change PCPs?

Network	Describe
PPO/POS	
HMO/EPO	

5.4.22 Do you require a referral to see a specialist?

Network	Describe
PPO/POS	
HMO/EPO	

5.4.23 Are OB/GYN’s treated as specialists or PCPs? Can women self-refer to an OB/GYN? Can women self-refer to an OB/GYN outside of their primary care provider’s practice group? Specify any limitations or restrictions.

Network	Describe
PPO/POS	
HMO/EPO	

5.4.24 What provisions are made for continuing care in the event of provider non-renewal or termination?

Network	Describe
PPO/POS	
HMO/EPO	

5.4.25 Describe the compensation, incentives, returns, or other forms of reimbursements built into your network provider contracts. Include the purpose of each.

Network	Describe
PPO/POS	
HMO/EPO	

5.4.26 Are there limits currently in place with respect to contractual pricing over the next five years? Please describe any such provisions, the rate of increase and the duration of the guarantee.

Network	Describe
PPO/POS	
HMO/EPO	

5.4.27 What was your organization’s average medical, pharmacy, and overall trend for the last five calendar years?

Network	Describe
PPO/POS	
HMO/EPO	

5.4.28 If your offering includes capitated services, specifically what services are covered under the capitated arrangement(s)?

Network	Describe
PPO/POS	
HMO/EPO	

5.5. Customer/Member Services

5.5.1 Describe your typical number of dedicated customer service representatives per company participants.

5.2.2 Describe your primary strategy for reaching Members.

5.2.3 In reference to member services, state your performance standards and what was achieved for CY 2023 and 2024 through 3Q.

Member Services Call Center	
Call Volume (calls/day)	
2024 through 3Q	
2023 CY	

Call Abandon Rate (%):	
2024 through 3Q Target/Actual:	
2023 CY Target/Actual:	
Average Speed of Answer (in seconds):	
2024 through 3Q Target/Actual:	
2023 CY Target/Actual:	
Average Hold Time to reach live representative (in minutes):	
2024 through 3Q Target/Actual:	
2023 CY Target/Actual:	
Maximum length of time to return a telephone call:	
2024 through 3Q	
2023 CY	
Maximum length of time to return contact by email:	
2024 through 3Q	
2023 CY	
What percentage of member issues are resolved on a "first call" basis?	
2024 through 3Q	
2023 CY	

- 5.2.3.1** Describe your 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.
- 5.2.3.2** Describe your approach to client-specific training for member/customer service representatives.
- 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.
- 5.2.3.3** Describe your Patient Assistance Programs. Specifically, what are the outcomes, for the plan and the Member, from implementing such programs with other clients?
- 5.2.3.4** Describe the steps you are taking to improve first call resolution.
- 5.2.3.5** Describe standards you use to measure, monitor, and track customer satisfaction. Contractor shall explain its client satisfaction goal and rate for calendar year 2023 and 2024 through 3Q and how they monitor and improve the quality of service.
- 5.2.3.6** Provide location for the call center unit that would service the State.
- 5.2.3.7** Indicate the total number of Members and groups serviced out of this location:

	Call Center
Total Members	
Groups Serviced	

5.2.3.8 Explain whether member/customer service calls are 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?

5.2.3.9 Explain how service inquiries are tracked and reported. Describe the procedures used to guarantee the quality and integrity of the information reported.

5.6. Website Capabilities

5.6.1 Describe your website, and provide a list of the information and tools available to Members. Include a description of health decision support and health information tools.

5.6.2 Describe how the State could integrate medical and prescription drug data in Contractor's platform? What are the limitations?

5.6.3 Describe what enhancements, if any, are anticipated for Contractor's website in the near future and the expected delivery date.

5.6.4 Describe the steps you have taken to reduce the possibility of Member identity theft.

5.6.5 Explain the security measures that are in place to ensure the integrity of your data systems and the personal health information of Members on these systems.

5.6.6 Describe how HIPAA assessments are performed within the organization. Include in your explanation how often assessments are performed, and by whom.

5.6.7 What is your policy regarding staff working from home or remotely? What safeguards are in place to monitor quality (including retrospective claims reviews) and HIPAA compliance?

5.7. Implementation

5.7.1 Describe the timetable and specific tasks involved to have the Medical and Pharmacy Plans operative for the estimated 2026 Plan Year Enrollment (October 2025). Include a detailed implementation plan and business plan or timeline. Be specific with regard to the following:

- a. Amount of time needed for implementing the new program
- b. Recommended activities/tasks and timing
- c. 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

5.7.2 Transition of Care Plan

Contractor's proposed transition of care plan must, 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.

5.7.3 Describe the plan for transitioning the medical and pharmacy benefit plan administration services from the current Contractor (proposed dates, etc.) historical data, existing prior authorizations and pre-certifications, treatment in progress, step-therapy, etc., and how you will assure that no member will lose coverage or benefits due to a change in carriers.

5.7.4 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.

5.7.5 Describe your process for handling transition of mail order prescriptions.

5.8. Reporting

5.8.1 Describe your online reporting capabilities available for the State. Please describe the types of reports that can be downloaded from the online system.

5.8.2 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.

5.8.3 Will there be an additional charge for on-demand 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?

5.8.4 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.

5.8.5 Provide your average turnaround time to produce ad hoc reports.

5.8.6 Describe your process for providing transparency in reporting.

5.8.7 Can you track and report clinical outcomes by zip code, gender and race? If so, explain how outcomes are tracked and provide sample reports.

5.8.8 Describe your ability to provide reporting on the utilization of your telemedicine and/or telehealth providers.

5.8.9 Should PBM services be carved out for the Choice Plans, describe your ability to integrate with an outside PBM. Note additional fees associated with such integration.

5.9. Quality Controls & Audits

5.9.1 Describe the quality controls, auditing and peer review mechanisms in place for your claim processing department. Do you use internal or independent/outside auditors?

5.9.2 Explain the percentage of claims audited and the frequency that internal audits are performed.

5.9.3 Does Contractor agree to offer the State, or the State's designated third party, 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?

5.10. 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.

5.10.1 Wellness Program

5.10.1.1 Describe the wellness programs offered.

a. Describe how you define engagement. Provide your engagement rates for the past 2 years (CY 2023 and 2024 through 3Q).

b. Describe your programs that can be made available as "Reasonable Accommodation" options when employees claim they cannot complete a task/initiative?

- c. Are wellness programs managed directly by the Contractor, or through a third-party arrangement with a wellness vendor? If offered through a third-party arrangement, provide a brief explanation for why this vendor is used and how long this relationship has existed.
- d. Provide any aggregate ROI methodology and measures Contractor may have for its program.
- 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.

5.10.1.2 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)
Routine physical		
Well woman exam		
Vaccinations, specifically seasonal Influenza and COVID vaccine		
Mammogram		
Cholesterol screening		
Colorectal screening		
Diabetic retinal exam		
Childhood immunizations		
Prostate cancer screening		
Pregnancy/Well-child		
Other (please specify)		

5.10.2 Describe your Health Coaching program including:

5.10.2.1 The primary areas a member can focus on for coaching (weight-loss, tobacco-cessation, etc.).

5.10.2.2 How you identify members.

5.10.2.3 Your engagement strategy for enrollment, including your success rate for enrollment and program completion.

5.10.2.4 Complete table below:

Health Coaching Program	Response
Number of contacts member typically has with the program	
Average length of call	
Percentage of calls that are inbound vs outbound	

5.10.3 Describe any additional optional services that you are able to offer.

SECTION 6 - PRESCRIPTION DRUG

Overview

In order for Contractor's Proposal to be considered and accepted, Contractor must provide answers to the questions 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 are part of the Technical Proposal that will be evaluated and 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, please 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, member/customer service, specialty drug management, and claims adjudication?
- 6.1.2 Describe what differentiates you from other PBMs providing these services. What makes Contractor's organization the best choice for the State?
- 6.1.3 Describe the most significant issues that you are addressing with clients around prescription drug benefits.
- 6.1.4 Describe the strategies proposed to achieve the lowest-net-cost.
- 6.1.5 Based on the plan design currently in place, the drug utilization, and the demographics, provide two recommendations for "day 1" to control costs or improve outcomes?

6.2 Claims and Eligibility Administration

- 6.2.1 What are the required data elements for eligibility feeds from the State? Include desired eligibility format/layout in the Proposal. Has the contractor worked with the Workday platform prior?
- 6.2.2 Explain the process for loading and correcting data on eligibility records.
- 6.2.3 Describe your claims processing system and capabilities to show how your organization adjudicates claims. At a minimum include the following:
 - a. Procedures and criteria used to authorize or reject claims to assure that all claims paid are in compliance with the State's Pharmacy Plan design.
 - b. Quality control procedures and system edits used for controlling and tracking claims.
 - c. Describe how your system processes dispense as written (DAW) codes, Coordination of Benefits payments, and claim reversals/adjustments.

- 6.2.4 Describe your 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 Indicate the look-back period for your refill-too-soon edit including percent of days allowed and the number of prior fills that are included.
- 6.2.6 Describe the services provided to deter and detect, fraud, waste and abuse at the member, provider, and pharmacy level.
- 6.2.7 Explain your coordination with Medicare Part D. Describe how any savings from coordination with Medicare Part D will be credited back to the plan?

6.3 Member Experience

- 6.3.1 Indicate the location, hours of operation, and number of annual calls handled by your member/customer service call center(s) and also indicate if the call center is separate from the medical claim call center.
- 6.3.2 How does a member/customer service representative determine when a member should be transferred to a pharmacist and describe the process for doing so?
- 6.3.3 Are all member calls recorded? If so, can they be made available to the State to help resolve member service issues?
- 6.3.4 Describe the on-line services available to members including whether they can compare drug prices between retail and mail order.
- 6.3.5 If a mobile application is available, please describe Member transactions available within the application (e.g., refill request).
 - 6.3.5.1 Provide details regarding the information that the application features
- 6.3.6 Describe your after-hours pharmacist access. Do you provide access to a pharmacist 24 hours a day, 365 days a year?
- 6.3.7 What percent of your Member Services inquiries were resolved on the first call during each of the past three (3) years (CY 2022, CY 2023, 2024 through 3Q)?
- 6.3.8 Describe your Patient Assistance Programs. Specifically, what are the anticipated outcomes, for the plan and the Member, based on implementation of such programs with other clients?

6.4 Clinical Programs

- 6.4.1 Describe the key value proposition of your clinical programs and how your clinical strategy differentiates from other PBMs. Describe your clinical programs that are unique or differentiated from the market?
- 6.4.2 Provide a description of your clinical program offerings.
- 6.4.3 Do you have 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 Indicate which formulary is being proposed for the State and why.
 - 6.4.4.1 Provide the number of formulary options available to the State with a short description for each one.
- 6.4.5 Describe your policy regarding formulary changes and its procedures for educating and notifying Members.
 - 6.4.5.1 Explain how often formulary changes take place (quarterly, annually). Your explanation should include drug changes as well as coverage tier changes.

- 6.4.6** Is State participation in the therapeutic interchange program (TIP) voluntary?
- 6.4.7** Describe how you validate that each of the TIP and the individual interchanges provide financial benefit to employers and Members?
 - 6.4.7.1.** Describe in detail the specific utilization management rules in-place for opioid prescription drugs.
- 6.4.8** Are weight loss medications, used solely for weight loss, included in any of your formulary options?
- 6.4.9** Describe your strategy for utilization and cost management of GLP-1 drugs.
- 6.4.10** What programs does Contractor have to address mental health and comorbidities that are often paired with primary conditions like cancer or diabetes?
- 6.4.11** Describe your capabilities with regards to condition management.
 - a. How does Contractor identify Members receiving a medication that may intensify an existing disease state?
 - b. Contractor shall describe its process of identifying Members who may be eligible for a specific program. Does Contractor typically use an opt-in or an opt-out method?
- 6.4.12** Describe the processes in place to identify Members on multiple medications in the same therapeutic class. Once identified, how does Contractor proceed?
- 6.4.13** Describe your review process with drugs that require clinical review.
- 6.4.14** Describe your 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.).
- 6.4.15** Describe how you will manage generic utilization and substitutions and incentives for the use of cost-effective therapeutic medication for the State's programs.
- 6.4.16** Describe the methodology that would be used to calculate savings from the cost management programs.
- 6.4.17** Describe how fee savings for clinical programs would be calculated.
- 6.4.18** Are you willing to implement an overall pharmacy trend guarantee with financial penalties for under achieving the guarantee?
- 6.4.19** Are you willing to implement condition specific trend guarantees with financial penalties for under achieving the guarantee?
- 6.4.20** What is your generic utilization and substitution rate over the past three (3) years?
- 6.4.21** Does your mail order allow patients to utilize drug manufacture coupons and if so, describe the process?
- 6.4.22** Describe your member appeals process and indicate if any third parties are utilized.
- 6.5 Specialty Drug Program**
 - 6.5.1** Indicate the location, hours of operation, and number of claims filled at your specialty pharmacy, if different than your mail order facility.
 - 6.5.2** Please confirm whether the current specialty pharmacy program is administered in-house or subcontracted.
 - 6.5.3** Provide the number of specialty pharmacy distribution centers that will serve the State and the distribution center locations.

- 6.5.4 Describe how your specialty drug management program is differentiated from the market and the advantages it will achieve for the State.
- 6.5.5 List the specific disease states covered with your specialty drug management program.
- 6.5.6 Describe your clinical programs specifically designed for specialty drug management.
- 6.5.7 Describe any requirements or plan options regarding days' supply limits for specialty drugs.
- 6.5.8 Describe any specialty drugs variable copay or copay assistance programs offered by your organization.
- 6.5.9 Describe involvement in any "site of care" utilization management initiatives for infused specialty drugs and your willingness to work with the State on this type of initiative.
- 6.5.10 Is the proposed specialty network an open network (where Members can use any specialty pharmacy) or "exclusive" network (Members may only go through Contractor's specialty pharmacy)?
- 6.5.11 Provide a list of limited distribution drugs (LDD) dispensed for your clients? Submit this list as **Exhibit 8: Limited Distribution Drug List**.
- 6.5.12 Describe your strategy around biosimilars, the approval process for new drugs, and how they will be incorporated into your formularies.
- 6.5.13 Describe any expectation that biosimilars will result in reduced cost for clients.
- 6.5.14 Explain your capability to perform cost and utilization modeling on anticipated biosimilar introductions to help the State forecast possible outcome scenarios?

6.6 Retail Network

- 6.6.1 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 Which major retail pharmacy chains participate in your 90-day retail network?
- 6.6.3 Describe your retail 90-day network and specify any differences from the 30-day network.
- 6.6.4 How frequently are pharmacy contracts are renegotiated.
- 6.6.5 Have any pharmacy contracts been renegotiated in the last twelve (12) to twenty-four (24) months? If so, describe the financial impact to your organization and customers. Detail any pharmacy contracts with major chains likely to be renegotiated within the next twelve (12) to twenty-four (24) months.
- 6.6.6 Describe your system for maintaining credentialing information and how often each pharmacy is re-credentialed including information verified during this process.
- 6.6.7 What is the time frame for contracting with additional pharmacies once the need for additional pharmacies is recognized?
- 6.6.8 Describe your process for adding new pharmacies to the network.

6.7 Retail Network Accessibility and Disruption

- 6.7.1 Using your Retail Pharmacy Network Disruption Analysis (Exhibit F) provide a summary of your analysis below. Please list all retail pharmacies utilized that are not currently in your retail pharmacy network.
 - 6.7.1.1 Total retail pharmacies in claims data
 - 6.7.1.2 Total count of these retail pharmacies in your network
 - 6.7.1.3 Total retail prescriptions in claims data
 - 6.7.1.4 Total retail prescriptions in your network

- 6.7.2** Provide the volume (as a percentage) of capacity of the mail facilities that will service the State.
- 6.7.3** Does your mail service pharmacy perform interventions that are not performed in retail?
- 6.7.4** Confirm that your error tracking and reporting capabilities for your mail order operation are client specific.
- 6.7.5** For CY 2023 and 2024 through 3Q provide your turnaround times for clean claims and the turnaround times for claims requiring intervention, received via:
 - a. Mail
 - b. Fax
 - c. Phone
 - d. Internet
 - e. For claims with interventions

6.8 Formulary Disruption

Using your Formulary Disruption Analysis (Exhibit 7) provide a summary of your disruption analysis for the types of change below:

Type of Change	Number of Members Impacted	% of Total Members Impacted	Number of Scripts Impacted	% of Total Scripts Impacted (including all brands and generics)
No Change				
Negative (lower tier to higher-cost tier)				
Positive (higher-cost tier to lower tier)				
Moving from covered to not covered/Excluded				
Total		100.0%		100.0%
Name of #1 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Participants: [Indicate Member and Script Impact.]				
Name of #2 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Participants: [Indicate Member and Script Impact.]				
Name of #3 Drug that is Moving from Covered to Not Covered/Excluded based on impacted Participants: [Indicate Participant and Script Impact.]				

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 shall accept the fiduciary responsibility for the Medical and Pharmacy Insurance Plans in the case of awarding a self-funded contract.
- 7.1.2** The Contractor shall guarantee the premium rates and administration fees for the initial two (2) year term of the Contract. For Self-Funded arrangements, guarantee of premium rates and fees, with minimal increases (2-4%) in the optional renewal years.
- 7.1.3** Contractor shall provide the State with a Fidelity/Crime Bond in the minimum amount of five (5) million dollars per occurrence.
- 7.1.4** Contractor shall 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 shall have access to a national provider network for the State’s medical and pharmacy plan(s).
- 7.1.6** Contractor shall 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 shall maintain a dedicated toll-free telephone number to respond to Member inquires as well as a toll-free TDD line for hearing impaired Members available 8:00 a.m. – 6:00 p.m. Central Time, Monday through Friday.
- 7.1.8** Contractor shall 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.

- 7.1.9** Contractor shall provide client-specific customer service representative training prior to the State's plan start.
- 7.1.10** Contractor shall provide customer service representatives with claims history and previous call notes when a Member calls in to ask a question.
- 7.1.11** Contractor shall have the capability to enter corrections to eligibility records in real time.
Contractor's claim system shall support the State's current plan design without alteration or the need for manual intervention.

SECTION 8 - EVALUATION AND SELECTION

8.1 Introduction

This section describes the evaluation process that will be used to determine which Proposal(s) provides the greatest value 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 use an evaluation committee to conduct a comprehensive, fair, and impartial evaluation of Technical Proposals received in response to this RFP. The evaluation committee will recommend an award based on the results of their evaluation to the Agency or to such other person or entity that must approve the recommendation.

8.3 Technical Proposal Evaluation and Scoring

All Technical Proposals will be evaluated to determine if they comply with the Mandatory Specifications. The evaluation committee will fully evaluate and score all Responsive Proposals submitted by Responsible Contractors in accordance with this Section. In addition to other RFP requirements, to be deemed a Responsive Proposal, the Technical Proposal must:

- Answer “Yes” to all parts of Section 7 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. If a Technical Proposal does not meet the minimum score, it will be rejected and the Contractor’s Cost Proposal will not be evaluated.

An addendum identifying the points assigned to the scoring criteria and identifying the minimum score for the Technical Proposal will be posted prior to the RFP closing.

8.4 Cost Proposal Scoring

After the Technical Proposals are evaluated and scored, the Cost Proposals will be opened and scored.

The Cost Proposals will remain sealed during the evaluation of the Technical Proposals and any demonstrations. Only prospective Contractors who obtain the minimum score for their Technical Proposal will be considered during the cost evaluation phase of the review process. When a Technical Proposal does not meet the minimum score, the associated Cost Proposal will remain unopened and will be returned to the Contractors upon request after the State issues a Notice of Intent to Award the Contract. After the Technical Proposals are evaluated and scored, the Cost Proposals will be opened and scored.

The cost evaluation of self-funded benefits will consider not only administration fees, but also the impact of the repriced claim results on projected claims, network adequacy/access/disruption, pharmacy rebates, and financial guarantees associated with the benefits and services.

The cost proposal for each respondent will be evaluated in comparison with the other cost proposals received; however, the number of points possible will be proportional to each respondent’s technical evaluation score.

The technical evaluation points received (numerator) is divided by the technical evaluation points possible (denominator) and multiplied by the maximum number of points in the cost evaluation. This provides the total points possible for the respondent in the cost evaluation.

Points Possible for Respondent =
 $\frac{\text{Technical Evaluation Points Received}}{\text{Technical Evaluation Points Possible}} \times \text{Maximum Points in Cost Evaluation}$

The lowest cost proposal (numerator) is divided by the cost proposal being evaluated (denominator) and multiplied by the points possible for the respondent. This provides the cost evaluation points awarded.

Cost Evaluation Points Awarded =
 $\frac{\text{Lowest Cost Proposal Received}}{\text{Cost Proposal Being Evaluated}} \times \text{Points Possible for Respondent}$

For example, suppose there are 10 maximum points in the cost evaluation. A respondent that receives 100% of the points possible in the technical evaluation has the opportunity to earn 100% of the points possible in the cost evaluation (e.g., 10 points). If the cost proposal is the lowest cost, the full 10 points will be awarded.

However, a respondent that receives only 50% of the points possible in the technical evaluation has the opportunity to earn only 50% of the points possible in the cost evaluation (e.g., 5 points). If the cost proposal is the lowest cost, only 5 points are awarded, compared to the 10 points that could have been awarded if the respondent had received the highest technical evaluation score.

8.5 Points will be scored based on Evaluation Criteria below:

Evaluation Criteria	Medical and Rx Score	Plan F & N ER Group Program Score
Technical		
<u>Experience and Account Management</u>	15%	15%
<u>Plan Administration:</u> Member/customer services, info security, eligibility, communications, claims payment, reporting, billing, etc.	20%	20%
<u>Plan Services Capabilities:</u> Disease/condition management programs, clinical programs, wellness, technology (portal, mobile app, telehealth, etc.), innovation, flexibility, etc.	20%	20%
<u>Network:</u> Access, provider breadth/depth/quality	15%	15%
Financial	25%	25%
<u>Quality of Proposal:</u> Overall quality of vendor’s proposal, including thoroughness of response	5%	5%
Total Score Percentage	100%	100%
Finalist Interviews (Optional)		

8.6 Tied Score and Preferences

8.6.1 An award shall be determined by a drawing when responses are received that are equal in all respects and tied in price. Whenever it is practical to do so, the drawing will be held in the presence of the Contractors who are tied in price. Otherwise, the drawing will be made in front of at least three non-interested parties. All drawings shall be documented.

8.6.2 Notwithstanding the foregoing, if a tied score involves an Iowa-based Contractor or products produced within the State of Iowa and a Contractor based or products produced outside the State of Iowa, the Iowa Contractor will receive preference. If a tied score

involves one or more Iowa Contractors and one or more Contractors outside the state of Iowa, a drawing will be held among the Iowa Contractors only.

- 8.6.3** In the event of a tied score between Iowa Contractors, the Agency shall contact the Iowa Employer Support of the Guard and Reserve (ESGR) committee for confirmation and verification as to whether the Contractors have complied with ESGR standards. Preference, in the case of a tied score, shall be given to Iowa Contractors complying with ESGR standards.
- 8.6.4** Second preference in tied scores will be given to Contractors based in the United States or products produced in the United States over Contractors based or products produced outside the United States.
- 8.6.5** Preferences required by applicable statute or rule shall also be applied, where appropriate.

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 by the Agency to the RFP through an amendment to the RFP in accordance with the provisions of the RFP, the 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 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, the General Terms and Conditions to the extent referenced and linked to on the RFP cover page, and/or any Terms and Conditions attached to and accompanying this RFP as an attachment hereto, will be incorporated into the Contract. The 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 such Terms and Conditions 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 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 Terms and Conditions language it proposes to include in place of the provision. Contractor shall provide these exceptions by using the track changes functionality. 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. DAS has no obligation to review an entire bid for exceptions and will not consider those that are not in the format specified.

The Agency will evaluate all Proposals without regard to any proposed modifications to any terms and conditions of the RFP or Terms and Conditions by Contractor. Once a Proposal has been identified as the one for which an Award recommendation has been made, but prior to notifying Contractors of the decision, the Agency, in its sole discretion, may consider any proposed modifications to the terms and conditions of the RFP or Terms and Conditions identified in that Proposal. 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. As such, if any proposed modifications are not determined to be in the best interests of the State, or appear to pose a substantial impediment to reaching agreement, the Agency may, in its sole discretion:

- 9.1.1 Issue a Notice of Intent to Award in favor of the successful Contractor, but decline to agree to or further negotiate any proposed modifications to terms and conditions identified by the Contractor in its Proposal;
- 9.1.2 Issue a Notice of Intent to Award in favor of the successful Contractor, and identify in the Notice proposed modifications to terms and conditions identified by the Contractor in its Proposal with which the agency will or will not agree or further negotiate;
- 9.1.3 Enter open-ended negotiations with the successful Contractor; provided, that any such negotiations shall be limited to the proposed modifications to terms and conditions identified by Contractor in its Proposal;

- 9.1.4** Change the Agency’s recommendation for Award and issue a Notice of Intent to Award to a Contractor whose proposal does not pose as great of a challenge to the Agency.

Any ambiguity, vagueness, inconsistency or conflict, either internal to such modification(s) or arising when read in conjunction with other portions of the Contract, shall be construed strictly in favor of the State. Only those proposed modifications identified in the Notice of Intent to Award issued by the Agency as terms and conditions with which the agency will or will not agree or further negotiate shall be part of the Contract, and the State may ignore all proposed modifications, accept one or more and ignore others, accept all or, through negotiations after an award, agree to compromise language concerning one or more proposed modifications to be incorporated into a final Contract between the parties. By executing and submitting its Proposal in response to this RFP, Contractor understands and agrees that the State may exercise its discretion not to consider any or all proposed modifications Contractor may request and may accept Contractor’s proposal under the terms and conditions of this RFP and the Terms and Conditions.

9.2 Contractual Terms and Conditions – No Material Changes/Non-Negotiable

Notwithstanding anything in this RFP to the contrary, Contractor may not take exception to or propose including language in any resulting contract that conflicts with or is otherwise inconsistent with the following:

9.2.1 Indemnification

Without specific authority to do so, the State, or agencies, cannot enter into agreements indemnifying Contractors, or any other entity, against third-party claims. A clause that intends to seek indemnification from the State, whether or not the clause contains the words “indemnity” or “indemnify,” are not clauses to which the State may agree. The State will not agree to clause that includes the language “to the extent permitted by law” because, as explained, the State cannot indemnify Contractors to any extent.

9.2.2 Limitation of Liability

Iowa Code section 8A.311(22) and 11 Iowa Admin. Code Chapter 120 establish the rules to allow for the State to agree to a contractual limitation of vendor liability clause in limited circumstances. Any request by Contractor for the State to limit damages not in accordance with Iowa law or administrative rules is a request with which the State cannot agree.

9.2.3 Jurisdiction and Venue

Iowa Code chapter 13 establishes that the Iowa Attorney General is the State’s attorney for all purposes, including management of litigation and claims against the state. The State may not preempt the Attorney General’s authority by agreeing in advance to control the way litigation may be managed in the event of a dispute. Likewise, the State cannot agree to the jurisdiction or laws of another state or its courts, cannot agree to venue in another state, and cannot agree to participate in any form of alternative dispute resolution.

9.2.4 Confidentiality

All Iowa state agencies are subject to Iowa public records laws. The State cannot agree to contractual terms that attempt to prevent it from disclosing or disseminating records that constitute public records under Iowa Code chapter 22.

9.2.5 Unliquidated Expenses (i.e., Attorney Fees, Add-ons, or Cost Increases)

The State may not agree to clauses which may obligate it to pay for claims that might exceed its current funding appropriation. The State may only obligate those funds that

have been appropriated to it by the Iowa Legislative Assembly and may only obligate those funds for the purposes for which the funds were appropriated.

9.3 Special Terms

9.3.1 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.

9.3.2 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.

9.3.3 Settlement of Incurred Claims and Administrative Service Fees

9.3.3.1 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

9.3.3.2 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.

9.3.4 Eligibility for Coverage

9.3.4.1 Eligible Individuals

A Member enrolled in the Medical and Pharmacy Insurance Plans as of December 31, 2025 will be deemed to be a Member for purposes of this Contract as of January 1, 2026 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

9.3.4.2 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.

9.3.4.3 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.

9.3.4.4 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.

9.3.4.5 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.

9.3.4.6 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.

9.3.5 Termination of Member Coverage

9.3.5.1 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.

9.3.6 Resolution of Member Disputes

9.3.6.1 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 claim's denial appeal filed by a Member with the Agency.

9.3.6.2 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.

9.3.6.3 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].

9.4 Contract Length

9.4.1 Term Length

The Contract shall have an initial term of two (2) years, beginning on the date of contract execution (the "**Effective Date**"). At the end of the Contract's initial term, the State shall have the option, in its sole discretion, to renew the Contract on the same terms and conditions for up to a total of four (4) additional one-year terms. The State will give the Vendor written notice of its intent whether to exercise each option no later than sixty (60) days before the end of the Contract's then-current term.

9.4.2 Payment Terms

9.4.2.1 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 they will accept.

This information will not be scored as part of the Cost Proposal or evaluated as part the Technical Proposal.

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

The State of Iowa may make 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

9.4.2.3 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.

9.4.2.4 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. Contractors must provide a statement regarding their ability to meet the requirements I this subsection, as well as identifying their transaction reporting capabilities (Level I, II, or III).

9.4.2.5 Terms and Conditions for State of Iowa Purchasing Cards

The State of Iowa shall pay Contractor's invoices using its Purchasing Card Program (Pcard) whenever possible. The Pcard is a VISA credit card issued by U.S. Bank to allow authorized employees to make purchases on behalf of the State. It is a faster, more convenient alternative to traditional invoicing and remittance processing, allowing US Bank to pay the Contractor directly, generally within 48 hours of the transaction. Contractor shall comply with security measures for Pcard payments including:

9.4.2.5.1 Contractor shall comply with Payment Card Industry Data Security Standard (PCI DSS) to assure confidential card information is not compromised;

9.4.2.5.2 Contractor shall adhere to Fair and Accurate Credit Transactions Act requirements that limit the amount of consumer and account information shared for greater security protection;

9.4.2.5.3 Contractor shall not write down card numbers or store card information. When accepting orders by phone, Contractor shall process the transaction during the call and send itemized receipts (excluding card numbers) to the cardholder by fax, email, or mail (with delivery);

9.4.2.5.4 Contractor shall process payment for items when an order is placed only for items currently in stock and available for shipment, and only for services already rendered;

9.4.2.5.5 Contractor shall confirm that the name of purchaser matches the name on the card;

9.4.2.5.6 Contractor shall ensure Internet orders are processed via secure websites, featuring Verisign, TRUSTe, BBBOnline, or “https” in the web address;

9.4.2.5.7 Contractor shall shred any documentation with credit card numbers.

9.4.2.6 Payment Terms

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

9.4.2.7 Contractor Discounts

Contractors shall state in their Cost Proposals whether they offer any payment discounts.

9.4.2.8 Prompt Payment Discount

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

9.4.2.9 Invoices

Any invoices submitted must comply with applicable rules concerning payment of claims, including but not limited to those set forth at Iowa Administrative Code chapter 11—41.

9.4.3 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	\$2 million
	Products –	
	Comp/Op Aggregate	\$1 Million
	Personal injury Each Occurrence	\$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	\$1 Million
	Aggregate	\$1 Million
Errors and Omissions Insurance	Each Occurrence	\$1 Million
Property Damage	Each Occurrence	\$1 Million
	Aggregate	\$1 Million
Workers Compensation and Employer Liability	As Required by Iowa law	A required by Iowa law

Acceptance of the insurance certificates by the Department shall not act to relieve Contractor of any obligation under this Contract. It shall be the responsibility of Contractor to keep the respective insurance policies and coverages current and in force during the life of this Contract. Contractor shall be responsible for all premiums, deductibles and for any inadequacy, absence or limitation of coverage, and the Contractor shall have no claim or other recourse against the State or the Department for any costs or loss attributable to any of the foregoing, all of which shall be borne solely by the Contractor. Notwithstanding any other provision of this Contract, Contractor shall be fully responsible and liable for meeting and fulfilling all of its obligations under this section of the Contract.

9.4.4 Performance Security

The Contract may require the Contractor to provide security for performance [e.g. performance bond, escrow, letter of credit, liquidated damages]. Agency shall retain ten percent (10%) of each payment due under the Contract. Agency shall pay the retained amount only after all Deliverables have been completed by Contractor and accepted by the Agency.

9.5 Order of Precedence

If there is a conflict or inconsistency between any documents comprising the Terms and Conditions, such conflict or inconsistency shall be resolved according to the following priority, ranked in descending order: (1) any terms and conditions specifically set forth in this Section 6 (Contract Terms and Conditions & Administration) under a subsection with a heading entitled Special Terms & Conditions; (2) the General Terms and Conditions for Services Contracts or Goods Contracts to the extent referenced and linked to on the RFP cover page the Contract; (3) if neither the General Terms and Conditions for Service Contracts or Goods Contracts are linked to on the RFP cover page, any terms and conditions attached to and accompanying this RFP as an attachment; and (4) any terms and conditions specifically set forth in this Section 6 (Contract Terms and Conditions & Administration) set forth under a subsection with a title other than Special Terms & Conditions.