



**State of Delaware
Department of Human Resources
Statewide Benefits Office**

STATE EMPLOYEE BENEFITS COMMITTEE

**Request for Proposal
for the State of Delaware's
Short-Term and Long-Term Disability Programs**

Release Date: June 25, 2018

***Intent to Bid Deadline –
Monday, July 9, 2018, 1:00 p.m. ET (Local Time)***

***Mandatory Pre-Bid Meeting (Conference Call) –
Wednesday, July 11, 2018, 11:00 a.m. ET (Local Time)***

***Proposals Due –
Friday, August 10, 2018, by 1:00 p.m. ET (Local Time)***

DHR18002–DisabIns

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Attachment 2:	<i>[intentionally blank]</i>

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Attachment 4:	DE DIP RFP- Synopsis of House Bill No. 214
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* Merit comparable employees only

I. Introduction

On behalf of the State of Delaware, the State Employee Benefits Committee (SEBC) is seeking proposals from disability vendors for its fully insured Long-Term Disability (LTD) program and to provide claims management for its self-insured Short-Term Disability (STD) program with a small grandfathered closed group of three members that is a self-funded LTD program.

****IMPORTANT** A vendor cannot submit a bid for only the LTD program or only the STD program. The SEBC will only consider a bid submission where either (i) the vendor will administer both the STD and LTD programs, or, (ii) the vendor will contract for both the STD and LTD programs but utilize a subcontractor to provide the LTD administration or the STD administration. Only one contract will be awarded, therefore one vendor must be a subcontractor. If a bid proposes to utilize a subcontractor to provide services as the LTD administrator or STD administrator, the vendor (or subcontractor) providing STD administration must respond to Section V. *Technical Standards and Security Requirements*, whereas the vendor (or subcontractor) providing LTD administration must respond to the Minimum Requirements regarding data safety measures (see Minimum Requirements Section 13.00, Legal).**

One bid document must be submitted for both programs. Each vendor must respond to the minimum requirements, questionnaire, technology and data security requirements and required appendices as appropriate for their product. For example, the STD vendor could submit their responses to the minimum requirements section in a separate document from the LTD vendor but within a single bid. For a single document, please identify who is responding to which sections – i.e., if you are using a subcontractor, note when the response is related to your subcontractor’s capabilities.

For complete information about the State of Delaware’s Disability Insurance Program (DIP), please go to <http://de.gov/statewidebenefits>.

Public notice has been provided in accordance with 29 Del. C. § 6981. This RFP is available in electronic form through the State of Delaware Procurement website at www.bids.delaware.gov. Paper copies of this RFP will not be available.

Important Dates (A full timeline is included in Section I.D.)

Contract Effective Date	July 1, 2019
Bid Release Date	Monday, June 25, 2018
Intent to Bid Due¹	Monday, July 9, 2018 by 1:00 p.m. ET (Local Time)

¹ IMPORTANT: Your bid will not be accepted if the State of Delaware does not receive an email confirmation of an Intent to Bid. See Section II.B.1 for details.

Mandatory Pre-Bid Meeting (Conference Call)²	Wednesday, July 11, 2018 at 11:00 a.m. ET (Local Time)
Questions Due from Vendors	Friday, July 13, 2018 by 1:00 p.m. ET (Local Time)
Proposal Submissions Due	Friday, August 10, 2018 by 1:00 p.m. ET (Local Time)

A. Background and Overview

1.0 Organization Description

The SEBC is co-chaired by the Director of the Office of Management and Budget (OMB) and the Secretary of the Department of Human Resources (DHR). The Committee is comprised of the Director of OMB, the Secretary of the DHR, the Insurance Commissioner, the Chief Justice of the Supreme Court, the State Treasurer, the Controller General, the Secretary of the Department of Health and Social Services, the Lieutenant Governor, and the Executive Director of the Delaware State Education Association or their designees. The Statewide Benefits Office (SBO) is a division within the DHR. The SBO functions as the administrative arm of the SEBC responsible for the administration of all statewide benefit programs with the exception of pension and deferred compensation benefits. These programs include, but are not limited to, health, prescription drug, dental, vision, disability, life, flexible spending accounts, wellness and disease management programs, pre-tax commuter benefits, and supplemental benefits. Visit <http://de.gov/statewidebenefits> for information about the programs.

2.0 Background Information

The Disability Insurance Program (DIP) offers short-term and long-term disability benefits to employees hired into a position covered by the Delaware State Employees' Pension Plan. The DIP is a legislated program based on Title 29, Chapter 52A of the Delaware Code, enacted July 1, 2005. **The State is unable to make DIP plan design changes that do not comply with Title 29, Chapter 52A of the Delaware Code.**

Disability benefits are currently offered to approximately 36,000 State employees and 1,300 University of Delaware employees.

Effective January 1, 2006, The Hartford was selected to provide a fully-insured LTD program and administrative services for the self-insured STD program along with a small grandfathered closed group (dates of disability that are prior to January 1, 2006) that is a self-funded LTD program. Vested employees with more than five (5) years of service were given the option to make an irrevocable election to continue coverage under the disability pension benefit or move to the new DIP effective January 1, 2006. Approximately 90% of eligible employees chose to enroll in the DIP and are included as part of this RFP. Effective

² IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting (Conference Call). See Section II.B.4 for details.

January 1, 2006, all newly hired employees and non-vested pension eligible employees are automatically enrolled for the DIP.

Eligible participants include the State's pension eligible employees, including school district, charter school, university and community college employees. By statute, employee unions cannot negotiate for benefits. DIP participants primarily reside within the State of Delaware. Each agency's human resource office exercises a high degree of independence.

As a result of the DIP, the Appoquinimink, Brandywine, Christina, and Red Clay school districts and the University of Delaware enhance their current LTD program with an optional buy-up of 6 2/3% for a total LTD benefit of 66 2/3%. The school districts and the University of Delaware sponsor an annual open enrollment period for participation in the buy-up program. Each bidder must confirm that a buy-up rate and a separate renewal based on just the buy-up will be provided to these school districts and the University of Delaware upon their request.

From January 1, 2006 to June 30, 2014, the State of Delaware and the University of Delaware plans were covered under two separate but identical policies. Effective July 1, 2014, these separate policies were combined into one LTD contract covering both the State and the University of Delaware, with the five (5) buy-up plans noted as separate classes in the new contract.

The State of Delaware utilizes multiple electronic human resources programs, such as PeopleSoft, and other vendors' databases at separate locations in various formats to collect and store participant data.

The long-term and short-term disability plans are paid for entirely by the State of Delaware, with the exception of the LTD buy-up program; employees that are eligible for the LTD buy-up are able to elect and pay for coverage with after-tax contributions.

Within the DIP exists a legislated return to work (RTW) program under 29 Del. C. § 5257 that provides RTW assistance with both STD and LTD programs for both merit and non-merit employees.

Since the DIP is a legislated program, the vendor selected to administer it will need to ensure that its operating processes comply with the DIP requirements in Title 29, Chapter 52A of the Delaware Code or that it can modify its operating procedures to administer the plans in accordance with those requirements. Interested vendors are expected to be fully informed as to the unique requirements of the DIP administration and must be able to meet them. Each bidding vendor is being asked for confirmation that their organization has reviewed key information related to the DIP through completion and submission of Appendix L, *Key Document and Policies and Procedures Review Checklist* along with your bid response. The SEBC is not requiring that the winning vendor implement the administrative requirements with the same processes as the current vendor. However, the SEBC must fully understand how the vendor proposes to fulfill the essential administrative processes in a way that is advantageous to employees and for account

management by the SBO. The SEBC is interested in learning how interested vendors can meet the requirements in innovative ways.

For example, operating requirements and customized processes unique to the State include:

- Benefit calculations – STD benefits must be calculated and EOBs (Explanation of Benefits summary) be issued by the vendor to multiple merit and merit comparable agencies, school districts, charter schools along with three institutes of higher education and the Delaware Solid Waste Authority (DSWA). To support these calculations, the vendor will receive one bi-weekly file feed from the State’s Pension Office with data from the State’s payroll systems (see attachment). (The Pension Office administers the file feed for the SBO.) Each State agency verifies and keys in data into their payroll system from the EOBs to accurately reflect STD payments to employees.
 - A particular challenge in calculating STD benefit payments is for “Less Than 12 Month Educational Employees,” such as teachers, who are not eligible for STD benefits on days that they are not paid (unpaid days per their contract) such as Christmas, Spring Break, some holidays and the summer period. District and charter school employees specifically have the option to be paid throughout the year (26 payments per year), or they can elect to be paid over their contractual period (22 payments per year). This category of employees is generally unionized employees with specific days in the “contract year” they are required to work but with no bargaining rights for benefits. Employees are not eligible for STD benefit payments on days they are not contracted to work. Most respective school districts have 3 to 5 unions (i.e., teachers, para-professionals, etc.). Additionally, each school district/charter school contract has a different number of working days and one employee category (i.e., para-professionals) can be paid for a holiday in one district, but the same category may not be paid for the same holiday in another district. The State also has three institutions of higher education that participate in the DIP – Delaware State University, University of Delaware and Delaware Technical Community College, all of which have “semester” and non-semester employees. Semester employees are considered Less Than 12 Month Educational Employees.
 - Given (1) the wide variance in the types of “Less Than 12 Month Educational Employees”, (2) the annual change in school/employee contractual periods and (3) the fact that employees can change districts while on leave, the State elected to have the districts/charter schools/higher education provide the current DIP vendor the non-contractual days of the claimant’s contract for the entire 182 calendar day STD benefit period as of the claimants’ date of disability rather than have the DIP vendor maintain a “master schedule” for all of these employees.
 - As a result, the advice to pay that is provided by the current DIP vendor via Explanation of Benefits (EOB) statements may be inaccurate due to work

schedule changes and other nuances such as snow days that are not known to the current DIP vendor and therefore must be adjusted for by the HR/Benefit Reps at each district/charter school/higher education facility. Please see sample EOB report enclosed as part of the attachments, as well as the following examples:

What is the coverage for Less Than 12 Month Educational Employees who become disabled during a non-working period?

Disabilities that begin during a non-working period may not be claimed until the normal working period resumes. The actual date of the disability will always be the date listed in DIP vendor's claim system; however, the elimination period begins the first working day of the new school year. For example, a disability that occurs on July 1 for a Less Than 12 Month Educational Employee will show July 1 as the date of disability in the DIP vendor's claim system; however, the elimination period begins on the first working day of the new school year. NOTE: "Normal working periods" are defined as the scheduled working days for the employee.

What is the coverage for Less Than 12 Month Educational Employees who become disabled during the school year and whose disability runs through non-working months?

In this situation, the calendar day elimination period begins during the school year and continues through the end of the current school year. If, for example, an employee should become disabled in March of a school year, the elimination period begins on the date of disability and extends through the end of the employee's normal working period for that school year. Employees in Less Than 12 Month contracts who elected to be paid throughout the year (26 pay vs. 22 pay periods) will receive a "day's adjustment" to pay them for the contracted days worked from the start of the school year through and including the elimination period. Once the elimination period has been satisfied, the employee will be paid a daily STD benefit for each contractual workday in the period approved for STD benefits by the DIP vendor.

- To be more specific, if the disability starts on April 1, 2018, the employee will be required to satisfy a 30-calendar day elimination period which will end on April 30, 2018. If the DIP vendor approves the claim through July 15, 2018, the employee will be paid STD benefits beginning May 1, 2018 through the end of the employee's normal working period for the current school year. The employee will then be placed in an unpaid status beginning the first day of their non-working period through July 15, 2018 by the employing organization.
- The State is in the process of creating an inventory of paid work days and paid days off for Less Than 12 Month Educational Employees by institution (includes 19 school districts, 20 charter schools and 3 institutes of higher education); the State expects to update this inventory annually before the beginning of each school year. The State is interested in understanding the capabilities of bidders to take this inventory and front-load bidders' systems

with those dates so EOBs would automatically take those days into account. At the same time, the State would expect the DIP vendor to emphasize to each school district that an EOB is based on the front-loaded dates and therefore the onus is on the school district to make any additional updates as necessary according to any differences between their calendar and the State's inventory of paid work days/days off.

- The State would like interested bidders to show-case your experience working with school districts or other employers that have multiple work-day schedules and provide recommendations for a more efficient, optimized solution that would allow the DIP vendor to create EOBs that fully account for the breadth of these employees' work schedules and requires minimal manual adjustments by the State's HR/Benefits Reps (understanding that today the State is not able to pass employee's union class on the eligibility file).
- Coordination with Workers' Compensation – Employees enrolled in the DIP who are injured or who contract an occupational disease while working are required to report the injury to their HR/district office and they will file a claim electronically with PMA, the State's Workers' Compensation (WC) vendor. The workers' compensation lost wages benefit is based on 66-2/3% of the employee's average weekly wage up to a maximum established by the Secretary of the Department of Labor; this amount is an offset to the STD and LTD benefit. By filing for STD benefits, the employee will receive up to 75% of pre-disability creditable earnings including hazardous duty pay, if applicable. The employee may use available annual leave, sick leave, compensatory time or donated leave (if available or applicable) to bring the 75% STD benefit payment up to 100% of pre-disability base salary if and when the salary supplement has been exhausted. The salary supplement (29 Del.C. §5933; also see Attachment titled "Salary Supplement_Employees Approved for WC & State PIP") is paid to employees once on the initial work related injury, is an offset to the STD benefit and is paid for up to 3 months or 12 months for hazardous duty employees injured while performing a hazardous duty at work. Employees receiving both workers' compensation and the salary supplement simultaneously are not eligible for an STD wage so the employee is not paid more than 100% of their pre-disability salary.

If an employee enrolled in the DIP is receiving *Automobile* Personal Injury Protection (PIP) benefits due to an injury that occurred while occupying a State-owned vehicle and in the course and scope of his/her work, they are required to file an STD claim with the DIP vendor. The State's self-insured program provides PIP benefits which comply with 21 Del.C. §2118 (PIP No-Fault Car Insurance statute) of the Delaware Code. This statute outlines Delaware's requirements of insurance for motor vehicles and provides benefits to workers who are injured while occupying a State-owned vehicle in the course and scope of their work. It provides payment for medical bills, lost wages, funeral expenses, and replacement personal services for up to two years from the date of the motor vehicle accident; or up to the amount of the State's PIP policy limits. PIP lost wage benefits are paid based

on 80% of the average weekly wage (as of the date of the motor vehicle accident) and determined by obtaining the biweekly compensation rate divided by two then multiplied by 80%. The PIP lost wage benefit is an offset to the STD benefit. The PIP claim runs concurrent with the Workers' Compensation claim and the STD claim. Once the PIP limits are exhausted, the handling of the claim is transferred to PMA for further handling. By filing for STD benefits, the employee will receive up to 75% of pre-disability creditable earnings including hazardous duty pay, if applicable. The employee may use available annual leave, sick leave, compensatory time or donated leave to bring their wage and benefits payment up to 100% of pre-disability base salary if and when the salary supplement has been exhausted.

As of November 2017, the State established a daily electronic interface between PMA and the current DIP vendor to push workers' compensation information to reduce workers' compensation overpayments. While the State is not requiring your organization to recreate the same process in place today, it is required that you have the ability to integrate with PMA electronically. The State would like to understand your recommended approach and experience with this type of arrangement. The State is not typical in that an employee can be paid for STD and Workers' Compensation concurrently, but STD is the payer of last resort. Consequently, there is potential for Workers' Compensation and STD overpayments that the State is looking to the disability vendor to manage more efficiently by daily electronic interface between PMA and the disability vendor. The State also provides the current DIP vendor with a monthly report of employees awarded PIP benefits.

Examples of how WC, PIP and STD benefits are paid simultaneously for Merit and Merit Comparable Employees are contained within several attachments provided with this RFP (see Attachments titled "Flow Chart A", "Flow Chart C", "Flow Chart E", "Flow Chart F". The same paying process flow charts also applicable to 12 Month Educational Employees (district personnel, custodians, etc.).

- Custom communications – Given the complexities noted above and elsewhere in the State's DIP program materials, a customized intake process and customized scripting are necessary. Additionally, a dedicated phone number for the State are necessary so that employees and human resource (HR) personnel can reach customer service representatives who are trained specifically on the State's program.

You **MUST** review all the information specific to the DIP governed by the SEBC at the following website: <http://ben.omb.delaware.gov/disability/index.shtml>. Because the plan design has many facets and administrative requirements that are not typical to a standard STD and LTD plan, you must be able to not only understand what is required, but demonstrate your ability to adapt your systems if necessary and provide outstanding customer service and account management services. A helpful resource is the series of DIP FAQs created by the Statewide Benefits Office, available at the following website: <https://ben.omb.delaware.gov/disability/faq.shtml>. Another helpful resource created by the Statewide Benefits Office is the **DIP Rules & Regulations**, available at <https://ben.omb.delaware.gov/disability/documents/rules-regulations.pdf?ver=0901>.

Your confirmation that your organization has reviewed key information related to the DIP is requested by your completion of Appendix L, *Key Document and Policies and Procedures Review Checklist* with your bid response.

The charts below summarize key provisions of the State’s STD and LTD benefits:

STD Provisions	Current
Contributions	Made by the State of Delaware
Eligibility Waiting Period	None
Elimination Period	30 calendar days
Weekly Benefit %	75%
Weekly Benefit Maximum	\$2,000
Weekly Benefit Minimum	\$25 or 10%
Duration	182 calendar days

LTD Provisions	Current
Contributions	Made by the State of Delaware (except for the LTD buy-up*, which is paid by employees on an after-tax basis)
Eligibility Waiting Period	None
Elimination Period	182 calendar days
Monthly Benefit %*	60%*
Monthly Benefit Maximum	\$8,000
Monthly Benefit Minimum	Greater of \$100 or 10%
Duration	To age 65
Definition of Disability	24 months own occupation
Pre-existing Condition	3/12

*University of Delaware and Appoquinimink/Brandywine/Christina/Red Clay school districts are all eligible for a separate 6 2/3% buy-up benefit.

3.0 Pending Legislation

The State's General Assembly is considering a bill ("HB3"), <http://legis.delaware.gov/billdetail?legislationID=25617>, that would provide for paid parental leave of up to twelve weeks for all full-time employees of the State, including employees of school districts and charter schools, continuously in the employ of the State for at least one year, upon the birth of a child of the employee or the employee's spouse, or upon the adoption by the employee of a child who is six years of age or younger. The legislative session ends on June 30th so the final details, and whether or not HB3 passes, are unknown until then. Presently, HB3 is slated for a 1/1/19 effective date.

Paid parental leave established by HB3 would coordinate with the State's STD program. Assuming parental leave and the current disability plans will run consecutively and the DIP vendor's role will be to support the coordination for the HB3 Leave plan, below are items for consideration:

- The State's DIP would operate unchanged. All females with a maternity claim would call the DIP vendor to file/initiate their claim. The DIP vendor would follow the standard process and report approvals via EOBs direct to the agency.
- There would be no change to metrics or disability guidelines for maternity claims. Routine maternity claims and complicated maternity claims will receive claim approval based on diagnosis and condition.
- Each State agency would be responsible for determining if DIP pay or HB3 pay was appropriate depending on the date of birth of the child. Date of delivery does not appear in the DIP vendor's existing employer portal, but it is captured in the claim system. SBO would like to explore custom reporting that would provide this data to the agency.

Other options where the DIP vendor could potentially support the State with paid parental leave:

- Create a dedicated phone number just for State of Delaware claimants, using customized prompts to direct callers, e.g., press "1" for a maternity claim, "2" for all others, etc. Once identified as a maternity claim, the DIP vendor could help to educate the employee in HB3 and how it would be used for their claim.
- Create specific scripting for intake of these claims.
- Provide analyst training for the team handling State STD claims to ensure claimants are aware of the leave.
- The current DIP vendor indicated that other clients who have implemented similar leave have found the use of a Parental Leave form helpful. This could be used by the State for males and females, births and adoptions. Because the bill currently allows for paternity leave, the DIP vendor could provide the form to claimants and post the form to its online portal for employees (or the State) to access.

- Explore of the option of adding language to the EOBs to prompt the agency regarding Parental Leave.

A copy of the HB3 legislation will be provided to all interested vendors in an addendum with minimum requirements and a questionnaire.

B. Proposal Objectives

The SEBC desires to contract with an organization specializing in providing disability benefit programs for large municipalities and State governments or with similar experience in depth and scope of services and with experience in supporting return to work programs. The organization must have prior experience directly related to the services requested in this RFP and must be able to demonstrate clearly their ability to:

- offer state of the art disability administrative services,
- directly impact and reduce the cost of disabilities,
- communicate benefit determination to multiple employer units and employees in a timely manner,
- provide timely disability reporting that is customizable for the State and can be pushed to various agencies' human resource offices,
- reduce the cost of disabilities by identifying early return to work opportunities,
- offer innovative solutions to manage the cost and duration of disabilities,
- modify standard operating processes to meet the unique needs of the State,
- provide excellent customer service to claimants,
- provide competitive financial terms,
- provide excellent account management services to the State,
- coordinate with the State's Workers' Compensation vendor partner (PMA),
- manage the varying payroll schedules across the State's eligible populations, and
- be responsive to requests of the SEBC.

C. Scope of Services

The selected organization(s) shall be required to provide the following services, at a minimum³:

³ This is a general list of services. Details are set forth in the Minimum Qualifications and Questionnaire sections.

- a) Provide an insured LTD program to the State of Delaware.
- b) Provide an insured buy-up LTD program for the University of Delaware and four (4) school districts upon request by these entities per fiscal year with an open enrollment each year.
- c) Administer current self-insured STD program.
- d) Administer benefit payments with multiple payroll schedules (12 months vs 10 months, etc.) and varying paid holidays among different agencies and school districts.
- e) Front-load data on Less Than 12 Month Educational Employee paid work days and paid days off prior to the beginning of each school year in order to account for those days when generating advice to pay.
- f) Must be able to accommodate general salary increases and decreases at any time for STD beneficiaries.
- g) Accommodate administration of varying STD and LTD elimination periods (i.e., if someone is off from work during the summer but injured in July, September 1st would be the first contracted work day and the start of the elimination period for a Less Than 12 Month Educational Employee. If they recover by September, no STD benefit payments will be made).
- h) Match the State's current appeal process as described in the STD policy document.
- i) Provide exceptional customer service to beneficiaries of the DIP and to State personnel administering the DIP.
- j) Provide best in class rehabilitation and clinical case management services for the DIP.
- k) Provide LTD claim status listings on an agreed upon schedule to the life insurance vendor for waiver of premium processing.
- l) Provide RTW services and coordinate with the State's RTW program and/or coordinator, if available.
- m) Provide a job bank based on Physical Demand Analyses (PDAs) that are completed and submitted since program inception.
- n) Provide seamless integration from STD to LTD claims.
- o) Communicate benefit information separately and independently to multiple human resource offices.
- p) Calculate disability payment, underpayment, and overpayment amounts and assist the State in recovering STD overpayments. This includes timely notification of Social Security Disability awards.

- q) Provide electronic access for human resource personnel and SBO account management to employer portal for claims information.
- r) Ensure that the State’s electronic data and information is confidential and the electronic storage and processing systems are protected.
- s) Provide meaningful and timely management reporting.
- t) Provide dedicated, expert, and accessible account management staff.
- u) Coordinate with the State’s Workers’ Compensation vendor partner (PMA).
- v) Provide superior program implementation support.

D. Timetable/Deadlines

The following timetable is expected to apply during this RFP process:

Event	Target (Local ET Time)
RFP Released	Monday, June 25, 2018
Intent to Bid Deadline ⁴	Monday, July 9, 2018, 1:00 p.m.
Mandatory Pre-Bid Meeting (Conference Call) ⁵	Wednesday, July 11, 2018, 11:00 a.m.
Questions due to SBO from Confirmed Bidders	Friday, July 13, 2018, 1:00 p.m.
Responses to Questions to Confirmed Vendors	By Monday, July 30, 2018
Deadline for Bids	Friday, August 10, 2018, 1:00 p.m.
Notification of Finalists - Invitation to Interview	Early October, 2018
Finalist Interviews ⁶	Mid October, 2018

⁴ IMPORTANT: Your bid will not be accepted if the State of Delaware does not receive an email confirmation of an Intent to Bid. See Section II.B.1 for details.

⁵ IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting. See Section II.B.4 for details. The Mandatory Pre-Bid Meeting will be a conference call to discuss bid submission requirements, a claim of confidential and proprietary information, along with formatting requirements for the hard copies and electronic copies. Additionally, we will review the technology requirements. All other topics will be addressed in the written Question and Answer process.

⁶ The SEBC will require each of the finalists to make a presentation in Dover, Delaware, at the expense of the proposing firm. In addition to communicating your organization’s capabilities to fulfill the requirements in the RFP, the presentation will require a demonstration regarding customer service tools and resources available to plan participants.

Event	Target (Local ET Time)
Contract Award	By January 1, 2019
Contract Effective Date	July 1, 2019

E. Evaluation Process

1.0 Proposal Review Committee

The Proposal Review Committee (PRC) will review all proposals submitted that meet the requirements of the RFP. The PRC shall be comprised of representatives from each of the following offices:

- Department of Human Resources
- Office of Management and Budget
- Controller General's Office
- Department of Health and Social Services
- State Insurance Commissioner's Office
- State Treasurer's Office
- Chief Justice of the Supreme Court
- Lieutenant Governor's Office
- Executive Director of the Delaware State Education Association

The SBO shall determine the firms that meet requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. § 6981 and 6982. The PRC reserves full discretion to determine the competence and responsibility, professionally and/or financially, of vendors. Vendors are to provide in a timely manner any and all information the PRC may deem necessary to make a decision. The PRC shall interview at least one (1) of the qualified firms.

The minimum requirements are mandatory. Failure to meet any of the minimum requirements outlined in the RFP may result in disqualification of the proposal submitted by your organization.

The SEBC will not respond to a question in the question and answer process that asks whether or not a bid would be disqualified if the vendor does not meet a specific minimum requirement. The bid must be submitted and then analyzed in its entirety.

The proposing firm’s ability to meet the Technical Standards and Data Requirements in Section V for the STD program are also considered a minimum requirement. The PRC shall make a recommendation regarding the award of contract to the SEBC who shall have final authority, in accordance with the provisions of this RFP and 29 Del.C. §6982, to award a contract to the successful firm or firms as determined by the SEBC in its sole discretion to be in the best interests of the State of Delaware. The SEBC may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The SEBC reserves the right to reject any and all proposals. Pursuant to 29 Del. C. § 6986, the SEBC may award a contract to two or more vendors if the SEBC determines that it is in the best interest of the State. However, it is the intention of the SEBC to award one contract that could include a subcontractor for either the STD or LTD program.

2.0 Evaluation Criteria

All proposals shall be evaluated using the same criteria and scoring process. The scoring will be based on two major subcategories: ability of the bidders to demonstrate their capabilities as outlined below under “Core Criteria”, and ability of the bidders to articulate any additional value-added components of their proposals as outlined below under “Bonus Criteria”. Points will be awarded based on bidder responses to topics captured in each category below; out of a total of 150 possible points, 100 points will be allocated to bidder responses to Core Criteria topics and 50 points will be allocated to bidder responses to Bonus Criteria topics. The bids will be ranked on the Core Criteria total points, ranked separately on the Bonus Criteria total points and then ranked overall based on the Grand Total points.

The following criteria shall be used by the PRC to evaluate proposals:

Topic	Points Awarded	Description
Core Criteria – 100 points		
Financial Terms	<i>33 points</i>	Competitive administrative fees and premiums. Willingness to offer financial guarantees for vendor's performance in administering the DIP. Willingness to offer allowance for implementation-related activities.

Topic	Points Awarded	Description
Claims Administration and Disability Management	<i>27 points</i>	For both STD and LTD. Ability to accommodate the State's current processes to administer STD and LTD, including calculating benefit payments with the appropriate offsets. Ability to transition claimants from STD to LTD seamlessly, timely and efficiently. Comprehensiveness of processes for investigating/monitoring potential Social Security Disability Income (SSDI) for LTD claimants, including ability to assist claimants with applying for and appealing SSDI benefits. Proposal demonstrates vendor's flexibility to facilitate anticipated and unanticipated regulatory and process changes in the disability insurance programs. Ability to intake benefit deduction information electronically from the Pension Office and offset LTD benefit payments (prospectively and retroactively). Ability to accept premiums for LTD buy-up directly from school districts.
Account Management	<i>15 points</i>	Ability to assign an experienced team of designated resources (e.g., account manager, implementation manager, claim examiners, customer support staff) to the State's account for both implementation and ongoing account management. Ability to adhere to the State's requirements for reporting (electronically and in print) and access to claimant data (e.g., real-time status and online via employer portal).
Member Services	<i>10 points</i>	Qualifications and experience of vendor's personnel to provide excellent customer service to claimants. Ability to deliver timely appeal determinations for LTD appeals. Ability to work with claimants for return-to-work.
Integration with Other Benefit Programs	<i>5 points</i>	Ability to make and report on referrals to other State benefit programs and vendor partners, where appropriate (e.g., medical plan care management programs, behavioral health/EAP vendor, medical plan maternity management program).

Topic	Points Awarded	Description
Experience and References	<i>5 points</i>	Ability to demonstrate, through proposed solutions, experience and references, an ability to meet the State's needs. Frequently uses examples from other customers to demonstrate vendor's experience administering complex disability programs with stringent requirements.
Responsiveness	<i>5 points</i>	Compliance with the submission requirements of the bid including format, clarity, conformity, realistic responses, and completeness, as well as responsiveness to requests during the evaluation process.
Total Points – Core Criteria	100 points	
Bonus Criteria – 50 points		
Enhanced Claims Administration and Disability Management	<i>15 points</i>	Demonstrated experience with other highly complex and customized programs. Ability to propose enhancements to the State's existing DIP administrative processes which are part of the vendor's routine claim processes, or require minimal customization.
Benefit Calculations	<i>15 points</i>	Proposed changes to benefit calculation process and/or formulas that would introduce efficiencies beyond the State's status quo (e.g., enhancements to EOB/STD payment process for Less Than 12 Month Educational Employees).
Account Management	<i>10 points</i>	Willingness to assign dedicated resources with no or minimal cost to the State. Superior capabilities and flexibility of vendor's online employer self-service portal. Ability to provide enhanced reporting capabilities and comprehensive access to claimant claim status and notes.
Other Value-Added Capabilities	<i>10 points</i>	Ability to offer the State other innovative solutions to support the disability insurance program at little or no cost.

Topic	Points Awarded	Description
Total Points – Bonus Criteria	50 points	
Grand Total	150 points	

The SEBC will use the information contained in each bidder’s proposal to determine whether that bidder will be selected as a finalist and for contract negotiations. The proposal the SEBC selects will be a working document. As such, the SEBC will expect the proposing firm to honor all representations made in its proposal.

It is the proposing firm’s sole responsibility to submit information relative to the evaluation of its proposal and the SEBC is under no obligation to solicit such information if it is not included with the proposing firm’s proposal. Failure of the proposing firm to submit such information in a manner so that it is easily located and understood may have an adverse impact on the evaluation of the proposing firm’s proposal.

The proposals shall contain the essential information for which the award will be made. The information required to be submitted in response to this RFP has been determined by the SEBC and the PRC to be essential in the evaluation and award process. Therefore, all instructions contained in this RFP must be met in order to qualify as a responsive contractor and to participate in the PRC’s consideration for award. Proposals that do not meet or comply with the instructions of this RFP may be considered non-conforming and deemed non-responsive and subject to disqualification at the sole discretion of the PRC.

3.0 RFP Award Notification

The contract shall be awarded to the vendor(s) whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. The SEBC is not obligated to award the contract to the vendor(s) who submits the lowest bid or the vendor(s) who receives the highest total point score. Rather the contract will be awarded to the vendor(s) whose proposal is determined by the SEBC to be the most advantageous. The award is subject to the appropriate State of Delaware approvals including the Technical Standards and Data Security Requirements by the Department of Technology and Information (DTI). After a final selection is made, the winning vendor(s) will be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their selection status.

4.0 Award of Contract

The final award of a contract is subject to approval by the SEBC. The SEBC has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP. Notice in writing to a vendor of the acceptance of its proposal by the SEBC and the subsequent full execution

of a written contract will constitute a contract and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

F. Confidentiality of Documents

The DHR is a public agency as defined by State law, and as such, it is subject to the Delaware Freedom of Information Act, 29 Del. C. Ch. 100 (FOIA). Under the law, all the State's records are public records unless otherwise declared by law to be not public and are subject to inspection and copying by any person. Subject to applicable law or the order of a court of competent jurisdiction to the contrary, all documents submitted as part of the vendor's proposal will be treated as confidential during the evaluation process. There shall be no disclosure of any vendor's information to a competing vendor or in fulfillment of a FOIA request during the bidding and contract development process.

Organizations are advised that when the contract has been fully executed or after the effective date of the contract, whichever comes later, the contents of the proposal and terms of the contract, including administrative fees, will become public record and nothing contained in the proposal or contract will be deemed to be confidential except the proprietary information.

The State of Delaware wishes to create a business-friendly environment and procurement process. As such, the State respects the vendor community's desire to protect its intellectual property, trade secrets, and confidential business information. Proposals must contain sufficient information to be evaluated. If a vendor feels that they cannot submit their proposal without including confidential business information, they must adhere to the following procedure or their proposal may be deemed non-responsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

!! IMPORTANT !! In order to allow the State to assess its ability to protect a vendor's confidential business information, vendors will be permitted to designate appropriate portions of their proposal as confidential business information.

In order to preserve the confidential and proprietary status of the appropriately designated portion of your bid, your bid must be submitted in accordance with the submission requirements stated below.

- Proposing firms must submit one (non-redacted) hard copy of any information the firm is seeking to be treated as confidential in a separate, sealed envelope labeled "Confidential and Proprietary Information" with the RFP name included.
- The envelope must contain a signed letter from the proposing firm's legal counsel describing the documents in the envelope, representing in good faith that the information in each document is not public record as defined by FOIA at 29 Del. C. § 10002(d) and state the reasons that each document meets the said definitions. The letter must list the topic and corresponding requirement or question with a reference to that

section, number, question and page number, not just the titles of the appendices, exhibits or question numbers.

- The envelope must also contain a corresponding redacted set of hard copies.
- The attorney's letter, non-redacted set and redacted set must also be provided electronically on a CD.
- **Please see Section II.C., *Submission of Proposal*, for a detailed description of the number, format, and type of copies that are required.**

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine if the procedure described above has been followed. Such requests will not be binding on the SEBC to prevent such a disclosure but may be evaluated under the provisions of 29 Del.C. Chapter 100. Any final decisions regarding disclosure under FOIA shall be made at the sole discretion of the DHR. The State shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, vendors assume the risk that confidential business information included within a proposal may enter the public domain.

All documentation submitted in response to this RFP and any subsequent requests for information pertaining to this RFP shall become the property of the State of Delaware, DHR, and shall not be returned to the proposing firm. All proposing firms should be aware that government solicitations and responses are in the public domain. **If your bid contains the phrase "confidential and proprietary" on each page, such status will not automatically be granted.**

II. Terms and Conditions

A. Proposal Response Requirements

1. **Conformity** – Your proposal must conform to the requirements set forth in this RFP. The SEBC reserves the right to deny any and all exceptions taken to the RFP requirements. By submitting a bid, each vendor shall be deemed to acknowledge that it has carefully read all sections of this RFP, including all forms, schedules, appendices, and exhibits hereto, and has fully informed itself as to all existing conditions and limitations. The failure or omission to examine any form, instrument or document shall in no way relieve vendors from any obligation in respect to this RFP.
2. **Concise and Direct** – Please provide complete answers and explain all issues in a concise, direct manner. Unnecessarily elaborate brochures or other promotional materials beyond those sufficient to present a complete and effective proposal are not desired. Please do not refer to another answer if the question appears duplicative, but respond in full to each question. If you cannot provide a direct response for some reason (e.g., your company does not collect or furnish certain information), please indicate the reason rather than providing general information that fails to answer the question. **“Will discuss” and “will consider” are not appropriate answers, nor is a reference to the current contractual terms by an incumbent.** All information requested is considered important. If you have additional information you would like to provide, include it as an exhibit to your proposal. If your organization is an incumbent, please reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.
3. **Realistic** – It is the expectation of the SEBC that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within their proposal. Proposals must be realistic and must represent the best estimate of time, materials, and other costs including the impact of inflation and any economic or other factors that are reasonably predictable. The State of Delaware shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
4. **Completeness of Proposal** – The proposal must be complete and comply with all aspects of the specifications. Any missing information could disqualify your proposal. Proposals must contain sufficient information to be evaluated and, therefore, must be complete and responsive. Unless noted to the contrary, we will assume that your proposal conforms to our specifications in every way. The SEBC reserves full discretion to determine the competence and responsibility, professionally, and/or financially, of vendors. Failure to respond to any request for information may result in rejection of the proposal at the sole discretion of the SEBC.

B. General Terms and Conditions

General

1. **Intent to Bid – !!!IMPORTANT!!!**
 - a. **You must indicate your Intent to Bid via email to Ms. Laurene Eheman at laurene.eheman@state.de.us by Monday, July 9, 2018, no later than 1:00 p.m. ET (local time).**
 - b. **Your bid will not be accepted if the State of Delaware does not receive an email or written confirmation of an Intent to Bid.** Include the following information: company name and physical address for UPS delivery, and the name, title, and email address of the primary contact along with the same information for a secondary contact.
 - c. **Upon receipt, a Word version of this document and an Excel version of Appendix M will be provided.**
 - d. **Non-Disclosure Agreement, Appendix K - A signed non-disclosure agreement is required by the Intent to Bid deadline of Monday, July 9, 2018, by 1:00 p.m., ET (local time) in order to receive a disc containing all of the Attachments noted in the Table of Contents, including enrollment and claims data and file formats. NOTE: Brokers cannot execute the non-disclosure agreement on behalf of their client. Subcontractors cannot obtain the confidential disc of claims data directly from the State - it must be obtained through the contractor they are working with.**
 - e. After signature, scan all the pages of the NDA and e-mail to Ms. Laurene Eheman at laurene.eheman@state.de.us. The data files and file formats will be sent via UPS overnight mail and instructions to access the data file will be included in the reply email confirmation.
 - f. Certificate of Destruction - After the RFP process is completed and the contract award is made, the Non-Disclosure Agreement requires that the data be destroyed in a secure manner and a Certificate of Destruction be provided to the State.
2. **No Bid - To assist us in obtaining competitive bids and analyzing our procurement processes, if you choose not to bid we ask that you let us know the reason. We would appreciate your candor. For example: objections to (specific) terms, do not feel you can be competitive, or cannot provide all the services in the Scope of Services. Please email Ms. Laurene Eheman at laurene.eheman@state.de.us.**
3. **Definitions –**

- a. The following terms are used interchangeably throughout this RFP:
 - i. bidder, vendor, contractor, organization, service provider
 - ii. SEBC, State of Delaware
 - iii. proposal, bid, vendor's submission
 - iv. non-payroll group, participating group
 - v. shall, will, and/or must
 - b. Customer Service – Services to the members/insured, not the State, SEBC or SBO personnel.
 - c. Account Management – Services provided to your client - the State, SEBC and SBO personnel.
 - d. Appendix – Form provided in the RFP that needs to be completed by the bidder.
 - e. Attachment – Informational document provided in the RFP.
 - f. Exhibit – Attachment requested to the vendor's bid response. Examples would be the bidder's business license, a resume, or sample mailings.
4. **Mandatory Pre-Bid Meeting – A conference call will take place on Wednesday, July 11, 2018, at 11:00 a.m. ET (local time).** The purpose is to discuss the bid submission requirements, requirements for a claim of confidential and proprietary information, along with the formatting of hard copies and electronic copies. We will also discuss the technology requirements. If additional topics will be discussed and/or additional personnel are required to attend, vendors that submitted an Intent to Bid will be notified.

The following participants are required to attend:

- Your organization's primary contact for the RFP or their designee;
 - The administrative person who will be compiling the hard and electronic copies and confidential and proprietary request, if applicable, the redacted copies; and
 - The person who will be responding to the requirements in the Technical Standards and Security Requirements section for the STD program.
5. **Your bid will not be accepted if your organization does not participate in the conference call.** Meeting minutes will not be taken. However, if new or additional information is provided, an addendum may be released to address information provided during the mandatory pre-bid conference call. **Questions regarding**

other topics will not be entertained and must be submitted in the Questions and Answers process as described in Section II.B.8.

6. **On-Line Demonstrations - !!!IMPORTANT!!!-**
Upon receipt of your bid, you will be contacted to provide a demonstration of your online portals for employer self-service (account management) functions and for plan participants (customer service). You may conduct the demonstration via Skype/WebEx or by similar real-time electronic means or on-site at the Statewide Benefit Office in Dover, DE, at your own expense. The demonstration cannot be of screen shots of the portals, but must be interactive. Your bid cannot be considered without this demonstration and finalists will be determined after the selected bidders have conducted their demonstrations. This requirement applies to the incumbent. The demonstrations will be held during the weeks of September 10 and September 17 and you will be assigned a date as soon as possible after the bids are received.
7. **Discrepancies, Revisions and Omissions in the RFP** – The vendor is fully responsible for the completeness and accuracy of their proposal and for examining this RFP and all addenda. Failure to do so is at the sole risk of the vendor. **Should the vendor find discrepancies, omissions, unclear or ambiguous intent or meaning, or terms not appropriate to the services requested in the Scope of Services or Minimum Requirements** the vendor shall notify the contact for this RFP, Ms. Laurene Eheman, electronically, and only electronically, at laurene.eheman@state.de.us, at least ten (10) business days before the proposal due date, therefore no later than 4:30 p.m., July 27, 2018, by submitting the *RFP Terms and Conditions Exception Tracking*, Appendix E. This will allow for the issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of the vendor’s proposal upon which an award could not be made. All unresolved issues should be addressed in the proposal.
- Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of Ms. Laurene Eheman, electronically, and only electronically, at laurene.eheman@state.de.us, no later than ten (10) business days, no later than 4:30 p.m., July 27, 2018, prior to the time set for opening of the proposals.
- If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware’s website at www.bids.delaware.gov and emailed to all vendors that submitted an Intent to Bid. The State of Delaware or SEBC is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.
8. **Questions** – The SEBC anticipates this will be an interactive process and will make every reasonable effort to provide sufficient information for vendor responses. Vendors are invited to ask questions during the proposal process and to seek additional information, if needed. However, do not contact any member of the SEBC about this RFP. Communications made to other State of Delaware personnel

or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor.

Vendors should only rely on written statements issued by the RFP designated contact, Ms. Laurene Eheman. **All proposing vendors must submit their questions electronically, and only electronically, to Ms. Laurene Eheman at laurene.eheman@state.de.us no later than Friday, July 13, 2018, by 1:00 p.m. ET (local time).**

Required Format: Questions must be submitted in a Word document with a table format. So that we can be sure to respond within the context of the question, if you are referring to a specific question or term, please copy the question or information and reference the section, question number, and/or page number in the first column. In the second column, copy the requirement or question. In the third column, state your question. The SBO will then put all questions received and the responses into one document and send it to all vendors who confirmed their intention to bid. It will also be posted on www.bids.delaware.gov.

- 9. Best and Final Rates or Offer** – Best and Final Rates or Offer **will not** be requested after your bid submission. **Please provide your best and final rates or offer with your initial proposal.**

Contract Term / Rate Guarantee Periods

The term of the contract will be for three (3) years beginning July 1, 2019. The vendor must guarantee financial terms through June 30, 2022. The State will have the option to renew the contract for two (2) one-year periods.

Contract Termination

The term of the contract between the successful organization and the State will be for three (3) years and may be renewed for two (2) additional one-year extensions at the discretion of the SEBC. The contract may be terminated for convenience by the successful firm with 180 days written notice to the State. The contract may be terminated for cause by the vendor with 180 days written notice to the State. In the event the successful firm materially breaches any obligation under this Agreement, the State may terminate this Agreement upon thirty (30) days written notice.

Performance Guarantees

The State expects exceptional client account management and participant customer service from their vendors and is interested in evaluating financial and non-financial performance guarantees. The State reserves the right to negotiate both financial and non-financial performance guarantees. ***If your offer does not receive a clarifying question or any other response from the State, it does not infer acceptance.*** Please refer to Appendix C.

Future Contract Development

It is imperative that the contract drafting and finalization process be timely and accurately reflect the minimum requirements and other applicable contractual terms in the RFP. The vendor is expected to take their template contract form, or use the State's professional agreement contract template, and incorporate all the administrative terms of the RFP, their bid responses and follow-up responses by the second draft (or first draft for a current vendor) so that wholesale changes are not required. A fee will be at risk as set forth in the Performance Guarantees if this requirement is not met. Please refer to Appendix C.

Use of Subcontractors

Subcontractors are subject to all the terms and conditions of the RFP and the companies and their services must be clearly explained in your proposal. The SEBC reserves the right to approve any and all subcontractors.

Offshore Vendor Activity

An activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities, including those by a subcontractor, may be performed at satellite facilities such as a foreign office or division. Failure to adhere to this requirement is cause for elimination from future consideration.

Rights of the PRC

- The PRC reserves the right to:
 - Select for contract or negotiations a proposal other than that with lowest costs.
 - Reject any and all proposals received in response to this RFP.
 - Make no award or issue a new RFP.
 - Waive or modify any information, irregularity, or inconsistency in a proposal received.
 - Request modification to proposals from any or all vendors during the review and negotiation.
 - Negotiate any aspect of the proposals with any organization.
 - Negotiate with more than one organization at the same time.
 - Pursuant to 29 Del. C. § 6986, select more than one contractor/vendor to perform the applicable services.

- Right of Negotiation – Discussions and negotiations regarding price, performance guarantees, and other matters may be conducted with organizations(s) who submit proposals determined to be reasonably acceptable of being selected for award, but proposals may be accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. ***If any portion of a bid response does not receive a clarifying question or any other response from the State, the non-***

response does not infer acceptance of that portion of the bid response by the State. The SEBC also reserves the right to move to other proposing firms if negotiations do not lead to a final contract with the initially selected proposing firm. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted.

- Right to Consider Historical Information – The PRC and/or the SEBC reserves the right to consider historical information regarding the proposing firm, whether gained from the proposing firm’s proposal, question and answer conferences, references, or any other source during the evaluation process.
- Right to Reject, Cancel and/or Re-Bid – The PRC and/or the SEBC specifically reserve the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or re-bid the services requested. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any vendor.

C. Submission of Proposal

REMINDER - A vendor cannot submit a bid for only the LTD program or only the STD program. The SEBC will only consider a bid submission where either (i) the vendor will administer both the STD and LTD programs, or, (ii) the vendor will contract for both the STD and LTD programs but utilize a subcontractor to provide the LTD administration or the STD administration. Only one contract will be awarded, therefore one vendor must be a subcontractor. One bid document must be submitted for both programs. Each vendor must respond to the minimum requirements, questionnaire, technical standards and data security requirements and required appendices as appropriate for their product.

1. **Format** – For each requirement or question, retain the numbering/lettering convention, even if there is an error in the numbering sequence, and provide your response in the appropriate response area. Please completely answer the question even if you must restate information provided in a different minimum requirement or in another question. Complete instructions have been provided at the beginning of the Minimum Requirements and Questionnaire sections.
2. **Non-Redacted Hard Copies** –
 - a. For each section, such as the minimum requirements and questionnaire, and for each attachment/exhibit you reference, separate the materials with tabs. Please include a table of contents.
 - b. Please use double-sided copies where it is logical to do so; for example, a section of six or more pages.
 - c. Please use locking binders so the rings don’t separate in shipping. Do not use spiral binding because we have to add follow-up questions and responses to your bid response.

- d. Please use multiple smaller binders instead of one large 6” binder, for example. A suggestion might be to have the appendices and exhibits in their own binder.
- e. For reports or documents of fifty or more pages, do not include a hard copy. Use a sheet that references an electronic document and provide a CD, not a flash drive.
- f. Please submit **five (5) complete hard copies** of your proposal. *Complete* means that it includes all information you may deem proprietary and confidential. In other words, the information deemed proprietary and confidential must not be redacted or separated from the rest of the information. Send to the following address:

Ms. Laurene Eheman, RFP and Contract Manager
Department of Human Resources
Statewide Benefits Office
97 Commerce Way, Suite 201
Dover, DE 19904
Phone: (302) 739-8331

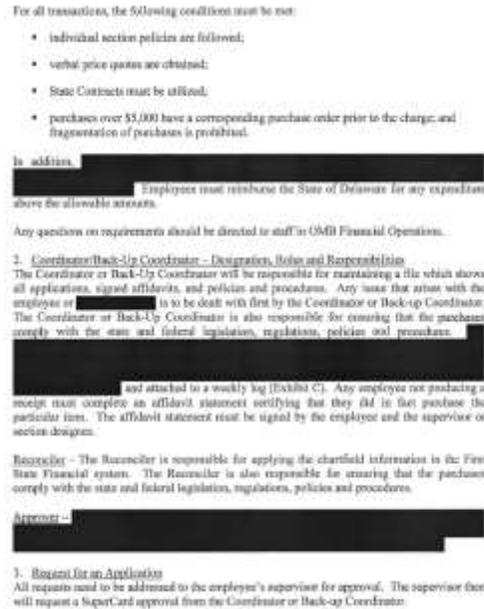
3. Non-Redacted Electronic Copies –

- a. Include a *complete* non-redacted electronic copy of your proposal in a PDF format on its own CD. You must scan all the documents; for example, a signed cover letter, the signed Officer's Statement and any exhibits.
- b. You must divide your bid into PDFs of manageable sections for easier readability. We will not accept a bid with one PDF of the entire bid response!
 - i. The file names of the documents must be short. Include a short version of your company name but do not include, the reference number of this RFP, the words “State of Delaware” or “Delaware”. Simply use a title of the document; for example, “ABC Co - Minimum Requirements”, “L&C - Appendix A – Performance Guarantees”, or “John’s Mgt Co - Exhibit 1 – John Doe’s Resume”.
- c. Versions – **!! IMPORTANT !!**
 - i. All documents must be in PDF format.
 - ii. The following documents are to ALSO be included in their Word and Excel format as applicable:
 - 1. Minimum Requirements
 - 2. Questionnaire
 - 3. Appendix M, *Proposed Premium and Fees*

- d. Please label the CD with your company name and carefully package it for shipping. Do not use a thumb or flash drive.

4. **Redacted Hard and Electronic Copies –**

Any information you deem confidential and propriety as identified in the attorney’s cover letter as explained in Section I.F., *Confidentiality of Documents*, must be redacted. This means the information must be blacked out or substituted with a blank page that references the page or document that is missing. For example:



- a. You must use a software program that has a redaction feature, such as Adobe. If you simply use a black highlight, the text can still be seen on a hard copy and it may be able to be reversed on a PDF.
- b. One *complete* and separate hard copy is needed with the redacted materials. Imagine you are flipping through the hard copy. You would see that section on a page with information blacked out (redacted) that the author considers confidential and proprietary. If an entire document, section or exhibit consisting of multiple pages is considered confidential and proprietary, use a blank page with a reference to the missing information. For example, “Appendix C – Disaster Recovery Plan – is confidential and proprietary and is not public record as defined by FOIA at 29 Del. C. § 10002(d)”.
- c. One *complete* electronic copy is needed with the redacted materials in a PDF format on a separate CD from the non-redacted copy. We need a separate complete electronic copy to use for FOIA requests. You must scan all the documents as explained above. The same sectioning and naming requirements as described above apply.

Recap of Proposal Copy Formats	Hard Copies	Electronic Copies on Separate CDs
Confidential and Proprietary Information: <u>One set of non-redacted and one set of redacted copies along</u> with the attorney's cover letter in a marked and sealed envelope.	1	1
Complete bid <u>with</u> redacted sections (only PDF versions)	1	
Complete bid <u>without</u> redacted sections (PDFs, Word and Excel versions as listed above).	5	1

The person who is putting together the hard and electronic copies is welcome to, and encouraged to, contact Ms. Laurene Eheman directly by phone at 302-760-7060 to discuss the requirements and ask questions.

5. Follow-Up Responses and Finalist Presentations –

- a. The same format requirements apply to follow-up responses and presentations.
- b. Follow-Ups – Via email, you will be asked for a non-redacted electronic response. SBO will print the required number of hard copies for you (unless they are voluminous and in that event the email will contain a request for the hard copies).
- c. Finalist Presentation - You will be asked for a non-redacted electronic copy that includes PDFs of any supplemental materials or handouts.
- d. If information in any of the follow-ups and presentation matches the type that was requested for a confidential and proprietary determination, you must submit a redacted electronic version of the document(s). For example, if you asked for your client references to be deemed confidential and in a follow-up we ask for additional references or an alternate contact name and number, we would need an electronic copy with that information redacted. Similarly, if you have a list of clients in your presentation materials, we would also need a redacted copy of your presentation.
- e. If there is a new type of information that was not included in your original bid and you deem it confidential and proprietary, you must include the required attorney's letter.

6. Proposal Submission Date – Both hard and electronic copies of your complete proposal must be received at the above address no later than **1:00 p.m. ET (local time) on Friday, August 10, 2018. Electronic copies cannot be transmitted via**

email by the deadline with hard copies to arrive before, on, or after the due date. If the office is closed on the bid due date due to weather or other emergency, the due date and time cannot be pushed forward one day. Any proposal received after this date and time shall not be considered and will be returned to the proposing firm unopened. The proposing firm bears the risk of delays in delivery. The contents of any proposal shall not be disclosed or made available to competing entities during the negotiation process.

7. **Proposal Opening** – To document compliance with the deadline, the proposals will be date and time stamped upon receipt. Proposals will be opened only in the presence of State of Delaware personnel. There will be no public opening of proposals, but a public log will be kept of the names of all vendor organizations that submitted proposals. The list will be posted on www.bids.delaware.gov. In accordance with Executive Order #31 and Title 29, Delaware Code, Chapter 100, the contents of any proposal will not be disclosed to competing vendors prior to contract execution. Proposals become the property of the State of Delaware at the proposal submission deadline.
8. **Officer Certification** – All vendors participating in this RFP will be required to have a company officer attest to compliance with RFP specifications and the accuracy of all responses provided. Please fill out the *Officer Certification Form*, Appendix D, and include it in your bid package.
9. **Vendor Errors/Omissions** – The SEBC will not be responsible for errors or omissions made in your proposal. You will be permitted to submit only one proposal. You may not revise or withdraw submitted proposals after the applicable deadline.
10. **General Modifications to RFP** – The SEBC reserves the right to issue amendments or change the timelines to this RFP. All firms who submitted an Intent to Bid notice will be notified in writing via e-mail of any modifications made by the SEBC to this RFP. If it becomes necessary to revise any part of the RFP, an addendum will be emailed to all vendors who submitted an Intent to Bid and it will also be posted on the State of Delaware’s website at www.bids.delaware.gov.
11. **Modifications to Submitted Proposal** – Changes, amendments or modifications to proposals shall not be accepted or considered after the time and date specified as the deadline for submission of proposals. However, vendors may modify or withdraw its complete proposal by written request, provided that both proposal and request is received by Ms. Laurene Ehemann prior to the proposal due date and time. Pages for substitution will not be accepted or allowed. The proposal may be re-submitted in accordance with the proposal due date in order to be considered.
12. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications (known as “Follow-Ups”) will be requested in writing and the vendor’s responses will become part of the proposal.

13. **References** – The SEBC may contact any customer of the vendor, whether or not included in the vendor’s reference list, and use such information in the evaluation process. Additionally, if applicable to the scope of work in this RFP, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for the State of Delaware personnel for these visits.
14. **Time for Acceptance of Proposal** – The bidder agrees to be bound by its proposal for a period of at least 180 days, during which time the State may request clarification or corrections of the proposal for the purpose of the evaluation. The State reserves the right to ask for an extension of time if needed.
15. **Incurred Costs** – This RFP does not commit the SEBC to pay any costs incurred in the preparation of a proposal in response to this request and vendor/bidder agrees that all costs incurred in developing its proposal are the vendor/bidder's responsibility. The State shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
16. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
17. **Certification of Independent Price Determination** – By submission of a proposal, the proposing firm certifies that the fees submitted in response to the RFP have been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other proposing firm or competitor relating to those fees, the intention to submit a proposal, or the methods or factors used to calculate the fees proposed. Please fill out the *State of Delaware Non-Collusion Statement*, Appendix A, and include it in your bid package.
18. **Improper Consideration** – Bidder shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees, retirees or agent of the SEBC in an attempt to secure favorable treatment or consideration regarding the award of this proposal.
19. **Representation Regarding Contingent Fees** – If it is your business practice to engage services from any person or agency to secure or execute any of the services outlined in this RFP, any commissions and percentage, contingent, brokerage, service, or finder’s fees must be included in your proposed fee. The SEBC will not pay any separate brokerage fees for securing or executing any of the services outlined in this RFP. **Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service or finders’ fees.**

20. **Confidentiality** – All information you receive pursuant to this RFP is confidential and you may not use it for any other purpose other than preparation of your proposal. After the RFP process is completed and the contract award is made, the Non-Disclosure Agreement requires that the data be destroyed in a secure manner and a certificate of destruction be provided to the State.
21. **Solicitation of State Employees** – Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State’s employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with the vendor, without prior written approval of the State’s contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor’s proposal.
- This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.
22. **Consultants and Legal Counsel** – The SEBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultant or legal counsel on any matter related to this RFP unless written permission and direction is provided.
23. **Contact with State Employees** – Direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Laurene Eheman, is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business with the State who require contact in the normal course of doing that business.
24. **Organizations Ineligible to Bid** – Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.
25. **Exclusions** – The PRC reserves the right to refuse to consider any proposal from a vendor who:
- a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
 - b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen

property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;

- c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
- d. Has violated contract provisions such as:
 - i. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - ii. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
 - iii. Has violated ethical standards set out in law or regulation; and
 - iv. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

III. Minimum Requirements

1. Unless otherwise noted, the plan provisions outlined in the *Minimum Requirements* are mandatory. They are statutory requirements with an administrative counterpart. A vendor must be able to meet the requirement, but how the organization performs the function is not specified by the SEBC.
2. Failure to meet the minimum requirements may result in disqualification of the proposal submitted by your organization.
3. Additionally, the Technical Standards and Data Requirements in Section V are considered minimum requirements for the STD program.

REMINDER - A vendor cannot submit a bid for only the LTD program or only the STD program. The SEBC will only consider a bid submission where either (i) the vendor will administer both the STD and LTD programs, or, (ii) the vendor will contract for both the STD and LTD programs but utilize a subcontractor to provide the LTD administration or the STD administration. Only one contract will be awarded, therefore one vendor must be a subcontractor. One bid document must be submitted for both programs. Each vendor must respond to the minimum requirements, questionnaire, technical standards and data security requirements and required appendices as appropriate for their product.

Instructions:

!!! IMPORTANT !!!

- A. **Clear and Succinct** - Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures.
- B. **Responsiveness** –
 - Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.
 - “Will discuss” and “will consider” are not appropriate answers.
 - All questions are important to the State and therefore you may not answer that a topic is not applicable unless you specifically state why it is a service that does not apply for the plans or programs you are proposing.
- C. **Respond to Each Question** –
 - If a question is repeated in multiple sections and your answer is the same, please do not refer to your answer in another section but copy it under each question.

- DO NOT LEAVE A RESPONSE BLANK! You must acknowledge that you believe the item does not apply and provide a reason why! Otherwise, we will need to ask you to reply in a follow-up question.
- D. **Incumbents** - If your organization is a current vendor, you must reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.
- E. **Fees or Costs - Fees or costs that are not included in your bid and stated on the appropriate appendices (forms) will not be considered by the State.** A fee only stated in a response to a question, whether or not we remind you to include a fee on the appropriate appendix or form, will not be considered! You must document ALL fees and costs within Appendix M, *Proposed Premium and Fees*. **Best and Final Rates or Offers will not be requested after your bid submission. Please provide your best and final rates or offer with your initial proposal.**
- F. **Exceptions in Your Response** – If you have an exception, you must copy and paste the term into the *Responses Exceptions Tracking* form, Appendix B, and provide a detailed explanation, or, check the box to acknowledge that you take no exceptions to the specifications, terms or conditions found in the *Minimum Requirements* or *Questionnaire* sections and submit it with your bid package. These are exceptions to the requirement relative to your offering, not an objection to the requirement itself. For example, if the requirement is to provide a certain report within thirty days and you would provide the report within sixty days, that is your offering or response - not an objection to the request or requirement itself.
- G. **Exceptions to Requirements** – Please see *Discrepancies, Revisions and Omissions in the RFP*, paragraph 7 in the *General Terms and Conditions*, Section B. This information details the process to submit an objection to a requirement; terms not appropriate to the services requested. For example, an industry standard.
- H. **Numbering** - Please do not change the numbering of a question, even if there is an error in the sequence or a duplication.
- I. **Exceptionally Lengthy Responses** – For readability, both electronically and in hard copy, please do not start a response then refer to another document a few sentences later. Instead, reference an exhibit and use a table format in Word that includes the section name, item number, and copy of the question. Include your entire response on that document for ease of review.

INTRODUCTION

As an introduction, please provide your company's full name (i.e., used for financial filing), home office address and telephone number, and the address and telephone number of additional offices, if any, that would provide the services requested under this RFP; please indicate which services would be provided by the additional, non-home office. Include the name and information for the primary contact, including phone number and email address, for responding to this RFP. Include your company's website address.

Response:

!!! IMPORTANT !!! A star next to the question's title, *, indicates a process where the State would like you to explain your best practice or recommendation for improvement, as well as associated costs (if any).

1.00 Account Management

1.01 Vendor Experience

The selected vendor must have at least five (5) years' experience as an organization in providing the type and scope of DIP coverage to be procured through this competitive RFP process. The determination of the length of time an entity has provided these services will be based upon the initial date the entity established a contractual relationship to provide such services. The proposing organization must provide sufficient detail to demonstrate it has significant experience in working with programs similar in size and complexity to the DIP. Because more detailed questions follow, please provide only a broad outline here of the organization's years of experience and qualifications for the services listed in the Scope of Services.

Response:

1.02 Vendor Organization Structure

Do you anticipate any mergers, transfer of company ownership, sales management reorganizations, or departure of key personnel within the next three (3) years that might affect your ability to carry out your proposal if it results in a contract with the State? If yes, please explain.

Response:

1.03 Account Manager Experience

The individual who will act as the SEBC's primary contact shall be, at a minimum, a senior level manager and shall have at least ten (10) years' experience providing disability benefit account management, of which three (3) years' experience must have been in providing disability insurance

programs to plans consisting of at least 30,000 covered employees, preferably in a municipal/state/public sector setting. As an exhibit, please provide a statement detailing such experience and a resume which includes the following details: years of experience as an account manager within your organization and within the industry; total years of experience with your organization (all roles); total years within the industry (all roles); number of clients currently supported; average client size; mix of customer business supported (i.e., disability, life insurance, health care).

Response:

1.04 Account Manager Responsiveness

Please confirm that the primary contact will respond promptly (within one business day) to all State administrative staff requests and questions within normal business hours. Indicate the percent of their time that will be spent on the State's account.

Response:

1.05 Account Management Survey

Please confirm your willingness to agree to the metrics outlined in the account management surveys, which include overall management of the State's STD and LTD programs. See Attachments titled: "Account Management Survey – STD" and "Account Management Survey – LTD"

Response:

1.06 Dedicated Account Manager

Based on complexity of the State's program we are requesting a dedicated account manager. Please confirm whether you can accommodate this requirement. If not, what percentage of time would the designated Account Manager be dedicated to the State? Confirm on Appendix M, *Proposed Premium and Fees*, that your fee reflects this level of service.

Response:

1.07 Dedicated Claim Manager

Based on complexity of the State's program we are requesting a dedicated claim manager for both STD and LTD programs. Please confirm whether you can accommodate this requirement. If not, what percentage of time would the designated Claim Manager be dedicated to the State? Confirm on Appendix M, *Proposed Premium and Fees* that your fee reflects this level of service. Would you be willing to provide multiple management-level claim contacts (equivalent to the Claims Account Manager) in the event that the scope of the State's needs expands in the future? If so, would that be at an additional cost?

Response:

1.08 Customer Support Specialist

Please confirm the existence of an in-house Customer Support Specialist for the STD and LTD benefit programs.

Response:

1.09 Account Team Participation in Finalist Interview

Please confirm that the primary contact and/or lead personnel assigned to a transition team (implementation manager), account manager, and claim manager will be part of any finalist interview team.

Response:

1.10 Ongoing Account Management Meetings

At no cost to the State, please confirm that you will meet with the State on-site at least quarterly, noting your company performance according to the performance guarantees in place and to review member utilization and outcomes.

Response:

1.11 Report Schedule*

Vendor must be able to send disability reports as outlined in the Master Report list. Please confirm your ability to do so. What additional reporting can you provide to the State, and why would you recommend providing that reporting? Will the State (HR and/or Benefits) have the ability to access standard real-time reporting online for STD and LTD? See Attachment titled "DIP Master Report List"

Response:

1.12 Ad Hoc Reports

Please confirm that your organization can provide ad hoc reports as requested. Is there a fee for such reports? If so, please indicate in the *Proposed Premium and Fees* appendix. As an exhibit, please provide a sample of a type of ad hoc report that was produced for a client and the reason(s) the report was requested and/or the challenge the report addressed for the client.

Response:

1.13 Communication Allowance

Confirm you are willing to fund an annual allowance for member communication activities as requested by the State of Delaware and that any unused balance will rollover to the following year. Please indicate the amount on the *Premium and Fees* appendix.

Response:

1.14 Demonstration of Online Portals

Please confirm your understanding that upon receipt of your bid, you will be contacted to provide a demonstration of your online portals for employer self-service (account management) functions and for plan participants (customer service). You may conduct the demonstration via Skype/WebEx or by similar real-time electronic means or on-site at the Statewide Benefit Office in Dover, DE, at your own expense. The demonstration cannot be of screen shots of the portals, but must be interactive. Your bid cannot be considered without this demonstration and finalists will be determined after all bidders have conducted their demonstration. This applies to the incumbent.

Response:

2.00 Implementation

Note – Applies to non-incumbent vendors.

2.01 Implementation Schedule

Please confirm the latest date that you could be notified of a contract award in order for you to successfully implement your program for a July 1, 2019 effective date. Assuming a contract award by January 1, 2019 and an effective date of July 1, 2019 for membership engagement, as an exhibit provide a detailed implementation schedule including: steps required to implement the program; role played by the State and vendor; eligibility feeds; contacts and personnel assigned to each step of the implementation process; your proposed data migration strategy; and your approach to risk and issue management, scope control and quality assurance.

Response:

2.02 Leading the Implementation Process

Please confirm that your organization will lead the implementation process taking direction from the State of Delaware.

Response:

2.03 Implementation Manager Experience

As an exhibit, please provide a statement detailing the experience of your proposed implementation manager and a resume which includes the following details: years of experience as an implementation manager within your organization and within the industry; total years of experience with your organization (all roles); total years within the industry (all roles); number of concurrent implementations supported that have already been identified; maximum number of potential concurrent implementations supported; average client size; mix of customer business supported (i.e., disability, life insurance, health care).

Response:

2.04 Implementation Team

Please confirm who would be on your implementation team if you are the selected bidder. Please include the titles and credentials of this team.

Response:

2.05 Pre-Implementation Testing

Confirm that you will conduct a pre-implementation testing process to ensure accuracy of plan administration prior to the effective date and that you will share the results of the testing process with the State.

Response:

2.06 Policy Documents

Vendor agrees to assist with drafting all policies, certificates and employee SPDs (including STD).

Response:

2.07 Dedicated Phone Number

Vendor to confirm they will be able to provide a dedicated toll-free member services phone number for customer service and account management purposes for the SBO and HR personnel.

Response:

2.08 Implementation Meetings

Vendor to confirm willingness to attend and facilitate in-person implementation and education meetings for the State's HR representatives responsible for administering the DIP. The

implementation may require multiple in person meetings due to the complexity of the program, followed by phone/WebEx weekly touchbases after the bulk of the implementation is complete. Confirm there will be no additional cost for onsite implementation support.

Response:

2.09 Implementation Allowance and Transition Support

Confirm you are willing to fund a minimum of \$30,000 as an allowance for implementation-related activities as requested by the State of Delaware. This may include employee communications, implementation support and/or an implementation audit to be performed by a third-party of the State's choice.

Response:

3.00 General STD/LTD

3.01 Dedicated Intake/Claim Staff

Vendor to confirm they will be able to provide a team of dedicated claim examiners and customer support staff trained specifically in the administration of State's programs and benefit provisions. Please indicate whether a dedicated team can be provided, and whether that includes a dedicated team lead as well as dedicated claim examiners. Based on the State's claim volume, how many STD and LTD claim examiners would you staff on the team?

Response:

3.02 Management of Member Call Volume (Given Dedicated Claim Team)

Assuming you can provide a team of dedicated claim examiners, confirm you would be able to handle situations where the entire dedicated claim team is unable to take a member call. If so, please provide examples of how these calls would be handled, e.g., automated call-back feature for the member, roll-over to designated claim team, etc.

Response:

3.03 Intake / Claim Staff Experience

Please confirm that all STD examiners working on the State of Delaware's account will have a minimum of 2 years of experience and LTD examiners working on the State of Delaware's account will have a minimum of 3 years of experience.

Response:

3.04 Eligibility

Please confirm your organization will administer the State’s DIP according to the eligibility definition referenced below:

Employees covered by the Delaware State Employees’ Pension Plan pursuant to 29 Del. Chapter 55 who are U.S. citizens or U.S. residents who are actively at work for one full day on or after January 1, 2006, are automatically enrolled in the DIP. Also includes retired Delaware State Troopers who are employed in a position covered by the Delaware State Employees’ Pension Plan as of July 1, 2008.

DIP eligibility definition – Title 29 Chapter 55, at:
<http://delcode.delaware.gov/title29/c055/index.shtml>

Response:

3.05 Leave Rules

Please confirm your organization will administer the State’s Workers’ Compensation salary supplement according to the rules noted in Title 29, Chapter 59, and section 5933 (c) and (d). DIP leave rules – Title 29 Chapter 59, section 5933 (c) and (d) at:

<http://delcode.delaware.gov/title29/c059/sc03/index.shtml>

Response:

3.06 Adherence to Delaware Code

Please confirm your organization will administer the DIP according to the statutes referenced in Title 29, Chapter 52A of the Delaware Code.

DIP statutes – Title 29 Chapter 52A at: <http://delcode.delaware.gov/title29/c052a/>

Response:

3.07 House Bill No 214: Removal of Insensitive and Offensive Language

Please confirm that all materials, contracts and communications will comply with Delaware House Bill No 214 relating to the removal of Insensitive and Offensive Language, such as using the term “develop a disability” instead of “become disabled” and “mental condition” instead of “mental illness” in all STD booklets and letters. See Attachment titled “Summary of House Bill No 214”

Response:

3.08 References

Your company must have proven ability to perform the services described in this RFP. You cannot respond that these references will be provided if you are selected as a finalist because we need to evaluate whether or not you meet the requirement.

Of your company's current clients, list three (3) or more references whose STD and LTD programs are comparable in size to the State's number of STD and LTD claimants. If possible, at least one reference should be a public sector client of a similar size. Your references must also be comparable to the complexity and customization of services; bidders who are able to demonstrate their experience with other highly complex and customized programs will be scored more favorably by the State. Additionally, provide references for three (3) terminated clients and note the date of termination and reason. Include the following information:

- a. Client name
- b. Principal location
- c. Location servicing account, if different
- d. Number of covered participants for both STD and LTD coverage
- e. Client contact including name, title address, email and phone number
- f. List of services provided (Please be specific)
- g. Effective date of contract
- h. Contract termination date and reason

Response:

3.09 Plan Designs

Vendors must be able to administer all current plan design provisions per the enclosed STD and LTD policy documents, including the LTD ASO plan, and per the process described in this RFP document. The State is not able to make plan design changes without a change to legislation. State of Delaware Policies, Attachment numbers:

5. ASO LTD
6. LTD Rider
7. LTD Appoquinimink
8. LTD Brandywine
9. LTD Christina
10. LTD Core
11. LTD Red Clay
13. STD

Response:

3.10 Premium Grace Period

There is a 45 day grace period for all program premiums. However, the Christina School District has a 60 day grace period for the buy-up premium payments. Please confirm you can administer these different grace periods accordingly.

Response:

3.11 Continued Coverage

If you are not the incumbent DIP vendor, please confirm that your organization will guarantee that all STD and LTD participants, who would have continued to be covered on the plan effective date if there had been no change in carriers, will be covered by your policy on the plan effective date and will not require an Evidence of Insurability (EOI).

Response:

3.12 File Feed Layout

Vendor must be able to accept current file layout. The State cannot make changes outside of the current layout. See Attachment titled: “Enrollment File Layout from Pension Office 041818”

Response:

3.13 No SSN

Social Security Numbers (SSN) must NOT be passed on any files or claim documents due to the State’s security protocols. Vendors may use employee ID as the unique identifier. The employee only provides his/her SSN at time of claim to the claim examiner; this information is only used for W2 purposes.

Response:

3.14 Enrollment File Updates

Please confirm that any participant address changes sent in the enrollment feed will automatically update to the appropriate claims systems.

Response:

3.15 Program Documentation

Please confirm that all records, documents, and data – except LTD fully-insured claims data used for underwriting purposes – shall be the property of the State, not the administrator.

Response:

3.16 Benefits Information

As may be required by the Statewide Benefits Office for appeals and/or RTW, confirm your organization agrees to provide the State with access to any and all information relating to employee STD and/or LTD benefits including clinical information and status updates.

Response:

3.17 Access to Claim Notes

Confirm you will provide the SBO with online access to claim notes/status for both STD and LTD claimants. Even though the State's LTD program is fully insured, access to LTD claim notes is necessary from time to time, such as for claimants who are transferred to the LTD unit for management during the STD period (i.e., in the case of a terminal prognosis).

Response:

3.18 Access to Data

With regard to information that the State would have access to online via your portal, confirm that:

- a. The data in your system is updated in real-time,
- b. Status and reason codes or descriptions are included,
- c. The State will be able to view the appeal status of a particular claimant; and
- d. The contact information, including name, phone number and email address, for the analyst coordinating the participant's claims will be available in an online view system.

Response:

3.19 Audit Rights

Please confirm that the State or its designee will have the right to audit on an annual basis with an auditor of its choice and with full cooperation of your organization, the services and pricing provided in order to verify compliance with all STD and LTD program requirements and contractual guarantees. The State's right to audit shall survive the termination of the agreement between the parties for a period of three (3) years. Please describe any and all limitations associated with the State's right to audit, including any limitations associated with the number of files reviewed, the type of files reviewed and/or staff interviews associated with the operational review. Can you accommodate claims audits on a remote basis (i.e., providing the auditor remote access to your claims system)?

Response:

3.20 Referrals to Medical Plan Care Management Programs

Please confirm that you will refer STD claimants that are also enrolled in the State's medical plans to care management programs delivered by the State's medical TPAs for all claimants who meet a set of referral criteria that will be mutually determined by you and the State.

Response:

3.21 Reporting of STD Duration (based on medical referral status)

Please confirm that you will track and report to the State the STD claim durations (by medical condition) for those employees accepting referrals to care management programs versus those who refused such referrals, for employees that are also enrolled in the State's medical plans.

Response:

3.22 Integration with Behavioral Health / EAP Vendor

Please confirm that you will involve the State's Behavioral Health / EAP vendor in all STD claims with primary or secondary mental health or substance abuse diagnosis.

Response:

3.23 Tracking Impact of Integration with Behavioral Health / EAP Vendor

Please confirm that you will implement and track referral process and impact on duration to the State's Behavioral Health / EAP vendor for all new STD claims.

Response:

3.24 Referral to Maternity Management Programs

Please confirm that you will refer employees filing for maternity disability that are also enrolled in the State's medical plans to the State's maternity management programs provided by the medical TPAs (Highmark's *Baby BluePrints Maternity Education and Support Program*, Aetna's *Beginning Right Maternity Program* for CDH plan participants or *Carelink CareNow* for HMO plan participants).

Response:

3.25 Training for State DIP Contacts

Please confirm your willingness to provide training on the features and use of your online employer self-service portal to the State's DIP contacts within the agencies and school districts. Training would be delivered via a webinar and initially would be offered during a variety of dates and times; following implementation, training would be offered periodically on an as-needed basis.

Response:

4.00 STD Program Benefit Calculations/Process/Reporting

4.01 Disability Payment Calculation

Please confirm your organization's ability to calculate disability payment, underpayment, and overpayment amounts as outlined in the reference documents, and to provide the State with daily reports (Monday-Friday) showing the results of your calculations. Please confirm that your organization will assist the State in recovering overpayments that may be made to claimants. See Attachments titled "Job Aid DIP-I-001", "DIP-003", "DIP-004", "DIP-005", "DIP-009"

Response:

4.02 Residual Disability Payment Calculation*

Please confirm your organization will abide by the State's calculation of residual disability payments.

Weekly Benefit = $((A - B) / A) \times C$

A = Pre-disability weekly earnings

B = Current weekly earnings

C = The weekly benefit payable if the employee was totally disabled.

This formula is not legislated, so there is some flexibility in modifying it in the future. The Statewide Benefits Office has previously received feedback that the current formula is difficult for the State's HR/Benefits Reps to understand. If you have suggestions for an easier approach to calculating residual disability, or if you have a best practice approach to this calculation, please provide it in your response to this item.

Response:

4.03 Explanation of Benefit (EOB) Issue Schedule

Please confirm your ability to issue EOBs electronically each pay period and your ability to match the EOB distribution schedule according to the pay periods in the reference document. Also, please confirm your ability to provide duplicate EOB information upon request and without added cost to the State. The State is also open to a more efficient process that would allow the employing organizations to log onto your site to view all pay advice information. See Attachment titled "EOB 2018 Payroll Schedule"

Response:

4.04 Non-Standard Employee Work Schedules - 10 vs. 12 months*

Many of the State's educational employees do not work twelve (12) months a year. Please confirm your ability to adjust the elimination period, calculate the STD benefits and issue EOBs (Explanation of Benefits summaries) for Less Than 12 Month Educational Employees who are not eligible for STD benefits on days that they are not paid (i.e., unpaid days per their contract), such as holidays,

Christmas, Spring Break and the summer period. Does your standard process for STD benefit calculations allow you to make adjustments for these employees based on unpaid days, or would you need to build a custom process to accommodate this? If custom, how long would this take to build, and would the timing create any risk of you not being ready to administer these services by the State's desired effective date of 7/1/19? Do you calculate adjustments such as this for any of your other customers, either those that are similar in size or in industry (i.e., municipalities, states or education) to the State?

Please note that a Less Than 12 Month Educational Employee's contractual working period does not match school calendars. For example, a teacher's contract in a district may begin 8/16/17 and end on 6/15/18; however, the school calendar reflects the first day of school as 8/22/17 (6 days prior to teacher's contract beginning) and the last day of school as 6/12/18 (3 days prior to teacher's contract ending). This language is referred to in Section 7 of the DIP Rules & Regulations (see reference documents) and applies only to Less Than 12 Month Educational Employees, which is the bulk of the State's population in school districts. Bus Driver contracts in some school districts are also driven by dates *encompassing* the school year calendar rather than matching the school year calendar.

See Attachments titled "Flow Chart A", "Flow Chart C", "Flow Chart E", "Flow Chart F"
Also see DIP Rules & Regulations, Section 7:
<https://ben.omb.delaware.gov/disability/documents/rules-regulations.pdf?ver=0901>

Response:

4.05 Multiple Payroll Schedules*

Confirm if you have experience administering multiple payroll schedules in the Education industry (benefit payments must be paid on contractual days worked during school year). If so, confirm for how many other clients you administer complex payroll payments. We would like for you to show-case experience working with school districts or employer units with multiple work-day schedules and provide recommendations for a more optimized solution.

Response:

4.06 Certification of Non-standard Schedules for School Districts*

The State's current practice on all STD claims is for the incumbent DIP vendor to email a Coverage Certification form to the HR office to capture information that cannot be captured electronically, such as last day worked, paid schedule, union, etc. The educational organizations (19 school districts) employing Less Than 12 Month Educational Employees must ignore the form automatically emailed by the incumbent DIP vendor and instead complete an Enabled Coverage Certification form created by the SBO and return it to the DIP vendor. Then the vendor will need to adjust the STD EOB based on the information provided on the Enabled Certification Form (i.e., if Martin Luther King Jr. Day is unpaid vs. paid), as many schools have union contracts with varying paid holiday schedules. The current process is decentralized where sometimes there are delays in receiving the completed certifications from the school's HR agency.

Confirm if you have a more streamlined process to receive each school's paid work day schedules and store those in your claim system, such as the ability to front-load a master schedule with different paid work days/days off for different groups of employees. Do you have an ability to allow the HR agency to have view-only, electronic access to the completed form? Do you have a process that automatically notifies the claim analyst of your receipt of the completed form at the time it is submitted, so claim processing is not delayed? Do you have a process where the information can be collected directly by having the employing organizations log into your site directly?

See Attachments titled "Enabled Coverage Certification Form" and "DIP-002 - Processing Enabled Coverage Cert Form for Less Than 12 Month Edu EEs"

Response:

4.07 Coverage Certification Form for Agencies*

Currently, the vendor emails a Coverage Certification form to all HR offices for every STD claim filed to capture information not on the bi-weekly eligibility file, such as last day worked or any partial days worked. The HR office manually fills out the form and returns it. Confirm you can accept and process this information. Do you have a more streamlined process to receive the information? Do you have an ability to allow the HR office to have view-only, electronic access to the completed form? Additionally, since the process is decentralized there are sometimes delays in receiving the completed certification, the vendor will need to adjust the STD EOB. Please confirm that you can make these adjustments. Do you have a process that automatically notifies the claim analysis of your receipt of the completed form at the time it is submitted, so claim processing is not delayed? Do you have a process where the information can be collected directly by having the employing organizations log into your site directly?

Response:

4.08 EOB Process*

Currently, the State includes STD benefits for eligible employee in their paychecks. The current vendor provides an EOB on a daily basis. Can your organization include Other Income offsets on these EOBs? STD benefits must be calculated and EOBs must continue to be issued daily by the vendor via email to the various State agencies with advice to pay calculation based on the State payroll schedule (every other Friday). To support these calculations, the vendor will receive a bi-weekly file feed from the State's Pension Office from the State's payroll systems. (The Pension Office administers the file feed for the SBO and it is aggregated from multiple internal payroll systems.) Each State agency verifies and keys in data from the EOBs to accurately reflect STD payments to employees. The State cuts checks to employees. Vendor to confirm if there is a more efficient automated process to provide wage payment data that is "pushed" directly to the relevant State agency and would require less manual intervention/verification by the State. Note, STD benefits will continue to be paid by the State, rather than the DIP vendor. See Attachments titled: "Sample EOB" and "EOB 2018 Payroll Schedule"

Response:

4.09 EOB Customization

Please confirm whether you have an ability to customize the EOBs that you would provide to the State. Is there a cost associated with this customization? If so, please indicate the fee on the *Proposed Premium and Fees* appendix. Is it possible to include other documentation along with the EOB, such as instructions or information for the State’s benefits reps to explain how to read and use EOBs in benefits calculations? Please confirm that your organization can provide duplicate EOB’s without added cost to the State. See Attachment titled: “Sample EOB”

Response:

4.10 Salary Changes While on Claim*

Please confirm your ability to adjust EOBs for salary changes (increases and decreases) at any point in the year, regardless of when an employee is out on STD. Confirm if you would be able to replicate this process or if it would require customization without additional cost.

Response:

4.11 Daily Over / Under Payment Report*

This report summarizes any over/under payment adjustments from the vendor to the State. The State expects that the calculation will be accurate because the EOBs would also be correctly calculated, not only for the 12 Month employees but also for the Less Than 12 Month Educational employees. Please confirm you can issue this report and send it electronically to all employing organizations within the State that participate in the DIP, or suggest a more efficient solution for reporting on these adjustments. Please provide an example of the report. See the STD Initial Account Balance Report.

Response:

4.12 New Daily Activity Report

Vendor to confirm your ability to issue a daily activity report electronically reflecting the fields captured in the sample report provided, to all employing organizations within the State that participate in the DIP.
See Sample Daily Activity Report.

Response:

5.00 STD Administration

5.01 Claim Submission

Please confirm and describe your organization’s capabilities to accept claims filed telephonically and via the web or other online system.

Response:

5.02 Claim Determination Process

Confirm ability to match definition of disability exemption for bus drivers who don't meet definition of disability but are not able to perform full job duties due to the below contractual requirement. According to the DIP Final Rules & Regulations on the SBO website:

Bus drivers who are contractually required to remain symptom free from disabling illness and/or injury for one year starting with the date of disability will be approved for STD benefits for up to the maximum 182 calendar day benefit period.

DIP Final Rules & Regulations: <https://ben.omb.delaware.gov/disability/documents/rules-regulations.pdf?ver=0901>

Response:

5.03 Recurrent Disability Definition

Confirm you will be able to administer the current definition of a recurrent disability:

If you return to work as an Active Full-time Employee for 15 consecutive calendar day(s) or more, any recurrence of a disability will be treated as a new Disability with respect to when Benefits Commence and the Maximum Duration of Benefits, as shown in the Schedule of Benefits.

If recurrent periods of Disability are:

- 1. due to the same or a related cause; and*
- 2. separated by less than 15 consecutive calendar day(s) of work as an Active Full-time Employee, they will be considered to be the same period of Disability.*

See Attachment titled: State of Delaware STD policy

Response:

5.04 Appeal Process – State's Policy

Confirm you will be able to administer to current levels of appeals as described in the STD Policy. Please confirm ability to match levels of appeals for two claim scenarios: (1) claims that are 15 days or more (2) claims that are 14 days or fewer and defined by 29 Del. C. § 5258. See STD Appeals Process: <https://ben.omb.delaware.gov/disability/documents/std-appeals-process.pdf?ver=0815>

Response:

5.05 Appeal Process – Vendor

Please provide a sample of an appeal determination letter or notice. Additionally, provide your book of business statistics for the percentage of timely appeal determinations.

Response:

5.06 SBO Online Access

Confirm you will provide the SBO with online access to claim notes/status for all STD claimants. Designated SBO representatives must have access to claimant documentation for RTW and appeal purposes upon request. Please describe any limitations that may exist in your systems including any information that would not be available for State personnel to view as well as any system limitations that could exist with regard to the number of individuals that could access your systems.

Response:

5.07 Claim Note Access Hierarchy Capabilities

Please confirm that you can provide online access to claim notes/status to Benefit Reps (State HR personnel) specific only to their groups; i.e., agency, school district, high education, or charter schools. In other words, only those HR personnel can see their employees' information. Describe your processes for adding, verifying, and dropping access.

Response:

5.08 Real Time Claim Information

Confirm all claim status information available online will be real-time.

Response:

5.09 Minimum Weekly Benefit

Members are entitled to a weekly benefit of a minimum of \$25 or 10% of their salary, whichever is greater. Please confirm your ability to perform this calculation for an EOB.

Response:

5.10 Retroactive SSDI Award Notices

In order to calculate STD overpayments for an overlap of a retroactive SSDI award, the State needs timely notification of SSDI Award notices (the retroactive award date and monthly amount) and

must receive a copy of the letter. What process or procedure do you have in place to automatically provide a copy of the letter to your clients? If none, what process or procedure could be implemented?

Response:

6.00 Workers' Compensation Coordination

6.01 Salary Supplement

When certain employees (i.e., heavy duty, hazardous duty) are injured on the job they may qualify for up to 90 days or up to 12 months of Workers' Compensation (WC) Salary Supplement (depending on the type of job at time of claim). The Salary Supplement also applies to state Personal Injury Protection (PIP). No STD benefits are paid during this time. If an employee qualifies for 12 months of the Salary Supplement benefit, the LTD benefit start date would be 12 months after the date of disability. The disability vendor would need to work directly with the Insurance Coverage Office to ask questions and help verify/validate this information and adjust the STD/LTD benefit accordingly. (The Insurance Coverage Office administers the WC program for the State.) This process is completed outside of the daily WC file feed. Confirm you will be able to administer to the current WC salary supplement process. Would you be able to process STD claim electronically with minimal manual manipulation regarding the application of the salary supplement? See Attachment titled "Salary Supplement_ Employees Approved for WC & State PIP"

Response:

6.02 Daily WC Eligibility File

As of November 2017, the State has established a daily electronic interface between PMA, its Workers' Compensation vendor, and the current disability vendor to push workers' compensation information to reduce workers' compensation overpayments. While the State is not requiring your organization to recreate the same process in place today, it is required that you have the ability to integrate with PMA and the State would like to understand your recommended approach and experience with this type of arrangement. Please provide a sample file layout reflecting the data you would need to receive from PMA to factor in the WC offset.

Response:

6.03 Impact of WC on STD Wage Calculations

Please confirm that your STD wage calculations can factor in any offsets associated with the following coverage:

- a. Workers' compensation (see Flowchart C)

- b. Personal Injury Protection (PIP) coverage (see Flowchart E)
- c. Both (a) and (b) above (see Flowchart F)

(Please note that these flowcharts are for non-educational 12 month employees. There is a somewhat different paying process for the Less Than 12 Month Educational Employees and those flowcharts are being developed.) See Attachments titled “Flow Chart C”, “Flow Chart E”, “Flow Chart F”

Response:

7.00 LTD Process

7.01 LTD Decision Time

Confirm you will be able to make LTD decisions at time of STD claim extension (thus only one decision) no earlier than the half way point or 20 weeks after disability commences. Certain claims would be fast tracked due to compassion allowance.

Response:

7.02 LTD Elimination Period

Please confirm you can administer the State’s LTD benefits elimination period:

If approved by the DIP vendor, LTD benefits start when the elimination period has been exhausted. The elimination period is the last to be satisfied of the following:

- The 1st 182 consecutive calendar day(s) of any one period of disability, or
- The exhaustion of the 182 calendar day STD benefit period.

State of Delaware policies – Attachments with their corresponding number:

5. ASO LTD
6. LTD Rider
7. LTD Appoquinimink
8. LTD Brandywine
9. LTD Christina
10. LTD Core
11. LTD Red Clay

Response:

7.03 Transition from STD to LTD*

Please confirm your organization's ability to transition claimants from STD to LTD in a seamless and timely manner without requiring the claimant to complete an LTD application form.

Response:

7.04 Medical Records Fees

The vendor must pay all fees for medical record requests, not the member. Please describe your process to pay physicians for their release of requested medical documentation as applicable and appropriate.

Response:

7.05 LTD Open Claim Administration

Confirm your ability to pay LTD benefits directly to LTD claimants. If your organization does not currently have any open LTD claims for the State, please confirm your willingness to provide EOB offsetting for open claims regardless of being selected for ongoing coverage if coverage moves from your organization. Please list any additional fees that may be associated with ongoing EOB offsetting of open claims for the remainder of LTD claim durations.

Response:

7.06 Benefit Deductions*

The Pension Office provides a monthly electronic file to the DIP vendor listing all benefit deductions (health, dental, vision) and any offsets to be withheld from the LTD benefit payments; this file is placed on a secure server for the DIP vendor to download. Please confirm you will be able to intake deduction information electronically and offset LTD benefit payments. This includes the three members from the grandfathered closed group from the self-funded LTD program.

Response:

7.07 Retroactive Benefit Deductions*

Sometimes, when LTD is awarded retroactively, the State will also take past due health deductions retroactively. Please confirm that you can administer deductions retroactively as part of this process. Also, confirm you have the ability to notify the Pension Office prior to large retro LTD payments in order for the Pension Office to factor in the retro deductions from that payment.

Response:

7.08 Insufficient Funds for Benefit Deductions*

Confirm your organization has a procedure when an LTD beneficiary does not have enough funds in their LTD payment to support a full health care deduction. How would you notify the State and beneficiary of the outstanding benefit payment?

Response:

7.09 LTD Buy-up Billing*

Confirm you will be able to intake premiums directly from the school districts with LTD buy-ups (Christina, Red Clay, Brandywine, Appoquinimink, and University of Delaware). These districts hold open enrollment for this buy-up, so there will be movement as employees enroll or drop coverage for the buy-up. The buy-up benefit (6-2/3%) is employee-pay-all.

Response:

7.10 LTD Buy-up Enrollment*

Confirm you can replicate the current process for enrollment in the LTD buy-up option with a paper enrollment form. Do you have the capability to support enrollment in this option through your website? If so, please confirm whether there is an additional cost for this, and please ensure this is also noted on your response to Appendix M, *Proposed Premium and Fees*. Would you be able to restrict access to this site so that only State of Delaware employees eligible for this option (i.e., certain school districts and the University of Delaware) could enroll?

Response:

7.11 LTD Approval Reports for Life Vendor

Please confirm your ability to provide bi-weekly LTD approval reports to the State's life insurance vendor (currently, Securian) for the administration of the waiver of premium benefit in the Group Universal Life Program.

Response:

7.12 LTD Claim Status for Life Vendor

Please confirm your ability to provide limited, read-only "claim status" access to the State's life vendor (currently, Securian) so they can confirm LTD status. This is currently in place between the DIP vendor and Securian.

Response:

7.13 Senate Bill 337: Mental Condition Claims

Delaware Senate Bill 337 allows State employees approved for LTD benefits the option to escrow annual (vacation) and sick leave for up to six (6) months. In addition, this statute allows employees vested as of December 31, 2005, to be covered under the State's disability pension plan upon exhaustion of the long-term disability benefit due to mental condition and/or substance abuse. The LTD policy limits mental/nervous claims to 24 months, and at the end of this period the DIP vendor sends a copy of the file to the Pension office where the medical office continues to manage/pay this claim. Please confirm that you will be able to administer the latter provision. See LTD FAQ #20 at: <https://ben.omb.delaware.gov/disability/documents/faq-sec-4.pdf?ver=0929>

Response:

7.14 Assistance with SSDI

How does your organization investigate and monitor potential Social Security Disability Income (SSDI) for LTD cases? Please confirm and describe your organization's capabilities to assist the State of Delaware's LTD claimants with applying for and appealing Social Security benefits, including any external resources you use to evaluate SSDI feasibility and provide SSDI advocacy services. Please also describe your organization's process for confirming any change in SSDI amounts during subsequent years.

Response:

8.00 Return to Work

8.01 Program Description

The State currently has a return to work (RTW) program that is detailed on the Statewide Benefits website. Please confirm you would be able to replicate current process, understanding there are areas that can be optimized.

- a. Please detail what types of assistance your RTW coordinators will directly provide to each employing organization (i.e., department and/or district office) and to the State's RTW coordinator.
- b. Also, please explain how your organization will support and coordinate the current program and what innovative approaches your organization would be able to provide to ensure the success of the RTW program.

Return to Work Guidelines: <https://ben.omb.delaware.gov/disability/rtw.shtml>

Response:

8.02 Job Banks

Confirm that you would be able to build and maintain job banks based on Physical Demand Analyses (PDAs) that are completed and submitted since program inception.

Response:

8.03 Verify Expected RTW date

Confirm you will contact the employee 3-5 days prior to their scheduled RTW date to verify if they are still returning.

Response:

8.04 RTW Releases

Are you willing to collect RTW releases from the employees upon their return and share this information with the State?

Response:

8.05 Verify Actual RTW

Are you willing to verify the actual RTW by contacting the employee/employing organization and sharing the information with the State?

Response:

8.06 Monitor RTW

For employees who return to work on restricted duty, confirm you are willing to monitor the return to work/claim until the employee returns to full duty or until restrictions are deemed permanent (assuming there is no loss of income).

Response:

8.07 Physical Demand Analysis

Confirm if/when you require Physical Demand Analysis (PDA) to be completed. The current process requires this form to be completed for all job types which slows down the claim process.

Response:

9.00 Incumbent Minimum Requirements

Note – to be completed only if you are the incumbent DIP vendor.

9.01 Run-out Claim Processing

In the event that the State does not award you the DIP contract on an ongoing basis starting 7/1/19, please confirm that you will agree to administering run-out claims for the State's STD and LTD programs. If there are any fees associated with your agreement to do this, please note them on the *Proposed Premium and Fees* appendix.

Response:

9.02 Performance Guarantees for Run-out Processing

In the event that the State does not award you the DIP contract on an ongoing basis starting 7/1/19, please confirm your understanding that a new contract is necessary that encompasses all the requirements applicable to your services as set forth in the RFP. As part of the contract, confirm that you will agree to guarantee your performance in managing LTD run-out claims processing by establishing a set of performance guarantees that are mutually agreeable to you and the State. As an exhibit, please outline your proposed performance guarantees for processing run-out claims.

Response:

9.03 Health Insurance Deductions for LTD Beneficiaries

In the event that the State does not award you the DIP contract on an ongoing basis starting 7/1/19, please confirm your agreement to continue making health insurance deductions for LTD. If there are any fees associated with your agreement to do this, please note them on the *Proposed Premium and Fees* appendix.

Response:

9.04 STD Program Termination

Please confirm that in the event of contract termination for the STD program, you agree to transfer to the State (or to a successor administrator) within thirty (30) days of termination notice all data and participant records necessary for the continued administration of the plan. Your organization must agree to continue operations until the transfer of data has been completed.

Response:

9.05 STD Data Destruction

Please confirm that you will securely destroy all of the State's STD data stored in any format, paper or electronic, after the data is no longer needed to perform all the contractual requirements. Please estimate a timeframe for the data destruction of both formats.

Response:

9.06 LTD Claim Paying Services

Confirm your organization would transfer information on enrollment, claims and other administrative records to any carrier/TPA who replaced you at no charge. If there is a charge, please include that fee on the *Proposed Premium and Fees* appendix.

Response:

9.07 Job Banks

In the event that the State *does* award you the DIP contract on an ongoing basis starting 7/1/19, confirm that you will build and maintain job banks based on Physical Demand Analyses (PDAs) that are completed and submitted as soon as practicable following notification by the State of award status.

Response:

10.00 Seamless Transition from Incumbent Vendor to New Vendor(s)

Note – to be completed only if you are not the incumbent DIP vendor.

10.01 Recurrent Claim Process

Please confirm your ability to comply with 29 Del.C. §5253 (b)(5) of the Delaware Code.

Response:

11.00 Seamless Transition From STD Vendor to LTD Vendor, if Different Companies

Note – to be completed only if you are submitting a joint bid with another vendor and one is the subcontractor of the other.

11.01 Program Branding

Will there be a consistent “brand” between both programs, to avoid confusion among members?

Response:

11.02 Member Communications

Will there be a single phone number and single website for employees to access for both STD and LTD claims (and then will be routed appropriately)?

Response:

11.03 Processes

For situations with different STD and LTD vendors, describe how the coordination would be seamless from the employee's perspective.

Response:

12.00 Financial

12.01 Fee Quote

Please confirm that all fees or costs to administer the program are included in your pricing terms quoted within your response to the *Proposed Premium and Fees*, Appendix M, and included it in your bid package. **Fees or costs that are not included in your bid on those forms will not be considered by the State.**

Response:

12.02 Payment of Start-up Costs

If you are selected as the winning bidder, please confirm that you would not require payment of any start-up costs from the State prior to the effective date of the program. Payment of costs or services prior to the effective date of the contract is prohibited by State statute.

Response:

12.03 Firm Quote

Please confirm that the rates or fees quoted in your organization's proposal are firm and will not be recalculated based on actual enrollment as of the effective date of the contract.

Response:

12.04 ASO Fees for STD and for LTD (grandfathered closed group only)

At minimum, guarantee proposed fees for administration of STD and LTD (grandfathered closed group only) for three (3) contract years (12 months per year) with two (2) one-year extensions, each at the discretion of the SEBC and with rate caps not to exceed 3% per year. Please include this in your response to the *Proposed Premium and Fees*, Appendix M. Please confirm that your STD pricing will not be impacted by changes in claim volume from one year to the next.

Response:

12.05 LTD Premiums

At minimum, guarantee proposed premiums for LTD administration for three (3) contract years (12 months per year) with two (2) one-year extensions, each at the discretion of the SEBC and with rate caps not to exceed 3% per year. Please include this in your response to the *Proposed Premium and Fees*, Appendix M.

Response:

12.06 Program Renewals

Please confirm that your organization will provide experience reports and an LTD renewal proposal to the State that excludes the experience of the buy-up programs. Also, confirm that your buy-up program renewals and experience reports will be provided directly to the sponsoring districts and/or the University of Delaware.

Response:

12.07 Renewal Effective Date

Please confirm that any changes in administrative and/or premium rates will be effective only on the renewal date of July 1st.

Response:

12.08 Timing of Renewal Package

Please confirm that a renewal package for all programs must be submitted no less than 180 days prior to the start of the plan year, and in accordance with the STD program rate caps proposed in your response to the *Proposed Premium and Fees*, Appendix M.

Response:

12.09 Advance Funding

Please confirm that your organization agrees that if in the normal course of business, it, or any other organization with which the Bidder has a working arrangement, chooses to advance any funds that are due, to any provider, subsidiary or subcontractor, the cost of such advance must not be charged back to the State except the State must reimburse Bidder within the confines of the provisions of a contract.

Response:

12.10 Non-Appointment of Agent or Broker

Confirm that you agree not to appoint any agent, general agent, or broker, nor authorize payment of any kind to a party not approved in writing by the State. In addition, please confirm that commission percentages, brokerage or contingent fees are not payable to any agent or broker by the State of Delaware.

Response:

12.11 Itemized Invoicing

Please confirm that your organization will submit to the State on its invoice an itemization of the charges and fees, and credit for services provided in the administration of the services. Please also confirm your ability to invoice the State on a monthly basis.

Response:

12.12 ACH Processing

Please confirm your organization's acceptance that any payments made by the State of Delaware will be by Automated Clearing House (ACH) as per its ACH processing procedures.

Response:

13.00 Legal

13.01 Non-Solicitation of DIP Participants

Please confirm that your organization will not use the names, home addresses or any other information obtained about participants of the DIP for the purpose of offering for sale any property or services that are not directly related to services negotiated in the RFP without the express written consent of the State.

Response:

13.02 Contract Termination

Please confirm your organization agrees that upon termination of an insurance contract with your company, your company would remain liable for all pending and unreported claims incurred prior to the termination date.

Response:

13.03 Offshoring

Please confirm your acceptance that an activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities may be performed at satellite facilities such as a foreign office or division. Subcontractors are also subject to this provision.

Response:

13.04 Persons Substantially Involved in Contracting Activities

Please confirm that within the past five (5) years the firm or any officer, controlling stockholder, partner, principal, or other person substantially involved in the contracting activities of the business is not currently suspended or debarred and is not a successor, subsidiary, or affiliate of a suspended or debarred business.

Response:

13.05 Delaware Business License

Please state whether your company is appropriately licensed to do business in the State of Delaware and provide a copy of the license, or, confirm that prior to the execution of a contract, you would initiate the process of an application. Confirm your understanding that work cannot begin until your organization has a valid State of Delaware business license.

Response:

13.06 Negligent Performance

Please confirm that your organization is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor's negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.

Response:

13.07 Subcontractors – Not Employees of the State of Delaware

Please confirm that your organization and any subcontractors, agents or employees employed by you shall not, under any circumstances, be considered employees of the State and they shall not be entitled to any of the benefits or rights afforded employees of the State.

Response:

13.08 Workers' Compensation Claims

Please confirm that your organization is operating as an independent contractor and shall maintain insurance that will protect against claims under Worker's Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State of Delaware.

Response:

13.09 Insurance Coverage – STD Only

During the term of this contract, the vendor shall, at its own expense, carry insurance minimum limits as follows:

- a. Comprehensive General Liability \$1,000,000 per person and \$3,000,000 per occurrence
- b. Medical or Professional Liability: \$1,000,000 per occurrence and \$3,000,000 aggregate
- c. Misc. Errors and Omissions \$1,000,000 per occurrence and \$3,000,000 aggregate

The successful vendor must carry (a) and (b) and/or (c), above, depending on the type of service being delivered. If you believe that a type of coverage would not apply to your service, please explain. If awarded the contract, the State of Delaware shall **NOT** be named as an additional insured. As an exhibit, please provide a copy of your certificate of insurance with the appropriate types and coverage levels. At this time, you may or may not provide a copy of your certificate of insurance with the appropriate types and coverage levels, but, if awarded the contract, please confirm your understanding that you must provide a copy of your certificate of insurance before any work is done pursuant to the terms in the RFP and resulting contract.

Response:

13.10 Non-Solicitation of State Employees

Please confirm that upon termination of a contract your organization will not solicit any State employee for any services or products without the explicit written permission of the State.

Response:

13.11 Non-Assignment

Please confirm your understanding that any of the functions to be performed under a contract, if awarded, shall not be assigned by either party to another party, absent advance notice to the other party, and written consent to said assignment, which consent shall not be unreasonably withheld. In the event either party shall not agree to an assignment by the other party, then the contract shall terminate upon the effective date of said assignment.

Response:

13.12 Indemnification

Please confirm your organization's acceptance of the following indemnity paragraphs. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

The State shall not indemnify the Vendor in the contract awarded under this RFP or any related contract. Vendor shall not request the State to indemnify or provide quasi-indemnification under any contract. An example of an unacceptable quasi-indemnification provision is:

The State asserting it is without legal authority to agree to such indemnification, acknowledge that Vendor, on behalf of itself and any affiliate, reserves such rights as it may have to obtain reasonable compensation from the State, against any loss, damage, costs of suit or other expenses resulting from the improper use or disclosure of data or any breach of this Agreement by State.

Response:

13.13 Contract Termination

Please confirm your organization's agreement that:

- a. The contract may be terminated for convenience by the successful firm with 180 days written notice to the State.
- b. The vendor can terminate the contract for cause with written notice to the State of no less than 180 days.
- c. The State can terminate the contract for cause with written notice to the vendor of no less than thirty (30) days. The State anticipates the vendor will be given the opportunity to cure any default in performance well in advance of a notice of termination.

Response:

13.14 Non-Discrimination

If your company is awarded the contract, please confirm your agreement that performing the services subject to this RFP, as set forth in 19 Del. C. § 710, you will not discriminate against any employee or applicant with respect to compensation, terms, conditions or privileges of employment because of such individual's race, marital status, genetic information, color, age, religion, sex, sexual orientation, gender identity, or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

Response:

13.15 Entire Agreement

Please confirm your organization's acceptance: The RFP and the executed Contract between the State and the successful organization will constitute the Contract between the State and the organization. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: contract, State of Delaware's RFP. No other documents, including your bid response, will be considered. These documents contain the entire agreement between the State and the organization.

Response:

13.16 Vendor Invoices – STD Only

Please confirm your organization's acceptance: The payment of an invoice for administration fees by the SEBC shall not prejudice the SEBC's right to object or question any invoice or matter in relation thereto. Such payment by the SEBC shall neither be construed as acceptance of any part of the work or service provided nor as an approval of any costs invoiced therein. Vendor's invoice or payment shall be subject to reduction for amounts included in any invoice or payment theretofore made which are determined by the SEBC, based on audits, to not constitute allowable costs. Any payment shall be reduced for overpayment, or increased for underpayment on subsequent invoices.

Response:

13.17 Deduction from Administration Fees

Please confirm your organization's acceptance: The SEBC reserves the right to deduct from administrative fees that are or shall become due and payable to the vendor under this contract between the parties any amounts which are or shall become due and payable to the SEBC by the vendor.

Response:

13.18 Use of the State's Name in Advertising or Sales Materials

Please confirm that your organization will not use the State's name, either express or implied, in any of its advertising or sales materials without the State's express written consent.

Response:

13.19 Background Check Provisions

If your company is awarded the contract, please confirm your understanding that pursuant to 29 Del. C. § 6909B and effective November 4, 2014, the State does not consider the criminal record, criminal history or credit score of an applicant for state employment during the initial application

process unless otherwise required by state and/or federal law. Vendors doing business with the State are encouraged to adopt fair background check provisions. Vendors can refer to 19 Del. C. § 711(g) for applicable established provisions.

Response:

13.20 Laws of the State of Delaware

Please confirm your acceptance that in the event of any dispute under a contract, you consent to jurisdiction and venue in the State of Delaware and that the laws of the State of Delaware shall apply to the contract except where Federal law has precedence.

Response:

13.21 State's Right to Pre-Approve Releases about this Solicitation

Please confirm your acceptance that the State of Delaware reserves the right to pre-approve any news or broadcast advertising releases concerning this solicitation, the resulting contract, if awarded, the work performed, or any reference to the State of Delaware with regard to any project or contract performance. Any such news or advertising releases pertaining to this solicitation or resulting contract shall require the prior express written permission of the State of Delaware.

Response:

13.22 Account Management Team Selection

The State acknowledges that a contractor has the right to exercise full control over the employment direction, compensation and discharge of all persons employed by the contractor in the performance of services for their clients. However, please confirm that, if awarded the contract, your organization will attempt to honor the State's request for specific individuals to be assigned to managerial roles in all areas of account management.

Response:

13.23 Pending Litigation

Please confirm that, if awarded the contract, your organization will provide a written report no later than forty-five (45) days following the close of each quarter which shall describe any judgment or settlement or pending litigation involving Contractor that could result in judgments or settlements in excess of One Hundred Thousand Dollars (\$100,000).

Response:

13.24 Compliance with Laws

Please confirm that your company complies with all federal, state and local laws applicable to its activities and obligations including:

- a. the laws of the State of Delaware;
- b. the applicable portion of the Federal Civil Rights Act of 1964;
- c. the Equal Employment Opportunity Act and the regulations issued there under by the federal government;
- d. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury; and
- e. that programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government.

If awarded the contract, your organization will keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws during its performance of the work. If your organization fails to comply with (a) through (e) of this paragraph, the State reserves the right to terminate the contract or consider the Contractor in default.

Response:

13.25 Monthly Invoicing

Please confirm your acceptance that, if awarded the contract, Contractor shall submit monthly invoices to the State in sufficient detail to support the services provided during the previous month. The State will not pre-pay for services. The State agrees to pay those invoices within thirty (30) days of receipt. In the event the State disputes a portion of an invoice, the State agrees to pay the undisputed portion of the invoice within thirty (30) days of receipt and to provide Contractor a detailed statement of the State's position on the disputed portion of the invoice within thirty (30) days of receipt. The State's failure to pay any amount of an invoice that is not the subject of a good-faith dispute within thirty (30) days of receipt shall entitle Contractor to charge interest on the overdue portion at the rate of 0.5% per month.

Response:

13.26 Payment of Expenses

Please confirm your acceptance that, if awarded the contract, unless provided otherwise in an Appendix, all expenses incurred in the performance of the services, including communications and administration, are to be paid by Contractor.

Response:

13.27 State as a Sovereign Entity

Please confirm your understanding and acceptance that the State is a sovereign entity, and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest

and penalties from any related deficiency, which may become due and payable as a consequence of this Agreement.

Response:

13.28 Non-Appropriation of Funds

Please confirm your understanding and acceptance that the validity and enforcement of a contract is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. Should such funds not be so appropriated the State may immediately terminate the contract, and absent such action this Agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available, at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

Response:

13.29 Non-Collusion Statement

Please confirm you have filled out the *State of Delaware Non-Collusion Statement* form, Appendix A, and included it in your bid package.

Response:

13.30 Responses Exceptions Tracking

Please confirm you have filled out the *Responses Exceptions Tracking* form, Appendix B, and included it in your bid package.

Response:

13.31 Performance Guarantees

If awarded the contract, please confirm your organization's willingness to enter into performance guarantees. Please follow the instructions in Appendix C and include the completed *Performance Guarantees* form in your bid package. ***If your offer does not receive a clarifying question or any other response from the State, it does not infer acceptance.***

Response:

13.32 Officer Certification Form

Please confirm you have filled out the *Officer Certification* form, Appendix D, and included it in your bid package.

Response:

13.33 Subcontractors – Subject to all Contract Terms

The State requires your organization to confirm that all services identified in your proposal are provided solely by your organization and identify any services that may be provided by a subcontractor. This includes graphics, mailing, and printing services, for example. Subcontractors are subject to all the terms and conditions of the RFP and the SEBC reserves the right to approve any and all subcontractors. If a subcontractor(s) is involved, note in your response to this question and complete Appendix F, *Subcontractor Information Form*, included herein for each subcontractor. The company OSD classification information is for self-identification only. NOTE: This form is not required for an organization submitting a joint bid as a subcontractor for the administration of the LTD or STD program. However, each vendor is required to submit the forms for their subcontractors. For example, if each vendor uses a printing company, each vendor needs to submit a form for their printing company.

Response:

13.34 Employing Delawareans Report

Please confirm you have filled out the *Employing Delawareans Report*, Appendix G, and included it in your bid package. (The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.)

Response:

13.35 Financial Ratings Form

Please confirm you have filled out the *Financial Ratings* form, Appendix H, and included it in your bid package.

Response:

14.00 LTD Data Security

14.01 LTD Data Security

Even though LTD programs are not subject to HIPAA and HITECH, it is vital that the State's data be kept secure. Please review Section V, Technical Standards and Security Requirements, along with Appendix J, Non-Public Data – State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions, which are the requirements for the self-funded STD program. Please describe how your organization would ensure the security of the State's data, not only through

technical means but also policies and procedures and the existence of breach notification procedures.

Response:

14.02 LTD Data Confidentiality Agreement

For non-incumbents only: Please confirm that, if awarded the contract, your organization will accept the terms in the *Data Confidentiality Agreement*, Appendix J2, for the exchange of enrollment and claims data for testing purposes before the contract effective date. If you do not accept the terms as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.

Response:

15.00 Key Document and Policies and Procedures Review Checklist

15.01 Key Document and Policies and Procedures Review Checklist

Please confirm you have filled out the *Key Document and Policies and Procedures Review Checklist*, Appendix L, and included it in your bid package.

Response:

IV. Questionnaire

Instructions:

!!! IMPORTANT !!!

A. Responsiveness –

- Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.
- “Will discuss” and “will consider” are not appropriate answers.
- All questions are important to the State and therefore you may not answer that a topic is not applicable unless you specifically state why it is a service that does not apply for the plans or programs you are proposing.

B. Respond to Each Question –

- If a question is repeated in multiple sections and your answer is the same, do not refer to your answer in another section but copy it under each question.
- **DO NOT LEAVE A RESPONSE BLANK!** You must acknowledge that you feel the item does not apply and provide a reason why! Otherwise, we will need to ask you to reply in a follow-up question.

C. Fees or Costs – Fees or costs that are not included in your bid and stated on the appropriate appendices (forms) will not be considered by the State. A fee only stated in a response to a question, whether or not we remind you to include a fee on the appropriate appendix or form, will not be considered! You must document ALL fees and costs in the appendix *Proposed Premium and Fees*.

D. Numbering – Please do not change the numbering of a question, even if there is an error in the sequence or a duplication.

E. Lengthy Responses – For readability, both electronically and in hard copy, please do not start a response then refer to another document a few sentences later. Instead, reference an exhibit and use a table format in Word that includes the section name, item number, and copy of the question. Include your entire response on that document for ease of review. Thank you.

#	Question	Vendor Response
A. Book of Business & General Information		
1	What was your 2016 and 2017 LTD customer retention (based on number of customers across all markets/sizes)?	

#	Question	Vendor Response
2	What was your 2016 and 2017 STD customer retention (based on number of customers across all markets/sizes)?	
3	The State of Delaware is in the Public Sector/Government industry. How many STD/LTD customers do you have within this industry?	
4	Please identify in the chart below the number of integrated STD/LTD customers you have by each segment of lives.	
	a. Less than 1,000	
	b. 1,000 – 4,999	
	c. 5,000 – 9,999	
	d. 10,000 – 19,999	
	e. More than 20,000	
B. Account Management and Member Services		
1	Please answer the following:	
	a. What sales/service office would handle the general servicing of this account?	
	b. What is the time zone and standard hours for your customer service office? Does this differ from the hours of operation for telephonic claims intake? If this differs, please describe.	
2	Please answer the following for the claim office proposed:	
	a. what percent of book of business claims are processed within fifteen (15) working days?	
	b. what percent of book of business claims are processed within thirty (30) working days?	
	c. For the last two calendar years, what was this office's financial accuracy as a percent of total claims dollars paid (include over/under payments)?	
	d. For the last two calendar years, what was this office's coding accuracy as a percent of total claims submitted?	
	e. For uncomplicated claims, what is the number of working days for a claim to be processed from the date of receipt? On what basis does your organization make that representation (e.g., average turnaround time over the past twelve (12) months)? Describe separately for contested and complicated claims.	
3	Please answer the following:	
	a. Are customer service representatives separated from the claim processing unit or do claim processors have customer service responsibilities?	

#	Question	Vendor Response
	b. Do customer service representatives have authority to approve claims?	
4	When an employee with an ongoing claim calls the claim office, who is the call initially routed to?	
5	Does your organization assign case managers based on the type of disability involved? For example, would you assign case managers that specialize in behavioral health related disabilities to those types?	
6	Describe the frequency and training received by claim processors, case managers, supervisors and other management staff.	
7	List and describe the three (3) most recent in-house educational programs provided to your customer service representatives.	
8	Describe your screening procedures and outreach protocols for claimants targeted for return to work/rehabilitation programs.	
9	Describe the return to work & rehabilitation programs offered to claimants. Does your program target specific conditions, ages, etc.? What is the success rate of rehabilitation (as a percent of all claimants in rehab programs)? Include any costs associated with the program on the <i>Proposed Premium and Fees</i> appendix. Additionally, provide information about any subcontractors you may use for these programs on the <i>Subcontractor Information Form</i> .	
10	What methodologies are available for an employee or their provider to submit medical information?	
	a. Fax	
	b. Email	
	c. Mobile phone/mobile application (“app”)	
	d. Mail	
	e. Upload to vendor site	
	f. Other	
C. General STD/LTD		
1	Describe how disabilities are verified and monitored. Are independent medical examiners (IMEs) used to verify disabilities? If so, what percent of these (IMEs) are MDs?	
2	In the aggregate, identify the experience and qualifications of the individuals proposed to make claims’ determinations on this account.	
3	Describe the related training (initial and ongoing) received by your staff.	

#	Question	Vendor Response
4	How many cases does each case analyst typically handle?	
5	Does your organization participate in the Integrated Benefits Institute (IBI) Health and Productivity Benchmarking Program or other similar program? If so, please describe the comparative data and reports that will be available to the State. Please provide samples of any proposed reports.	
6	Describe how your organization’s reporting capabilities would assist the State to identify the root health risk factors related to disabilities in the State's population.	
7	In the event that HB3 is passed, the SBO would like to explore custom reporting that captures the data on the birth date for children of State employees, which is necessary for each State agency to determine whether DIP pay or HB3 pay is appropriate. Currently, date of delivery does not appear in the DIP vendor’s existing employer portal, but it is captured in the claim system. Do you have the capability to capture this information, which could be provided to each State agency? If there is a fee associated with developing this custom reporting, please include it within your response to Appendix M, <i>Proposed Premium and Fees</i> .	
8	Will STD and LTD claimants have access to your organization’s claim system? If so, please describe.	
9	LTD Only - How does your organization avoid duplicate payments of the same claim? If duplicate payments or overpayments are made, what are your procedures for recovery of the overpayments or duplicate payments?	
10	Describe the quality controls, auditing and peer review mechanism in place for your organization’s claim-processing department. Do you use internal or independent/outside auditors?	
11	Does your organization have a fraud detection unit or program in place? If so, please describe. For the disability programs requested, what percent of claims submitted were denied because of misrepresentation and fraud? Is the fraud detection program provided by a subcontractor and is there a separate fee for this service and/or for each benefit program? If the fraud detection program is provided by a subcontractor and/or requires a separate fee, please fill out the <i>Subcontractor</i> form and show the fee that may apply for this service in the <i>Proposed Premium and Fees</i> appendix.	
12	Do all of the systems and software used to manage your organization’s disability programs interact with each other? If not, please describe how you would ensure that	

#	Question	Vendor Response
	information is disseminated in a timely manner to appropriate individuals.	
13	Describe how user IDs and passwords for your online employer portal will be issued to the State. Will each individual be required to have their own user ID and password? How are users terminated from the system?	
14	Please provide sample log-in credentials for demonstration sites that will allow us to review your online portals for employer self-service (account management) functions and for plan participants (customer service). (This is in addition to the mandatory demonstration.)	
15	Describe your backup procedures and provide a copy of your disaster recovery plan.	
16	When was the last time you tested your disaster recovery process? Please provide us with a copy of the results of the test.	
17	Please describe what happens if your customer service facility loses power due to an outage or bad weather. Will our calls be automatically routed to a backup facility?	
D. STD Administration		
1	How does your organization verify eligibility during telephonic claims intake?	
2	Are initial intake calls handled by nurses or other medical professionals? Do intake personnel utilize a standard list of questions when conducting an intake call? If so, please include a list of your organization's standard questions. What are the minimum qualifications of the intake personnel?	
3	How often will your organization verify the disability status of a claimant? Do you set a diary note or use another tracking method to follow up on the medical progress of a claimant? How is the claimant notified of their responsibilities? How is the human resources office notified of the employee's claim status?	
4	Do reviewers use clinical standards and duration guidelines for specific diagnoses? How are these monitored? How often are the standards reviewed and/or updated? Is the employer notified when updates occur?	
5	Does your organization currently administer, or have previously administered, an STD program that coordinated with an employer's sick days or vacation leave? Describe the coordination process and provide examples of the process.	

#	Question	Vendor Response
6	What percentage of STD claims are denied in your Book of Business? What are your organization's three (3) most common reasons for claim denial?	
7	In what percentage of STD claims are nurses involved across your Book of Business?	
8	In what percentage of STD claims are physicians involved across your Book of Business?	
9	Describe the clinical resources available to support behavioral health claims (number of staff, clinical specialties, etc.).	
10	Will these resources <i>always</i> be involved in the case management if the primary diagnosis is psychiatric?	
11	Do all claims in which the duration exceeds the expected disability duration guideline get referred to a nurse (e.g., a mandatory referral)?	
12	Do all claims with co-morbid diagnoses get referred to a nurse (i.e., mandatory referral)?	
13	Please describe the criteria used to determine when a claim is referred for clinical support. Please include the turnaround time from when it leaves the analyst to when it is reviewed by the clinical specialist.	
14	How does your organization verify if an individual qualifies for disability payments?	
15	The State feels that the EOBs that are currently produced today could be improved upon. The payment advice is not always accurate and the format is not user-friendly. For example, the current EOBs do not fully take into account paid days off on certain holidays for Less Than 12 Month Educational Employees, which HR/Benefits Reps need to manually adjust for. How would you improve upon the content and/or format of the EOBs that are provided today? Please provide a sample EOB that reflects your proposed improvements.	
16	The State is in the process of creating an inventory of paid work days and paid days off for Less Than 12 Month Educational Employees by institution (includes 19 school districts, 20 charter schools and 3 institutes of higher education); the State expects to update this inventory annually before the beginning of each school year. Are you able to take this inventory and front-load your system with those dates so the EOBs automatically take those days into account? At the same time, the State would expect you to emphasize to each school district that an EOB is based on the front-loaded dates and therefore the onus is on the school district to make any additional updates as necessary according to any differences between	

#	Question	Vendor Response
	<p>their calendar and the State’s inventory of paid work days/days off. If you do have the ability to front load the dates on the State’s inventory, what data elements would you need in order to load the data? Is there a cost to do this (and if so, reflect the cost in your response to the <i>Proposed Premium and Fees</i> appendix), and when do you need the completed inventory for the upcoming school year in order to front load the dates in time for the start of each plan year (i.e., July 1)?</p>	
17	<p>Are you to provide an onsite coding resource whose sole responsibility would be to calculate accurate EOBs? This resource would have access to the appropriate HRIS/payroll systems in order to calculate advice to pay that factors in all elements that the State’s HR/Ben Reps are currently required to manually adjust for, such as paid days off on certain holidays for Less Than 12 Month Educational Employees. How many onsite coding resources would you recommend for the State, and what would be the additional cost? Please remember to cite this additional cost on your response to the <i>Proposed Premium and Fees</i> appendix. A 2% increase in the cost each year is suggested for cost of living adjustments (COLA).</p>	
18	<p>Are you able to provide duplicate EOBs regardless of the time period requested? In other words, if an HR/Benefit Rep misplaces the original EOB, can you reproduce a duplicate EOB?</p>	
19	<p>Please explain how your organization handles disability payments for a participant working on a part-time basis during the return to work process.</p>	
20	<p>Please explain how your organization handles disability payments when an employee is diagnosed with another disability while receiving STD benefits.</p>	
21	<p>At what point during the STD process is a claim referred to the LTD unit?</p>	
22	<p>Please confirm your organization’s ability to provide the State’s agency human resource office with an STD decision independently of the member’s LTD claim status.</p>	
23	<p>Does the STD information carry forward without the need for additional medical records to approve the LTD claims? If not, describe what information will be required of the employee to complete/gather.</p>	
E. Workers’ Compensation Coordination		
1	<p>Please confirm the number of employers in which you coordinate disability/Workers’ Compensation administration:</p>	

#	Question	Vendor Response
	a. In general	
	b. With PMA, the State's Workers' Compensation administrator	
F. Return to Work		
1	Does your organization review documentation from the claimant's physician for return-to-work opportunities and then promptly notify the RTW Coordinator or employing organization?	
2	Does your organization record all calls and, if so, can they be reviewed upon request by a RTW Coordinator and/or Disability Program Lead?	
3	How many internal vocational rehabilitation consultants dedicated to STD/LTD claims would you have within the claims office assigned to administer the State's claims?	
4	How many internal vocational rehabilitation consultants dedicated to STD/LTD claims do you have across your disability operations?	
5	In what percentage of LTD claims is a vocational rehabilitation consultant involved? Include situations in which a vocational rehabilitation consultant reviews a claim file to support a liability decision (e.g., any occupation decision).	
6	Are you able to provide an onsite RTW contracted person whose sole responsibility would be to liaison all RTW activities? How many onsite RTW contracted resources would you recommend for the State, and what would be the additional cost? Please remember to cite this additional cost on your response to the <i>Proposed Premium and Fees</i> appendix. A 2% increase in the cost each year is suggested for cost of living adjustments (COLA).	
G. LTD Process		
1	How often will your organization verify the disability status of a claimant? How are the results of the re-evaluation reported back to your client and the LTD claimant?	
2	How does your organization define a partial or residual disability?	
3	How does your organization verify if an individual qualifies for disability payments? What national guidelines do you use for:	
	a. Disability determinations, and	
	b. Durations?	
4	How does your organization handle a case where the claimant no longer meets the clinical criteria for a condition?	

#	Question	Vendor Response
5	Is there a way to front-load job classifications so that your claims system “knows” when to require a PDA? Can a PDA be requested when the claim is first initiated (at the point when it is an STD claim), so there is no time lag when a PDA is required for the LTD claim?	
6	How often and in what manner does your organization communicate with the claimant’s physician?	
7	What diary system does your staff use to track tasks that need to be done in the course of managing these disability cases?	
8	Discuss your organization’s case management process. What claims qualify for case management? How many cases does each case manager handle?	
9	How do you manage the following types of conditions?	
	a. Mental health	
	b. Substance abuse	
	c. Subjective conditions (e.g., chronic fatigue syndrome, chronic pain, fibromyalgia, etc.)	
10	List the three (3) most recent in-house educational programs provided to your case managers.	
11	What reporting do you provide to demonstrate the level and impact of your organization’s interaction with claimants?	
12	How is the performance of your claim management staff evaluated?	
13	What options do you offer with respect to Social Security offsets? For example, can the offset be frozen as of the date of disability? Will your organization be able to reduce LTD claim payments by the amount of expected Social Security benefit offset prior to an individual receiving approval for disability from the Social Security Administration? If so, please describe the process.	
14	Describe the vocational and general rehabilitation services that are available. What percent of cases are referred to vocational rehabilitation? Are there certain types of cases that are never recommended for vocational rehabilitation? If yes, please describe.	
15	Does your organization provide a behavioral health assessment for each claimant? Please explain. If yes:	
	a. Please provide a copy of your assessment.	
	b. What percent of cases complete the assessment?	
	c. How are these assessments used in the management of the claim?	

#	Question	Vendor Response
	d. Please provide three (3) examples of how the behavioral health assessment was used to affect a claimant outcome.	
16	If required, will your organization prepare 1099s and mail directly to employees' homes? If so, please indicate any proposed costs on the <i>Proposed Premium and Fees</i> appendix.	
17	Please describe your organization's process when an LTD beneficiary does not have enough funds in their LTD payment to support a full health care deduction.	
18	What percentage of the LTD cases that your organization currently manages are terminated prior to the end of the individual's LTD benefit period because of your program's medical management services (e.g., RTW, determined to be no longer disabled, etc.)?	
19	In what percentage of LTD claims are nurses involved across your book of business?	
20	In what percentage of LTD claims are physicians involved across your book of business?	
21	Based on your book of business, what percentage of cases are successful at qualifying for SSDI after 24 months from onset of disability? Does your organization have any data specific to Delaware or the Delaware region?	
22	For the following Disability Duration time periods, what percentage of your LTD book of business has an SSDI award?	
	12 to 23 months: % of LTD Book of Business	
	24 to 35 months: % of LTD Book of Business	
	36 to 47 months: % of LTD Book of Business	
	48 to 59 months: % of LTD Book of Business	
	60+ months: % of LTD Book of Business	
23	How quickly can you provide a copy of the SSDI award letter to the Statewide Benefits Office? Can it be posted to the corresponding STD claim notes?	
24	Describe your appeal process and provide a copy of the notification of an appeal denial. Can the State override a denial? If so, under what circumstances?	
H. Implementation / Transition Process		
1	How would your organization communicate the change in administrator to State employees? Please attach sample communication materials and indicate the additional cost, if any, on the <i>Proposed Premium and Fees</i> chart, Appendix F. Are customized communications available?	

#	Question	Vendor Response
2	How would your organization handle recurrent STD and LTD situations during a transition?	
I. Communications		
1	Can the headers/content of your automated emails be customized?	
2	List all the ways an examiner may contact employee (text, email, call, etc.)	
3	Do you have the ability to customize the intake script?	
	a. If customized intake questions can be added, how many customized questions can be added?	
	b. Can you customize the closing of the intake call?	
4	Please provide a copy of the script that callers of your member services number will hear upon first dialing in. Do callers have the option of opting out of the interactive voice response (IVR) in order to speak to a live person?	
5	Is voice authorization available?	
6	Do you offer an electronic signature functionality for authorizations?	
7	In addition to telephonic communications, what communication methodologies are available between the examiner and the disabled employee?	
	a. Examiner can email the disabled employee	
	b. Disabled employee can email the examiner	
	c. Examiner can send standard texts (non-customizable) to the disabled employee	
	d. Examiner can send customized texts to the disabled employee	
	e. The disabled employee can send text to the examiner	
	f. Other	
J. Financial Proposal and Underwriting Assumptions		
1	Please confirm that the following services are included in your STD PEPM pricing.	
	a. All nurse reviews	
	b. All physician reviews	
	c. IMEs	
	d. FCEs	
	e. Return-to-work and vocational rehabilitations services	
	f. Vocational rehabilitation	
2	What incidence rate did you use to develop your STD pricing proposal?	

#	Question	Vendor Response
3	Are there actively-at-work provisions in your policy? Please describe.	
4	Please explain the credibility applied to LTD plan experience.	
5	Please explain the manual rate developed in your LTD pricing analysis.	
6	Please confirm the experience rate developed in your LTD pricing analysis.	
7	For the LTD program, please provide a renewal calculation template along with a summary of the methodologies, assumptions and the basis for determining each assumption to be used in subsequent renewals along with a proposed renewal process.	
8	What is your organization's retention as a percent of premium for the LTD program?	
9	Describe any limitations and/or exclusions in your proposed LTD policy that would result in non-payment of benefits.	
10	Are there any additional fees or costs that could be charged back to the State? (i.e., are there additional pass through expenses?) If so, please list them on the <i>Proposed Premium and Fees</i> appendix.	
11	If you were to provide an individual from your company to code disability status and claim information directly into State of Delaware payroll system, confirm the cost of this additional service. Please ensure this is also noted on your response to Appendix M, <i>Proposed Premium and Fees</i> .	
K. Legal		
1	If your company is awarded this contract, how soon after notification of the award will you provide a draft of the contract? (Please see the implementation PGs for the State's expectations.)	
2	Please explain the impact to employees receiving disability benefits if either the STD or the LTD contract is terminated before the completion of a plan year.	
3	Please explain the State's financial responsibility if either the STD or LTD contract is terminated before the completion of a plan year.	
L. Value-Added Offerings		
1	Based on the description of the State's goals, objectives, and unique plan design challenges, are there any additional services or revisions to processes that you	

#	Question	Vendor Response
	would recommend and that can be fulfilled by your organization?	
2	Please describe why you are the best company to provide a STD and LTD program for the State.	

V. Technical Standards and Security Requirements

****For STD Program only****

Please carefully read each term and requirement. Failure to meet any of these proposal criteria may result in disqualification of the proposal submitted by your organization.

1. File Layouts:

Please confirm that you can accept and transmit the file layouts as listed in the Table of Contents.

Response:

2. Indemnity⁷:

Please confirm your organization's acceptance. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes!

Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, including any claims or expenses with respect to the resolution of any **data security breaches/ or incidents**, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

The State shall not indemnify the Vendor in the contract awarded under this RFP or any related contract. Vendor shall not request the State to indemnify or provide quasi-indemnification under any contract. An example of an unacceptable quasi-indemnification provision is:

The State asserting it is without legal authority to agree to such indemnification, acknowledge that Vendor, on behalf of itself and any affiliate, reserves such rights as it may have to obtain reasonable compensation from the State, against any loss, damage, costs of suit or other expenses resulting from the improper use or disclosure of data or any breach of this Agreement by State.

⁷ This is the same indemnity paragraph that is in the *Minimum Requirements* section with the phrase "data security breaches or incidents" inserted.

Response:

3. Security and Encryption:

Computer, network, and information security is of paramount concern for the State and the Department of Technology and Information.

- a. The Center for Internet Security's (CIS) Top 20 Critical Security Controls are a recommended set of actions for cyber defense that provide specific and actionable ways to stop today's most pervasive and dangerous attacks. Confirm your level of compliance with the CIS Top 20. (A response that security threats are always changing is not acceptable.)

Response:

- b. Security measures are required by the State of Delaware for the transmission of its data. Please refer to the following policies and respond:

- i. The requirement of at least ten (10) characters in a password is preferred but not required. If you do not have an eight (8) or ten (10) character password in place at this time, please describe your password requirements and how it fulfills the intent of the policy to secure the State's data. (It is applicable for external access to the vendor's secure website by members/participants and the Statewide Benefits Office personnel. It is not a requirement for the vendor's internal data access system.) The policy document is located at:
<http://dti.delaware.gov/pdfs/pp/StrongPasswordStandard.pdf>

Response:

- ii. Vendors that transmit confidential Delaware data via email must use a secure encryption system. Please confirm your organization has this capability and state the system you use. The following requirements apply:
<http://dti.delaware.gov/pdfs/pp/SecureEmail.pdf>

Response:

- iii. It is the State's preference that confidential Delaware data will not be accessible on a mobile devices, but if so, the following requirements apply:
<http://dti.delaware.gov/pdfs/pp/MobileDeviceEncryptionStandard.pdf>
Please state whether or not Delaware's confidential data could be, or will be, accessible on mobile devices and state the encryption method that is used.

Response:

4. Software Inventory:

Please use the form at Appendix I – *Software Inventory*, for a list of any software that the Statewide Benefit Office’s account management personnel may need. For example, Adobe or Visio. Also list the web browsers (IE) or web service that participants would need to access the customer service interface.

Confirm Attached:

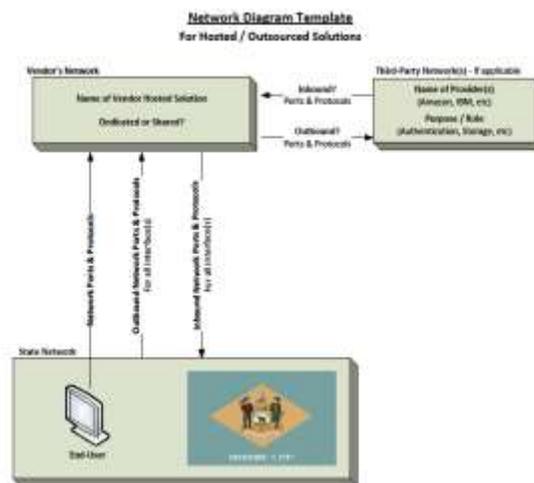
5. Additional Data Requests:

Please confirm your agreement that if you are awarded the contract and then request additional data, whether or not on a file feed or in a report, the State shall determine the cost of supplying the data and may deny the request.

Response:

6. Network Diagram:

As an exhibit, please provide a diagram with ports that clearly documents the user’s interaction with your organization’s website and the State. The network diagram should follow the following example:



Confirm Attached:

7. Appendix J - *Non-Public Data - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions* (“*Terms and Conditions*”) ****For STD Program, Non-Incumbent****

Please complete Appendix J and include it in your bid package. If you have any response other than “accepted” or “confirmed” with an explanation, your response is considered an exception that will be evaluated by the Department of Technology and Information (DTI). Provide a detailed explanation and include a citation where requested, if applicable (for example, Delaware Department of Insurance or a federal law).

DTI will not allow changes to a term as it is written on their document, therefore the footnotes contain additional information or instructions for insurance products. **Please be sure to read the footnotes!**

Confirmed Attached:

8. Appendix J1 – *Data Confidentiality Agreement* ****For STD Program, Non-Incumbent****

Please confirm that, if awarded the contract, your organization will accept the terms in the *Data Confidentiality Agreement* for the exchange of enrollment and claims data for testing purposes before the contract effective date. If you do not accept the terms as written, you must provide a redline of suggested changes. **Be advised that the State cannot agree to major changes.**

Confirmed Attached:

9. Appendix J2 – *Data Confidentiality Agreement* ****For LTD Program, Non-Incumbent****

Please confirm that, if awarded the contract, your organization will accept the terms in the *Data Confidentiality Agreement* for the exchange of enrollment and claims data for testing purposes before the contract effective date. If you do not accept the terms as written, you must provide a redline of suggested changes. **Be advised that the State cannot agree to major changes.**

Confirmed Attached:

APPENDICES

APPENDIX A

STATE OF DELAWARE NON-COLLUSION STATEMENT

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a subcontractor to another vendor who also submitted a proposal as a primary vendor in response to this solicitation** submitted this date to the State of Delaware, Department of Human Resources.

It is agreed by the undersigned vendor that the signed delivery of this bid represents the vendor's acceptance of the terms and conditions of this solicitation including all specifications and special provisions.

NOTE: Signature of the authorized representative **MUST** be of an individual who legally may enter his/her organization into a formal contract with the State of Delaware, Department of Human Resources.

COMPANY NAME _____

<input type="checkbox"/>	Corporation
<input type="checkbox"/>	Partnership
<input type="checkbox"/>	Individual

(Check one)

NAME OF AUTHORIZED REPRESENTATIVE _____

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

STATE OF DELAWARE
LICENSE NUMBER or CONFIRM WILL
APPLY IF AWARDED A CONTRACT

FEDERAL E.I. NUMBER _____

COMPANY CLASSIFICATIONS: CERT. NO.:	Certification type(s)	Circle all that apply	
	Minority Business Enterprise (MBE)	Yes	No
Woman Business Enterprise (WBE)	Yes	No	
Disadvantaged Business Enterprise (DBE)	Yes	No	
Veteran Owned Business Enterprise (VOBE)	Yes	No	
Service Disabled Veteran Owned Business Enterprise (SDVOBE)	Yes	No	

[The above table is for informational and statistical use only.]

PURCHASE ORDERS SHOULD BE SENT TO (COMPANY NAME): _____

ADDRESS _____

CONTACT _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

AFFIRMATION: Within the past five years, has your firm, any affiliate, any predecessor company or entity, owner, Director, officer, partner or proprietor been the subject of a Federal, State, Local government suspension or debarment?

YES _____ NO _____ if yes, please explain _____

THIS PAGE SHALL BE SIGNED, NOTARIZED AND RETURNED FOR YOUR BID TO BE CONSIDERED

SWORN TO AND SUBSCRIBED BEFORE ME this _____ day of _____, 20 _____

Notary Public _____ My commission expires _____

City of County of State of _____

APPENDIX C

PERFORMANCE GUARANTEES

Instructions: The State requires bidders to agree to place a percentage of premium/fees per contract year at risk for performance guarantees. If you propose alternative guarantees, performance results, or definitions, please use a strikeout font and insertion. **You are encouraged to provide additional fees at risk; bidders that do so will be viewed favorably by the State.** The State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendor.

Implementation: While some implementation activities occur each year, such as reviewing plan design features and issuing employee communications, the bulk of the implementation activities will take place in Year 1. Since a successful program depends on a flawlessly executed implementation, a separate guarantee for implementation activities is required. **This requirement does apply to incumbents for all administrative services as mutually agreed upon.** An overall rating of satisfactory at the end of the implementation period is required, based on ongoing feedback provided by the Statewide Benefits Office on the status of the implementation performance guarantee areas throughout the implementation process.

Terms: Vendor will perform a review of its records to determine whether each standard was met for the time period of the quarter immediately preceding the 45th day of the month following the end of a quarter (for example, November 15 for the first quarter (July 1 – September 30) of the plan year (July 1 to June 30). Quarterly results will be averaged on an annual basis and penalty payments, if any, will be made annually within six (6) months of the end of the plan year. In no instance will a measurement or penalties apply to any period less than a full quarter.

Minimum Total at Risk:

- a. **11% of annual administration fees associated with the STD ASO policy.**
- b. **3.25% of the annual premium for the LTD policy.**
- c. **Implementation – 25% of STD ASO fees and/or LTD annual premiums based on the offering of either an LTD program or STD program (if using a subcontractor to deliver one program), or based on offering both programs (if not using a subcontractor to deliver one program).**

Item	Description	Penalty
Implementation:	(An overall rating of satisfactory is required for all categories.)	
Future Contract Development	For administrative services in the STD program and requirements not reflected in the LTD policy, the vendor is expected to take their template contract form, or use the State’s professional agreement contract template, and incorporate all the terms of the RFP, their bid responses and follow-up responses by the second draft (or first draft for a current vendor) so that wholesale changes are not required.	5.0%
Implementation and Account Manager Performance	Implementation manager, account executive /manager and claim manager will participate in every implementation call and will be prepared to lead the calls, based on detailed agenda sent to team in advance.	7.5%
Maintenance of Detailed Project Plan	Project plan must delineate due dates, responsible parties and critical linkages between tasks, as appropriate. Project plan will be updated and distributed in advance of each implementation weekly call.	5.0%
Adherence to Key Deadlines	<p>All key dates will be met to the extent Vendor has control and/or has notified State of risks of failure in advance of due date. State and Vendor will agree at the beginning of implementation on which deadlines are critical to program success.</p> <p>Success of implementation will be rated by key stakeholders of the employer at the conclusion of implementation. The following categories will be included:</p> <ul style="list-style-type: none"> - Employer training - System set up (including claims system, employer portal, feeds, and interfaces) - Satisfactory results of implementation readiness assessment (if applicable) 	7.5%
	Total	25%

Item	Description	Penalty	Reporting
STD:			
Claims Determination	85% of STD claims will be approved/denied within 10 business days of the later of initial notification to the DIP vendor or the date of disability (to account for early notice claims).	2.0%	Quarterly
Telephone Response Time	Average time in queue of 30 seconds or less. This Standard is based on 100% of all calls coming through the claim inquire service queue.	1.5%	Quarterly
Telephone Abandonment Rate	Less than three percent. This Standard is based on 100% of all calls coming through the claim inquire service queue.	0.5%	Quarterly
Timely Referral to LTD	95% of STD claims reviewed for LTD potential within 5 business days of the mid-point in the STD benefit period where appropriate. This Standard is based on State of Delaware claims.	1.0%	Quarterly
Timeliness of Reports	100% - All established client specific reports will be delivered on the mutually agreed upon intervals reflected in the Master Report List ⁸ .	2.0%	Quarterly
Appeal Determination	Timely and accurate review and determination of appeals.	0.5%	Quarterly
Overall Program Satisfaction	Overall communication and responsiveness will be evaluated on the Account Management Survey ⁹ . The survey will be completed by the State on a quarterly basis and the overall service scores will be calculated and averaged. The annual score will be at least 3.0 or more.	1.0%	Quarterly

⁸ A copy of the Master Report List is provided in the Attachments.

⁹ A copy of the Account Management Survey is provided in the Attachments.

Item	Description	Penalty	Reporting
STD:			
Claimant Satisfaction Survey	90% of claimants “satisfied” (annualized net “satisfied”) as indicated based on Claimant Satisfaction Survey results.	0.5%	Annually
Financial Accuracy	98% accuracy in total dollars recommended for payment.	0.5%	Annually
Claims Coding	<p>STD / LTD Coding Accuracy: 95% of STD (or LTD) data entered into the claim processing system will correctly reflect the information provided to the DIP vendor, which includes:</p> <ul style="list-style-type: none"> • Employee information: Name, address, EEID, and salary; • Claim information: ICD-10, disability date, benefit effective date, end dates; and • Eligibility information: Coverage effective date 	0.5%	Quarterly
Communication	95% of STD or LTD approval, denial, or termination decisions will be sent to the appropriate party (claimant, the State) within five business days of the decision.	0.5%	Quarterly
Health Management	Vendor will refer STD claimants that are also enrolled in the State’s medical plans to care management programs delivered by the State’s medical TPAs for all employees meeting referral criteria — 95% of all applicable cases.	0.5%	Quarterly
	Vendor will track and report to the State disability claim durations (by medical condition) for those employees accepting referrals versus refused referrals, for employees enrolled in the State’s medical plans.		
	Vendor will involve the State’s Behavioral Health / EAP vendor in all claims with primary or secondary		

Item	Description	Penalty	Reporting
STD:			
	mental health or substance abuse diagnosis — 95% of all applicable cases.		
	Vendor will implement and track referral process and impact on duration to the State’s Behavioral Health / EAP vendor for all new claims — 95% of all applicable cases.		
	Vendor will refer 95% of all employees that are also enrolled in the State’s medical plans filing for maternity disability to the State’s maternity management programs provided by the medical TPAs (<i>Highmark’s Baby BluePrints Maternity Education and Support Program, Aetna’s Beginning Right Maternity Program</i> for CDH plan participants or <i>Carelink CareNow</i> for HMO plan participants).		
	Total	11.0%	

Item	Description	Penalty	Reporting
LTD:			
Claims Determination	95% of LTD claims approved/denied within 20 business days of LTD effective date where the DIP vendor also administers the claimant's STD claim. This Standard is based on State of Delaware claims. (Excludes claims denied due to pre-existing investigation; completed claim statements must be received prior to benefit effective date.)	0.6%	Quarterly
Financial Accuracy	98% accuracy in total dollars paid. This Standard is based on client-specific claims.	0.6%	Quarterly

Item	Description	Penalty	Reporting
LTD:			
Social Security Advocacy	95% of approved LTD claimants that appear to meet the Social Security Administration's guidelines for SSD benefits will be notified within 14 months from the date of disability of the policy requirement to pursue SSD.	0.2%	Quarterly
Timeliness of Reports	100% - All established client specific reports will be delivered on the mutually agreed upon intervals reflected in the Master Report List ¹⁰ .	0.4%	Quarterly
Appeal Determinations	Timely and accurate review and determinations of appeals.	0.2%	Quarterly
Retroactive Awards	Provide all retroactive awards, including SSDI award information, within 10 days of receipt. The vendor will be held accountable to provide all award information, not just SSDI.	0.2%	Quarterly
Overall Program Satisfaction	Overall communication and responsiveness will be evaluated on the Account Management Survey ¹¹ . The survey will be completed by the client on a quarterly basis and the overall service scores will be calculated and averaged. The annual score will be at least 3.0 or more.	0.35%	Quarterly
Claimant Satisfaction Survey	90% of claimants "satisfied" (annualized net "satisfied") as indicated based on Claimant Satisfaction Survey results.	0.25%	Annually
Claims Coding	LTD Coding Accuracy: 95% of LTD data entered into the claim processing system will correctly reflect the information provided to the DIP vendor, which includes:	0.2%	Quarterly

¹⁰ A copy of the Master Report List is provided in the Attachments.

¹¹ A copy of the Account Management Survey is provided in the Attachments.

Item	Description	Penalty	Reporting
LTD:			
	<ul style="list-style-type: none"> • Employee information: Name, address, Alternate ID number, and salary; • Claim information: ICD-10, disability date, benefit effective date, end dates; net benefit and • Eligibility information: Coverage effective date. 		
Communication	95% of LTD approval, denial, or termination decisions will be sent to the appropriate party (claimant, employer), within five business days of the decision.	0.125%	Quarterly
Behavioral Health Management	Vendor will involve the State’s Behavioral Health / EAP vendor in all claims with primary or secondary mental health or substance abuse diagnosis — 95% of all applicable cases.	0.125%	Quarterly
	Total	3.25%	

APPENDIX D

OFFICER CERTIFICATION FORM

Please have an officer of your company review and sign this worksheet to confirm the information is valid. Please include completed form with proposal.

Officer's Statement	
Company's Legal Name	
Company's Marketing Name (if different)	
Street Address	
City	
State	
Zip	
Phone Number	
Fax Number	
Email Address	
Name of Officer Completing Statement	
Title of Officer Completing Statement	
Phone Number of Officer Completing Statement	
Email Address of Officer Completing Statement	

I certify that our response to the State of Delaware's Request for Proposal for the Short-Term and Long-Term Disability Programs, DHR18002-DisabIns, is complete and accurate to the best of my knowledge and contains no material omissions or misstatements. I acknowledge that the State of Delaware will rely upon the information included in our response to make decisions concerning the administration of these benefits that are offered to their employees.

Officer's Signature

Date Signed

APPENDIX F

SUBCONTRACTOR INFORMATION FORM

PART I – STATEMENT BY PROPOSING VENDOR		
1. CONTRACT NO.	2. Proposing Vendor Name:	3. Mailing Address
4. SUBCONTRACTOR		
a. NAME	4c. Company OSD Classification: Certification Number: _____	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY (<i>Signature</i>)	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR		
9a. NAME OF PERSON SIGNING	10. BY (<i>Signature</i>)	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

APPENDIX G

EMPLOYING DELAWAREANS REPORT¹²

As required by House Bill # 410 (Bond Bill) of the 146th General Assembly and under Section 30, no bid for any public works or professional services contract shall be responsive unless the prospective bidder discloses its reasonable, good-faith determination of:

1.	Number of employees that would reasonably be anticipated to be employed on this account.	
2.	Percentage of such employees who are <i>bona fide</i> legal residents of Delaware.	
3.	Total number of employees of the bidder.	
4.	Total percentage of employees who are <i>bona fide</i> residents of Delaware.	

If subcontractors are to be used:

1.	Number of employees who are residents of Delaware.	
2.	Percentage of employees who are residents of Delaware.	

¹² The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.

APPENDIX H

FINANCIAL RATINGS

Carrier's most recent rating or filing (identify date) from the following agencies:

Vendor Ratings	Rating
A.M. Best: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Standard & Poors: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Fitch (formerly Duff and Phelps): Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	
Moody's: Rating Status	
Financial Rating (if rated)	
Date (if rated; if not rated, leave response cell blank)	

1. Has there been any change in your organization's ratings in the last two years? If yes, please explain the nature and reason(s) for the change.
2. Are there any outstanding legal actions pending against your organization? If so, please explain the nature and current status of the action(s).
3. What fidelity and surety insurance or bond coverage does your organization carry to protect your clients? Specifically describe the type and amount of the fidelity bond insuring your employees, which would protect this plan in the event of a loss.
4. Does your organization agree to furnish a copy of all such policies for review by legal counsel if requested?
5. Do you anticipate any mergers, transfer of company ownership, sales management reorganizations, or departure of key personnel within the next three (3) years that might affect your ability to carry out your proposal if it results in a contract with the State of Delaware? If yes, please explain.
6. Is your Company affiliated with another company? If yes, please describe the relationship.

Appendix J

NON-PUBLIC DATA - STATE OF DELAWARE CLOUD AND/OR OFFSITE HOSTING MANDATORY TERMS AND CONDITIONS

FOR STD PROGRAM ONLY

1. **Data Ownership:** The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The Service Provider (Contractor) shall not access State of Delaware User accounts, or State of Delaware Data, except (i) in the course of data center operations, (ii) in response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request.

Response:

2. **Data Protection:** Protection of personal privacy and sensitive data shall be an integral part of the business activities of the Service Provider to ensure that there is no inappropriate or unauthorized use of State of Delaware information at any time. To this end, the Service Provider shall safeguard the confidentiality, integrity, and availability of State information and comply with the following conditions:
 - a) All information obtained by the Service Provider under this contract shall become and remain property of the State of Delaware. At no time shall any data or processes which either belongs to or are intended for the use of State of Delaware or its officers, agents, or employees, be copied, disclosed, or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction that does not include the State of Delaware.
 - b) At no time shall any data or processes which either belongs to or are intended for the use of State of Delaware or its officers, agents, or employees, be copied, disclosed, or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction that does not include the State of Delaware.

Response:

3. **Data Location:** The Service Provider shall not store or transfer non-public State of Delaware data outside of the United States. This includes backup data and Disaster Recovery locations. The Service Provider will permit its personnel and contractors to access State of Delaware data remotely only as required to provide technical support. It is explicitly forbidden for the primary contractor or subcontractor staff to "share" access privileges. The awarded vendor will be required to comply with the Offshore IT Staffing Policy:

<http://dti.delaware.gov/pdfs/pp/OffshoreITStaffingPolicy.pdf> The primary contractor must reside in the United States and servers that store Delaware data cannot be located offshore.¹³

Response:

4. **Encryption:**

- a) **Data in Transit:** The Service Provider shall encrypt all non-public data in transit regardless of the transit mechanism. The policy documents are located at:

<http://dti.delaware.gov/pdfs/pp/SecureFileTransport.pdf>

<http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>

Response:

- b) **Encryption at Rest:** For engagements where the Service Provider stores sensitive personally identifiable or otherwise confidential information, this **data shall be encrypted at rest**. The policy document is located at:

<http://dti.delaware.gov/pdfs/pp/WebApplicationSecurity.pdf>

Examples are: social security number, date of birth, driver's license number, financial data, federal/state tax information, and hashed passwords. The Service Provider's encryption shall be consistent with validated cryptography standards as specified in National Institute of Standards and Technology FIPS140-2, Security Requirements. The key location and other key management details will be discussed and negotiated by both parties.

When the Service Provider cannot offer encryption at rest, they must maintain, for the duration of the contract, cyber security liability insurance coverage¹⁴ for any loss resulting from a data breach in accordance with the Cloud and Offsite Hosting Policy, <http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingPolicy.pdf>. **Additionally**, where encryption of data at rest is not possible, the vendor must describe existing security measures that provide a similar level of protection.

Response:

¹³ However, if a call center or claims processing office, for example, is located offshore, the transmission of data via secured means is acceptable if the secure transit mechanism that you are asked to describe is approved by the State. Describe your organization's relationship with any offshore staff, either as employees of your company or that of any subcontractor. State the scope (number and location) of the personnel, their role, and the process of data exchange, including a description of the data security measures.

¹⁴ **The level of coverage is determined by the number of enrolled lives, 37,300 at \$148 each; \$5,520,400.** Proof of insurance is required at the time of award. If you have cyber liability insurance coverage (even if you have encryption-at-rest), please provide a copy as an exhibit.

5. **Breach Notification and Recovery:** Delaware Code requires public breach notification when citizens' personally identifiable information is lost or stolen. (Reference: 6 Del. C. § 12B-102. <http://delcode.delaware.gov/title6/c012b/index.shtml>) Additionally, unauthorized access or disclosure of non-public data is considered to be a breach. The Service Provider will provide notification without unreasonable delay and all communication shall be coordinated with the State of Delaware. When the Service Provider or their subcontractors are liable for the loss, the Service Provider shall bear all costs associated with the investigation, response and recovery from the breach including but not limited to credit monitoring services with a term of at least three (3) years¹⁵, mailing costs, website, and toll free telephone call center services. The State of Delaware shall not agree to any limitation on liability that relieves a Contractor from its own negligence or to the extent that it creates an obligation on the part of the State to hold a Contractor harmless.

Response:

6. **Notification of Legal Requests:** The Service Provider shall contact the State of Delaware upon receipt of any electronic discovery, litigation holds, discovery searches, and expert testimonies related to, or which in any way might reasonably require access to the data of the State. The Service Provider shall not respond to subpoenas, service of process, and other legal requests related to the State of Delaware without first notifying the State unless prohibited by law from providing such notice.¹⁶

Response:

7. **Termination and Suspension of Service:** In the event of termination of the contract, the Service Provider shall implement an orderly return of State of Delaware data in CSV or XML or another mutually agreeable format. The Service Provider shall guarantee the subsequent secure disposal of State of Delaware data.
- a) **Suspension of Services:** During any period of suspension or contract negotiation or disputes, the Service Provider shall not take any action to intentionally erase any State of Delaware data.

Response:

- b) **Termination of any Services or Agreement in Entirety:**¹⁷ In the event of termination of any services or agreement in entirety, the Service Provider shall not take any action to

¹⁵ **Three years is non-negotiable.**

¹⁶ This includes Freedom of Information Act (FOIA) requests.

¹⁷ The State acknowledges that the ninety (90) day requirement is not applicable to insurance products. That timeframe is replaced with the following: Service Provider will retain the data for business processing reasons, such as claims run-out for twelve (12) months or until federal

intentionally erase any State of Delaware data for a period of ninety (90) days after the effective date of the termination. After such 90 day period, the Service Provider shall have no obligation to maintain or provide any State of Delaware data and shall thereafter, unless legally prohibited, dispose of all State of Delaware data in its systems or otherwise in its possession or under its control as specified in section 7d) below. Within this ninety (90) day timeframe, vendor will continue to secure and back up State of Delaware data covered under the contract.

Response:

- c) **Post-Termination Assistance**: The State of Delaware shall be entitled to any post-termination assistance generally made available with respect to the Services unless a unique data retrieval arrangement has been established as part of the Service Level Agreement¹⁸.

Response:

- d) **Secure Data Disposal**: When requested by the State of Delaware, the provider shall destroy all requested data in all of its forms, for example: disk, CD/DVD, backup tape, and paper. Data shall be permanently deleted and shall not be recoverable according to National Institute of Standards and Technology. The policy document is located at: <http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>

Response:

8. **Background Checks**: The Service Provider shall conduct criminal background checks and not utilize any staff, including subcontractors, to fulfill the obligations of the contract who has been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or any misdemeanor offense for which incarceration for a minimum of one (1) year is an authorized penalty. The Service Provider shall promote and maintain an awareness of the importance of securing the State's information among the Service Provider's employees and agents.

Response:

regulatory or Delaware Insurance Code requirements have been satisfied. The State of Delaware acknowledges that, pursuant to 42 CFR 423.505, the Center for Medicare Services ("CMS") requires retention for the current year plus ten (10) years.

¹⁸ A service level agreement is defined as a contract.

9. **Data Dictionary:** Prior to go-live,¹⁹ the Service Provider shall provide a data dictionary in accordance with the State of Delaware Data Modeling Standard at <http://dti.delaware.gov/pdfs/pp/DataModelingStandard.pdf>

Response:

10. **Security Logs and Reports:** The Service Provider shall allow the State of Delaware access to system security logs that affect this engagement, its data and or processes. This includes the ability for the State of Delaware to request a report of the records that a specific user accessed over a specified period of time.

Response:

11. **Contract Audit:** The Service Provider shall allow the State of Delaware to audit conformance including contract's terms²⁰, system security and data centers as appropriate. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense. Such reviews shall be conducted with at least thirty (30) days advance written notice and shall not unreasonably interfere with the Service Provider's business.

Response:

12. **Subcontractor Disclosure:** The Service Provider shall identify all of its **strategic business partners** related to services provided under this contract, including but not limited to, all subcontractors or other entities or individuals who may be a party to a joint venture or similar agreement with the Service Provider, who will be involved in any application development and/or **operations**.²¹

Response to 12:

¹⁹ In this instance, "go live" means that if your organization is awarded the contract, for Delaware data only, upon approval by the State, and before the first data exchange.

²⁰ This would be only for the technology and data security terms in the contract.

²¹ In order to comply with the requirement for "operations", any company that **delivers technology services** for the State's account would have access to the data and therefore is subject to all the requirements in this Section. Examples would be claims processor(s) and companies that lease a software platform with data storage. The company must provide their business information with a detailed description of the services provided on a signed Subcontractor form and respond to the requirements in the entire *Technical Standards and Security Requirements* section with applicable appendices in a separate document. Please confirm your understanding of this requirement, list the subcontractor's business information, and describe in detail the technology services that would be provided including how the data is accessed.

13. **Operational Metrics:** The Service Provider and the State of Delaware shall reach agreement on operational metrics and document said metrics in the Service Level Agreement. Examples include but are not limited to:
- a) Advance notice and change control for major upgrades and system changes
 - b) System availability/uptime guarantee/agreed-upon maintenance downtime
 - c) Recovery Time Objective/Recovery Point Objective
 - d) Security Vulnerability Scanning

Response to 13:

APPENDIX J1

DATA CONFIDENTIALITY AGREEMENT

****FOR STD PROGRAM ONLY and NON-INCUMBENT****

Data Exchange for the Short-Term and Long-Term Disability Insurance Program

This Data Confidentiality Agreement (“Agreement”) is undertaken and effective on the date of the State Employee Benefit Committee (SEBC”) award on _____ pursuant to the parties’ performance of a certain contract (“Contract”) effective July 1, 2019, by and between the State of Delaware (“State”) by and through the Department of Human Resources (“DHR”) on its own behalf and on behalf of the group health plan it sponsors for employees and other covered persons, collectively referred to hereafter as “Covered Persons”, and _____ (“Contractor”) with offices at _____, (“Parties”).

WHEREAS, the State issued a Request for Proposal (“RFP”) for the Short-Term and Long-Term Disability Insurance Program on June 25, 2018;

WHEREAS, in order to implement enrollment by the Covered Persons, the State and Contractor must exchange test, eligibility and enrollment files prior to the effective date of the Contract;

WHEREAS, Contractor desires to provide such data technology services to the State on the terms set forth in the Request for Proposal and as stated below;

WHEREAS, the information provided by the State is classified as Personally Identifiable Information (PII) and is information that, if divulged, could compromise or endanger the people or assets of the State and is data that is specifically protected by law; and

WHEREAS, the State and Contractor represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, the State and Contractor agree as follows:

1. The RFP provides for a data extract by and through Payroll Human Resources Statewide Technology (“PHRST”) and the Pension Office (hereafter “State”) to be provided to the Contractor to be used for implementation testing and enrollment.
2. The enrollment files generated by the State will be placed in a sub-folder on the State’s SFTP server. The Contractor is responsible to obtain the files from the server.
3. The RFP requires that the Contractor accept eligibility and enrollment files in specified formats.
4. The data is to be used for the following purposes and is not to be used for any other purpose.

- a. To populate the Contractor’s test environment; and
 - b. To populate the Contractor’s system so that eligible members may receive DIP services.
5. No clause of this Agreement shall be considered a waiver of any portion of the terms set forth in the RFP for which a Contract has been awarded to the Contractor. The terms of the document entitled *Non-Public Data - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions*, which is part of the RFP and a copy of which is attached hereto for reference, shall apply to the test and enrollment files to be provided by the State prior to the effective date of the Contract.

This Agreement was drafted with the joint participation of the undersigned Parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be in effect as of the latest date and year below written.

STATE OF DELAWARE
DEPARTMENT OF HUMAN RESOURCES

CONTRACTOR

 Signature
 Brenda L. Lakeman
 Director of Statewide Benefits

 Signature
 Printed Name: _____
 Title: _____

 Date

 Date

APPENDIX J2

DATA CONFIDENTIALITY AGREEMENT

****FOR LTD PROGRAM ONLY and NON-INCUMBENT****

Data Exchange for the Short-Term and Long-Term Disability Insurance Program

This Data Confidentiality Agreement (“Agreement”) is undertaken and effective on the date of the State Employee Benefit Committee (SEBC”) award on _____ pursuant to the parties’ performance of a certain contract (“Contract”) effective July 1, 2019, by and between the State of Delaware (“State”) by and through the Department of Human Resources (“DHR”) on its own behalf and on behalf of the group health plan it sponsors for employees and other covered persons, collectively referred to hereafter as “Covered Persons”, and _____ (“Contractor”) with offices at _____, (“Parties”).

WHEREAS, the State issued a Request for Proposal (“RFP”) for the Short-Term and Long-Term Disability Insurance Program on June 25, 2018;

WHEREAS, in order to implement enrollment by the Covered Persons, the State and Contractor must exchange test, eligibility and enrollment files prior to the effective date of the Contract;

WHEREAS, Contractor desires to provide such data technology services to the State on the terms set forth in the Request for Proposal and as stated below;

WHEREAS, the information provided by the State is classified as Personally Identifiable Information (PII) and is information that, if divulged, could compromise or endanger the people or assets of the State and is data that is specifically protected by law; and

WHEREAS, the State and Contractor represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, the State and Contractor agree as follows:

1. The RFP provides for a data extract by and through Payroll Human Resources Statewide Technology (“PHRST”) and the Pension Office (hereafter “State”) to be provided to the Contractor to be used for implementation testing and enrollment.
2. The enrollment files generated by the State will be placed in a sub-folder on the State’s SFTP server. The Contractor is responsible to obtain the files from the server.
3. The RFP requires that the Contractor accept eligibility and enrollment files in specified formats.
4. The data is to be used for the following purposes and is not to be used for any other purpose.

- a. To populate the Contractor’s test environment; and
 - b. To populate the Contractor’s system so that eligible members may receive DIP services.
5. No clause of this Agreement shall be considered a waiver of any portion of the terms set forth in the RFP for which a Contract has been awarded to the Contractor.

This Agreement was drafted with the joint participation of the undersigned Parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be in effect as of the latest date and year below written.

STATE OF DELAWARE
DEPARTMENT OF HUMAN RESOURCES

CONTRACTOR

 Signature
 Brenda L. Lakeman
 Director of Statewide Benefits

 Signature
 Printed Name: _____
 Title: _____

 Date

 Date

**** USE SEPARATE SIGNED PDF COPY ****

APPENDIX K

NON-DISCLOSURE AGREEMENT WITH CERTIFICATE OF DESTRUCTION

State of Delaware Short-Term and Long-Term Disability Insurance Programs

This Agreement is entered into as of June 25, 2018, by and between _____

_____ (“Vendor”)
and the State of Delaware (“State”).

“Proprietary Information” means information disclosed during the term of this Agreement that is not generally known and is proprietary to the State, or that the State is obligated to treat as proprietary. Proprietary Information shall include, but not be limited to: specifications and information about the State’s past, current or possible future employee, retiree and pensioner health plans; financial information or projections; non-public personal information, including protected health information and de-identified health information; including information obtained from third parties under nondisclosure agreements.

“Purpose of the Disclosure” means a review of de-identified enrollment, aggregate claims and financial information and aggregate diagnosis data for enrolled members of the Disability Insurance Program (DIP) for the purpose of responding to a proposal for administration of the DIP.

The parties hereby agree as follows:

1. **Property of State.** All right, title and interest in and to the Proprietary Information shall be and remain vested in the State. Nothing in this Agreement shall grant the Vendor any license or right of any kind with respect to the Proprietary Information, other than to review and evaluate such information solely for the Purpose of the Disclosure set forth above. All Proprietary Information is provided on an “AS IS” basis; and all representations and warranties, express or implied, are hereby disclaimed.

2. **Vendor’s Obligations.** Vendor agrees that it will:

(a) use commercially reasonable efforts to safeguard the Proprietary Information, and to prevent any unauthorized access, reproduction, disclosure, or use of any of the Proprietary Information other than for the Purpose of the Disclosure and then only in strict compliance with the provisions hereof and subject to any applicable laws;

~~(b) disclose the Proprietary Information only to those officers, directors, employees, consultants and advisors of the Vendor who need to know such information in order to carry out the Purpose of the Disclosure and, in the event the employment or engagement of any such person is terminated, the Vendor agrees to use commercially reasonable efforts to recover any Proprietary Information in such person's custody or control;~~

~~(c) not remove any copyright notice, trademark notice, or other proprietary legend or indication of confidentiality set forth on or contained in any of the Proprietary Information;~~

~~(d) promptly notify the State in writing of any unauthorized use or disclosure of the Proprietary Information, including a detailed description of the circumstances of the disclosure and the parties involved. In the event that Vendor is required to disclose any portion of any Proprietary Information received from the State by operation of law, Vendor may do so, provided the Vendor shall immediately notify the State in writing and Vendor shall provide the State with reasonable cooperation and assistance in obtaining a suitable protective order, and in taking any other steps reasonably necessary, to preserve the confidentiality of any such Proprietary Information; and~~

~~**(e) On or before September 1, 2018, Vendor shall dispose of all Proprietary Information in its systems or otherwise in its possession or under its control and in all of its forms, for example: disk, CD/DVD, backup tapes, and paper. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods and the attached certificate of destruction form shall be provided to the State of Delaware.**~~

~~3. **Exceptions.** Notwithstanding the provisions of Section 2 above, Vendor has no obligation to maintain the confidentiality of any Proprietary Information which: (a) Vendor can demonstrate was known by Vendor without violation of any contractual, fiduciary or other obligation of confidentiality prior to the disclosure thereof by the State; (b) properly came into the possession of Vendor from a third party which was not under any obligation to maintain the confidentiality of such information; (c) has become available to members of the public through no act or fault on the part of Vendor in breach of this Agreement; or (d) Vendor can demonstrate that it was independently developed by or for Vendor without the use of Proprietary Information.~~

~~4. **Term.** Vendor's obligations hereunder with respect to Proprietary Information disclosed by the State shall apply to all Proprietary Information provided to Vendor by State with respect to the Purpose of Disclosure terminate upon the Vendor's certification to the State that Vendor has returned or destroyed all Proprietary Information and has not retained any copies thereof.~~

~~5. **Equitable Relief.** Vendor agrees that any unauthorized use of the Proprietary Information by Vendor shall cause the State irreparable harm for which its remedies at law would be inadequate. Therefore, in addition to any other rights it may have at law, the State shall be entitled to seek equitable relief.~~

~~7. **General.** This Agreement constitutes the entire agreement and understanding between the parties with respect to the Proprietary Information listed above, and supersedes all prior and contemporaneous negotiations, discussions and understandings of the parties, whether written or oral. No waiver or modification of any of the provisions of this Agreement shall be valid unless in writing and signed by both of the parties. Vendor's rights under this Agreement may not be assigned to any third party without the State's prior written consent. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware. Should any provision of this Agreement be determined to be void, invalid or otherwise unenforceable by any court of competent jurisdiction, such determination shall not affect the remaining provisions hereof, which shall remain in full force and effect.~~

VENDOR

STATE OF DELAWARE

Authorized Signature

Brenda L. Lakeman
Director, Statewide Benefits

Name: _____

Title: _____

Address: _____

Address:
Department of Human Resources
Statewide Benefits Office
97 Commerce Way, Suite 201
Dover, DE 19904

**DELAWARE DEPARTMENT OF TECHNOLOGY AND INFORMATION
 CERTIFICATE OF DATA DESTRUCTION
 By External Entity/Company**

The information described below was destroyed in the normal course of business pursuant to State of Delaware retention schedule and the following policies and contract(s):

- The Delaware Information Security Policy, Disposal of Electronic Storage Media:
<https://dti.delaware.gov/pdfs/pp/DelawareInformationSecurityPolicy.pdf>
- Data Classification Policy:
<http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>
- Disposal of Electronic/Storage Media Policy:
<http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>
- **Request for Proposal (RFP) for Short-Term and Long-Term Disability Programs, June 25, 2018:**
 On or before September 1, 2018, Company will destroy all data files received for the purposes of preparing a bid in response to this RFP including, but not necessarily limited to, enrollment, aggregate claims and diagnosis data, and personally identifiable member data enrolled members of the Disability Insurance Program (DIP) for the purpose of responding to a proposal for administration of the DIP program. Company will send a certified letter to the DTI Chief Security Officer indicating the date, time and confirmation of the destruction along with this completed form and any documentation produced from the data destruction/data wipe software such as a certificate or certification log. Send via certified mail (or by a delivery service such as UPS or FedEx with a signature receipt required) to: Delaware Department of Technology and Information, Office of the Chief Security Officer, 801 Silver Lake Blvd., Dover, DE 19904 (302-739-9500) with a copy via email or regular mail to: State of Delaware OMB, Statewide Benefits Office, Attn: Laurene Ehemann, 97 Commerce Way, Suite 201, Dover, DE 19904.

Company Name and Address:	
Date of Destruction:	Authorized By:
Description of Information Disposed of/Destroyed: De-identified enrollment, aggregate claims and financial information and aggregate diagnosis data for enrolled members of the Disability Insurance Program (DIP) for the purpose of responding to a proposal for administration of the DIP.	
Inclusive Dates Covered: 2016-2018	
METHOD OF DESTRUCTION:	
<input type="checkbox"/> Burning	<input type="checkbox"/> Pulverizing
<input type="checkbox"/> Overwriting	<input type="checkbox"/> Reformatting
<input type="checkbox"/> Pulping	<input type="checkbox"/> Shredding
<input type="checkbox"/> Other:	
Records Destroyed By*:	
If On Site, Witnessed By:	
Department Manager:	

**If the records are destroyed by an outside firm, provide the company name and address and confirm that a contract exists.*

APPENDIX L

KEY DOCUMENT AND POLICIES AND PROCEDURES REVIEW CHECKLIST

You are required to have an authorized representative of your company’s operations area:

- Review each of the following documents and policies and procedures,
- Check off that each has been reviewed, and
- Have the appropriate authorized representative sign this worksheet to confirm this has been completed. Please include the completed form with your proposal.

Key Document or Policy and Procedure	Reviewed?
DIP statutes: Title 29, Chapter 52A, at http://delcode.delaware.gov/title29/c052a/ Including § 5257: Return to Work and § 5258: Appeals	
DIP eligibility definition: Title 29 Chapter 55, at http://delcode.delaware.gov/title29/c055/index.shtml	
Leave rules: Title 29, Chapter 59, §5933, at http://delcode.delaware.gov/title29/c059/sc03/index.shtml	
DIP Rules & Regulations: https://ben.omb.delaware.gov/disability/documents/rules-regulations.pdf?ver=0901	
DIP RTW: https://ben.omb.delaware.gov/disability/rtw.shtml	
STD Appeals Process: https://ben.omb.delaware.gov/disability/documents/std-appeals-process.pdf?ver=0815	
Senate Bill No 337 - Public Officers and Employees DIP - see LTD FAQ #20 at: https://ben.omb.delaware.gov/disability/documents/faq-sec-4.pdf?ver=0929	
Attachment 4: Summary of House Bill No 214	
Attachment 5: LTD policy booklet #1 (ASO LTD)	
Attachment 6: LTD policy booklet #2 (ASO LTD Rider)	
Attachment 7: LTD policy booklet #3 (LTD Appoquinimink)	
Attachment 8: LTD policy booklet #4 (LTD Brandywine)	
Attachment 9: LTD policy booklet #5 (LTD Christina)	
Attachment 10: LTD policy booklet #6 (LTD Core)	
Attachment 11: LTD policy booklet #7 (LTD Red Clay)	

Key Document or Policy and Procedure	Reviewed?
Attachment 13: STD policy booklet	
Attachment 14: Enrollment File Layout from Pension Office 041818	
Attachment 27: Salary Supplement_ Employees Approved for WC & State PIP	

I certify that our response to the State of Delaware's Request for Proposal for the Short-Term and Long-Term Disability Programs, DHR18002-DisabIns, was developed in compliance with these key documents and policies and procedures. I acknowledge that the State of Delaware will rely upon the information included in our response to make decisions concerning the administration of these benefits that are offered to their employees.

Authorized Representative's Signature

Date Signed

APPENDIX M

PROPOSED PREMIUM AND FEES

See separate document in Excel.