



State of Delaware
Office of Management & Budget
Statewide Benefits Office

STATE EMPLOYEE BENEFITS COMMITTEE

**Request for Proposal for the
State of Delaware's Voluntary Dental Benefit Program**

June 29, 2015

Intent to Bid Deadline – Monday, July 13, 2015, noon ET

**Mandatory Pre-Bid Meeting (Conference Call) –
Wednesday, July 15, 2015, 1:30 p.m. ET**

Proposals Due – Tuesday, July 31, 2015, by noon ET

OMB15002–DentalIns

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I. Introduction

On behalf of the State of Delaware, the State Employee Benefits Committee (SEBC) is seeking proposals to continue providing a dental insurance program to approximately 49,000 eligible active employees, pensioners, and participating groups' employees and their dependents.

For complete information about the dental benefits, please go to <http://ben.omb.delaware.gov/dental/index.shtml>

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.E.)

| | |
|--|---|
| Contract Effective Date: | July 1, 2016 |
| Open Enrollment: | May, 2016 |
| Intent to Bid Due¹: | Monday, July 13, 2015, by noon ET |
| Mandatory Pre-Bid Meeting (Conference Call)² | Wednesday, July 15, 2015, 1:30 p.m. ET |
| Vendor's Questions Due: | Friday, July 17, 2015, by noon ET |
| Proposal Submissions Due: | Friday, July 31, 2015, by noon ET |

A signed non-disclosure agreement is required by the Intent to Bid deadline of Monday, July 13, 2015, by noon ET. Census, claims/utilization, and provider network files will only be provided to those bidders after a confirmation of intent to bid and a signed non-disclosure agreement is received. NOTE: Brokers cannot execute the non-disclosure agreement on behalf of their client. Please see Section II.B.3 in the *General Terms and Conditions* for more detail.

The Mandatory Pre-Bid Meeting (Conference Call) will be a webinar conference call to discuss bid submission 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. **IMPORTANT:** Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting. See Section II.B.5 in the *General Terms and Conditions* for more detail.

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

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.5 for details.

A. Background and Overview

Organization Description

The SEBC is chaired by the Director of the Office of Management and Budget (OMB). The Committee is comprised of the Insurance Commissioner, the Chief Justice of the Supreme Court, the State Treasurer, the Director of the Office of Management and Budget, the Controller General, the Secretary of Finance, the Secretary of Health and Social Services, the Lieutenant Governor, and the President of the Correctional Officers Association of Delaware or their designees. The Statewide Benefits Office (SBO) is a division within the OMB. 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, dental, vision, disability, life, flexible spending accounts, supplemental benefits, wellness and disease management programs, and pre-tax commuter benefits. Visit <http://ben.omb.delaware.gov> for information about the programs. The SEBC controls and manages benefits for approximately 23,000 active employees, approximately 26,000 retirees, along with approximately 8,500 members of participating groups, and their dependents.

Dental Plans' Eligible Members and Enrollment

Currently State employees, employees of participating groups, and pensioners or retirees (collectively, "members") can choose a Dental HMO or PPO plan. In this RFP, a pensioner or retiree is defined as both non-Medicare retirees and Medicare eligible retirees.

Approximately 10,000 school district employees along with the University of Delaware employees are offered a dental benefit through their school district and are not eligible to participate in the State's dental plan. However, effective at the start of each fiscal year, July 1, a school district(s) may drop their coverage and those employees can elect to participate in the State's plan. As of this time, the SEBC has not been notified of a drop of those organizations' dental insurance plans.

Participating groups are entities such as municipalities, towns and cities, and volunteer fire companies that were granted the opportunity through legislative approval to participate in the Group Health Insurance Plan (GHIP). For dental insurance, there are currently 36 participating groups.

As of May 2015, the number of eligible and enrolled members is as follows:

Eligible Members:

| Active Employees and Participating Groups | Retirees (Pensioners) | Grand Total |
|--|------------------------------|--------------------|
| 23,396 | 25,673 | 49,069 |

Enrollment:

Dental HMO

| Tier | Active Employees | (Retirees) Pensioners | COBRA | Total |
|-----------------------------|-------------------------|------------------------------|--------------|--------------|
| Subscriber Only | 1,185 | 1,025 | 0 | 2,210 |
| Subscriber + Spouse | 409 | 493 | 0 | 902 |
| Subscriber + Child(ren) | 464 | 68 | 0 | 532 |
| Subscriber + Family | 748 | 85 | 0 | 833 |
| Grand Total Enrolled | 2,806 | 1,671 | 0 | 4,477 |

Dental PPO

| Tier | Active Employees | (Retirees) Pensioners | COBRA | Total |
|-----------------------------|-------------------------|------------------------------|--------------|---------------|
| Subscriber Only | 6,014 | 6,472 | 4 | 12,494 |
| Subscriber + Spouse | 2,628 | 4,294 | 2 | 6,926 |
| Subscriber + Child(ren) | 3,089 | 386 | 1 | 3,477 |
| Subscriber + Family | 3,638 | 398 | | 4,036 |
| Grand Total Enrolled | 15,369 | 11,550 | 7 | 26,926 |

B. Proposed Plan Designs

Minimum Plan Designs

Bidders are encouraged to provide proposals for the HMO and PPO plan, but it is not required that vendors provide proposals for *both* the Dental HMO and Dental PPO plans.

The SEBC may award both plans to one vendor or one plan to different vendors. Interested vendors are required to meet or exceed the minimum plan designs in Attachments 1 and 2. Appendices A and B are to be completed for variances that exceed the coverage levels from the minimum plan designs.

Use Appendices E and F for your rate quotes. Best and Final Rates will not be requested after your bid submission. Please provide your best and final rates with your initial proposal.

Alternate Plan Designs

Bidders may also submit at least one alternate plan design for evaluation by the SEBC. Bidders are encouraged to submit multiple plan designs so the SEBC can choose the coverage most suitable for eligible members. Use Appendices C and D for your alternative plan descriptions and Appendices E and F for your rate quotes. Best and Final Rates will not be requested after your bid submission. Please provide your best and final rates with your initial proposal.

Once it has been determined that a bidder has met the Minimum Requirements and has been selected as a finalist, alternative plan designs will be evaluated. The SEBC may choose not to award an alternate plan design for either or both PPO and HMO plans.

Optional Implant Coverage

The State is also entertaining proposals for adding implant coverage to both the current HMO and PPO dental plans, see Attachment 3. Implants will not be an optional rider and the inclusion of implant coverage must be quoted as a separate plan design and blended rate. Quotes for these rates are to be included in Appendices E and F. As for the alternative plan designs, the SEBC may choose not to award a PPO or HMO plan design with implant coverage included. Best and Final Rates will not be requested after your bid submission. Please provide your best and final rates with your initial proposal.

C. Proposal Objectives

The SEBC desires to contract with an organization specializing in providing a dental insurance benefit program for clients of similar size. 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 voluntary dental benefits;
- provide excellent customer service to participants;
- provide excellent account management services to the State, including timely reporting;
- meet performance guarantees; and
- be responsive to requests of the SEBC.

D. Scope of Services

The selected organization is required to provide the following services, at a minimum, to members³:

- a. Voluntary Dental Benefit Program – Please see Attachments 1 and 2 for the minimum PPO and HMO benefit plan designs. A request for optional implant coverage is being requested and is described in Attachment 3.
- b. Reputation and historical experience in the dental insurance benefit market.
- c. Superior program implementation support.
- d. Provide excellent account management to the Statewide Benefits Office with timely reporting and ease of accessibility to the account manager.

³ This is a general list of services. Details are set forth in the minimum qualifications and questionnaire sections.

- e. Support the State with communication to all eligible employees about the dental insurance program with posters, flyers, newsletters, brochures and other types of media along with occasional direct mailings to eligible employees.
- f. Ease of access by participants to a secure web portal for enrollment and plan information.
- g. Capability to accept electronic transfer of employee enrollment information.
- h. Accepting enrollment files in existing layouts.
- i. Excellent customer service to eligible employees and pensioners.
- j. Processing and payments of claims in a timely manner.
- k. Offer an adequate dental provider and retail vendor network to eligible participants.
- l. Ability to accept paper enrollment and coverage change forms by fax from participating groups.

E. Timetable/Deadlines

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

| Event | Target |
|--|----------------------------|
| RFP Released | Mon 06/29/15 |
| Intent to Bid Deadline ⁴ | Mon 07/13/15, noon, ET |
| Mandatory Pre-Bid Meeting (Conference Call) ⁵ | Wed 07/15/15, 1:30 p.m. ET |

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

⁵ The Mandatory Pre-Bid Meeting (Conference Call) will be a webinar conference call to discuss bid submission 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. IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting. See Section II.B.5 for details.

| | |
|--|--------------------------|
| Follow-up Questions due to SBO from Confirmed Bidders | Fri 07/17/15, noon, ET |
| Responses due to Questions to Confirmed Vendors from SBO | Fri 07/24/15 |
| Deadline for Bids | Fri 07/31/15, noon, ET |
| Notification of Finalists - Invitation to Interview | Week of Monday, 09/07/15 |
| Finalist Interviews ⁶ (SAVE THE DATE) | Thurs 10/08/15 |
| Contract Award | November 2015 |
| Open Enrollment | May 2016 |
| Plan Effective Date | Tuesday 07/01/16 |

F. Evaluation and Contract Award Process

Proposal Review Committee

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

- Office of Management and Budget
- Controller General's Office
- Department of Finance
- 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
- President of the Correctional Officers Association of Delaware

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 discussion regarding customer service and account management on-line functions. Because the finalist notifications may go out as late as a week or two beforehand, SAVE THE DATE of Thursday, October 8, 2015.

The PRC 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.

Finalist Interviews: 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 Technology and Data Requirements in Section VI 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, award to one vendor, or award to multiple vendors.

Evaluation Criteria

All proposals shall be evaluated using the same criteria and scoring process. **The PPO and HMO plans will be scored separately.** Therefore, the same vendor or multiple vendors may be selected by the PRC. The following criteria shall be used by the PRC to evaluate proposals:

| Topic and Weighting | Description |
|-----------------------------------|---|
| Responsiveness – 5% | 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. |
| Plan Design and Cost - 30% | Reasonable rates compared to other competitive proposals for the minimum benefit plan design. The optional plan design levels will also be evaluated for reasonable rates compared to other competitive proposals that, at its discretion, the SEBC may elect to offer to eligible members. Best and Final Rates will not be requested after your bid submission. Please provide your best and final rates with your initial proposal. |

| | |
|--|---|
| Organization's Ability and Experience - 25% | Depth of the organization's experience and ability with accounts of similar size. Proven ability and infrastructure, including on-line web portal technology and data security requirements, and to perform the services as outlined in the Scope of Services. Qualifications and experience of the organization's personnel to provide excellent customer service to the participants and account management services. |
| Network – 25% | Adequate dental networks provided for each plan. |
| Administrative Services - 15% | Demonstrated ease of access to account management personnel and the ability to be responsive and solve problems for members and the Statewide Benefits account team. Ability to provide reports and all account management services within required timeframes. |

The SEBC will use the information contained in your proposal to determine whether you 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.

RFP Award Notification

After review by the PRC, a recommendation will be made to the SEBC for award of the contract. Whether or not the vendor is the incumbent, the *Data Confidentiality Agreement*, Appendix S, is required of the awarded vendor before data exchanges can take place for implementation prior to the Open Enrollment period. The *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions* document, Appendix R, will be an attachment to the *Data Confidentiality Agreement* and, therefore, the same data technology requirements that are in effect for the contract will also be in effect during implementation and prior to the effective date of the contract, July 1, 2016. **The Data Confidentiality Agreement must be signed by your organization and any subcontractor(s) used for technology services within five (5) business days of the recommendation for an award by the Proposal Review Committee to the SEBC.** If the document is not signed within

five (5) business days, the recommendation will be withdrawn and the PRC will recommend their second choice to the SEBC for an award at the next regularly scheduled SEBC meeting.

The contract shall be awarded to the vendor whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. It should be explicitly noted that the SEBC is not obligated to award the contract to the vendor who submits the lowest bid rather the contract will be awarded to the vendor whose proposal is determined by the SEBC to be the most advantageous. The award is subject to the appropriate State of Delaware approvals. After a final selection is made, the winning vendor will be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their selection status.

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.

G. Confidentiality of Documents

The OMB 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. Organizations are advised that when a contract has been fully executed, the contents of the proposal and terms of the contract will become public record and nothing contained in the proposal or contract will be deemed to be confidential except proprietary information. Pricing information and fee structures typically are treated as confidential only until the contract to the awarded vendor has been executed and cannot be included as 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.

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. Proposing firms must submit one hard copy of any information the firm is seeking to be treated as proprietary in a separate, sealed envelope labeled

“Proprietary Information” with the RFP name included. The envelope must contain a 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 documents must also be provided electronically on a CD with a complete redacted copy. In order to submit a complete electronic copy, you must scan the letter as the first page so that the file is clearly designated.

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 OMB. 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.

Please see Section II.C., *Submission of Proposal*, for a detailed description of the number, format, and type of copies that are required.

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, OMB 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.

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 appendix to your proposal.
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** – You must indicate your intent to bid via email to Ms. Laurene Eheman at laurene.eheman@state.de.us by Monday, July 13, 2015, no later than noon ET. Upon receipt, a Word document of the RFP will be provided. **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 address, the name, title, and email address of the primary contact along with the same information for a secondary contact.
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. **Non-Disclosure Agreement** - A signed non-disclosure agreement is required by the Intent to Bid deadline of Monday, July 13, 2015, by noon ET. Census, claims/utilization, and provider network files are collectively referred to as Attachment 11 throughout the RFP. These documents will only be provided to those bidders after a confirmation of an intent to bid and a signed non-disclosure agreement is received. These documents. NOTE: Brokers cannot execute the non-disclosure agreement on behalf of their client. After signature, scan all the pages and e-mail to Ms. Laurene Eheman at laurene.eheman@state.de.us. The data files will be sent via UPS overnight mail and instructions to access the data file will be included in the reply email confirmation.
4. **Definitions** – The following terms are used interchangeably throughout this RFP:
 - a. bidder, vendor, contractor, organization, service provider
 - b. SEBC, State of Delaware
 - c. proposal, bid, vendor’s submission
 - d. pensioner, retiree
5. **Mandatory Pre-Bid Meeting (Conference Call)** – A webinar will take place on Wednesday, July 15, 2015, at 1:30 p.m. ET. The purpose is to discuss the bid submission requirements of the organization and formatting of hard copies and electronic copies. We will also discuss the technology requirements. Your organization’s primary contact for the RFP or their designee must participate. Two other representatives are highly encouraged to participate – the administrative person who will be compiling the hard and electronic copies, and, the person who will be responding to the requirements in the *Technical Standards and Security Requirements* section. Details regarding the webinar process will be forthcoming. **Your bid will not be accepted if your organization does not participate in the webinar.**

Questions regarding other topics will not be entertained and must be submitted in the Questions process as described in Section II.B.7.

6. **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 opening by using the *RFP Terms and Conditions Exception Tracking*, Appendix L. 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 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.

7. **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 statements⁷ 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 31, 2015, by noon ET.** So that we can be sure to respond within the context of the question, if you are referring to a specific question or term, you must copy the question or information and reference the section, question number, and/or page number. 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.

⁷ Statements made by the State during the Mandatory Pre-Bid Meeting regarding the requirements for proposal submission (hard and electronic copies) and responses to the *Technical Standards and Security Requirement* section that are not in the RFP may be compiled and issued as an Addendum.

Contract/Rate Guarantee Periods

The term of the contract will be for three (3) years beginning July 1, 2016. The vendor must guarantee the rates through June 30, 2019. Vendors will be asked if they are willing to provide rate caps for two (2) additional optional one-year periods that may be exercised at the discretion of the SEBC effective July 1, 2019 and July 1, 2020. The State will have the option to renew the contract annually following the initial three-year contract period for two (2) one year options.

Term

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 by either party upon 180 days written notice. 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. Please refer to Appendices I and J.

Use of Subcontractors

Subcontractors are subject to all the terms and conditions of the RFP.

Required Reporting of Fees and 2nd Tier Spend

Monthly Vendor Usage Report - One of the State's primary goals in administering all its contracts is to keep accurate records regarding actual value/usage. This information is essential in order to update the contents of a contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around the State's ability to convey accurate and realistic information to all interested parties. For benefit programs, only the administrative fees are reported.

A complete and accurate Usage Report (for illustrative purposes, Attachment 4) shall be furnished in an Excel format and submitted electronically to the State's central procurement office no later than the 15th (or next business day after the 15th day) of each month, stating the administrative fees on this contract. The SBO will submit this report on your behalf, and because this is an employee pay-all program and there no fees paid by the State, the report will state "zero".

2nd Tier Spending Report - In accordance with Executive Order 44, the State of Delaware is committed to supporting its diverse business industry and population. The successful Vendor will be required to accurately report on the participation by Diversity Suppliers which includes: minority (MBE), woman (WBE), veteran owned business (VOBE), or service disabled veteran owned business (SDVOBE) under this awarded contract. The reported data elements shall include but not be limited to: name of state contract/project, the name of the Diversity Supplier, Diversity

Supplier contact information (phone, email), type of product or service provided by the Diversity Supplier and any minority, women, veteran, or service disabled veteran certifications for the subcontractor (State OSD certification, Minority Supplier Development Council, Women's Business Enterprise Council, VetBiz.gov). The format used for Subcontracting 2nd Tier report is shown as in Attachment 4.

Accurate 2nd Tier Reports shall be submitted to the Office of Supplier Diversity on the 15th (or next business day) of the month following each quarterly period. For consistency, quarters shall be considered to end the last day of March, June, September and December of each calendar year. Contract spend during the covered periods shall result in a report even if the contract has expired by the report due date. You will be asked for this information and the SBO will submit this report on your behalf.

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.
 - 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 susceptible 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. 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

1. **Format** - For each requirement or question, retain the numbering/lettering convention, copy the item and state your answer below it. Please completely answer the question even if you must restate information provided in a minimum requirement or in another question.

In each section, and for each attachment or appendix you reference, clearly separate the corresponding materials with a tab. Please include a table of contents for the appendices.

2. **Hard Copies** – Please submit four (4) complete hard copies - binders are preferred instead of spiral bound - of your proposal to Ms. Laurene Eheman at the following address:

Ms. Laurene Eheman, RFP and Contract Manager
 Office of Management and Budget
 Statewide Benefits Office
 500 W. Loockerman Street, Suite 320
 Dover, DE 19904
 Phone: (302) 739-8331

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.

3. **Electronic Copies** – Please include a *complete* 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 appendices. Please divide the PDF into manageable sections for easier readability.⁸ Please label and carefully package the CD.
4. **Redacted Copies** – Information that you assert is confidential and proprietary must be submitted in a redacted form within the entire proposal. 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:

⁸ As stated in the *Technical Standards and Security Requirements* section, sub-heading *Directions*, please ensure that your hard copy response (and exhibits, if any) to that section are in a separate tab and the electronic copy is in a separate PDF.

For all transactions, the following conditions must be met:

- individual section policies are followed;
- verbal price quotes are obtained;
- State Contracts must be utilized;
- purchases over \$3,000 have a corresponding purchase order prior to the charge and fragmentation of purchases is prohibited.

In addition, [REDACTED] Employee must reimburse the State of Delaware for any expenditure above the allowable amounts.

Any questions on requirements should be directed to staff in GMI Financial Operations.

2. Coordinator/Back-Up Coordinator – Designation, Roles and Responsibilities
The Coordinator or Back-Up Coordinator will be responsible for maintaining a file which shows all applications, signed affidavits, and policies and procedures. Any issue that arises with the employee or [REDACTED] is to be dealt with first by the Coordinator or Back-up Coordinator. The Coordinator or Back-Up Coordinator is also responsible for ensuring that the purchases comply with the state and federal legislation, regulations, policies and procedures. [REDACTED]

[REDACTED] and attached to a weekly log (EWSB) C). Any employee not producing a receipt must complete an affidavit statement certifying that they did in fact purchase the particular item. The affidavit statement must be signed by the employee and the supervisor or section designer.

Reconciler - The Reconciler is responsible for applying the shared information in the First State Financial system. The Reconciler is also responsible for ensuring that the purchases comply with the state and federal legislation, regulations, policies and procedures.

Approval - [REDACTED]

3. Request for an Application
All requests need to be addressed to the employee's supervisor for approval. The supervisor then will request a SuperCard approval from the Coordinator or Back-up Coordinator.

One (1) 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 appendix 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)”.

One (1) electronic copy is needed with the redacted materials in a PDF format on a separate CD from the non-redacted copy. You must scan all the documents; for example, the signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability. Please label and carefully package the CD.

| Recap of Proposal Copy Formats | Hard Copies | PDF Copies on separate CDs |
|--|-------------|----------------------------|
| Confidential and Proprietary documents: <u>Only</u> those documents (not redacted) and the attorney's cover letter in a marked and sealed envelope (See Page 13, <i>Confidentiality of Documents</i> , for the requirement.) | 1 | 1 |
| Complete bid <u>with</u> redacted sections | 1 | |
| Complete bid <u>without</u> redacted sections | 4 | 1 |

5. **Proposal Submission Date** – Both hard and electronic copies of your complete proposal must be received at the above address no later than **noon ET on Tuesday, July 31, 2015**. 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.

6. **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.
7. **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 K, and include it in your bid package.
8. **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.
9. **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 posted on the State of Delaware’s website at www.bids.delaware.gov.
10. **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.
11. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications will be requested in writing and the vendor’s responses will become part of the proposal.
12. **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 services 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.

13. **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 correction of the proposal for the purpose of the evaluation.
14. **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.
15. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
16. **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 G, and include it in your bid package.
17. **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.
18. **Representation Regarding Contingent Fees** – By submission of a proposal, the proposing firm represents that it has not retained any person or agency to solicit or secure a contract for the services described herein upon an agreement or understanding for a commission or a percentage, brokerage, or contingent fee. The SEBC will not pay any 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 finder's fees.
19. **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.
20. **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.

21. **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.
22. **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.
23. **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.
24. **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

IMPORTANT: The following minimum requirements are mandatory. Failure to meet any of these proposal criteria may result in disqualification of the proposal submitted by your organization. Additionally, the Technology and Data Requirements in Section VI are considered minimum requirements.

“Will discuss” and “will consider” are not appropriate answers. If your organization is the current vendor, please reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.

As an introduction, please provide the firm’s name, 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. Include the name and information for the primary contact, including email address, for this RFP. Also, include your company’s website address.

1. The selected vendor must have at least five (5) years’ experience as an organization in providing the type of services to be procured through this competitive RFP process. Please confirm that you have reviewed the Scope of Services included in this RFP and that you have provided these services for other clients. 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 experience in working with dental insurance benefit programs similar in size and complexity. Because more detailed questions follow, please provide only a broad outline here of the organization’s years of experience and qualifications listed in the Scope of Services.
2. 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 five (5) years’ experience providing dental insurance benefit account management, of which three (3) years’ experience must have been in providing dental insurance benefit account management services to clients of similar size. Please provide a statement detailing such experience and a resume.
3. Of your company's current clients, using the list of information below, provide three (3) or more references with an excess of 50,000 eligible lives and 20,000 enrolled lives or participants. One of the three must be a public sector client of any size of eligible lives or participants. Additionally, provide references for three (3) terminated clients and note the date of termination and reason.

Your company must have proven ability to perform the services described in this RFP, therefore, you must provide the references at this time in order to show your ability to serve clients of a similar size. If requested in your bid response, the SEBC will agree to notify you before contacting your references during the initial bid analysis process. Then, if selected as a finalist, you will be asked to arrange for your current client references to contact Ms. Laurene Eheman. Specific instructions will be provided at that time.

Include the following information:

- a. Client name
 - b. Client principal location
 - c. Location servicing account, if different
 - d. Client contact including name, title address, email and phone number
 - e. Total number of employees
 - f. Number of employees that participate in the dental insurance benefit
 - g. Effective date of contract
 - h. (Date and reason for termination, if applicable)
4. Please confirm that the primary contact and/or lead personnel assigned to a transition/implementation team and account management team will be part of any interview team. Additionally, confirm that during the presentation the vendor will provide a demonstration of on-line information and any account management functions.
 5. Please confirm that your company will provide regular information concerning dental health and will provide articles and other communications at a frequency determined by the State for inclusion in newsletters and websites.
 6. Please confirm that enrollment information, such as a Welcome Packet, will be mailed to the homes of all newly enrolled employees or retirees within fourteen (14) calendar days upon receipt of the enrollment file from the State or paper enrollment form from participating groups.
 7. Please confirm that your organization will not use the names, home addresses or any other information obtained about participants of the dental insurance benefit program for 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.
 8. Please confirm that you will meet with the State on-site at least annually, and if required by the State on a quarterly basis, noting your company performance according to the performance guarantees in place and to review plan participation.
 9. Please confirm that your organization will provide on-site representation throughout Delaware for two days of benefit representatives' meetings in April each year as well as approximately five days of educational sessions and health fairs in May at various locations in all three counties.
 10. Please confirm that your organization will provide communications including the production and distribution of promotional materials at no cost to the State and participants to approximately 125 human resource offices with the State of Delaware concerning the open enrollment period.

11. Please confirm that you will provide a customer service toll-free telephone line during normal business hours.
12. Please confirm that you will provide a toll-free telephone number for Statewide Benefit Office account management personnel and HR benefit representatives.
13. Participants may only enroll during Open Enrollment in May for coverage beginning on the following July 1, the start of the State's fiscal year. New hires must follow the eligibility rules for the dental plans – Section 10.01 (Attachment 5). Your organization must accept the State's eligibility rules for employees, pensioners and their dependents (which are highlighted in the attachment) and cannot deviate. (Please note that dependent coverage is available until age 26.)
14. Please confirm that your system is able to handle multiple coverage termination rules depending on the type of Qualifying Event (QE). The State requires that coverage terminates at the end of the month for all QEs except:
 - a. Coverage terminates the day after the effective date of a divorce; and
 - b. Coverage for the ex-spouse of a retiree covered by a Medicare supplement plan will terminate on the last day of the month in which the divorce is final.
15. Please confirm that the same tiered rates will be one set of rates that will apply to eligible active employees, pensioners and COBRA participants.
16. Please confirm that your company will accept active employee premiums through bi-weekly pre-tax payroll deductions.
17. Please confirm that your company will accept pensioner premiums at the end of each month through automatic payroll deduction from their monthly pension benefit.
18. Please confirm that your organization accepts the following concerning premium payment: Premiums will be paid to your organization via monthly payroll deductions within thirty (30) days of the end of the month.
19. The vendor agrees to abide by the State's lagged payroll billing and payment process. The monthly payroll deductions will be paid within thirty (30) days of the end of that month. The vendor agrees to provide credit for retroactive terminations for up to ninety (90) days.
20. The State shall have no obligation to pay premiums or fees to the vendor for the performance of services of this employee-pay-all benefit. It is expressly understood that the work defined in the appendices to this Agreement must be completed by the vendor and it shall be the vendor's responsibility to ensure that hours and tasks are properly budgeted so that all services are completed.

21. Minimum (Current) Plan Design and Rate Quote:

- a. Attachment 1 and 2 provide plans that represent the current plan designs offered to employees. If you are unable to match these minimum plan designs, you must provide for coverage that exceeds the current benefits. Please complete Appendices A and B and include it in your bid package.
- b. For your rate quote on this plan design, use Appendices E and F. Census and claims/utilization data are provided as Attachment 11 on the disc. Provide one set of rates per tier which will apply to employees and pensioners for a three (3) year contract period beginning July 1, 2016. You must guarantee the contract period rates through June 30, 2019. Following the initial three-year contract period, the State will have the option to renew the contract for two (2) one-year periods. Vendors must also provide renewal rate caps expressed in a percentage for optional Years 4 and 5 to be effective on July 1, 2019 and July 1, 2010. Do not leave Years 4 and 5 blank.
- c. Label this hard copy set as “PPO (or HMO) Minimum Plan Design” with your company name.
- d. On the electronic copies, make sure the file name is changed to state the plan design. For example: “HMO Minimum Plan Design” and “HMO Minimum Plan Design Rate Quote”.
- e. **Best and Final Rates will not be requested. Please provide your best and final rates with your initial proposal.**

Please confirm your understanding and compliance with these requirements.

22. Alternative Plan Design(s) and Rate Quote:

- a. Bidders may also submit alternate plan designs for evaluation by the SEBC for each coverage. Bidders are encouraged to submit at least one alternate plan design so the SEBC may choose the coverage levels most beneficial to the eligible members.
- b. The implant benefit is not required to be part of the plan design, however we are requesting quotes including this benefit. The description of the implant plan design features is listed in Attachment 3.
- c. Use Appendices C, D, E and F to provide your alternative levels of coverage and rate quotes. Clearly label the electronic copies to state plan design. Examples: “PPO Alternative Plan Design”, “PPO Alternative Plan Design Rate Quote”, and “HMO Alternate Plan Design with Implant Coverage”.
- d. **Best and Final Rates will not be requested after your bid submission. Please provide your best and final rates with your initial proposal.**

Please confirm your understanding and compliance with these requirements.

23. Please confirm your acceptance that there is no minimum enrollment requirement for the coverages listed in the RFP.
24. If awarded the contract, you agree to recruit the top five (5) providers currently utilized by the current active employees and the top five (5) providers currently utilized by the retirees if they are not currently in the network for your organization.
25. Please confirm that services will extend nationwide to all eligible employees and retirees.
26. Please confirm that your organization will run a geo-access analysis and provider disruption on an annual basis to compare the prior year's information with the current year's census. If the results of the geo access and provider disruption indicate a negative 10% net change or more, the State reserves the right to renegotiate the rates.
27. If your organization is not the incumbent and is awarded the contract, please confirm that participants enrolled in the program through June 30, 2016, will be eligible for benefits that are covered once a year. In other words, if a participant used the exam and cleaning benefits on June 30, the same participant could use the same benefits with your company on July 1.
28. Do you guarantee that all insureds (including COBRA participants) that would have continued to be covered on the plan effective date if there had been no change in vendors will be covered by your policy on the plan effective date?
29. Please confirm that your organization will perform **all** premium and plan coverage and tier enrollment reconciliations at no cost to the State.
30. Please confirm that your organization can accept paper enrollment and coverage change forms via fax from participating groups.
31. Open Enrollment must be done via the eBenefits module in PeopleSoft for active employees. For State pensioners, the Office of Pensions will enter enrollment and changes using a paper enrollment form into a PeopleSoft system. All enrollment and changes during open enrollment and throughout the year will be transmitted to the selected vendor via a weekly file process. On a weekly basis, the selected vendor will receive two separate enrollment files, one for the active employee population and one for the pensioner population. The vendor must use the current file specifications, see Attachment 8, and will only receive the employee/pensioner identification number on the enrollment files. Under no circumstances will the full nine (9) digits for social security numbers be released. Please confirm your acceptance.
32. Active employees are paid on a bi-weekly basis (26-pay schedule), however some employees are paid on a 22-pay schedule. These are typically school district and higher education employees. Therefore, deductions in June and July may be doubled, tripled, or quadrupled in a specific pay-period. Example pay schedules for active employees (PHRST system) are provided in Attachment 9. A schedule of the multiple number of deductions during a specific pay period will be finalized with the awarded vendor. Please confirm that you can adjust your system to accept the payroll deductions of multiple deductions in

specific pay periods with no benefit deductions as noted in the summer months. Refer to Question 19 regarding the State's self-invoice process.

33. Please confirm that your organization can provide the reports listed in the *Master Report List*, Attachment 6, at no cost to the State. If so, please indicate whether or not these reports are available on-line. Please provide a sample of these types of reports and include samples of any reports that are available but not listed.
34. Please confirm that your organization can provide *ad hoc* reports as requested. Is there a fee for such reports? If so, please indicate on Appendices E and F, *Rate Exhibits*. Please provide a sample of a type of *ad hoc* report that was produced for a client.
35. Attachments 1 and 2 provide plans that represent the minimum plan designs offered to the employees and retirees. Please confirm your understanding that you must match the minimum plan designs and you may offer coverage that exceeds the current benefits. Your company can quote on both the HMO and the PPO or just one of the two.
36. Please confirm that all fees or costs to administer the program are included in your premiums quoted on the *Rate Exhibits* forms, Appendices E and F. Because this is an employee-pay-all plan, **the State will not pay for any costs** to communicate or administer the program. Some examples, but certainly not all, would be start-up or implementation costs, booklet drafting or printing, postage, attendance at on-site meetings, educational sessions, and health fairs, etc.
37. If a plan design is changed in the future by the SEBC, please confirm that there will be no cost to the State to communicate all plan and premium changes to the insureds.
38. Please confirm that commission percentages, brokerage or contingent fees are not payable to any agent or broker.
39. The vendor agrees 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.
40. Please confirm your company's willingness to supply the State with renewal information and/or proposed contract amendments at least 180 days prior to the renewal anniversary.
41. Please confirm 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. If activities in the administration of the State's account would be performed outside the United States, please describe them in detail and explain why you do not consider the function a core or central service.
42. 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.

43. Please confirm your company is appropriately licensed to do business in the State of Delaware and provide a copy of the license.
44. 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.
45. 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.
46. 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 a type of coverage does not apply, please state a reason why you believe it does not.

If awarded the contract, the State of Delaware shall **not** be named as an additional assured.

Please provide a copy of your certificate of insurance with the appropriate types and coverage levels. At this time, you must provide a copy of your certificate of insurance with the appropriate types and coverage levels, and, if awarded the contract, please confirm your understanding that the vendor must provide a copy of your certificate of insurance before any work is done pursuant to the terms in the RFP and resulting contract.

47. The effective date of the contract awarded under this RFP will be July 1, 2016. It is anticipated that the award will be made in November, 2015. Please confirm that if you are awarded the contract no later than November 30, 2015, you would be able to successfully implement the dental insurance benefit program for a May open enrollment period and a July 1, 2016, effective date.

48. Please confirm your understanding that a contract must be executed no later than 60 days before the effective date of the contract.
49. During Open Enrollment, please confirm that the customer service representatives will be trained and ready to respond to inquiries.
50. If awarded the contract, please confirm your organization's willingness to enter into performance guarantees. Please follow the instructions in Appendices I and J and include the completed *Performance Guarantees* form in your bid package. You must fill out the column labeled "% of Premiums at Risk" so that the total for each plan is not less than 5.0%
51. Please confirm that your company will provide quarterly reporting on performance in regards to the stated guarantees, see Appendices I and J.
52. Please confirm your organization will conduct customer service surveys and report on a quarterly basis. (This is a requirement in the Performance Guarantees.) If you have a sample of a customer service survey, please provide a copy.
53. **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, 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.

54. Please confirm your organization's agreement that:
 - a. Only the State may terminate the contract for convenience.
 - 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.
55. Please confirm your organization's agreement that it is the State's right to modify the benefit design during the contract period with reasonable notice.

56. 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. Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix M, *Subcontractor Information Form*, included herein for each subcontractor. The company MWBE and veteran owned information is for self-identification only.
57. 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.
58. 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.
59. 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.
60. 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.
61. Please confirm your acceptance that in the event of any dispute under the contract, you consent to jurisdiction and venue is 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.
62. 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.
63. 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.

64. 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).
65. 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.

66. Please confirm that, if awarded the contract, your organization will accept the terms in the *Business Associate Agreement*, see Attachment 7. For your response, if you do not believe that the terms apply, please provide your reasons and citations, if any. 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.**
67. Please confirm you have filled out the *State of Delaware Non-Collusion Statement* form, Appendix G, and included it in your bid package.
68. Please confirm you have filled out the *Officer Certification Form*, Appendix K, and included it in your bid package.
69. Please confirm you have filled out the *Employing Delawareans Report*, Appendix N, 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.)
70. Please confirm you have filled out the *Financial Ratings Form*, Appendix O, and included it in your bid package.

IV. Dental HMO Questionnaire

Instructions:

- A. 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. 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.
- C. 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.
- D. If your organization is the current vendor, please reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.

Responses Exception Tracking, Appendix H – If you have an exception, you must copy and paste the term into the chart 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 *Questionnaire* section and submit it with your bid package.

A. General Questions

1. Please complete the chart below showing your organization’s benefit enrollment as of January 1, 2015:

| Policy Type | # of Employees Covered | # of Employer Plans Inforce | # of State Government Plans Inforce |
|-------------|------------------------|-----------------------------|-------------------------------------|
| HMO Plan | | | |

2. In the past twelve (12) months, has your organization closed any network service areas? If yes, please list the areas.
3. Is your firm anticipating expansion, restructuring or reorganization in the near future? If so, please explain.

4. Has your organization acquired, been acquired by, or merged with another organization in the past twenty-four (24) months? If so, please explain.
5. Confirm the State will be permitted to have an independent audit performed, using an auditor of its choosing, of your claim operations and will not be charged by your organization (the State would be responsible for the fees of the independent auditor).

B. Claims Processing

6. What is the location of the claim office that would service this group? If there is more than one location please list all locations.
7. For the claim office proposed, please provide the following data:

| Financial and Coding Accuracy | Latest 12 months |
|---|-------------------------|
| Financial accuracy as a percent of total claims dollars paid (include over/underpayments) | % |
| Coding accuracy (claims without error) as a percent of total claims submitted | % |

8. With regard to the claim offices that will be used, provide the following:

| Position | A. Number of Staff | B. Average Years of Claims Administration Experience | C. Annual Turnover (%) |
|-----------------------|---------------------------|---|-------------------------------|
| Processors | | | |
| Supervisors | | | |
| Managers | | | |
| Claims specialist | | | |
| Enrollment specialist | | | |
| Clinical specialist | | | |
| Appeals specialist | | | |

9. Based upon the latest 12 month period: (Please answer all parts of this question)
- a. Average number of business days to process a claim from date received to date check/EOB issued: _____
 - b. What percent of all claims submitted (regardless of information provided on claim) are processed (from date received to date check/EOB issued) within 10 business days? _____%
 - c. What percent of all claims submitted (regardless of information provided on claim) are processed (from date received to date check/EOB issued) within 30 business days? _____%
10. Have you been penalized by any clients for failing to meet average claim turnaround requirements?
11. Please submit a sample of all forms that would be used in the administration of the dental benefits (e.g., claim form, completed EOB, ID cards).

C. Member Services

12. What is the location of the member service office that would service this group? If there is more than one location please list all locations.
13. Will dedicated or designated member service representatives be assigned to the State? Are member service representatives separated from the claim-processing unit or do claim processors have member service responsibilities? Do member service reps have on-line access to up-to-date claim processing information? Do member service reps have authority to approve claims?
14. What hours will the telephone lines be staffed by actual customer service representatives? (*Please **do not include** hours the telephone line will be staffed by an answering service. Include weekend hours.*)

Hours: _____

- a. Do customer service representatives have on-line access to real-time claim status information? (Check only one)
 - a. Yes
 - b. No
- b. Indicate the ways in which your organization is able to accommodate the special needs of enrollees. (*Check all that apply*)
 - a. No special accommodations
 - b. Have a TDD (Telecommunications Device for the Deaf) or other voice capability for the hearing impaired
 - c. We accommodate non-English speaking enrollees by contracting with an independent translation company

- d. We maintain customer service staff with the ability to translate Spanish
- e. AT&T language line
- f. We maintain customer service staff with the ability to translate the following languages:

15. Which of the following Member Functions do you provide via the internet? (*Check all that apply*)

| Functions | |
|------------------------------|--|
| A. Enrollment Status/Changes | |
| B. Provider Directory | |
| C. Provider Profiles | |
| D. Plan Details | |
| E. Claim Status | |
| F. Explanation of Benefits | |
| G. Other (List) | |

- 16. Will SBO’s administrative staff have on-line access to enrollment information?
- 17. Please describe all internet and mobile application tools available to members.
- 18. Are bilingual services available; either on the website or customer service telephone line?

D. Network Structure / Access

- 19. What geographic areas constitute the service areas of your network within Delaware? How do you define whether an employee/retiree is within a service area (e.g., five digit zip, county)?
- 20. Based on the employee ad pensioner zip codes found on disk provided, please run a report (such as a GeoAccess report) based on:
 - a. All employees and pensioners and all primary dentists
 - b. All employees and pensioners and all specialists dentists (excluding orthodontists)
 - c. All employees and pensioners and all orthodontists
 - d. Also provide results requested by county

Please use the following parameters for your report:

- a. Primary dentists: 2 dentists within 15 miles
- b. Specialist dentists (excluding orthodontists): 2 dentists within 15 miles
- c. Orthodontist dentists: 2 dentists within 15 miles

Please include these analyses as a separate section in your proposal. ***Do not limit your analysis of participants to only those located in the network service area. Please provide***

results for employees and pensioners separately. Indicate software used (e.g., GeoAccess):_____

- 21. Are there any services or specialties that are not available in your network(s) in any of the areas in which there are plan participants? If so, what are they? What provisions are made for patients requiring these services?
- 22. What geographic areas are not in your current service areas where the State’s employees/retirees reside? List by state and county.

| <u>State</u> | <u>County</u> |
|--------------|---------------|
| _____ | _____ |
| _____ | _____ |

- 23. Please complete a disruption analysis for applicable dental networks. Indicate with a “Y” for Yes and “N” for No whether the listed dentists are in your network. See the Dental HMO Provider Disruption file and Dental PPO Disruption files on the disk, provided as Attachment 11.
- 24. In the DHMO Dental Provider Counts by Zip Code table provided on the disk as Attachment 11, provide the total number of contracted dentists currently in your network by participant zip code. *Please count each dentist once.*
- 25. Can dentists limit the number of network patients/cases that they accept? If so, how is the limit established and what is it? What percentage of dentists in the network that would serve the State are at full capacity and are not accepting new patients?
- 26. Please detail any changes anticipated in your network configuration over the next two years. To the extent that you plan to expand your network over the next two years, will you be buying, leasing, or building your network?
- 27. Do your provider directories include the following:
 - a. Dentist office address and phone number
 - b. Specialty designation
 - c. Office hours
 - d. Languages spoken in office
 - e. Notation whether the dentist is accepting new patient
 - f. Provider satisfaction rating
- 28. Provide an electronic copy of current dentist provider directory.

29. Confirm that you agree to notify members if a network provider terminates their contract during the plan year.
- a. Describe the process and provide a sample of correspondence used upon such a network provider termination.
 - b. How far in advance will you notify members if a network provider terminates their contract during the plan year?
30. Please complete the following table. Check off those elements that are included in the dentist selection process and provide the percentage of dentists who satisfy the following selection criteria elements.

| Criteria | Standard Selection Criterion (check if yes) | Percentage of Providers that Satisfy Criterion | Comments |
|---|--|---|-----------------|
| Require unrestricted State licensure | | | |
| Review malpractice coverage and history | | | |
| Require full disclosure of current litigation & other disciplinary activity | | | |
| Require signed application/agreement | | | |
| Require Hepatitis B (3) series of shots | | | |
| Require dated examination of radiograph equipment | | | |
| Require current DEA registration | | | |
| Review adherence to state and community practice standards | | | |

| Criteria | Standard Selection Criterion (check if yes) | Percentage of Providers that Satisfy Criterion | Comments |
|--|--|--|----------|
| On-site review of office location and appearance | | | |
| Review hours of operation and capacity | | | |
| Review practice patterns & utilization results | | | |

31. Please provide the latest statistics regarding quality audits of your contracted dentists, including the number as a percentage of total dentists contracted.
32. Other than provider directories and access to providers via your website, what quality or practice pattern data about your contracted providers do you make available to plan enrollees?
33. Describe the general credentialing process and minimum criteria necessary to be selected as a network provider. If the process differs by type of provider, please indicate and describe separately.
34. How does your organization measure the quality of care provided by the providers in your network?

E. Plan Design / Coverage Issues

35. Explain your Coordination of Benefits (COB) procedures.
36. Describe how work in progress (at the time of plan transition) will be treated. How will orthodontics claims be adjudicated? What portions of claim expenses will be honored?
37. Do providers accept a Visa card as payment through a Flexible Spending Account (FSA)?
38. Are there any time limits for submitting claims?
39. Are you willing to mail reminders to enrollees about routine care (e.g. fluoride treatment, cleanings and x-rays) to assist enrollees with seeking regular preventative care? If yes, please describe this process and include frequency of mailings and samples of these mailings.
40. Please describe in detail your company's quality assurance programs.
41. Please describe in detail your company's procedures for handling complaints by providers and complaints and grievances by members.

42. If the State were to implement a health promotion plan that would require enrollees to obtain an annual exam or cleaning to be eligible for enhanced medical/ benefits, would you be able to provide a report to the State's medical carrier to assist in determining an enrollee's eligibility for enhanced benefits? If so, please describe how you could provide this and any requirements you would have to provide this data. If no, would you be willing to develop and implement a process to assist the State with providing this data to its medical benefits carrier?
43. Please describe the dental benefit program you offer for pregnant mothers.
44. Will you provide free estimates of dental procedure costs to members?

F. Implementation

45. Provide a proposed implementation plan and timetable, beginning with the award of the business to effective date of coverage, include:
- Describe the steps required to successfully implement the program including; dates, tasks, critical events, tasks and task dependencies
 - Identify the entity responsible (vendor or State) for each step.
 - Contacts and personnel assigned to each step of the implementation process.
 - Establishment of bank accounts, check stock, on-line plan information.
46. Describe the qualifications and experience of the proposed Implementation Project Manager.
47. What standard communications materials can you provide to the State at no cost? Can materials be customized at no cost, for example – adding the State's logo?
48. Provide a sample of communications material available to members with regard to plan design, discount programs, network providers, etc.

G. HIPAA Compliance

49. Is your organization compliant with the HIPAA requirements for disclosing individual health information electronically?
50. Describe your policy and procedures for ensuring that recipients of individual health information, which your organization has disclosed electronically, will maintain its confidentiality.
53. Will you agree to a contract provision that certifies your organization operates, and will continue to operate for the term of the contract, in conformity with HIPAA?

54. You may, at the direction of the State, be asked to provide, on a monthly basis and at no cost to the State, claims data to other parties and/or business partners of the State, including, but not limited to, the State's healthcare consultant, actuary, disease management vendor(s) and data mining vendor, as determined necessary for the administration of the State's Group Health Insurance Program. The release of claims data must be done in compliance with HIPAA Privacy rules and regulations.

V. Dental PPO Questionnaire

Instructions:

- A. 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. 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.
- C. 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.
- D. If your organization is the current vendor, please reply with a full explanation to every question since the review committee may not be familiar with the current contract or your services.

Responses Exception Tracking, Appendix H – If you have an exception, you must copy and paste the term into the chart 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 *Questionnaire* section and submit it with your bid package.

A. General Questions

1. Please complete the chart below showing your organization’s benefit enrollment as of January 1, 2015:

| Policy Type | # of Employees Covered | # of Employer Plans Inforce | # of State Government Plans Inforce |
|-------------|------------------------|-----------------------------|-------------------------------------|
| PPO Plan | | | |

2. In the past twelve (12) months, has your organization closed any network service areas? If yes, please list the areas.
3. Is your firm anticipating expansion, restructuring or reorganization in the near future? If so, please explain.
4. Has your organization acquired, been acquired by, or merged with another organization in the past twenty-four (24) months? If so, please explain.

- Confirm the State will be permitted to have an independent audit performed, using an auditor of its choosing, of your claim operations and will not be charged by your organization (the State would be responsible for the fees of the independent auditor).

B. Claims Processing

- What is the location of the claim office that would service this group? If there is more than one location please list all locations. Will locations vary by network and non-network claim submissions?
- For the claim office proposed, please provide the following data:

| Financial and Coding Accuracy | Latest 12 months |
|---|-------------------------|
| Financial accuracy as a percent of total claims dollars paid (include over/underpayments) | % |
| Coding accuracy (claims without error) as a percent of total claims submitted | % |

- With regard to the claim offices that will be used, provide the following:

| Position | A. Number of Staff | B. Average Years of Claims Administration Experience | C. Annual Turnover (%) |
|-----------------------|---------------------------|---|-------------------------------|
| Processors | | | |
| Supervisors | | | |
| Managers | | | |
| Claims specialist | | | |
| Enrollment specialist | | | |
| Clinical specialist | | | |
| Appeals specialist | | | |

9. Based upon the latest 12 month period: (Please answer all parts of this question)
- a. Average number of business days to process a claim from date received to date check/EOB issued: _____
 - b. What percent of all claims submitted (regardless of information provided on claim) are processed (from date received to date check/EOB issued) within 10 business days? _____%
 - c. What percent of all claims submitted (regardless of information provided on claim) are processed (from date received to date check/EOB issued) within 30 business days? _____%
 - d. What percent of claims were performed by in-network dentists in calendar year 2014?
10. Have you been penalized by any clients for failing to meet average claim turnaround requirements?
11. Please submit a sample of all forms that would be used in the administration of the dental benefits (e.g., claim form, completed EOB, ID cards).

C. Member Services

11. What is the location of the member service office that would service this group? If there is more than one location please list all locations.
12. Will dedicated or designated member service representatives be assigned to the State? Are member service representatives separated from the claim-processing unit or do claim processors have member service responsibilities? Do member service reps have on-line access to up-to-date claim processing information? Do member service reps have authority to approve claims?
13. What hours will the telephone lines be staffed by actual customer service representatives? *(Please **do not include** hours the telephone line will be staffed by an answering service. Include weekend hours.)*

Hours: _____

- a. Do customer service representatives have on-line access to real-time claim status information? (Check only one)
 - a. Yes
 - b. No
- b. Indicate the ways in which your organization is able to accommodate the special needs of enrollees. *(Check all that apply)*
 - a. No special accommodations
 - b. Have a TDD (Telecommunications Device for the Deaf) or other voice capability for the hearing impaired

- c. We accommodate non-English speaking enrollees by contracting with an independent translation company
- d. We maintain customer service staff with the ability to translate Spanish
- e. AT&T language line
- f. We maintain customer service staff with the ability to translate the following languages:

14. Which of the following Member Functions do you provide via the internet? (*Check all that apply*)

| Functions | |
|------------------------------|--|
| A. Enrollment Status/Changes | |
| B. Provider Directory | |
| C. Provider Profiles | |
| D. Plan Details | |
| E. Claim Status | |
| F. Explanation of Benefits | |
| G. Other (List) | |

- 15. Will SBO’s administrative staff have on-line access to enrollment information?
- 16. Please describe all internet and mobile application tools available to members.
- 17. Are bilingual services available; either on the website or customer service telephone line?

D. Network Structure / Access

- 18. What geographic areas constitute the service areas of your network within Delaware? How do you define whether an employee/retiree is within a service area (e.g., five digit zip, county)?
- 19. Based on the employee and pensioner zip codes found on disk provided, please run a report (such as a GeoAccess report) based on:
 - a. All employees and pensioners and all primary dentists
 - b. All employees and pensioners and all specialists dentists (excluding orthodontists)
 - c. All employees and pensioners and all orthodontists
 - d. Also provide results requested by county

Please use the following parameters for your report:

- a. Primary dentists: 2 dentists within 15 miles
- b. Specialist dentists (excluding orthodontists): 2 dentists within 15 miles
- c. Orthodontist dentists: 2 dentists within 15 miles

Please include these analyses as a separate section in your proposal. ***Do not limit your analysis of participants to only those located in the network service area. Please provide results for employees and pensioners separately.***

Indicate software used (e.g., GeoAccess): _____

- 20. Are there any services or specialties that are not available in your network(s) in any of the areas in which there are plan participants? If so, what are they? What provisions are made for patients requiring these services?
- 21. What geographic areas are not in your current service areas where the State's employees/retirees reside? List by state and county.

| <u>State</u> | <u>County</u> |
|--------------|---------------|
| _____ | _____ |
| _____ | _____ |

- 22. Complete disruption analysis for applicable dental networks. Indicate with a "Y" for Yes and "N" for No whether the listed dentists are in your network. See the Dental HMO Provider Disruption file and Dental PPO Provider Disruption files on the disk, provided as Attachment 11.
- 23. In the DPPO Dental Provider Counts by Zip Code table provided on the disk as Attachment 11, provide the total number of contracted dentists currently in your network by participant zip code. ***Please count each dentist once.***
- 24. Can dentists limit the number of network patients/cases that they accept? If so, how is the limit established and what is it? What percentage of dentists in the network that would serve the State are at full capacity and are not accepting new patients?
- 25. Please detail any changes anticipated in your network configuration over the next two years. To the extent that you plan to expand your network over the next two years, will you be buying, leasing, or building your network?
- 26. Do your provider directories include the following:
 - a. Dentist office address and phone number
 - b. Specialty designation
 - c. Office hours
 - d. Languages spoken in office
 - e. Notation whether the dentist is accepting new patient
 - f. Provider satisfaction rating

27. Provide an electronic copy of current dentist provider directory.
28. Confirm that you agree to notify members if a network provider terminates their contract during the plan year.
- a. Describe the process and provide a sample of correspondence used upon such a network provider termination.
 - b. How far in advance will you notify members if a network provider terminates their contract during the plan year?
29. Please complete the following table. Check off those elements that are included in the dentist selection process and provide the percentage of dentists who satisfy the following selection criteria elements.

| Criteria | Standard Selection Criterion (check if yes) | Percentage of Providers that Satisfy Criterion | Comments |
|---|--|--|----------|
| Require unrestricted State licensure | | | |
| Review malpractice coverage and history | | | |
| Require full disclosure of current litigation & other disciplinary activity | | | |
| Require signed application/agreement | | | |
| Require Hepatitis B (3) series of shots | | | |
| Require dated examination of radiograph equipment | | | |
| Require current DEA registration | | | |

| Criteria | Standard Selection Criterion (check if yes) | Percentage of Providers that Satisfy Criterion | Comments |
|--|---|--|----------|
| Review adherence to state and community practice standards | | | |
| On-site review of office location and appearance | | | |
| Review hours of operation and capacity | | | |
| Review practice patterns & utilization results | | | |

30. Please provide the latest statistics regarding quality audits of your contracted dentists, including the number as a percentage of total dentists contracted.
31. Other than provider directories and access to providers via your website, what quality or practice pattern data about your contracted providers do you make available to plan enrollees?
32. Describe the general credentialing process and minimum criteria necessary to be selected as a network provider. If the process differs by type of provider, please indicate and describe separately.
33. How does your organization measure the quality of care provided by the providers in your network?

E. Plan Design / Coverage Issues

34. Explain your Coordination of Benefits (COB) procedures.
35. Describe how work in progress (at the time of plan transition) will be treated. How will orthodontics claims be adjudicated? What portions of claim expenses will be honored?
36. Do providers accept a Visa card as payment through a Flexible Spending Account (FSA)?
37. Are there any time limits for submitting claims?
38. Do you (or any of your providers) require a benefit differential between in-network and out-of-network benefits?

39. How do you typically determine and define maximum allowable charge or “reasonable and customary” charges (e.g. own data, a percentile of HIAA data, relative value scale) for out-of-network claims?
40. Are you willing to mail reminders to enrollees about routine care (e.g. fluoride treatment, cleanings and x-rays) to assist enrollees with seeking regular preventative care? If yes, please describe this process and include frequency of mailings and samples of these mailings.
41. Do members have access to your negotiated discounts after they have reached their annual benefit maximum?
42. Please describe in detail your company's quality assurance programs.
43. Please describe in detail your company's procedures for handling complaints by providers and complaints and grievances by members.
44. If the State were to implement a health promotion plan that would require enrollees to obtain an annual exam or cleaning to be eligible for enhanced medical/ benefits, would you be able to provide a report to the State’s medical carrier to assist in determining an enrollee’s eligibility for enhanced benefits? If so, please describe how you could provide this and any requirements you would have to provide this data. If no, would you be willing to develop and implement a process to assist the State with providing this data to its medical benefits carrier?
45. Please describe the dental benefit program you offer for pregnant mothers.
46. Will you provide free estimates of dental procedure costs to members?

F. Implementation

47. Provide a proposed implementation plan and timetable, beginning with the award of the business to effective date of coverage, include:
 - Describe the steps required to successfully implement the program including; dates, tasks, critical events, tasks and task dependencies
 - Identify the entity responsible (vendor or State) for each step.
 - Contacts and personnel assigned to each step of the implementation process.
 - Establishment of bank accounts, check stock, on-line plan information.
48. Describe the qualifications and experience of the proposed implementation Project Manager.
49. What standard communications materials can you provide to the State at no cost? Can materials be customized, for example – adding the State’s logo, at no cost? Provide a sample of communications material available to members with regard to plan design, discount programs, network providers, etc.

G. HIPAA Compliance

50. Is your organization compliant with the HIPAA requirements for disclosing individual health information electronically?
51. Describe your policy and procedures for ensuring that recipients of individual health information, which your organization has disclosed electronically, will maintain its confidentiality.
52. Will you agree to a contract provision that certifies your organization operates, and will continue to operate for the term of the contract, in conformity with HIPAA?
53. You may, at the direction of the State, be asked to provide, on a monthly basis and at no cost to the State, claims data to other parties and/or business partners of the State, including, but not limited to, the State's healthcare consultant, actuary, disease management vendor(s) and data mining vendor, as determined necessary for the administration of the State's Group Health Insurance Program. The release of claims data must be done in compliance with HIPAA Privacy rules and regulations.

VI. Technical Standards and Security Requirements

The following minimum requirements are mandatory. Failure to meet any of these proposal criteria may result in disqualification of the proposal submitted by your organization. Omission of responses and forms could result in a determination that your bid is non-responsive.

DIRECTIONS –

- A. Because your responses to this section of the RFP will be analyzed by a different department, please provide your hard copy responses in a separate section or tab. For the pdf submission, please submit a separate and complete pdf copy. (You must also scan the documents with signatures, such as *Subcontractor* form(s), to include with your complete electronic copy.)
- B. The *Technology Exception Tracking Chart*, Appendix P, for this section is different and separate from the chart for the *Responses Exception Tracking*, Appendix H. If you have an exception, you must copy and paste the term into the chart and provide a detailed explanation, or, check the box to acknowledge that you take no exceptions in this section and submit it with your bid package. Exceptions of the terms in Appendix R, *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions*, must be included with your response on that form.

REQUIREMENTS -

1. File Layouts:
 - a. Please confirm that your organization will accept, process, and reconcile enrollment as follows:

The State of Delaware (PHRST) will provide an active employee enrollment file on a weekly basis and the Pension Office will provide a retiree enrollment file on a weekly basis. Enrollment changes to a member's information such as an address change must be processed by the vendor. Termination of an employee's or pensioner's coverage and their dependents, if any, must be processed by comparing the current enrollment file to the existing enrollment in the contractor's system. A weekly reporting of enrollment discrepancies will be reported back to the Statewide Benefits Office (PHRST file) and the Pension Office (Pension file).

Response:

- b. Please confirm that your system will accept the file layouts, see Attachment 8. **Changes, either of a data type or addition of a data type, will not be accepted.** The vendor must use the current file specifications and will only receive the employee and pensioner

identification numbers. Under no circumstances will the full nine (9) digits for social security numbers be released.

Response:

2. Indemnity:

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.

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. Threats - The SANS Institute and the FBI have released a document describing the *Top 20 Internet Security Threats*. The document is available at www.sans.org/top20.htm for your review. The contractor confirms that any systems or software provided by the contractor are free of the vulnerabilities listed in that document.

Response:

- b. Please complete Appendix R, *Non-Public Data Owned by the State of Delaware - State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions*, 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 SEBC. Provide a detailed explanation **on this form only**, Appendix N, and include a citation, if applicable (for example, Delaware Department of Insurance or a federal law). This document will be an attachment to Appendix S, *Data Confidentiality Agreement*, that applies to data exchange during implementation and before the contract effective date of July 1, 2016. It will also be an exhibit to the contract.

Response:

c. Data Confidentiality Agreement –

Part 1: The *Data Confidentiality Agreement*, Appendix S, is required of the awarded vendor before data exchanges can take place for implementation prior to the Open Enrollment period. The *Mandatory Terms and Conditions* document, Appendix R, will be an attachment to the *Data Confidentiality Agreement* and, therefore, **the same data technology requirements that are in effect for the contract will also be in effect during implementation and prior to the effective date of the contract, July 1, 2016.** If your organization has suggested changes to the *Data Confidentiality Agreement*, please provide a red-lined document with explanations. **Be advised, however, that the State cannot agree to major changes.**

Part 1 Response:

Part 2: After the finalist interview, if your organization is selected by the Proposal Review Committee (PRC) as their recommendation to the SEBC for the contract award, the Department of Technology and Information (DTI) must approve the technology section of your bid submission. **Within five (5) business days of the approval by DTI, the *Data Confidentiality Agreement* must be signed by your organization and any subcontractor(s) used for technology services. If the document is not signed within five (5) business days, the PRC recommendation to award the contract will be withdrawn. Alternatively, if the contract is awarded by the SEBC before the DTI review process is complete, the award will be contingent upon DTI’s approval and the signature of the *Data Confidentiality Agreement* within five (5) business days.**

Part 2 Response:

d. Additional 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 non-negotiable.** The policy document is located at:
<http://dti.delaware.gov/pdfs/pp/StrongPasswordStandard.pdf>

Response:

- ii. If Delaware data will be transmitted via email or accessible on a mobile devices, the following requirements apply:

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

Response:

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

Response:

4. Software Inventory:

A software inventory is required that lists any software that the State needs if you are awarded the contract. For example, a certain web browser (IE) or web service technology for an interface. Please use the form at Appendix Q – *Software Inventory*.

Confirm Attached:

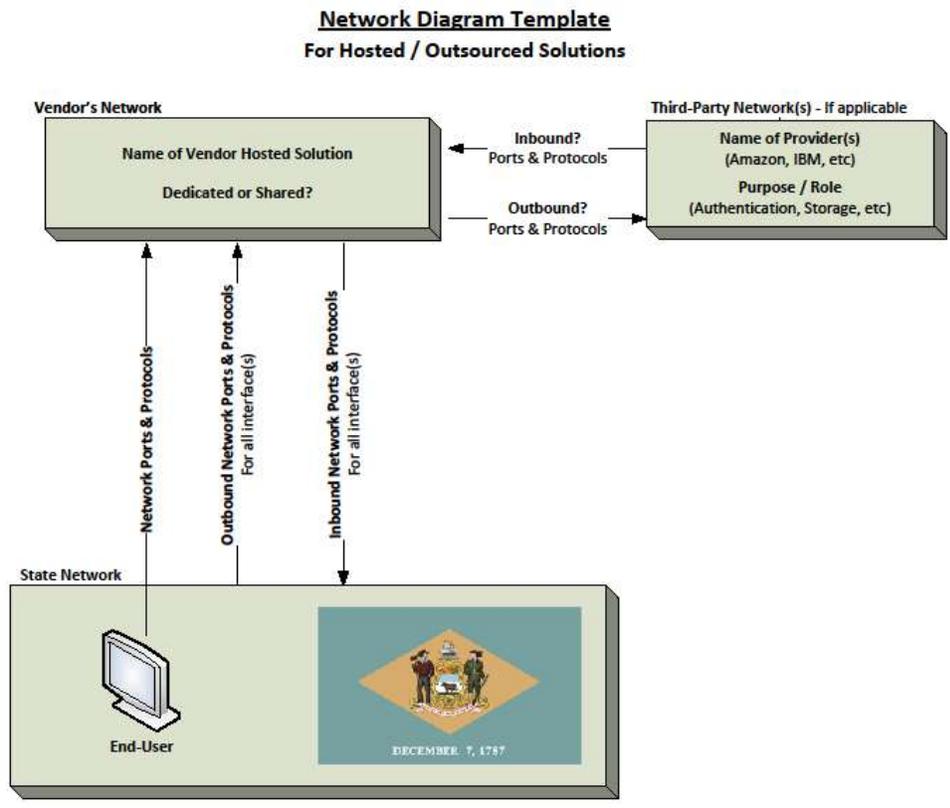
5. Additional Data Requests:

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:

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:

APPENDICES

APPENDIX E

DENTAL HMO RATE EXHIBITS

****PROVIDE BLENDED PRICING FOR ACTIVE EMPLOYEES AND PENSIONERS****

Rate Exhibit I: Current Dental HMO Benefits

| Tier | Enrollment | Years 1, 2 and 3 (07/01/16 – 06/30/19) Monthly Rates | Optional Year 4 (07/01/19 - 06/30/20) Rate Increase Cap % | Optional Year 5 (07/01/20 – 06/30/21) Rate Increase Cap % |
|-------------------------|------------|--|---|---|
| Subscriber | | | | |
| Subscriber + Spouse | | | | |
| Subscriber + Child(ren) | | | | |
| Family | | | | |
| Annual Total | | | | |

Rate Exhibit II: Current Dental HMO Benefits with Dental Implant Benefit

| Tier | Enrollment | Years 1, 2 and 3 (07/01/16 – 06/30/19) Monthly Rates | Optional Year 4 (07/01/19 - 06/30/20) Rate Increase Cap % | Optional Year 5 (07/01/20 – 06/30/21) Rate Increase Cap % |
|-------------------------|------------|--|---|---|
| Subscriber | | | | |
| Subscriber + Spouse | | | | |
| Subscriber + Child(ren) | | | | |
| Family | | | | |
| Annual Total | | | | |

Rate Exhibit III: Alternative Dental HMO Plan Design

| Tier | Enrollment | Years 1, 2 and 3 (07/01/16 – 06/30/19) Monthly Rates | Optional Year 4 (07/01/19 - 06/30/20) Rate Increase Cap % | Optional Year 5 (07/01/20 – 06/30/21) Rate Increase Cap % |
|-------------------------|------------|--|---|---|
| Subscriber | | | | |
| Subscriber + Spouse | | | | |
| Subscriber + Child(ren) | | | | |
| Family | | | | |
| Annual Total | | | | |

Notes: Subscriber includes both active employees and pensioners.
Do not leave Years 4 and 5 blank.

APPENDIX E

DENTAL HMO RATE EXHIBITS (continued)

1. Because this is an employee-pay-all plan, **the State will not pay for any costs** to administer the program. Some examples, but certainly not all, would be start-up or implementation costs, booklet drafting or printing, postage, attendance at on-site meetings, education sessions, and health fairs, etc. Please confirm that the rates that you quote include all services and supplies in the implementation and administration of the dental plan.
2. Please confirm that all fees for administering this product are included in your quoted premiums, with the exception of *ad hoc* reporting fees.
3. **Confirm your understanding that best and final rates will not be requested.**

APPENDIX F

DENTAL PPO RATE EXHIBITS

****PROVIDE BLENDED PRICING FOR ACTIVE EMPLOYEES AND PENSIONERS****

Rate Exhibit I: Current Dental PPO Benefits

| Tier | Enrollment | Years 1, 2 and 3 (07/01/16 – 06/30/19) Monthly Rates | Optional Year 4 (07/01/19 - 06/30/20) Rate Increase Cap % | Optional Year 5 (07/01/20 – 06/30/21) Rate Increase Cap % |
|-------------------------|------------|--|---|---|
| Subscriber | | | | |
| Subscriber + Spouse | | | | |
| Subscriber + Child(ren) | | | | |
| Family | | | | |
| Annual Total | | | | |

Rate Exhibit II: Current Dental PPO Benefits with Dental Implant Benefit

| Tier | Enrollment | Years 1, 2 and 3 (07/01/16 – 06/30/19) Monthly Rates | Optional Year 4 (07/01/19 - 06/30/20) Rate Increase Cap % | Optional Year 5 (07/01/20 – 06/30/21) Rate Increase Cap % |
|-------------------------|------------|--|---|---|
| Subscriber | | | | |
| Subscriber + Spouse | | | | |
| Subscriber + Child(ren) | | | | |
| Family | | | | |
| Annual Total | | | | |

Rate Exhibit III: Alternative Dental PPO Plan Design

| Tier | Enrollment | Years 1, 2 and 3 (07/01/16 – 06/30/19) Monthly Rates | Optional Year 4 (07/01/19 - 06/30/20) Rate Increase Cap % | Optional Year 5 (07/01/20 – 06/30/21) Rate Increase Cap % |
|-------------------------|------------|--|---|---|
| Subscriber | | | | |
| Subscriber + Spouse | | | | |
| Subscriber + Child(ren) | | | | |
| Family | | | | |
| Annual Total | | | | |

Notes: Subscriber includes both active employees and pensioners.
Do not leave Years 4 and 5 blank.

APPENDIX F

DENTAL PPO RATE EXHIBITS (continued)

1. Because this is an employee-pay-all plan, **the State will not pay for any costs** to administer the program. Some examples, but certainly not all, would be start-up or implementation costs, booklet drafting or printing, postage, attendance at on-site meetings, education sessions, and health fairs, etc. Please confirm that the rates that you quote include all services and supplies in the implementation and administration of the dental plan.
2. Please confirm that all fees for administering this product are included in your quoted premiums, with the exception of *ad hoc* reporting fees.
3. **Confirm your understanding that best and final rates will not be requested.**

APPENDIX G

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 sub-contractor 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, Office of Management and Budget.

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, Office of Management and Budget.

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

COMPANY NAME _____
(Check one)

NAME OF AUTHORIZED REPRESENTATIVE _____

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

EMAIL ADDRESS _____

FEDERAL E.I. NUMBER _____ STATE OF DELAWARE LICENSE NUMBER _____

| COMPANY CLASSIFICATIONS: | Certification type(s) | Circle all that apply | |
|--------------------------|---|------------------------------------|-----|
| | CERT. NO.: | Minority Business Enterprise (MBE) | Yes |
| | 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 I

| |
|--|
| DENTAL HMO PERFORMANCE GUARANTEES |
|--|

IMPORTANT: If you propose different guarantees or performance results, please use a strikeout font and insertion. The State does, however, reserve the right to negotiate both financial and non-financial performance guarantees with the selected vendor. **Note that there are two performance guarantee charts, one for an HMO and one for a PPO. Please fill in the % of Premiums at Risk that your organization is offering. The overall percentage at risk must total at least 5.0%**

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 15th for the first quarter July 1 to September 30th of the plan year of July 1 to June 30th). 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.

| Guarantee | Performance Results | Definition/Calculation | % of Premiums at Risk |
|---|--|--------------------------------------|-----------------------|
| HMO Implementation and On-Going Administration | | | |
| Delivery of all tangibles; ID cards, SPDs, Certificates | 95.0% of all ID cards; SPDs; Certificates will be issued within ten (10) working days of receipt of enrollment information (State specific measurement) | Self-Explanatory, Measured quarterly | |
| Dentist Network Recruitment | Vendor will pursue newly licensed and Non-Participating dentists in Delaware encouraging participation in the DHMO network. (State specific measurement) | Self-Explanatory, Measured quarterly | |
| Timely Reporting | Billing and other mutually agreed upon reports will be provided no later than five (5) days from the pre-negotiated deadline as set forth in the <i>Master List of Reports</i> , | Self-Explanatory, Measured quarterly | |

| Guarantee | Performance Results | Definition/Calculation | % of Premiums at Risk |
|---|---|--|------------------------------|
| | Attachment 6. (State specific measurement) | | |
| HMO Claim Processing | | | |
| Clean Claims processed within fifteen (15) calendar days of receipt | 90.0% (Book of Business measurement) | Measurement: Claim received date to the date claim is processed and ready for payment. The received date will be defined as the date all necessary information is received by the insurer. Measured quarterly. | |
| Percentage of Dollars Paid Accurately | 98.0% (Book of Business measurement) | Based on a statistically significant sample of the specific client claims population. (Calculation: total \$ correctly paid in sample / total \$ in sample.) Measured quarterly. | |
| Percentage of Clean Claims Processed Accurately Without Payment or Non-Payment Errors | 98.0% (Book of Business measurement) | Self-Explanatory, Measured quarterly | |
| HMO Member Services | | | |
| Call Answer Time | 90% of all customer calls to the call center will be answered within 45 seconds. (Book of Business measurement) | Self-Explanatory, Measured quarterly | |

| | | | |
|---------------------------------|---|--|---|
| Call Abandonment Rate | Call abandonment rate will be 5.0% or less. (Book of Business measurement) | Self-Explanatory, Measured quarterly | |
| HMO Account Management | | | |
| Account Management | Attendance at Quarterly Meetings, Scheduled Calls, SEBC Meetings, and Ad Hoc Meetings as requested. (State specific measurement) | Self-Explanatory, Measured quarterly | |
| HMO Surveys | | | |
| Account Management Satisfaction | Score of at least 3, Somewhat Agree, on Account Management Team Survey, Attachment 10, performed by SBO staff. | Self-Explanatory, Measured semi-annually | |
| Meeting Attendance | Your company will attend and actively participate at Statewide Benefits Office's request in Benefit Representative meetings, education sessions, health fairs and other meetings/presentations. Your company will present information via visual aids, brochures, etc. to promote the program. (State specific measurement) | Self-Explanatory, Measured semi-annually | |
| Membership Satisfaction | Your company will survey 5% of claimant enrollees. 90% of the surveyed enrollees will be satisfied with your company based on mutually agreed upon Member Satisfaction Survey. (State specific measurement) | Self-Explanatory, Measured semi-annually | |
| | | Total | % |

APPENDIX J

| |
|--|
| DENTAL PPO PERFORMANCE GUARANTEES |
|--|

IMPORTANT: If you propose different guarantees or performance results, please use a strikeout font and insertion. The State does, however, reserve the right to negotiate both financial and non-financial performance guarantees with the selected vendor. **Note that there are two performance guarantee charts, one for an HMO and one for a PPO. Please fill in the % of Premiums at Risk that your organization is offering. The overall percentage at risk must total at least 5.0%**

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 15th for the first quarter July 1 to September 30th of the plan year of July 1 to June 30th). 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.

| Guarantee | Performance Results | Definition/Calculation | % of Premiums at Risk |
|---|--|--------------------------------------|-----------------------|
| PPO Implementation and On-Going Administration | | | |
| Delivery of all tangibles; ID cards, SPDs, Certificates | 95.0% of all ID cards; SPDs; Certificates will be issued within ten (10) working days of receipt of enrollment information. (State specific measurement) | Self-Explanatory, Measured quarterly | |
| Dentist Network Recruitment | Vendor will pursue newly licensed and Non-Participating dentists in Delaware encouraging participation in the PPO network. (State specific measurement) | Self-Explanatory, Measured quarterly | |

| | | | |
|---|--|---|--|
| Timely Reporting | Billing and other mutually agreed upon reports will be provided no later than five (5) days from the pre-negotiated deadline as set forth in the <i>Master List of Reports</i> , Attachment 6. (State specific measurement) | Self-Explanatory, Measured quarterly | |
| PPO Claim Processing | | | |
| Clean Claims processed within fifteen (15) calendar days of receipt | 90.0% (Book of Business measurement) | Measurement: Claim received date to the date claim is processed and ready for payment. The received date will be defined as the date all necessary information is received by the insurer. Measured quarterly. | |
| Percentage of Dollars Paid Accurately | 98.0% (Book of Business measurement) | Based on a statistically significant sample of the specific client claims population. (Calculation: total \$ correctly paid in sample / total \$ in sample.) Measured quarterly. | |
| Percentage of Clean Claims Processed Accurately Without Payment or Non-Payment Errors | 98.0% (Book of Business measurement) | Self-Explanatory, Measured quarterly | |

| PPO Member Services | | | |
|---------------------------------|--|--|--|
| Call Answer Time | 90% of all customer calls to the call center will be answered within 45 seconds. (Book of Business measurement) | Self-Explanatory, Measured quarterly | |
| Call Abandonment Rate | Call abandonment rate will be 5.0% or less. (Book of Business measurement) | Self-Explanatory, Measured quarterly | |
| PPO Account Management | | | |
| Account Management | Attendance at Quarterly Meetings, Scheduled Calls, SEBC Meetings, and Ad Hoc Meetings as requested. (State specific measurement) | Self-Explanatory, Measured quarterly | |
| PPO Surveys | | | |
| Account Management Satisfaction | Score of at least 3, Somewhat Agree, on the Account Management Team Survey, Attachment 10, performed by SBO staff. (State specific measurement) | Self-Explanatory, Measured semi-annually | |
| Meeting Attendance | Your company will attend and actively participate at Statewide Benefits Office's request in Benefit Representative meetings, education sessions, health fairs, and other meetings/presentations. Your company will present information via visual aids, brochures, etc. to promote the program. (State specific measurement) | Self-Explanatory, Measured semi-annually | |

| | | | |
|--------------------------------|--|---|----------|
| <p>Membership Satisfaction</p> | <p>Your company will survey 5% of claimant enrollees. 90% of the surveyed enrollees will be satisfied with your company based on mutually agreed upon Member Satisfaction Survey. (State specific measurement)</p> | <p>Self-Explanatory, Measured semi-annually</p> | |
| | | <p>Total</p> | <p>%</p> |

APPENDIX K

| |
|-----------------------------------|
| 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 Dental Insurance Benefit Program 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 M

| |
|---------------------------------------|
| 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 N

EMPLOYING DELAWAREANS REPORT⁹

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. | |

⁹ The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.

APPENDIX O

| |
|--------------------------|
| 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 R

Non-Public Data Owned by the State of Delaware State of Delaware Cloud and/or Offsite Hosting Mandatory Terms and Conditions

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.¹⁰ The Service Provider 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.
 - 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.¹¹

¹⁰ If, due to the nature of your product, the ownership of the data transfers to your organization when the data is under your control, please so state and provide an explanation and, if applicable, a citation for a regulation or law.

¹¹ 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, be licensed for business in Delaware, and shall be liable for any noncompliance by any subcontractor. It is explicitly forbidden for the primary contractor or subcontractor staff to "share" access privileges. 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.

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

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 sub-contractors 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) years, 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.

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

9. **Data Dictionary:** Prior to go-live,¹² 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 terms, 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. **Sub-Contractor 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.¹³

Response:

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.¹⁴

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

¹² 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. If your organization wishes to claim this information as proprietary and confidential, follow the directions in Section I.G., *Confidentiality of Documents*.

¹³ Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix M, *Subcontractor Information Form*, included herein for each subcontractor.

¹⁴ For this product, the terms would be in the contract's statement of work or performance guarantees.

- c) Recovery Time Objective/Recovery Point Objective
- d) Security Vulnerability Scanning

Response:

By signing this agreement, the Service Provider agrees to abide by all of the above Terms and Conditions.

Service Provider Name/Address (print): _____

Authorizing Official's Title (print): _____

Authorizing Official's Signature: _____

Date: _____

APPENDIX S

DATA CONFIDENTIALITY AGREEMENT

Data Exchange for Enrollment Purposes for Dental Insurance Benefit 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, 2016, by and between the State of Delaware (“State”) by and through the Office of Management and Budget (“OMB”) on its own behalf and on behalf of the group health plan it sponsors for employees, retirees, 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 Dental Insurance Benefit Program on June 29, 2015;

WHEREAS, the State Employee Benefit Committee’s (“SEBC”) representatives on the Proposal Review Committee (“PRC”) have voted to recommend the award of the Contract to the SEBC for the Contractor to administer the program as provided in the RFP;

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, in order to implement the election of this benefit for the Covered Persons, the State and Contractor must exchange test and enrollment files prior to the effective date of the Contract;

WHEREAS, the information exchanged by the Parties 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 data extracts to be used for enrollment and discrepancy reporting by the Covered Persons in the Contractor’s Dental Insurance benefit program. Said files will be provided to the Contractor by and through Payroll Human Resources Statewide Technology (“PHRST”) for active employees and the Pension Office for retirees.
2. The RFP requires that the Contractor accept the enrollment files in specified formats.

3. In order to facilitate a Covered Person’s voluntary election of the benefit on or after the effective date of the Contract, 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 the Covered Persons who voluntarily elect the benefit during the Open Enrollment term in May, 2016, may be enrolled by the Contractor for coverage beginning on July 1, 2016.
4. The test files provided will be a sampling of active employees and pensioners who may not elect coverage. Therefore, those files need to be destroyed. On or before August 31, 2016, Contractor shall dispose of the test files 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. The 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.
5. The enrollment files generated by PHRST and the Pension Office will be placed in a sub-folder on the State’s SFTP server. The Contractor is responsible to obtain the files from the server.
6. 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 Owned by the State of Delaware – 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 files, enrollment files, and premium payment reconciliation files that will be exchanged 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
OFFICE OF MANAGEMENT AND BUDGET**

CONTRACTOR

Signature
Brenda L. Lakeman
Director of HR Mgt and Benefits Administration

Signature
Printed Name: _____
Title: _____

Date

Date

Attachment to
DATA CONFIDENTIALITY AGREEMENT

Non-Public Data Owned by the State of Delaware – Mandatory Terms and Conditions

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.¹⁵ The Service Provider 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.
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.
 - 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.
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.¹⁶
4. **Encryption:**
 - b) **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> and
<http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>

¹⁵ If, due to the nature of your product, the ownership of the data transfers to your organization when the data is under your control, please so state and provide an explanation and, if applicable, a citation for a regulation or law.

¹⁶ 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, be licensed for business in Delaware, and shall be liable for any noncompliance by any subcontractor. It is explicitly forbidden for the primary contractor or subcontractor staff to “share” access privileges. 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.

- c) **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 coverage 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.
14. **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 sub-contractors 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) years, 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.
15. **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. **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.

- b) **Termination of any Services or Agreement in Entirety:** In the event of termination of any services or agreement in entirety, the Service Provider shall not take any action to 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.
- 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 Agreement.
- 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>
17. **Background Checks:** The Service Provider shall conduct criminal background checks and not utilize any staff, including sub-contractors, 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.
18. **Data Dictionary:** Prior to go-live,¹⁷ 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>
19. **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.
20. **Contract Audit:** The Service Provider shall allow the State of Delaware to audit conformance including contract terms, 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.

¹⁷ 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. If your organization wishes to claim this information as proprietary and confidential, follow the directions in Section I.G., *Confidentiality of Documents*.

21. **Sub-Contractor 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.¹⁸
22. **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.¹⁹

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

¹⁸ Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix I, *Subcontractor Information Form*, included herein for each subcontractor.

¹⁹ For this product, the terms would be in the contract's statement of work or performance guarantees.

(Attachment to Data Confidentiality Agreement, continued)

**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 the State of Delaware retention schedule and the following policies and contract(s):

- The Delaware Information Security Policy, Disposal of Electronic Storage Media:
<http://dti.delaware.gov/pdfs/pp/StateOfDelawareInformationSecurityPolicy.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 Dental Insurance Benefit, June 29, 2015:**
On or before August 31, 2016, Company will destroy all data files received for the purpose of implementing the State's dental benefit program. The data is to be used for testing purposes only and will be a file(s) of a sampling of active employees and pensioners. 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 regular mail to: State of Delaware OMB, Statewide Benefits Office, Attn: Laurene Ehemann, 500 W. Loockerman St., Suite 320, Dover, DE 19904.

| | | |
|---|---------------------------------------|------------------------------------|
| Company Name and Address: | | |
| Date of Destruction: | Authorized By: | |
| Description of Information Disposed of/Destroyed: For the purpose of implementation of the State's dental benefit program and for testing purposes only, a file of a sampling of active employees and pensioners. Additional data, if any: | | |
| Inclusive Dates Covered: 2016 | | |
| METHOD OF DESTRUCTION: | <input type="checkbox"/> Pulping | <input type="checkbox"/> Shredding |
| <input type="checkbox"/> Burning | <input type="checkbox"/> Pulverizing | <input type="checkbox"/> Other: |
| <input type="checkbox"/> Overwriting | <input type="checkbox"/> Reformatting | |
| 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.*