



State of Delaware
Office of Management & Budget
Statewide Benefits Office

STATE EMPLOYEE BENEFITS COMMITTEE

**Request for Proposal for
Consulting Services for the State of Delaware's Group
Health Insurance Program
RFP Release Date - March 7, 2016**

Intent to Bid Deadline

Wednesday, March 16, 2016, 1:00 PM Local Time

Mandatory Pre-Bid Meeting (Conference Call)

Friday, March 18, 11:00 AM Local Time

Proposals Due

Wednesday, April 6, 2016, by 1:00 PM Local Time

OMB16001–Consulting

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NOTE: The documents listed as Attachment 6 will only be provided after an Intent to Bid is received.

6. Report Examples
 - a. FY16 Qtr 1 Annualized Financial Reporting
 - b. FY16 Qtr 1 Financial Reporting
 - c. FY17 Expenditure Projections, Dec 2015
 - d. OPEB Claims and Lives by Plan and Class
 - e. Procurement -
 - i. Supplemental Benefits’ Request for Proposal
 - ii. Supplemental Benefit’s Presentation to Proposal Review Committee

I. Introduction

The State of Delaware State Employee Benefits Committee (SEBC) is seeking consultants to provide services to the SEBC relating to its management of the Group Health Insurance Program (GHIP)¹ and all other Statewide Benefit Programs of which responsibility falls within their oversight in accordance with Delaware Code.² The SEBC is soliciting proposals from vendors who will partner with the SEBC and its contracted vendors to provide exemplary services. The contract awards will be effective July 1, 2016.

The consultant(s) shall provide services to assist the SEBC in the design and administration of the GHIP with respect to actuarial services, regulatory compliance, benefits design, general consulting, and support for program planning and administration. The successful consultant(s) shall provide consulting teams to provide these services with expertise in the following specialties – actuarial science, benefits design, strategic planning, contracting/procurement and communications. **A firm must be qualified to provide services in all the categories or specialties. Bids will not be accepted if a consulting firm is only submitting a proposal for some of the services.**

For complete information about the State’s benefit programs, please go to <http://ben.omb.delaware.gov/>

This Request for Proposal (RFP) is issued pursuant to Title 29 Del. C. 69 § 6981 and 6982. Public notice has been provided in accordance with 29 Del. C. § 6981. This RFP is available in electronic form through the State of Delaware Procurement website at www.bids.delaware.gov. Paper copies of this RFP will not be available.

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

Contract Effective Date:	July 1, 2016
Intent to Bid Due³:	Wednesday, March 16, 2016, 1:00 PM Local Time
Mandatory Pre-Bid Meeting (Conference Call)⁴	Friday, March 18, 2016, 11:00 AM Local Time

¹ The use of the term Group Health Insurance Program and its acronym GHIP refers to all benefit programs administered by the SEBC and its representative, the Statewide Benefits Office (SBO).

² Delaware Code, Title 29, Chapter 52 at <http://delcode.delaware.gov>

³ 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. Upon receipt, SBO will provide copies of the reports and procurement attachments identified as Attachment 6. See Section II.B.1 for details.

⁴ IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting (Conference Call). See Section II.B.4 for details. The Mandatory Pre-Bid Meeting will be a conference call to discuss bid submission requirements for the hard copies and electronic copies. Additionally, we will review

Written Questions Due from Vendors:	Tuesday, March 22, 2016, 1:00 PM Local Time
Proposal Submissions Due:	Wednesday, April 6, 2016, 1:00 PM Local Time

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 Governor⁵, and the President of the Correctional Officers Association of Delaware or their designees. Healthcare benefits for State of Delaware employees are not collectively bargained; however, one appointment on the SEBC is from one of the four largest employee unions (currently the appointment is held by the Correctional Officers Association of Delaware). Meetings of the SEBC are public and minutes and materials from each meeting are available at <http://ben.omb.delaware.gov/sebc/index.shtml>. 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, wellness and disease management programs, pre-tax commuter benefits, and supplemental benefits. Visit <http://ben.omb.delaware.gov> for information about the programs.

Since July 1, 2007, the SEBC has contracted with Blue Cross Blue Shield of Delaware, now operating as Highmark Delaware, and Aetna as the Plan’s third party medical claims administrator. In the summer of 2016 for a contract award effective July 1, 2017, the SEBC will be issuing a bid for a third party medical claims administrator(s) with disease management and wellness programs. The following contracts are currently in place for the remaining Statewide Benefits Programs:

- Prescription Benefit Management – Express Scripts
- Life Insurance – Minnesota Life
- Short Term and Long Term Disability – The Hartford
- Flexible Spending Account – Application Software, Inc. dba “ASI” or “ASI Flex”
- Pre-Tax Commuter Program – ASI Flex
- Dental – Delta Dental and Dominion Dental

the technology requirements. All other topics will be addressed in the written Question and Answer process. All vendors who submit an Intent to Bid will receive an email with instructions.

⁵ The office of the Lieutenant Governor is currently vacant.

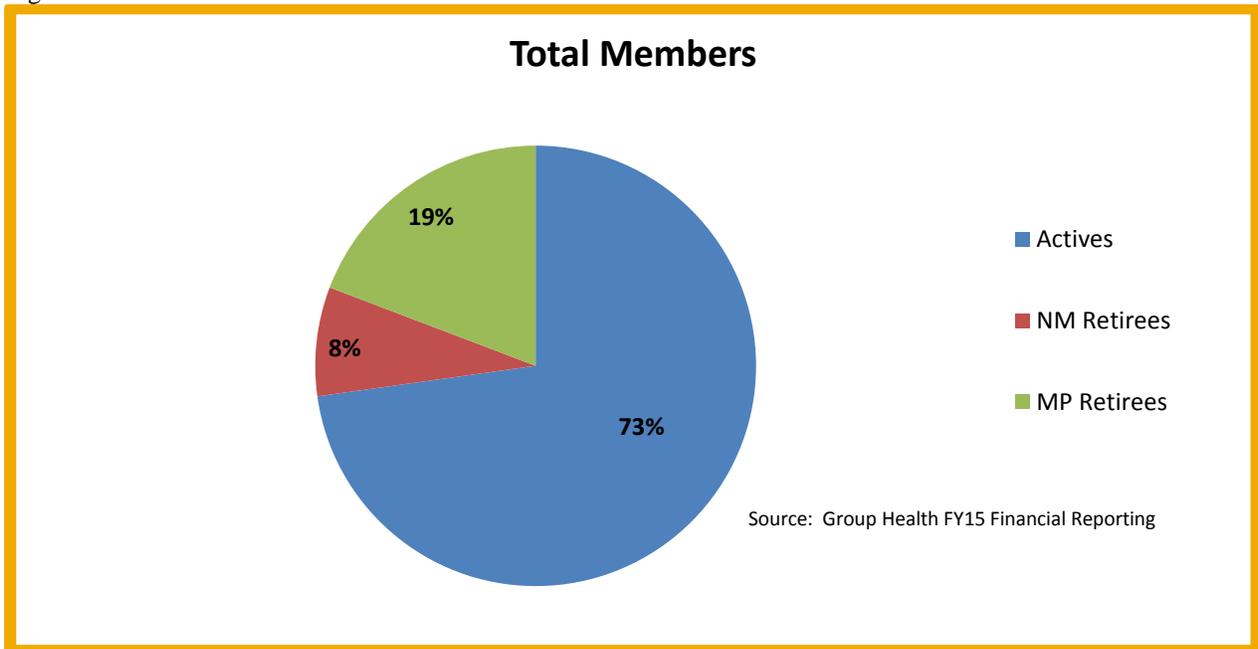
- Data Mining & Decision Support – Truven Health Analytics
- Employee Assistance Program – Health Advocate, Inc. dba “HMS(Health Advocate)”
- COBRA Administration – WageWorks
- Vision – EyeMed Vision Care
- Supplemental Benefits - Aflac

You may view all information specific to the programs governed by the State Employee Benefits Committee at the following web site: <http://ben.omb.delaware.gov/>.

GHIP Background Information

The State of Delaware Group Health Insurance Program (GHIP) provides medical and prescription benefit coverage to over 122,000 covered lives. This includes approximately 31,000 active employees, 5,900 non-Medicare retirees and 17,000 Medicare retirees whose benefits are extended to their spouses and dependents. Also, covered are approximately 18,000 employees, retirees and their dependents from groups that also participate in the GHIP as permitted through Delaware Code. As shown in Figure 1, active employees and dependents represent over 70% of the GHIP’s population with retirees representing the remainder.

Figure 1



The GHIP is self-insured and pays the actual claims (expenditures) incurred by the GHIP participants for services received under the health and prescription plans. Claim expenses represent approximately 96% of the GHIP’s total expenditures. The SEBC is responsible for design of the plans available to the GHIP’s participants and setting premium rates that can support the projected

expenses of the GHIP. The percentage of employee and employer share of the premium rates is established in Delaware Code as are the actual plan offerings available to employees and retirees.⁶

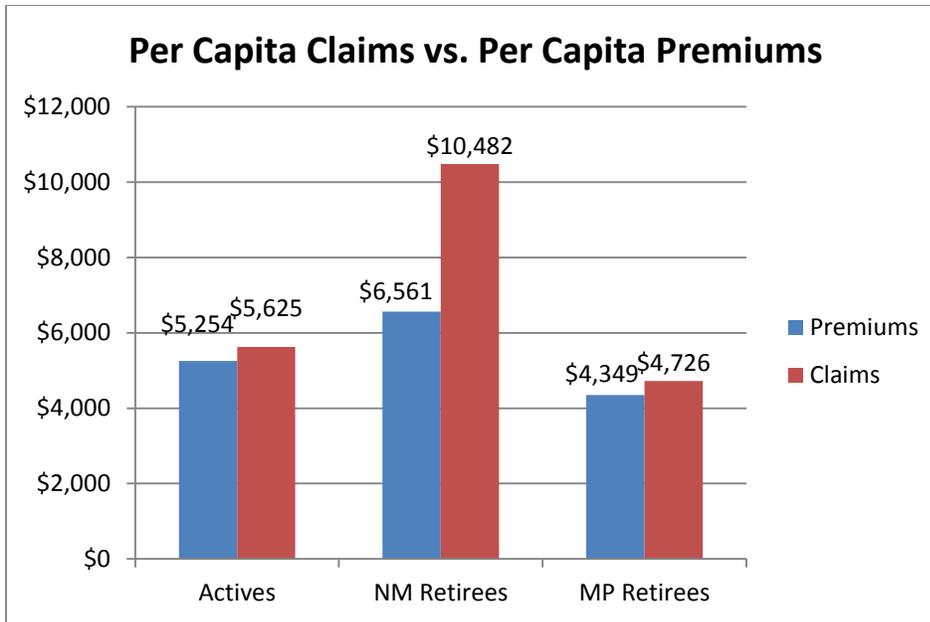
	Actives	Non Medicare	Medicare Primary
<i>Premium Cost Share Percentage Split</i>	State/Employee	State/Retiree	State/Retiree
Highmark Comprehensive PPO	86.75%/13.25%	86.75%/13.25%	
Highmark & Aetna HMO	93.5%/6.5%	93.5%/6.5%	
Highmark & Aetna Consumer Directed	95.0%/5.0%	95.0%/5.0%	
Highmark First State Basic	96.0%/4.0%	96.0%.4.0%	
Highmark Special Medicfill Supplement			100%/0%* 95.0%/5.0%**

* Retirees with full state share who retired before July 1, 2012

** Retirees with full state share who retired after July 1, 2012

The active and non-Medicare populations have always paid the same premium rates for each plan; however, the actual claims (expenditures) of the non-Medicare retiree population are significantly higher than the active population as illustrated in the chart below. The Medicare population receives secondary medical coverage through the GHIP as well as prescription drug benefits through an Employer Group Waiver Medicare Part D plan implemented in calendar year 2013. The premium rates for the Medicare population are more closely aligned with the actual claims (expenditures) of the population.

⁶ Delaware Code, Title 29, Chapter 52 Web Address: <http://delcode.delaware.gov/title29/c052/index.shtml>



• Source: Group Health FY15 Financial Reporting

The following table outlines the actuarial value of each plan based upon in-network benefits as compared to a few sample plan designs available through the Marketplace. The State funds on average, 91.4% of the total premium of the plans.

	Sample Gold Plan**	Highmark First State Basic Plan	Highmark & Aetna CDHP (with HRA)	Sample Platinum Plan**	Highmark PPO*	Highmark & Aetna HMO
Actuarial Value	80%	86.1%	87.0%	90%	90.4%	90.6%
Deductible (Single/Family)	\$900/\$1,800	\$500/\$1,000	\$1,500/\$3,000 +1,250/2,500 HRA	None	\$0/\$0	\$0/\$0
Out-of-Pocket Maximum (Single/Family) <i>Medical Only</i>	\$4,500/ \$9,000	\$2,000/\$4,000	\$4,500/\$9,000	\$4,500/\$9,000	\$4,500/\$9,000	\$4,500/\$9,000
In-Network Coinsurance	25%	10% Coinsurance	10% Coinsurance	10%	0%	0%
Primary Care	\$30	10% Coinsurance	10% Coinsurance	\$20	\$20	\$15
Specialist	\$50	10% Coinsurance	10% Coinsurance	\$40	\$30	\$25
Inpatient Facility	25% coinsurance	Deductible & coinsurance	Deductible & coinsurance	10% coinsurance	\$100/day up to 2 copays	\$100/day up to 2 copays
Emergency Room	\$300	Deductible & coinsurance	Deductible & coinsurance	\$200	\$150	\$150

Out-of-Network Coinsurance	40%	30%	30%	30%	20%	N/A
Prescription Drug Benefit						
30-day Retail	\$10/\$40/\$80	\$8/\$28/\$50	\$8/\$28/\$50	\$5/\$20/\$50	\$8/\$28/\$50	\$8/\$28/\$50
90-day Retail & Mail	\$25/\$100/\$200	\$16/\$56/\$100	\$16/\$56/\$100	\$10/\$50/\$125	\$16/\$56/\$100	\$16/\$56/\$100
Out-of-Pocket Maximum (Single/Family)	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200	\$2,100/\$4,200

* Actuarial Value based on in-network benefits only, out-of-network feature increases value slightly.

** Sample plan designs with split out of pocket maximums, medical and drug, and not specific to Delaware marketplace.

GHIP Historical Review

Important to note is the passage of House Bill 81 during the 146th General Assembly⁷ in 2011. This legislation marked the first and only significant change in State employee and retiree benefits since the onset of rising healthcare costs experienced nationally at the turn of the century. It represented the collective work of the administration, legislature and unions representing the majority of State employees, all of whom recognized the changing landscape and financial hardships being faced by public sector employers with regards to controlling costs and preserving health and pension benefits. The impetus behind House Bill 81 was the \$80M deficit and contentious FY11 GHIP budget process. The cost sharing structure outlined previously was one of many outcomes of the legislation. Other changes included:

- Elimination of a free health plan replaced with a 4% cost share for employees and non-Medicare retirees enrolled in the First State Basic plan;
- A 5% cost share for Medicare retirees enrolled in the Medicare supplement plan who retired after July 1, 2012;
- Slight increases in the number of service years required to vest for specific percentage of the State share for retiree health benefits; and
- The elimination of Double State Share for new employees as well as a flat \$25 per month per contract for employees who remained eligible for Double State Share.⁸

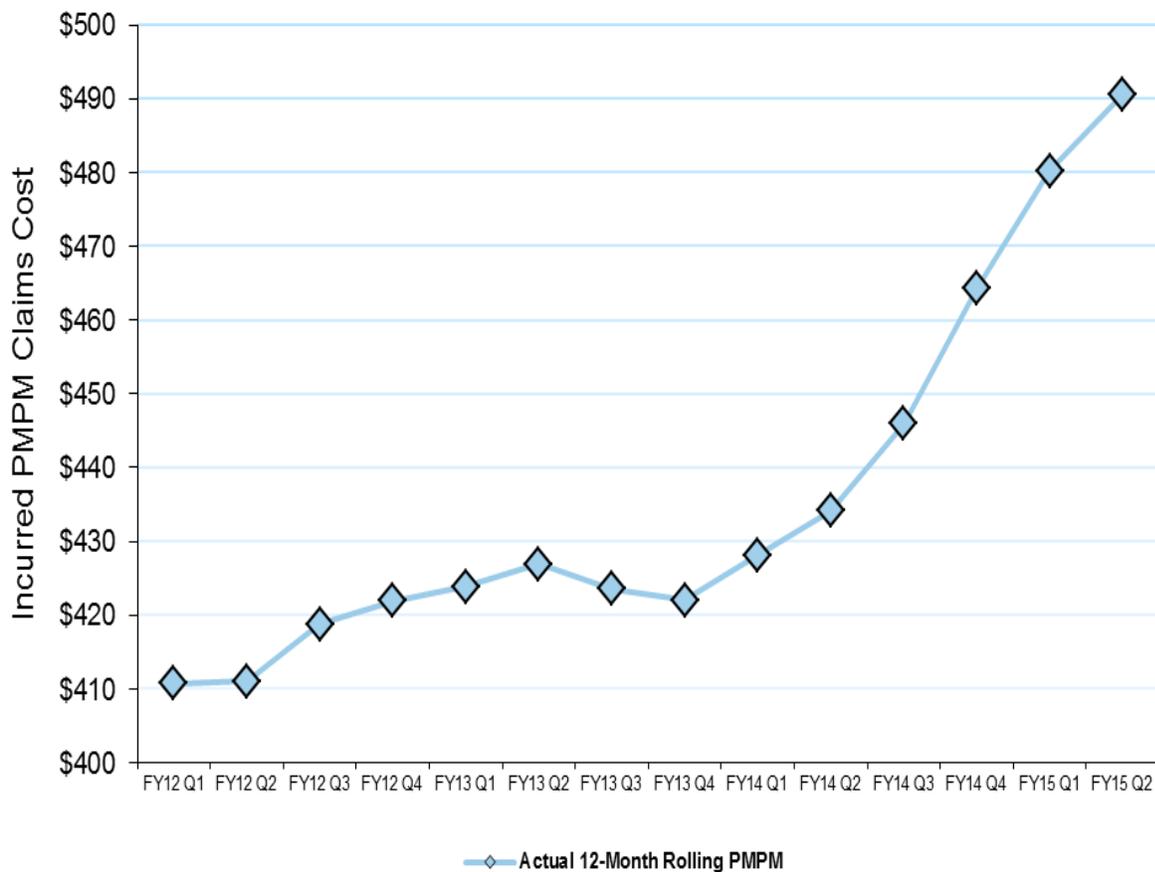
Prior to the passage of House Bill 81, the SEBC's authority and responsibilities were the same; however, the absence of a set employee/retiree cost share left the SEBC with the added

⁷ The legislature meets on a part-time basis from January through June each year.

⁸ See 29 Del. C. § 5202(d) for complete details at <http://delcode.delaware.gov/title29/c052/index.shtml>

responsibility of balancing the GHIP budget through *either* plan design changes or increases in the employee/retiree share of the total premium rates.

While House Bill 81 did make marginal changes and accomplished the intended objective of bringing the State employee and retiree health benefits in line with what was more common in the public sector environment, the growth rates experienced by the GHIP have continued to far exceed the State Operating budget growth and without additional change, appear to be unsustainable. Expenditures accelerated in FY14 after two years of relatively stable per member costs; however, this was not confirmed until updated expenditure projections became available in early February 2015 and as the SEBC began to deliberate over options to balance the FY16 GHIP budget. The following table was used during discussions with the SEBC and exemplifies the dramatic uptick in per member per month (PMPM) costs.



Source: Group Health FY15 Financial Reporting

As the projected deficit ballooned to \$116.3M, the increase provided in the Governor’s 2016 recommended budget for FY16 fell \$60M short of the amount needed to fund the premium rates at a level equal to the expected GHIP expenditures. A similar scenario to that which the SEBC experienced during the FY11 GHIP budget process emerged and it was not until additional money was appropriated by the Joint Finance Committee and approved by the legislature as part of the State Operating Budget process that the SEBC was able to approve a balanced budget for FY16.

Employee and retiree healthcare was the largest cost driver in the State Operating Budget for the current year.

Applying the most recent two years of GHIP costs in future trend projections, the estimated GHIP deficit for FY17 is significant. If expenditures continue to rise at the recent pace, without the implementation of changes in plan design or other options to slow down the increase in expenditures, GHIP costs will rise by another 41% over the next five years and exceed \$1 billion by fiscal year 2020 (FY20)⁹. These costs do not take into account the employee pay-all-dental, vision, FSA, pre-tax commuter, life insurance and supplemental benefits programs nor the State funded disability insurance program.

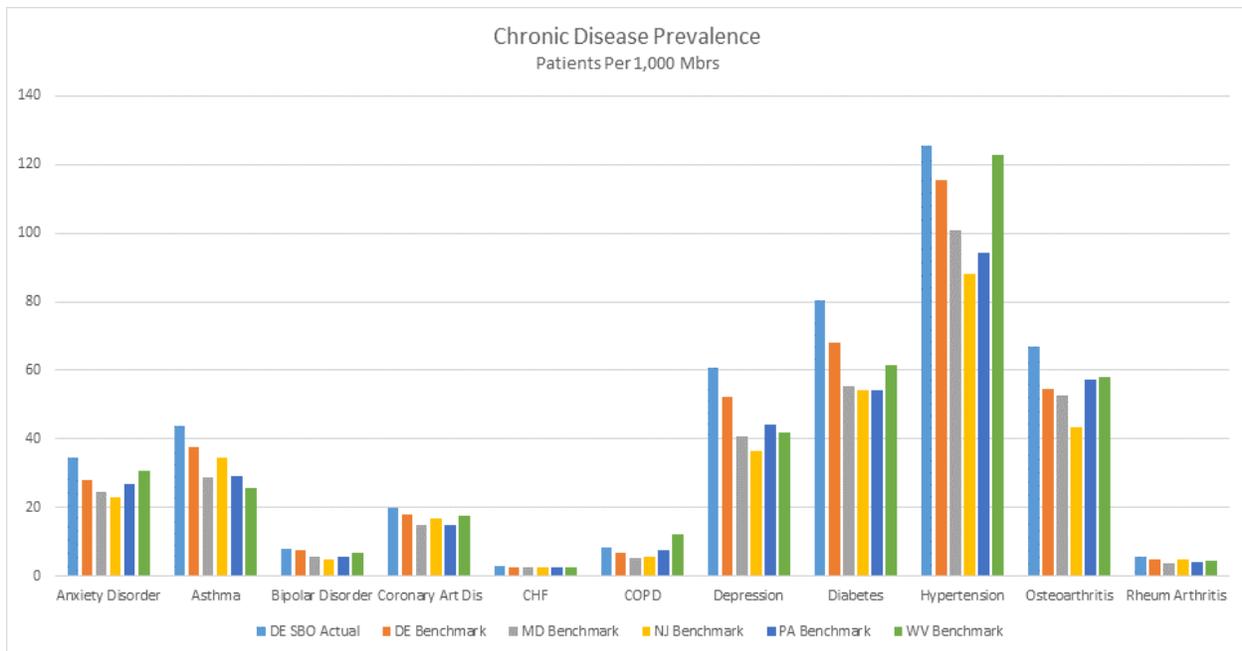
Included in epilogue in the FY16 Operating Budget bill was language requiring the formation of the State Employees Health Plan Task Force to study the State Group Health Plan with the purpose of finding cost savings and efficiencies. The Task Force met through the fall of CY2015 and issued a report to the Governor and General Assembly on December 16, 2015. Minutes and meeting materials from the seven meetings of the Task Force as well as the final Task Force Report are available for review at <http://ben.omb.delaware.gov/hptf/index.shtml>.

Drivers of GHIP Expenditures

Using data from the Truven Health Analytics (Truven) GHIP database and comparing medical and prescription drug claims incurred by GHIP plan participants for the time periods of May 2013 through April 2014 and May 2014 through April 2015, a number of noticeable changes contributed to the rapid acceleration of expenditures.

Despite the stable demographic make-up of the GHIP population, the population's aggregate health risk score increased 20% in the most recent year. Truven analyzed the GHIP population and calculated concurrent and prospective risk scores for each plan participant that reflected age, gender and medical conditions noted in each participant's medical claims. The aggregate risk score for the entire GHIP was then calculated and compared against the risk scores of individuals in a national database. As the score is developed by individual member, it is difficult to identify which population attributes drive the GHIP aggregate score of 161 for the most recent period versus 100 for the base population; however, the chart below compares chronic disease prevalence for the GHIP population compared to surrounding state benchmarks and even after adjustments for demographic differences, the GHIP population's chronic condition prevalence is noticeably highest for all conditions except COPD (Chronic Obstructive Pulmonary Disease). Demographics likely contribute to a high population risk score; yet the GHIP's chronic disease prevalence clearly indicates an overall adverse risk pool and drives the GHIP's high costs.

⁹ The State's fiscal year is July 1 through June 30 with the year identified as the year that falls on June 30th.



- Source: Truven Health Analytics

In the most recent year, GHIP net payments per employee/non-Medicare retiree increased 9%. Outpatient care trended at 6% and accounted for 52% of the net medical payment spend. Inpatient care trended at 11%. Combined medical trend (inpatient and outpatient) was 7%. Prescription drug spend trended at 13%.

Medical expenditures represented 78% of the net payments in the most recent period. High cost claimants were the mitigating driver of the overall increase as prevalence rose 21% and chronic conditions accounted for 61% of high cost claimants’ medical net payments. Inpatient price per admission increased by 3% with high cost claimants accounting for 1%. The 3% inpatient price increase was driven by surgical procedures, primarily musculoskeletal surgical admissions. Outpatient price increased 2% with surgery and office services accounting for 1%.

In the most recent period, prescription expenditures accounted for 22% of the net payments. A 10% increase in prescription drug price was driven primarily by high cost claimants; however, overall prescription drug price was favorably impacted by increased utilization of generic prescriptions by the GHIP employee/non-Medicare plan participants. Removing the impact of high cost claimants, prescription drug price was the biggest driver of GHIP trend for the employee/non-Medicare population.

The GHIP Medicare primary population, not unlike the employee/non-Medicare population, experienced a 26% aggregate health risk score increase in the most recent year, as well as a 12% change in net medical payments (27% inpatient and 5% outpatient) and a 19% change in net prescription drug payments. High cost claimant net payments increased 38% and chronic conditions accounted for 63% of high cost claimant net medical payments. Inpatient acute admission costs decreased while long term care costs increased substantially and were the primary driver of inpatient costs. Outpatient price did not play a significant role in driving GHIP Medicare

expenditures. The prescription drug increase was driven in part by high cost claimants as well as a much higher utilization of brand medications by this population.

B. Proposal Objectives

Experience

The SEBC desires to contract with a consultant or consultants specializing in providing consulting services to large self-insured health and prescription programs in addition to a variety of other programs for which the SEBC has oversight. Consultants must have prior experience directly related to the service categories requested in this RFP.

Services

The consultant(s) shall provide services to assist the SEBC in the design and administration of the GHIP with respect to actuarial services, regulatory compliance, benefits design, general consulting, and support for program planning and administration. The successful consultant(s) shall provide consulting teams to provide these services with expertise in the following specialties – actuarial science, benefits design, strategic planning, contracting/procurement and communications. **A firm must be qualified to provide services in all the categories or specialties. Bids will not be accepted if a consulting firm is only submitting a proposal for some of the services.**

Process of Selection

- The SBO will analyze the proposals to determine whether or not the bidder meets the requirements and is eligible to be deemed qualified.
- The Proposal Review Committee (PRC) will determine whether or not a firm is qualified and those consultants will be asked to interview.
- After the interviews, the PRC will score the qualified firms and determine which consultants they deem as approved.
- It is the PRC's role to make a recommendation(s) to the SEBC for an award of a contract(s).¹⁰ The PRC will make a recommendation to the SEBC to award a contract to the approved consultants, including their recommendation for the firm they recommend as the Primary Consultant.
- The SEBC has the sole right to select the approved 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.

Contract Award

All approved consultants that are awarded a contract by the SEBC will be asked to enter into a professional services contract (Appendix M) with a term of two (2) years with three (3) optional one-year periods and with an effective date of July 1, 2016. The scope of services is dependent on

¹⁰ See the *Evaluation Criteria* section, Page 21, for further details.

the type of services awarded at that time or during the term of the contract; such as the Primary Support consultant or as an approved consultant for specific projects.

Primary Support Consultant

It is the SEBC's intent to award a contract for the services listed in the Primary Support category to one consulting firm to act as the primary consultant. The Primary Support consultant will provide the day-to-day services as set forth in this RFP under a monthly retainer payment arrangement. If applicable, the Primary Support consultant will be required to work with the incumbent vendor to transition projects. The Primary Support consultant may be required to coordinate work with other approved consultants on specific projects described in the service categories. During the term of the contract, the Primary Support consultant may also be asked to provide services for specific projects.

Approved Consultants for Specific Projects

For approved consultants who are awarded a contract but who were not selected as the Primary Support consultant, the scope of services in the contract will be a general reference of the services at the hourly rates in your bid response. Thereafter, the approved consultant that is selected for a specific project (for example, an RFP or an audit), a scope of service will be developed and a flat fee or hourly rate or combination as appropriate for the type of project or service fee will be negotiated. This is also true if the Primary Support consultant is selected for a specific project. The SEBC reserves the right to choose any firm or multiple firms. The requirements for each specific project will be an amendment to the scope of services in the existing contract. For the Cost Control and Program Integrity (eligibility and claim audit) projects, the firm must meet the data security and technology requirements; see Section V.

C. Scope of Services by Category

NOTE: This is not intended to be an all-inclusive list, as there may be other services per category required of the consultant(s) under this agreement. The scope of services provided below is extensive. The SBO and SEBC shall have the discretion to add related work to it, modify it, or eliminate it. The scheduling of the work shall be a joint effort on the part of the SBO, SEBC and the selected consultant(s).

1. Primary Support Consultant

➤ Actuarial Services

1. Monitor the plan's experience, and provide actuarial analysis. This will include a quarterly review and aggregate reporting on the health plan TPA and PBM quarterly financial and enrollment reporting and quarterly expenditure and projection reporting for the next fiscal year based upon the analysis of the quarterly health plan TPA financial and enrollment reporting. The reporting will need to include exhibits of the quarterly financial expenditures and the next fiscal year projections.
2. Establish premium rate equivalents for self-funded plan(s), which includes national medical trending rates. Such actuarial projections may include, but not be limited to, a

breakdown by employer type, group, or subgroup (e.g. state government, school districts and charter schools, quasi-state agencies, non-state participating groups). Premium rate analysis shall focus on each health plan TPA(s) projected aggregate experience and the justification provided by each to support their trend projections including, but not limited to, projected paid and incurred claims and retention.

3. Assist in the development of employee contribution strategies.
4. Calculate the financial impact of proposed plan changes.
5. Provide financial projections and attend discussions with the SBO, SEBC, health plan (TPA) carriers, legislative hearings, and others as requested.
6. Consult with the SBO regarding TPA/carrier negotiations as required.
7. Provide bi-annual reporting for use by the State of Delaware Office of Pensions consultant contracted to perform the GASB 45 Valuation, of the GHIP OPEB actual and projected claims for the prior and current fiscal year.
8. Study pharmaceutical utilization, compare said utilization with national and regional norms, make recommendations, and develop projections of future costs.
9. Explore and assess risk management alternatives including stop loss and reinsurance options.

➤ **Plan Design Analysis**

1. Advise the SBO and SEBC on plan design changes, as well as the impact on cost, quality of care and network access related to such changes.
2. Provide recommendations regarding the impact related to the use of any pre-tax vehicles such as HSAs, HRAs, etc. Provide financial analysis of the use of such vehicles, demonstrating the impact to both the GHIP and its participants. This would entail both a current and long term analysis, as well as an analysis for participants within a variety of salary and age ranges. These models should include a sampling of claims taken from past experience applied under the proposed new plan design models for employees at various compensation and age levels.
3. Assist the SBO and SEBC in reviewing its voluntary benefit plans. Advise the SBO and SEBC on the types of plans necessary for provision of a comprehensive benefits package.
4. Assist in designing a comprehensive wellness program that links claims experience to wellness initiatives.
5. Assist in designing a comprehensive “consumer-driven” program that links claims experience to this type of initiative.

6. Study and recommend a low-cost ACA compliant plan, as a possible offering to ensure that all employees have an option for some type of health insurance coverage.
7. Provide consulting as may be necessary on the composition of the GHIP and recommend alternatives.
8. Find and present best practices from other state governments and large employers including successes, empirical data, and when appropriate, plans for implementation.

➤ **Reporting**

1. Propose and develop in a format which is practical and applicable to state government/public sector clients, a monthly and quarterly dashboard reporting system for tracking plan expenses and revenue. The system should permit proactive management of the plan, as well as a methodology for linking claims to wellness initiatives.
2. Analytical reports may be required by employer type, geographic regions, carriers, coverage tiers, employment status, and other breakdowns as required, which could include demographic analysis.
3. Analyze claims and enrollment data from the GHIP and vendor databases to prepare usable data summaries for the SBO and SEBC to identify trends and patterns of utilization and to recommend cost control opportunities.
4. Assist the SBO and SEBC in developing monthly and annual reporting which tracks the financial impact of the plan as compared to actuarial projections.

➤ **Other Primary Support**

1. Develop and perform surveys of other state governments and private sector employers in the eastern region, related to demographics, wages, benefits, and total compensation. Part of this process will include the development of benchmarks and goals for the GHIP in order to measure progress or lack thereof. Benchmarks necessarily will have to change at least on an annual basis to assure that the GHIP goals are consistent with changes in the market.
2. Assist in the development of all GHIP RFP(s) for health insurance, participate in the associated offeror's interviews and evaluate the network and financial components of proposals received. This is anticipated to include claims administration, network management, pharmacy benefit management, and health management.
3. Assist the SBO and SEBC in the development of an ongoing strategic direction with measurable goals to better control health care costs through the assessment of past strategies and plan changes and develop recommendations for future changes.
4. Prepare and present information to the SEBC at all meetings. SEBC meetings are typically held in Dover each month with two meetings in the months of February and March.

5. Draft reports for the SBO and SEBC to review and finalize for submission to the Governor and/or General Assembly in compliance with statutory requirements.
6. Consultant will participate in annual contract reviews and negotiations with health plan TPA(s), PBM and other vendors as needed and support the SBO and SEBC in negotiation of rates with health plan TPA(s).
7. Review, develop and advise concerning regulatory and compliance consulting including, but not limited to, HIPAA and ACA issues related to the GHIP medical benefits plan, and make recommendations on changes necessary for ACA, COBRA and HIPAA compliance. Review plan documents and TPA contracts and develop SBCs in accordance with ACA requirements.
8. Handling of miscellaneous plan related questions. Provide support to the SBO and SEBC health plan administrators as it relates to management of the self-funded programs and a full breadth of consulting services. Support is defined as telephone calls as needed and attendance at meetings upon request. At a minimum, a quarterly meeting will be held to review financial data with plan administrators.
9. The successful firms should anticipate interfacing and collaborating with the Department of Health and Social Services (administration of Delaware's health and welfare programs including Medicaid), the State Innovation Board and Delaware Health Care Commission regarding the coordination of care, healthcare payers, payment models and statewide coalitions regarding efforts at the state level around the development of a more patient-centered, efficient and transparent healthcare system.

2. Specific Project(s) Consultant(s)

➤ Communications

1. Development of a multi-pronged communication plan for disseminating information related to the status of the current plan. The communication plan should also address identified problem areas, and potential changes in the plan.
2. Develop a strategy for disseminating information regarding the voluntary benefit plans available to the GHIP's employees and retirees.
3. The SEBC is interested in exploring the possibility of marketing a "retirement readiness" communicate that integrates a member's pension, defined contribution, and healthcare benefit information.

➤ Cost Control and Program Integrity

1. A claims audit project is being conducted in 2016. Another claims audit may be requested by the SEBC in the future. The claims audit project would involve receiving medical and prescription claims files the Highmark Delaware, Aetna, and Express Scripts.

2. Beginning in the early part of 2017, the SEBC may contract for eligibility audit services with one of the pre-qualified consultants through this RFP process. This will involve receiving eligibility files in different formats from PHRST, the State's People Soft based system, the Pension Office, University of Delaware, and NEBS system for the non-payroll groups. The SEBC's goal is to ensure that all persons covered under the GHIP are eligible for the coverage. Bidders are asked to provide a project management scope of services for the eligibility audit to include, but not necessarily be limited to, implementation, a timeline, and a final report. Please see Question 20 in the Minimum Requirements Section.
3. Audits of any type applicable to the GHIP may be requested by the SEBC at any time.

➤ **Procurement and Contract Negotiation**

Assist the SBO with all aspects of the procurement process as follows:

1. Learn and follow the State of Delaware's procurement rules so that the procurement process is fair, transparent, and legally defensible. The SBO staff will provide this training.
2. Develop with SBO a suitable project management timeline to issue a Request for Proposal that meets fixed deadlines such as implementation for Open Enrollment and the contract effective date.
3. Manage the workload in order to meet deadlines and benchmarks.
4. Develop the RFP document with the following topics:
 - a. Minimum requirements to determine if the bidder qualifies to administer the State's program by having a similar depth of experience and expertise;
 - b. A questionnaire section to be able to have a full understanding of the bidder's qualifications and abilities; and
 - c. Advise the SBO on the selection of evaluation criteria for the scoring and ranking of the bids by the PRC. (The Proposal Review Committee consists of the SEBC members or their designees.)
5. Review each bid closely to determine if follow-up questions are required.
6. Assist SBO with a written Q&A process from vendors.
7. Compare and analyze the bids which may include detailed and extensive analysis of pricing and plan design options (for example, health insurance and prescription coverage).
8. Compile a presentation for the SBO with a high-level comparison of each vendor's capabilities and pricing in order to aid the SBO in determining which vendors qualify as a finalist and should be invited to interview.
9. Compile a detailed comparison of the finalists' bids to prepare for the interviews.

10. Prepare a presentation for the PRC to fully inform the members about the benefit or subject of the RFP, along with the requirements, necessary qualifications, and capabilities of each finalist.
11. Aid the SBO and PRC in developing an interview agenda in order to be able to fully analyze a vendor's capabilities.
12. Attend the finalist interviews on-site in Dover, Delaware, and aid the PRC and SBO in their analysis with probing questions to the vendors.
13. Aid the SBO with compiling the PRC member's scores in order to develop a recommendation to the SEBC for a contract award.
14. After the contract is awarded, assist the SBO as necessary with contract development and review and implementation.

D. Timetable/Deadlines

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

Event	Date
RFP Released	Monday, March 7, 2016
Intent to Bid Deadline ¹¹	Wednesday, March 16, 2016, 1:00 PM Local Time
Mandatory Pre-Bid Meeting (Conference Call) ¹²	Friday, March 18, 2016, 11:00 AM Local Time
Follow-up Questions due to SBO from Confirmed Bidders	Tuesday, March 22, 2016, 1:00 PM Local Time
Responses to Questions to Confirmed Vendors	Tuesday, March 29, 2016
Deadline for Bids	Wednesday, April 6, 2016, 1:00 PM Local Time
Notification of Qualification - Invitation to Interview	Monday, April 25, 2016

¹¹ 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.

¹² IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting. See Section II.B.4 for details. All vendors who submit an Intent to Bid will receive an email with instructions.

Interviews ¹³	Tuesday, May 10, 2016
Contract Award	Mid-May, 2016

E. Evaluation 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

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. The PRC shall interview at least one (1) of the qualified firms.

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

¹³ The SEBC will require each of the qualifying firms 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 PRC may provide an agenda of specific topics. Because the interview notifications may go out as late as a week or two beforehand, **SAVE THE DATE of Tuesday, May 10, 2016.**

firms. The SEBC reserves the right to reject any and all proposals or award to multiple vendors. The SEBC also reserves the right to award to multiple vendors, however, it is the SEBC’s intention to award a contract to one vendor for Primary Support services.

Evaluation Criteria

All proposals shall be evaluated using the same criteria to determine if a bidder meets the requirements to be deemed eligible, qualified and then approved. **A firm must be qualified to provide services in all the categories or specialties. Bids will not be accepted if a consulting firm is only submitting a proposal for some of the services.**

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

Topic and Weighting	Subtopic Weighting	Description
Organization, 15%	For these four categories, each category will have a subtopic that corresponds with the Scope of Services and are weighted as follows:	Organization’s overall depth of ability and experience to perform the services as outlined in the Scope of Services to clients of similar size (lives), budget and complexity. Experience with public sector client(s) of similar size (lives), budget and complexity is not mandatory but is preferred.
Personnel, 20%	Primary Support Services: <ul style="list-style-type: none"> • Actuarial Services, 20% 	Experience and qualifications of the primary personnel for services in each category.
Project Management, 15%	<ul style="list-style-type: none"> • Plan Design Analysis, 20% • Reporting, 10% 	Ability to compose and perform a project management plan, meet deadlines, and present a final report.
Customer Service and Work Product, 15%	<ul style="list-style-type: none"> • Other Primary Support Services, 10% Specific Projects: <ul style="list-style-type: none"> • Communications, 10%, • Cost Control and Program Integrity Audits, 15%, and 	Demonstrated ease of access to personnel, ability to complete projects within required timeframes and have the initiative to keep the SEBC informed of material issues.

	<ul style="list-style-type: none"> • Procurement and Contract Negotiation, 15% 	
References, 10%		Excellent references from existing and former clients. The references must be specifically for the lead personnel on the project teams that worked for that client and would be assigned to the State’s account.
Pricing, 20%		Reasonable and competitive fees for Primary Support services on a monthly retainer basis, the flat fee scenario for the Health Insurance RFP project, and hourly rates as requested on the <i>Cost Quotation</i> form, Appendix N. Best and Final Rates will not be requested after your bid submission.
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.
Total, 100%		

The SEBC will use the information contained in your proposal to determine whether you will be deemed qualified and approved 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 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 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.

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.

For the Cost Control and Program Integrity projects (claims audit and eligibility audit), the proposing firm's ability to meet the Technology and Data Requirements in Section V are also considered a minimum requirement.

RFP Award Notification

A contract shall be awarded to the vendor(s) whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. The SEBC is not obligated to award a contract to the vendor who submits the lowest bid pricing or fee. Rather, a contract will be awarded to the vendor(s) whose proposal is determined by the SEBC to be the most advantageous. The award(s) is subject to the appropriate State of Delaware approvals. After a final selection is made, the approved vendor(s) will be notified and may be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their status.

Because the scope of services for Primary Support services and the Health Insurance RFP project is extremely time-sensitive, the selected vendor(s) must expeditiously negotiate and enter into a contract immediately after the award notification.

Award of Contract(s)

The final award of a contract(s) is subject to approval by the SEBC. The SEBC has the sole right to select the successful vendor(s) for award, to reject any proposal as unsatisfactory or non-responsive, to award a contract to other than the lowest priced proposal, to award multiple contracts, or not to award a contract, as a result of this RFP. Notice in writing to a vendor of the acceptance of its proposal by the SEBC and the subsequent full execution of a written contract will constitute a contract and no vendor will acquire any legal or equitable rights or privileges until the occurrence of both such events.

F. Confidentiality of Documents

The 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. The State has been advised that a PBM's AWP discounts, dispensing fees, and rebates are confidential business information which is excluded from the public records and not subject to FOIA disclosure. If a vendor feels that they cannot submit their proposal without including other confidential business information, they must adhere to the following procedure or their proposal may be deemed non-responsive, may not be recommended for selection, and any applicable protection for the vendor's confidential business information may be lost.

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

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

Upon receipt of a proposal accompanied by such a separate, sealed envelope, the State will open the envelope to determine if the procedure described above has been followed. Such requests will not be binding on the SEBC to prevent such a disclosure but may be evaluated under the provisions of 29 Del. C. Chapter 100. Any final decisions regarding disclosure under FOIA shall be made at the sole discretion of the 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.

5. **Cost Quotation** (see Appendix N)

Cost proposals are required on the following projects:

- a) Monthly retainer with a detailed list of the services covered for Primary Support, and
- b) A flat fee not-to-exceed quote for a Request for Proposal for a Health Insurance RFP, and
- c) An hourly rate schedule by job title with rate caps expressed in a percentage.

B. General Terms and Conditions

General

1. Intent to Bid – !IMPORTANT!

- a. **You must indicate your intent to bid via email to Ms. Laurene Eheman at laurene.eheman@state.de.us by Wednesday, March 16, 2016 no later than 1:00 PM Local Time.**
 - b. **Your bid will not be accepted if the State of Delaware does not receive an email or written confirmation of an intent to bid.** Include the following information: company name and address, the name, title, and email address of the primary contact along with the same information for a secondary contact.
 - c. **Upon receipt, a Word document of the RFP will be provided along with the documents identified as Attachment 6 on the Table of Contents.**
2. **No Bid** - To assist us in obtaining competitive bids and analyzing our procurement processes, if you choose not to bid we ask that you let us know the reason. We would appreciate your candor. For example: objections to (specific) terms, do not feel you can be competitive, or cannot provide all the services in the Scope of Services. Please email Ms. Laurene Eheman at laurene.eheman@state.de.us.
3. **Definitions** – The following terms are used interchangeably throughout this RFP:
- a. bidder, vendor, contractor, organization, firm, service provider
 - b. SEBC, State of Delaware
 - c. proposal, bid, vendor’s submission, offer
4. **Mandatory Pre-Bid Meeting Conference Call** – A conference call will take place on Friday, March 18, 2016, at 11:00 a.m. Local Time. The purpose is to discuss the bid submission requirements of the formatting of the hard copies and electronic copies.

We will also discuss the technology requirements and entertain questions about the Scope of Work and requirements.

The following participants are required to attend:

- Your organization's primary contact for the RFP or their designee;
- The administrative person who will be compiling the hard and electronic copies; and
- The person who will be responding to the requirements in the Technical Standards and Security Requirements section.

Your bid will not be accepted if your organization does not participate in the conference call. Meeting minutes will be compiled, distributed to all the vendors, and posted on www.bids.delaware.gov. This question and answer session is in addition to the written questions and answers process as described in Section II.B.6.

5. **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 submitting the *RFP Terms and Conditions Exception Tracking*, Appendix E. This will allow for the issuance of any necessary addenda. It will also help prevent the opening of a defective proposal and exposure of the vendor's proposal upon which an award could not be made. All unresolved issues should be addressed in the proposal.

Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of Ms. Laurene Eheman, electronically, and only electronically, at laurene.eheman@state.de.us, no later than ten (10) business days 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.

6. **Questions** –

- a. 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.

- b. Vendors should only rely on written statements issued by the RFP designated contact, Ms. Laurene Eheman. **All proposing vendors must submit their questions electronically, and only electronically, to Ms. Laurene Eheman at laurene.eheman@state.de.us no later than Tuesday, March 22, 2016 at 1:00 PM Local Time.**
- c. **Required Format:** Questions must be submitted in a Word document with a table format. So that we can be sure to respond within the context of the question, if you are referring to a specific question or term, please copy the question or information and reference the section, question number, and/or page number in the first column. In the second column, copy the requirement or question. In the third column, state your question. The SBO will then put all questions received and the responses into one document and send it to all vendors who confirmed their intention to bid.

Contract Term / Rate Guarantee Periods

The final award of a contract(s) 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.

➤ **Primary Support Consultant**

1. The term of the contract is two (2) years and may be renewed for three (3) additional one-year extensions at the discretion of the SEBC.
2. Please be advised that the SEBC may continue to work with their current vendor, Segal Consulting Group, to effect a transition that is deemed by the SEBC to be in best interest of the State.

➤ **Specific Projects**

The term for a specific project will be stated in the addendum that specifies the scope of work.

Contract Termination

➤ **Primary Support Consultant**

1. The contract may be terminated by the Primary Support consultant upon 180 days written notice to the State.

2. The contract may be terminated for convenience or cause by the State upon thirty (30) days written notice.

➤ **Specific Projects**

The contract may be terminated for convenience or cause by the State upon thirty (30) days written notice.

Performance Guarantees

The State expects exceptional service and work product from their consultants and requires financial and non-financial performance guarantees for both the Primary Support contract and contracts for specific projects. The State reserves the right to negotiate both financial and non-financial performance guarantees. Please refer to Appendix C.

Use of Subcontractors

Subcontractors are subject to all the terms and conditions of the RFP. The SEBC reserves the right to approve any subcontractor.

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 1) 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.*

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 1.

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 acceptable of being selected for award, but proposals may be accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. 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 different minimum requirement or in another question.

Hard Copies – Please submit **four (4)** complete hard copies - binders are required 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.

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.

The following sections are required to be submitted in Word and as pdf copies:

- Minimum Requirements
 - Questionnaire
 - Performance Guarantees, Appendix C
2. **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 and the signed Officer's Statement. Please divide the PDF into manageable sections for easier readability. Please label and carefully package the CD.
 3. **Redacted Copies** – Information that you assert is confidential and proprietary must also be submitted in a redacted form within those same copies of 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:

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 \$5,000 have a corresponding purchase order prior to the charge; and fragmentation of purchases is prohibited.

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

Any questions on requirements should be directed to staff in OMB 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 (Exhibit 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 designee.

Reconciler - The Reconciler is responsible for applying the chartfield 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.

Approver - [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 and the signed Officer's Statement. Please divide the PDF into manageable sections for easier readability. Please label and carefully package the CD.

The person who is putting together the hard and electronic copies is welcome to, and encouraged to, contact Ms. Laurene Eheman directly by phone at 302-739-8331 to discuss the requirements and ask questions.

(please refer to the table on the next page)

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 ¹⁴	1	1
Complete bid <u>with</u> redacted sections	1	
Complete bid <u>without</u> redacted sections	4	1

4. **Proposal Submission Date – Both hard and electronic copies of your complete proposal must be received at the above address no later than 1:00 PM Local Time on Wednesday, April 6, 2016.** 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.
5. **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.
6. **Officer Certification** – All vendors participating in this RFP will be required to have a company officer attest to compliance with RFP specifications and the accuracy of all responses provided. Please fill out the *Officer Certification Form*, Appendix D, and include it in your bid package.
7. **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.
8. **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

¹⁴ Refer to Section I.F., *Confidentiality of Documents*, for detailed instructions.

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.

9. **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 Eheman 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.
10. **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.
11. **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.
12. **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.
13. **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.
14. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
15. **Certification of Independent Price Determination** – By submission of a proposal, the proposing firm certifies that the fees submitted in response to the RFP have been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other proposing firm or competitor relating to those fees, the intention to submit a proposal, or the methods or factors used to calculate the fees proposed. Please fill out the *State of Delaware Non-Collusion Statement*, Appendix A, and include it in your bid package.
16. **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.

17. **Representation Regarding Contingent Fees** – If it is your business practice to engage services from any person or agency to secure or execute any of the services outlined in this RFP, any commissions and percentage, contingent, brokerage, service, or finder’s fees must be included in your proposed fee. The SEBC will not pay any separate brokerage fees for securing or executing any of the services outlined in this RFP. **Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service, or finder’s fees.**
18. **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.
19. **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.
20. **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.
21. **Contact with State Employees** – Direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Laurene Ehemann, 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.
22. **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.
23. **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 V are considered minimum requirements for the Cost Control and Program Integrity project (claims and eligibility audits).
- “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.

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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. Include your company’s website address.

1. Your organization must have at least five (5) years’ experience in providing the type and scope of consulting services to be procured through this competitive process. The determination of the length of time an entity has provided these services will be based upon the initial date the entity established a contractual relationship to provide such consulting services. The proposing organization must provide sufficient detail to demonstrate it has significant experience in working with programs similar in size and complexity to the GHIP. Please provide a broad outline of the organization’s experience and qualifications for each service listed in the Scope of Services.
2. Of your company's current or former clients within the last three years, using the list of information below, provide three (3) or more references<sup>15</sup> for self-insured health plans with an excess of 100,000 eligible lives and 35,000 enrolled lives or participants including active, non-Medicare, and Medicare covered lives. The SEBC is especially interested in

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<sup>15</sup> 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. You will be asked to arrange for your current client references to contact Ms. Laurene Eheman and specific instructions will be provided at that time.

your organization's experience with public sector clients of a similar size and annual medical and prescription spend in excess of \$300 million.

Include the following information:

- a. Client name
  - b. Client principal location
  - c. Location servicing account, if different
  - d. Client's principal contact including name, title address, email and phone number
  - e. Total number of employees
  - f. Effective date of contract
  - g. Service(s) provided
  - h. Names and resumes of the lead personnel assigned to the client
  - i. A list of the projects performed for the client (please use the same terminology in the Categories of Services)
  - j. Termination date of contract, if applicable
3. The individual who will act as the SEBC's primary contact shall be, at a minimum, at senior consultant level and shall have at least six (6) years' experience of consulting responsibilities in health insurance, of which three (3) years' experience must have been in providing consulting services to self-insured health plans consisting of at least 100,000 covered lives. Please provide a statement detailing such experience and a resume.
4. For each item, identify the individual having the required experience. Please state your employees' name, briefly state their qualifications, and reference their resume as provided in the Questionnaire Section. (Note: Although it is acceptable for one staff member to meet one or more requirements, multiple individuals' years of experience cannot be aggregated to meet a specific requirement.) The proposing organization must have individuals who have the following experience:
- a. At least five (5) years consulting experience in benefit design and evaluation;
  - b. At least three (3) years' experience in evaluation actuarial and financial analysis for a self-insured health plan;
  - c. At least three (3) years' experience in medical claims administration at a management level;
  - d. At least three (3) years consulting experience in selecting, installing, and managing the transition of a third party medical claims administrator;
  - e. At least three (3) years' experience in the selection of a life insurance company for plans consisting of at least 20,000 covered lives;

- f. At least three (3) years' experience in selecting, installing, and managing the transition of a pharmacy benefit manager and with Medicare Part D Employer Group Waver plans;
  - g. At least three (3) years' experience in the procurement process, selection, and contract negotiation with the following vendors:
    - i. dental insurance,
    - ii. vision insurance,
    - iii. flexible spending account,
    - iv. short term and long term disability,
    - v. wellness and disease management programs,
    - vi. employee assistance program,
    - vii. life insurance for plans consisting of at least 20,000 covered lives
    - viii. pre-tax commuter benefits, and
    - ix. supplemental benefits such as accident and critical illness with cancer coverage.
5. Please confirm that your organization has strict policies and procedures in place for the protection of client and member Personal Health Information (PHI) and to avoid security breaches under the Health Insurance Portability and Accountability Act (HIPPA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. In the corresponding question in the Questionnaire section, please describe in detail your program, policies and procedures.
  6. Please confirm that the primary contact for this RFP, team leader for a Health Insurance RFP project, and the lead actuarial personnel will be part of any interview team.
  7. Please confirm that, if your organization is selected as the Primary Support consultant and/or the consultant for the Health Insurance RFP project and at no cost to the State, the team assigned to this contract and project will attend an on-site meeting in Dover, Delaware for an orientation and kick-off meeting on Tuesday, May 24, 2016.
  8. Provide a copy of your Delaware business license.
  9. Confirm that your proposal is valid for 180 days subsequent to the date of submission.
  10. Please confirm that for any subcontractors you retain for services provided under a contract resulting from this RFP, you will provide a completed *Subcontractor Information* form(s) to be included with a scope of work; see Appendix F. Subcontractors that have access to the State's data for either or both of the claims and eligibility audit projects (Cost Control and Program Integrity services) must meet the Data Security requirements in Section V and submit the signed forms. The SEBC reserves the right to approve any subcontractor.

11. Please confirm that you accept the terms in the *Professional Services Agreement*, Appendix M. If you have suggested changes, please provide a redlined document in your proposal. If the State does not respond to your suggested changes during the bidding process and you are awarded a contract, it does not infer acceptance of any suggested changes.
12. Please confirm that you accept the terms in the *Business Associate Agreement*, Appendix L. If you have suggested changes, please provide a redlined document in your proposal. If the State does not respond to your suggested changes during the bidding process and you are awarded a contract, it does not infer acceptance but only that the suggested changes are deemed to be negotiable terms.
13. Please confirm you have filled out the *State of Delaware Non-Collusion Statement* form, Appendix A, and included it in your bid package.
14. Please confirm you have filled out the *Officer Certification Form*, Appendix D, and included it in your bid package.
15. Please confirm you have filled out the *Employing Delawareans Report*, Appendix G, and included it in your bid package. (The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.)
16. Please confirm you have filled out the *Financial Ratings Form*, Appendix H, and included it in your bid package.
17. Please confirm you have filled out the *Cost Quotation* form, Appendix N, and included it in your bid package. It includes the instructions for a flat fee quote for the Health Insurance RFP project.
18. Consultants must agree to Performance Guarantees in areas critical to the quality and delivery of the required services. If awarded the Primary Support contract, the consultant must agree to, at a minimum, amounts expressed as either a fixed dollar amount per day or fixed percent per day amount to be put at risk for failure to meet a guarantee with a deadline. Additionally, for specific projects, the consultant(s) must agree to a rating of their performance both halfway through and at the end of a project. Please see the *Performance Guarantees* form, Appendix C, for more details. Here, confirm you have filled out the form and included it in your bid package.
19. The SEBC will be entering into a contract effective July 1, 2016, with a qualified consultant for the Health Insurance RFP project. The process of RFP development through contract award is described in the Procurement and Contract Negotiation section of the Scope of Services by Category section. We expect to receive three bids. Our goal is to have the SEBC make the award at their meeting in mid-November so that implementation may begin no later than January for a May, 2017, open enrollment period. Using the same type of timeframe benchmarks set forth in the timetable in this RFP, the sample scope of services set forth in Attachment 4, and a kick-off meeting date of Tuesday, May 24, 2016, please propose a timeline. Include how you would manage the workload to meet the deadlines, and complete a project of this scope and type.

20. In a separate tabbed section, please provide a scope of work for the eligibility audit project as described in the Cost Control and Program Integrity section. Assume that the initial meeting with the SBO is in mid-January, 2017, and a final report and presentation is due six months afterwards. In order to evaluate your organization's ability to propose, manage, and complete a project of this scope and type, include a list of the information you would need from the State to develop the project plan in more detail and provide a general project management plan with a projected timeline. Because we are asking your organization to tell us what information you need from the State, we will not accept any questions in the Q&A process for more detail about the project.

## VI. Questionnaire

### Instructions

- A. 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.
- B. 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.
- C. Responses Exception Tracking, Appendix B – 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.
- D. **PLEASE DO NOT CHANGE THE NUMBERING OF THE QUESTIONS!** Do not start over with Number 1 in a subsection. Thank you.

### A. Organization and Personnel

1. List the name, title, mailing address, telephone number, facsimile number, and e-mail address of the contact person for this proposal.
2. State the full name and home office address of your organization. Describe your organizational structure (e.g., publicly held corporation, private non-profit, partnership, etc.). If it is incorporated, include the state in which it is incorporated. List the name and occupation of the individuals serving on your organization’s board of directors, and list the name of any entity or person owning 10% or more of your organization.
3. How long has your organization been in business?
4. Describe any pending contracts to merge or sell your company.
5. How many years has your organization been providing consulting services for the following benefit plans:
  - a. health insurance,
  - b. life insurance,
  - c. prescription benefit management,
  - d. dental insurance,
  - e. vision insurance,
  - f. flexible spending account,

- g. short term and long term disability,
  - h. wellness and disease management programs,
  - i. pre-tax commuter benefits, and
  - j. supplemental benefits, such as accident and critical illness with cancer coverage.
6. List the office(s) that will service the SEBC. If it is (they are) located at a different address than the home office, provide the complete address and phone number. Also indicate what services under this RFP would be provided from that particular office.
  7. How much management autonomy is extended to the office(s) which is (are) to provide the consulting services under your proposal? Specifically, for Primary Support services and Project Specific services?
  8. Will the office in charge of the State of Delaware's account have access to resource consultants in other offices? If so, please describe those resources. For Primary Support services, please confirm that those resources will be included in the monthly retainer.
  9. Provide the names of the personnel that would perform the work for the SEBC, their area(s) of expertise for each, and a brief statement as to why each consultant is qualified to provide services to the SEBC in each of the service categories.<sup>16</sup> Identify the consultant who will serve as the primary contact for the SEBC. Provide a complete resume for each consultant who will be assigned to render services to the SEBC, including detailed information of education any special training or designations. (You may refer to the resumes provided in the Minimum Qualifications section.)
  10. What are your company's growth plans for the next three (3) years? Is the planned growth internally or through acquisitions?
  11. What is your corporate mission and philosophy?
  12. What policies and procedures does your company have in place to ensure that privacy of all parties is protected while still reporting results as appropriate for a sponsored program?
  13. What was your company's average number of employees for calendar year 2015?
  14. What is the annual turnover rate by year for the past three years for each of the following units: account management, actuaries, research analysts, compliance managers/attorneys, consultants, and pharmaceutical principals?
  15. Does your organization anticipate any internal reorganizations or systems changes/upgrades that could impact the services requested under this RFP?

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<sup>16</sup> The SEBC understands that consultants will be assigned to projects based on the type of project to be undertaken and the expertise and experience of the individual consultant. For example, based on a consultant's expertise and experience, the proposer may assign the consultant to assist in the selection and implementation of a third party medical claims administrator, but may assign a different consultant to assist in the selection of a life insurance company.

16. What ongoing, organized professional training programs does your firm maintain for its consulting staff? Please describe such programs.
17. If you are awarded the Primary Support contract, based on your experience, please describe key factors to a successful implementation of your consulting services.
18. Describe your account management approach during implementation, ongoing administration, and for problem resolution.
19. In your experience, what are the essential elements of a successful partnership for an actuarial and consulting arrangement for a state or other public service sector client?
20. Briefly list and explain any characteristics of your firm that you feel make it unique from other employee benefits and/or actuarial consulting firms.
21. List the three most important concerns you see for the next eighteen months in the field of employee benefits as they would related to the State of Delaware's GHIP and indicate what resources your firm has to address these concerns.
22. Does your company have access to a national network and/or links to a Washington, D.C. division or bureau that tracks legislation and regulatory compliance issues? If so, confirm that access to this division or bureau is included within your Primary Support services and monthly retainer.
23. Describe any staff relocations, computer systems changes/upgrades, program changes or telephone system changes that have occurred within the past twelve months. What is the status of these projects? Do you anticipate any additional changes in your organizational or operational structure within the next twelve to twenty-four months?
24. Describe your experience and familiarity with the Delaware health care market.
25. What services does your organization typically subcontract, if any? Is any of this work performed at a location outside of the United States? If so, see the Offshore Vendor Activity restriction on Page 29.
26. If you are awarded a contract, please confirm that if your organization or subcontractor(s) move to a location other than identified to be the home office of the State of Delaware's GHIP account, you will immediately notify the SEBC in writing and indicate the new location and services relocated.
27. In the last five years, has your organization ever been involved in a lawsuit pertaining to any area covered by this RFP? If yes, provide details including dates and outcomes.
28. In the last five years, has your organization ever had a contract terminated for cause? If yes, provide details.
29. During the past five years, has your organization, related entities, principals or officers ever been a party in any material civil or criminal litigation whether directly related to the services requested in this RFP or not? If so, provide details including dates and outcomes.

30. During the past five years, has your organization, related entities, principals or officers ever been subject to bankruptcy proceedings, have been declared bankrupt, or has been placed into involuntary bankruptcy, whether directly related to the services requested in this RFP or not? If so, provide details including dates and outcomes.
31. Please describe any security breaches in the last seven years such as type, extent, notifications, remedies, and the policies or procedures implemented to minimize the chance of future breaches.

## **B. References<sup>17</sup>**

32. List three current clients for whom your company is providing services related to health plan benefits analysis and design. The SEBC is especially interested in your organization's or personnel's experience with public sector clients of a similar size. For each client, the list must specify the type of work performed by your company, the number of covered lives in the client's group and the period of time retained as a client. One of the three must be the longest standing client; one must be the client with the largest employee population; and the third must be the client for whom the largest impact was achieved through your company's services. If two or more of these are met by the same client, list additional clients so that at least three clients are listed. For each client, include the name, title, address, email, and phone number of a person whom we may contact as a reference. Additionally, you must include the names and resumes of the lead personnel assigned to each client reference and a list of the types of work performed that correspond to the Categories of Services listed in this RFP.
33. List at least three current clients for whom your company aided in the selection and/or the implementation of a third party medical claims administrator. The SEBC is especially interested in your organization's or personnel's experience with public sector clients of a similar size. For each client, the list must specify the type of work performed by your company, the number of covered lives in the client's group, and the period of time retained as a client. One of the three must be the longest standing client; one must be the client with the largest employee population; and the third must be the client for whom the largest impact was achieved through your company's services. For each client, include the name, title, address, email and phone number of a person whom we may contact as a reference. Additionally, you must include the names and resumes of the lead personnel assigned to each client reference and a list of the types of work performed that correspond to the Categories of Services listed in this RFP.
34. If your company has current public sector clients of any size, or former clients within the last two years, please provide a list of the name, city and state, number of lives covered for health benefits, the services you provided. Additionally, you must include the names and resumes of the lead personnel assigned to each client reference and a list of the types of work performed that correspond to the Categories of Services listed in this RFP.

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<sup>17</sup> The references provided here can be duplicative of the references provided in the Minimum Requirements.

35. Please provide a list of all current and former public sector clients within the last three years, including the number of eligible lives. Also include the name, title, address, and phone number of a person whom we may contact as a reference. Additionally, you must include the names and resumes of the lead personnel assigned to each client reference and a list of the types of work performed that correspond to the Categories of Services listed in this RFP.

## C. Services

36. The SEBC must have prompt and direct access throughout the contract period to the consultant(s). Address in detail how your company will provide access to the consultant(s) by the SEBC.
37. Do you publish newsletters and other informative publications that are routinely provided to your clients? Have you prepared reviews of topics related to the human resource benefit fields that are routinely provided to your clients? Provide sample copies in an appendix.
38. Please submit at least three samples of work that you produced for other large employer groups that are related to the types of programs in the State of Delaware's GHIP.
39. Describe your ability to assist the SEBC in health policy issues (e.g. federal and state health care reform, insurance reform, state implementation of federal law changes, etc.). If you have examples of this type of work with other states or public sector clients, please provide copies in an appendix.
40. Explain in detail your ability to provide expertise and experience in the areas of health benefit plan analysis and design. Explain in detail the types of analyses you have conducted relative to benefits analysis and design for health plans for employees and pensioners with at least 100,000 covered lives.
41. Describe your experience and ability to develop and maintain a self-insured plan cost model which would be used to estimate increases and decreases in Incurred But Not Reported (IBNR) and reserve balances. Additionally, describe your experience and ability to assist the SEBC with meeting both short term and long term financial and benefit goals.
42. Describe your experience and ability to provide the SEBC with recommendations on proposed levels of both claims liability and the reserve balances. Describe your methods for determining both recommendations.
43. Describe your experience and ability to assist the SEBC in strategic planning to meet both short term and long term financial and benefit goals on all aspects of the GHIP.
44. Describe your experience and ability to provide guidance and direction to the SEBC regarding pooling or separation of non-state entities from the state employees and make recommendations regarding the financial and fiduciary obligations of maintaining and rating multiple pools.

45. Describe your experience with public and private exchanges including any experience with transitioning employees or pensioners to a public/private exchange.
46. Detail your ability to monitor regulatory and legislative developments at both the state and federal level and how this will be communicated to the SEBC.
47. Are you currently working, or have you previously worked with, Truven Health Analytics or a similar data management vendor? If you have experience with Truven Health Analytics, provide the name, title, address, and phone number of your contact. If you have not worked with Truven Health Analytics, but have worked with other data management vendors, provide the vendor's name and the name, title, address, and phone number of your contact.
48. For the State's prevention, disease management, and the wellness activities program, describe your experience and ability to make recommendations for cost control expectations by utilizing Truven Health Analytics' claims database and identifying ROI metrics.
49. Describe your experience with strategic planning and implementation of a health management program with incentives or disincentives and the resulting participation, engagement and outcomes.
50. Describe your experience with a plan design analysis that includes a "consumer-driven" program. What has been your experience with large public sector clients? Additionally, what are the steps you would implement to review the success of this type of program in the public sector?
51. What elements in a dashboard report on a monthly and/or quarterly basis do you think are vital? Provide examples of dashboards you have developed for a large public sector client and explain why the various reporting categories are included.
52. Do you have any experience helping clients integrate marketing of a "retirement readiness" communicate to members that integrates their pension, defined contribution, and healthcare benefit?
53. Describe your experience and ability to assist the SEBC and the State of Delaware's Department of Justice in preparing for any litigation stemming from bidding or contract issues.
54. Describe your work experience with clients and your resources available to assist clients related to the Health Insurance Portability and Accountability Act (HIPAA), specifically as it relates to the Health Information Technology for Economic and Clinical Health (HITECH) Act and the Standards for Privacy of Individually Identifiable Health Information.
55. Describe your work experience with clients and your resources available to assist clients related to Medicare Part D and Medicare Part B.

56. Explain in detail the types of analyses you have conducted relative to health provider pricing and geographic location. What types of software and databases are used by your company to perform these analyses?
57. Explain in detail your ability to perform GASB 43/45 liability calculations and other GASB requirements.
58. The SEBC understands that a consulting firm cannot provide legal advice. Please provide a detailed description of the topics or services that your firm deems legal advice and cannot provide consulting services.
59. Explain in detail your experience and ability to provide expertise in the selection, transition, and implementation of a third party pharmacy benefit administrator for a health plan with at least 100,000 covered lives, including, but not limited to, the following:
  - a. The key elements you think are critical in selecting a third pharmacy benefit claims administrator and how you evaluate these;
  - b. How you would assist in managing the transition and implementation of a third party pharmacy benefit administrator? Include a detailed time line and task list for the selection of a third party pharmacy benefit administrator and your typical level of involvement in each task including the number of staff and their responsibilities that are typically assigned to assist the client in this process. Confirm your agreement to provide on-site staff during critical periods, if requested by the SEBC;
  - c. Explain how a proposing vendor's file layout and data requirements are reviewed;
  - d. A list of the most frequent problems you have encountered during previous third party pharmacy benefit administrator transitions and how these problems were resolved;
  - e. The types of review of file layouts, data dictionaries, etc., you would recommend performing to ensure the efficient and timely transfer of data between the incumbent and new third party pharmacy benefit administrator. Your explanation should include, but not be limited to, claims history and eligibility;
  - f. Provide examples of the types of forms you typically use during a transition, including, but not limited to, task lists, data transfer specification, benefits specification, etc.; and
  - g. What are the types of performance standards you would recommend be negotiated?
60. Explain in detail your experience and ability to provide expertise in the selection, transition, and implementation of third party administrators for medical plan administration including wellness and disease management services for a health plan with at least 100,000 covered lives, including, but not limited to, the following:
  - a. The key elements you think are critical in selecting a third party administrator and how you evaluate these;

- b. How you would assist in managing the transition and implementation of a third party administrator? Include a detailed time line and task list for the selection of a third party administrator and your typical level of involvement in each task including the number of staff and their responsibilities that are typically assigned to assist the client in this process. Confirm your agreement to provide on-site staff during critical periods, if requested by the SEBC;
  - c. Explain how a proposing vendor's file layout and data requirements are reviewed;
  - d. A list of the most frequent problems you have encountered during previous third party administrator transitions and how these problems were resolved;
  - e. What types of review of file layouts, data dictionaries, etc., you would recommend performing to ensure the efficient and timely transfer of data between the incumbent and new third party administrator. Your explanation should include, but not be limited to, claims history and eligibility.
  - f. Provide examples of the types of forms you typically use during a transition, including, but not limited to, task lists, data transfer specification, benefits specification, etc.; and
  - g. What are the types of performance standards you would recommend be negotiated? Provide examples of performance standards and fees at risk which address medical plan administration and health management (wellness and disease management) separately.
  - h. Explain in detail your experience and ability to provide expertise in the area of wellness and disease management program benefit design for a group plan. Explain in detail the types of work you have performed in this area.
61. Explain in detail your experience and ability to provide expertise in the area of life insurance benefit design for a group plan. Explain in detail the types of work you have performed in this area.
  62. Explain in detail your experience and ability to provide expertise in the area of dental insurance benefit design for a group plan. Explain in detail the types of work you have performed in this area.
  63. Explain in detail your experience and ability to provide expertise in the area of vision insurance benefit design for a group plan. Explain in detail the types of work you have performed in this area.
  64. Explain in detail your experience and ability to provide expertise in the area of flexible spending account benefit design for a group plan. Explain in detail the types of work you have performed in this area.
  65. Explain in detail your experience and ability to provide expertise in the area of pre-tax commuter benefit design for a group plan. Explain in detail the types of work you have performed in this area.

66. Explain in detail your experience and ability to provide expertise in the area of supplemental benefits such as accident and critical illness with cancer coverage for a group plan. Explain in detail the types of work you have performed in this area.
67. Explain in detail your experience and ability to provide expertise in the area of short-term and long-term disability programs for a group plan. Explain in detail the types of work you have performed in this area including any experience with integrated disability and self-insured workers' compensation programs.
68. State if your company currently provides any services, directly or indirectly, to any of the following vendors or SEBC members. If so, provide a full description of services provided and whether or not you feel they represent a conflict of interest or potential conflict of interest.
  - a. Highmark Delaware
  - b. Aetna
  - c. Dominion Dental
  - d. Delta Dental
  - e. Truven Health Analytics (formerly Thomson Reuters)
  - f. Application Software, Inc. dba "ASI" or "ASI Flex"
  - g. Minnesota Life Insurance Company
  - h. The Hartford
  - i. Health Advocate Inc., dba "HMS (Health Advocate)"
  - j. Express Scripts, Inc.
  - k. EyeMed Vision Care
  - l. American Continental Insurance Company, dba "AFLAC"
  - m. SEBC Members<sup>18</sup>:
    - i. Ann Visalli, Director, Office of Management and Budget
    - ii. Mike Morton, Controller General
    - iii. Karen Weldin-Stewart, Insurance Commissioner
    - iv. Ken Simpler, State Treasurer
    - v. Rita Landgraf, Secretary of Health and Human Services
    - vi. Thomas J. Cook, Secretary of Finance
    - vii. The Honorable Leo Strine, Chief Justice, Delaware Supreme Court
    - viii. Geoff Klopp, President, Correctional Officers' Association of Delaware

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<sup>18</sup> The office of the Lieutenant Governor is currently vacant.

69. Provide a copy of a sample invoice that would be used to report and bill for work performed.

## **D. HIPAA Compliance Questionnaire**

71. Please provide the name, e-mail address, certification designation (*e.g., CHC, CISSP, CIPP, CHP, or CHPSE*) and date certified of the individual responsible for HIPAA Compliance. If this designated position does not exist, provide the name and title of the employee who handles HIPAA privacy and security issues within your company or organization.
72. If this person is not certified, provide detailed information regarding training undertaken by the person responsible for HIPAA compliance (*e.g., date last received training, name of company or person that provided training, etc.*).
73. Do all employees receive comprehensive training (training which covers the privacy and security of PHI; both physical and technical)? If yes, please provide the date of the most recent training. If no, provide details of the level of training made available to all employees.
74. Are HIPAA privacy policies and procedures in place for employees to follow?
75. Are employees trained on the policies and procedures?
76. Are employees required to sign an agreement stating they have read and understand the privacy policies and procedures?
77. Provide details of the methods the company utilizes for securing and rendering PHI unusable, unreadable, or indecipherable to unauthorized individuals.
78. Describe security procedures – physical, technical and administrative - currently in place to ensure confidentiality of protected health information within systems and when transmitting data to the Plan, the Plan's PBM(s) or vendors designated by the Plan.
79. Has the company conducted a risk assessment and gap analysis to address any findings? If yes, provide the date the analysis was last performed and who performed it.
80. Has the company conducted an application and data criticality analysis? If yes, provide the date it was last performed.
81. Please describe or attach a copy of your company's disaster recovery plan for data backup, data recovery, and system testing should a disaster occur (*e.g., flood, fire, or system failure*). If that plan has been invoked in the last two (2) years, please provide the details of that incident.

82. Please describe or attach a copy of your company's business continuity plan in the event of a disaster (e.g., flood, fire, power failure, system failure). If the plan has been invoked in the last two (2) years, please provide the details of that incident.
83. Has your organization received any certifications to become "HIPAA Compliant"? If yes, please provide copies and the date when the certification was awarded.
84. When was the last time you conducted a review to determine HIPAA Compliance status? Please provide the date the review was performed and the name of the company who performed it. ( You may be asked to provide copies of the review findings at a later date.)
85. Do you outsource work to subcontractors who would have access to Plan data and PHI? (If yes, please provide the names of the companies you outsource work to and where they are located. (You would have completed a Subcontractor Information form as a requirement in the Minimum Qualifications section.)
86. Have you entered into business associate agreements with all vendors who may qualify as subcontractors to the Plan for this work? (If so, you may be asked to provide signature pages of BAAs at a later date.)
87. Have you had occasion to review any subcontractors and can you provide information as to whether they are HIPAA compliant at this time? (You would have completed a Subcontractor Information form as a requirement in the Minimum Qualifications section. Additionally, and if so, you may be asked to provide this information at a later date.)
88. Please provide the number of HIPAA violations reported to the Office of Civil Rights (OCR) in the last five (5) years and include a description of the incident(s) and the amount of the fine incurred (if any).

## VII. Technical Standards and Security Requirements

### !!!IMPORTANT!!

- The following minimum requirements are mandatory for ONLY the Cost Control and Program Integrity projects – eligibility and claims audit projects.
- Though you must meet these requirements, a confirmation response indicates that you either have now, or will have, these requirements in place if your firm is selected for either or both projects.
- Failure to meet any of these proposal criteria at the time of selection for either or both projects 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.
- The *Technology Exception Tracking Chart*, Appendix I, for this section is different and separate from the chart for the *Responses Exception Tracking*, Appendix B. 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 J, *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:  
Please confirm your understanding and agreement that any data exchange required from State systems is subject to an approved format by the State of Delaware as to layout and content.  
  
Response:
2. Indemnity<sup>19</sup>:  
**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.**

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<sup>19</sup> This is the same indemnity paragraph without the phrase “data security breaches or incidents” that is a requirement in the *Professional Services Agreement*, Appendix M.

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. Please confirm your acceptance that the State, at its discretion, may require that all employees who have access to the State's data must sign the *Confidentiality (Non-Disclosure) and Integrity of Data Agreement*, Appendix K. **If you do not accept the terms as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.**

Response:

4. 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 <http://www.sans.org/critical-security-controls/> 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 J, *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** and include a citation, if applicable (for example, Delaware Department of Insurance regulation or a federal law).

Response:

- c. If Delaware data will be transmitted via email, confirm that your organization meets the following requirements: <http://dti.delaware.gov/pdfs/pp/SecureEmail.pdf>

Response:

- d. If Delaware data will be accessible on a mobile devices, confirm that your organization meets the following requirements:  
<http://dti.delaware.gov/pdfs/pp/MobileDeviceEncryptionStandard.pdf>

Response:

# **APPENDICES**

## APPENDIX A

### STATE OF DELAWARE NON-COLLUSION STATEMENT

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal, **and further certifies that it is not a 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:<br><br>CERT. NO.: | Certification type(s)                                       | Circle all that apply |    |
|--------------------------------------------|-------------------------------------------------------------|-----------------------|----|
|                                            | Minority Business Enterprise (MBE)                          | Yes                   | No |
|                                            | Woman Business Enterprise (WBE)                             | Yes                   | No |
|                                            | Disadvantaged Business Enterprise (DBE)                     | Yes                   | No |
|                                            | Veteran Owned Business Enterprise (VOBE)                    | Yes                   | No |
|                                            | Service Disabled Veteran Owned Business Enterprise (SDVOBE) | Yes                   | No |

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

PURCHASE ORDERS SHOULD BE SENT TO (COMPANY NAME): \_\_\_\_\_

ADDRESS \_\_\_\_\_

CONTACT \_\_\_\_\_

PHONE NUMBER \_\_\_\_\_ FAX NUMBER \_\_\_\_\_

EMAIL ADDRESS \_\_\_\_\_

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

YES \_\_\_\_\_ NO \_\_\_\_\_ if yes, please explain \_\_\_\_\_

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

SWORN TO AND SUBSCRIBED BEFORE ME this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_

Notary Public \_\_\_\_\_ My commission expires \_\_\_\_\_

City of County of State of \_\_\_\_\_



## APPENDIX C

### PERFORMANCE GUARANTEES

Performance Guarantees will be negotiated and agreed upon prior to a contract award for the Primary Support consultant or specific projects as set forth in the Scope of Service Categories. The State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendors.

#### Primary Support Consultant

The Primary Support consultant must agree to Performance Guarantees in areas critical to the quality and delivery of the required services. The consultant must agree to, at a minimum, the following guarantees and propose, in its bid response, amounts expressed as either a fixed dollar amount per day or fixed percent per day amount to be put at risk for failure to meet a guarantee.

#### Consultant for Specific Projects

For specific projects, for example, a Request for Proposal, the consultant must agree to a Performance Guarantee in the areas addressed in the *Account Management Survey* (Attachment 5) which will be measured halfway through the project and at the end of the project. The consultant must agree to a fixed dollar amount or fixed percent of the fee.

#### **Primary Support Consultant**

| <b>Guarantee</b>                                 | <b>Definition/Calculation</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Of Monthly Retainer, % of Fees at Risk Per Day or \$ Per Day</b> |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| Timely and Accurate Quarterly Financial Analysis | The consultant must guarantee that it will submit quarterly financial and projection reporting, in the required format and containing the required information no later than seven (7) calendar days following receipt of the required health plan TPA and PBM financial and enrollment reporting. Such reporting shall be quality reviewed by the consultant and accurately reflect the information provided by the health plan TPA(s) and PBM and the format shall be free of formula errors or other technical or data entry errors. |                                                                     |
| Timely and Accurate Premium Rate Analysis        | The consultant must guarantee that it will support the SBO and SEBC during the GHIP budget process to advise on plan design                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                     |

| Guarantee                                                   | Definition/Calculation                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Of Monthly Retainer, % of Fees at Risk Per Day or \$ Per Day |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
|                                                             | changes, as well as the impact on cost, quality of care and network access related to such changes and develop premium rates for the health and prescription plans based upon the reporting provided by the health plan TPA(s) and PBM and taking into account other anticipated operational and regulatory expenditures for the GHIP. Timely completion and submittal of reports and final deliverables as agreed to prior to the start of the annual budget process by the SEBC and consultant. |                                                              |
| Timely and Accurate Bi-Annual reporting GASB 45 Valuation - | For use by the State of Delaware Office of Pensions' consultant contracted to perform the GASB 45 Valuation of the GHIP OPEB actual and projected claims for the prior and current fiscal year as negotiated by the SEBC and consultant.                                                                                                                                                                                                                                                          |                                                              |
| <i>Ad Hoc</i> Consulting Services                           | The consultant must guarantee that analyses provided and associated with <i>ad hoc</i> projects and GHIP RFPs will be based on the most current information available, be comprehensive and be actuarially sound and reasonable. Further, <i>ad hoc</i> projects and final deliverables must be provided to the SBO and SEBC no later than the due date agreed upon.                                                                                                                              |                                                              |
| Account Management Survey                                   | After the halfway and project completion surveys are completed by SBO, the average total score must be at least a 3-Somewhat Agree. For a total average score of 2-Disagree, or 1-Strongly Disagree, this PG will apply.                                                                                                                                                                                                                                                                          |                                                              |

(continued on the next page)

## Specific Projects

| Guarantee                 | Definition/Calculation                                                                                                                                                                                                      | % of the Flat Fee at Risk Per Day or \$ Per Day |
|---------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| Timely Deliverables       | For RFPs or other projects with a Scope of Work that are conclusive to a flat fee arrangement, final deliverables must be provided to the SBO and SEBC no later than the due date agreed upon.                              |                                                 |
| Account Management Survey | After the halfway and project completion surveys are completed by SBO, the average total score must be at least a 3- Somewhat Agree. For a total average score of 2- Disagree, or 1- Strongly Disagree, this PG will apply. |                                                 |

## APPENDIX D

|                                   |
|-----------------------------------|
| <b>OFFICER CERTIFICATION FORM</b> |
|-----------------------------------|

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

| <b>Officer's Statement</b>                    |  |
|-----------------------------------------------|--|
| 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 RFP for Consulting Services for the Group Health Insurance 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.

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Officer's Signature

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Date Signed



## APPENDIX F

|                                       |
|---------------------------------------|
| <b>SUBCONTRACTOR INFORMATION FORM</b> |
|---------------------------------------|

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

## APPENDIX G

### EMPLOYING DELAWAREANS REPORT<sup>20</sup>

As required by House Bill # 410 (Bond Bill) of the 146<sup>th</sup> 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. |  |

---

<sup>20</sup> The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.

## APPENDIX H

|                          |
|--------------------------|
| <b>FINANCIAL RATINGS</b> |
|--------------------------|

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

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

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



## APPENDIX J

### Non-Public Data 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.<sup>21</sup> 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.<sup>22</sup>

**Response:**

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<sup>22</sup> 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.

4. **Encryption:**<sup>23</sup>

- 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:**

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<sup>23</sup> **Please note** that this requirement as two parts – 1) the data must be encrypted at rest in compliance with the referenced policy, **or** if the data is not encrypted at rest, the vendor must describe “existing security measures that provide a similar level of protection” **and** provide “proof of cyber liability insurance”. The State’s Cyber Liability Insurance requirements are described in Attachment 3. An affirmative response means that when your organization enters into a contract to provide services that require access to eligibility and/or claims data, you will have the level of protection described in lieu of encryption at rest. (If Delaware’s data would be encrypted at rest and your organization carries cyber security liability insurance, though not required, you are welcome and encouraged to provide a copy in your 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.<sup>24</sup> The policy document is located at: <http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>

**Response:**

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<sup>24</sup> The *Certificate of Data Destruction* form is provided as Attachment 2.

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,<sup>25</sup> 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:**

*(continued on the next page)*

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<sup>25</sup> In this instance, "go live" means that if your organization is awarded the contract for a specific project where you will need access to eligibility or claims data, a data dictionary is required for Delaware data only before the first data exchange.

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.<sup>26</sup>

**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.<sup>27</sup>

Examples include but are not limited to:

- a) ~~Advance notice and change control for major upgrades and system changes~~
- b) ~~System availability/uptime guarantee/agreed-upon maintenance downtime~~
- c) ~~Recovery Time Objective/Recovery Point Objective~~
- d) Security Vulnerability Scanning

**Response:**

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<sup>26</sup> Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) would be involved, you will be required to submit Appendix F, *Subcontractor Information Form*. Subcontractors are subject to approval by the State.

<sup>27</sup> For the specific project, the terms would be in the contract's Scope of Services.

## APPENDIX K



### DEPARTMENT OF TECHNOLOGY AND INFORMATION

William Penn Building  
801 Silver Lake Boulevard  
Dover, Delaware 19904-2407

#### CONFIDENTIALITY (NON-DISCLOSURE) AND INTEGRITY OF DATA AGREEMENT

The Department of Technology and Information is responsible for safeguarding the confidentiality and integrity of data in State computer files regardless of the source of those data or medium on which they are stored; e.g., electronic data, computer output microfilm (COM), tape, or disk. All data generated from the original source data, shall be the property of the State of Delaware. The control of the disclosure of those data shall be retained by the State of Delaware and the Department of Technology and Information.

I/we, as an employee(s) of the Contractor named below or officer of my firm, when performing work for the Department of Technology and Information, understand that I/we act as an extension of DTI and therefore I/we are responsible for safeguarding the States' data and computer files as indicated above. I/we will not use, disclose, or modify State data or State computer files without the written knowledge and written authorization of DTI. Furthermore, I/we understand that I/we are to take all necessary precautions to prevent unauthorized use, disclosure, or modification of State computer files, and I/we should alert my immediate supervisor of any situation which might result in, or create the appearance of, unauthorized use, disclosure or modification of State data.

Penalty for unauthorized use, unauthorized modification of data files, or disclosure of any confidential information may mean the loss of my position and benefits and prosecution under applicable State or Federal law.

This statement applies to the undersigned Contractor and to any others working under the Contractor's direction.

I, the Undersigned, hereby affirm that I have read DTI's Policy on Confidentiality (Non-Disclosure) and Integrity of Data and understood the terms of the above Confidentiality (Non-Disclosure) and Integrity of Data Agreement, and that I/we agree to abide by the terms above.

Employee Signature \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Date: \_\_\_\_\_

Contractor (Company) Name: \_\_\_\_\_

## APPENDIX L

### BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“BA Agreement”) is undertaken pursuant to the parties’ performance of a certain contract (“Contract”) dated as of \_\_\_\_\_, 20\_\_ by and between the State of Delaware by and through the State Employee Benefits Committee (“Plan Sponsor”), on its own behalf and on behalf of the group health plan it sponsors for employees or other covered persons (the “Plan”), and (“Contractor”).

In the performance of services on behalf of the Plan pursuant to the Contract, and in order for Contractor to use, disclose or create certain information pursuant to the terms of the Contract, some of which may constitute Protected Health Information (“PHI”) (defined below), Contractor is a Business Associate of the Plan as that term is defined by the Health Insurance Portability and Accountability Act of 1996, including the modifications required under the American Recovery and Reinvestment Act of 2009 (“ARRA”), and its implementing Administrative Simplification regulations (45 C.F.R. §§142, 160, 162 and 164) (“HIPAA”). Accordingly, Contractor, the Plan and Plan Sponsor mutually agree to modify the Contract to incorporate the terms of this BA Agreement to comply with the requirements of HIPAA, and to include additional provisions that Plan Sponsor, the Plan and Contractor desire to have as part of the Contract.

Therefore, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

#### **I. DEFINITIONS**

The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information, Required By Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.

##### **A. Specific Definitions**

1. **Business Associate**. “Business Associate” shall generally have the same meaning as the term “business associate” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Contractor.
2. **Covered Entity**. “Covered Entity” shall generally have the same meaning as the term “covered entity” at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the Plan.
3. **HIPAA Rules**. “HIPAA Rules” shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

## **II. PERMITTED USES AND DISCLOSURES BY CONTRACTOR**

- A. During the continuance of the Contract, Contractor will perform services necessary in connection with the Plan as outlined in the Contract. These services may include Payment activities, Health Care Operations, and Data Aggregation as these terms are defined in 45 CFR §164.501. In connection with the services to be performed pursuant to the Contract, Contractor is permitted or required to use or disclose PHI it creates or receives for or from the Plan or to request PHI on the Plan's behalf as provided below.
- B. Functions and Activities on the Plan's Behalf.** Unless otherwise limited in this BA Agreement, Contractor may use or disclose PHI to perform functions, activities, or services for, or on behalf of, the Plan as specified in the Contract. Contractor may decide in its own reasonable discretion what uses and disclosures of PHI are required for it to perform administrative services for the Plan as outlined in this BA Agreement and in the Contract as well as in accordance with the law.
1. Use for Contractor's Operations. Contractor may use PHI it creates or receives for or from the Plan for Contractor's proper management and administration or to carry out Contractor's legal responsibilities in connection with services to be provided under the Contract.
  2. Disclosures for Contractor's Operations. Contractor may disclose the minimum necessary of such PHI for Contractor's proper management and administration or to carry out Contractor's legal responsibilities, but only if the following conditions are met:
    - a. The disclosure is required by law; or
    - b. Contractor obtains reasonable assurance, evidenced by written contract, from any person or organization to which Contractor will disclose such PHI that the person or organization will:
      - i) Hold such PHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person or organization or as required by law; and
      - ii) Promptly notify Contractor (who will in turn promptly notify the Plan) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.
  3. Minimum Necessary Standard. In performing functions and activities in connection with the Contract, Contractor agrees to make reasonable efforts to use, disclose or request only the minimum necessary PHI to accomplish the intended purpose of the use, disclosure or request.

**C. Data Aggregation Services.** The Plan agrees and recognizes that Contractor performs Data Aggregation services for the Plan, as defined by the HIPAA Rules. In the course of performing normal and customary services under the Contract, this data aggregation is an essential part of Contractor's work on behalf of the Plan under the Contract. Accordingly, Contractor can perform these data aggregation services in its own discretion, subject to any limitations imposed by the Contract. The term "Data Aggregation" is defined under the HIPAA Rules to mean, with respect to PHI created or received by a Business Associate in its capacity as the Business Associate of a covered entity, the combining of such PHI by the Business Associate with the PHI received by the Business Associate in its capacity as a Business Associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

**D. Prohibition on Unauthorized Use or Disclosure**

1. Non-permitted Use and Disclosure of PHI. Contractor will neither use nor disclose PHI it creates or receives for or from the Plan or from another Business Associate of the Plan, except as permitted or required by the Contract and this BA Agreement, as required by law, as otherwise permitted in writing by the Plan, as authorized by a Covered Person.
2. Disclosure to the Plan and the Plan Business Associates. To the extent permitted or required by the Contract and this BA Agreement, Contractor will disclose PHI to other Business Associates of the Plan which the Plan has identified in a writing provided to Contractor. Contractor shall only disclose such PHI to such Business Associates, in their capacity as Business Associates of the Plan. Other than disclosures permitted by this Section II or as otherwise specifically identified in the Contract, Contractor will not disclose Covered Persons' PHI to the Plan or to a Business Associate of the Plan except as directed by the Plan in writing.
3. No Disclosure to Plan Sponsor. Contractor will not disclose any Covered Persons' PHI to Plan Sponsor, except as permitted by and in accordance with Section VII or as otherwise specifically identified in the Contract.

**III. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR**

- A. Contractor will develop, document, implement, maintain and use appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of, and to prevent non-permitted use or disclosure of, PHI created or received for or from the Plan.
- B. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of this BA Agreement.
- C. Contractor agrees to report to Covered Entity, without unreasonable delay and in any event within thirty (30) days, any use or disclosure of the PHI not provided for by this BA

Agreement or otherwise in writing by the Plan. Contractor shall maintain a written log recording the date, name of Covered Person and description of PHI for all such unauthorized use or disclosure and shall submit such log to the Plan Sponsor semiannually and by request. Contractor agrees to directly provide notice to any effected participants in the event of a Breach and to send a written log each such Breach and notice to participants to the Covered Entity within thirty (30) days of notification. Contractor agrees to notify participants in accordance with the guidelines and standards set forth by the Department of Health and Human Services under the American Reinvestment & Recovery Act and the HITECH Act.

- D. Contractor will require that any agent, including a subcontractor, to whom it provides PHI as permitted by this BA Agreement (or as otherwise permitted with the Plan's prior written approval), agrees to the same restrictions and conditions that apply through this BA Agreement to Contractor with respect to such information.
- E. Contractor agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Contractor on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the HIPAA Rules.
- F. Contractor agrees to implement administrative, physical, and technical safeguards (as set forth in the Security Rule) that reasonably and appropriately protect the confidentiality and integrity (as set forth in the Security Rule), and the availability of Electronic PHI, if any, that Contractor creates, receives, maintains, or transmits electronically on behalf of Covered Entity. Contractor agrees to establish and maintain security measures sufficient to meet the safe harbor requirements established pursuant to ARRA by making data unreadable, indecipherable, and unusable upon receipt by an unauthorized person. Contractor agrees to provide adequate training to its staff concerning HIPAA and Contractor's responsibilities under HIPAA.
- G. Contractor agrees to report to Covered Entity any Security Incident of which Contractor becomes aware.
- H. Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Electronic PHI, agrees to implement reasonable and appropriate safeguards to protect such information.

#### **IV. INDIVIDUAL RIGHTS OBLIGATIONS**

- A. **Access.** Contractor and the Plan agree that, wherever feasible, and to the extent that responsive information is in the possession of Contractor, Contractor will provide access to PHI as required by 45 CFR §164.524 on the Plan's behalf. Contractor will provide such access according to its own procedures for such access. Contractor represents that

its procedures for such access comply with the requirements of 45 CFR §164.524. Such provision of access will not relieve the Plan of any additional and independent obligations to provide access where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will make available for inspection and obtaining copies by the Plan, or at the Plan's direction by the Covered Person (or the Covered Person's personal representative), any PHI about the Covered Person created or received for or from the Plan in Contractor's custody or control contained in a Designated Record Set, so that the Plan may meet its access obligations under 45 CFR §164.524. All fees related to this access, as determined by Contractor, shall be borne by Covered Persons seeking access to PHI.

**B. Amendment.** Contractor and the Plan agree that, wherever feasible, and to the extent that responsive information is in the possession of Contractor, Contractor will amend PHI as required by 45 CFR §164.526 on the Plan's behalf. Contractor will amend such PHI according to its own procedures for such amendment. Contractor represents that its procedures for such amendment comply with the requirements of 45 CFR §164.526. Such amendment will not relieve the Plan of any additional and independent obligations to amend PHI where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will amend such PHI contained in a Designated Record Set, in accordance with the requirements of 45 CFR §164.526. Upon receipt of written or electronic notice from the Plan, Contractor will amend or permit the Plan access to amend any portion of the PHI created or received for or from the Plan in Contractor's custody or control, so that the Plan may meet its amendment obligations under 45 CFR §164.526.

**C. Disclosure Accounting.** So that the Plan may meet its disclosure accounting obligations under 45 CFR §164.528, Contractor and the Plan agree that, wherever feasible and to the extent that disclosures have been made by Contractor, Contractor will provide the accounting that is required under 45 CFR §164.528 on the Plan's behalf. Contractor will provide such accounting according to its own procedures for such accounting. Contractor represents that its procedures for such accounting comply with the requirements of 45 CFR §164.528. Such provision of disclosure accounting will not relieve the Plan of any additional and independent obligations to provide disclosure accounting where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will provide an accounting as set forth below.

1. Disclosure Tracking

Starting as of the Effective Date of the Contract, Contractor will record each disclosure of Covered Persons' PHI, which is not exempted from disclosure accounting that Contractor makes to the Plan or to a third party.

The information about each disclosure that Contractor must record (“Disclosure Information”) is (a) the disclosure date, (b) the name and (if known) address of the person or entity to whom Contractor made the disclosure, (c) a brief description of the PHI disclosed, and (d) a brief statement of the purpose of the disclosure.

For repetitive disclosures of Covered Persons’ PHI that Contractor makes for a single purpose to the same person or entity (including the Plan), Contractor may record (a) the Disclosure Information for the first of these repetitive disclosures, (b) the frequency, periodicity or number of these repetitive disclosures, and (c) the date of the last of these repetitive disclosures.

## 2. Exceptions from Disclosure Tracking

Contractor is not required to record disclosure information or otherwise account for disclosures of PHI that this BA Agreement or the Plan in writing permits or requires: (i) for the purpose of the Plan’s payment activities or health care operations, (ii) to the individual who is the subject of the PHI disclosed, or to that individual’s personal representative; (iii) to persons involved in that individual’s health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a limited data set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; (x) for disclosures prior to April 14, 2003; or (xi) as otherwise excepted under 45 CFR §164.528.

## 3. Disclosure Tracking Time Periods

Contractor will have available for the Plan or for Covered Persons the Disclosure Information required for the six (6) years immediately preceding the date of the Plan’s request for the Disclosure Information (except Contractor will not be required to have Disclosure Information for disclosures occurring before April 14, 2003).

## **D. Right to Request Restrictions and Confidential Communications**

So that the Plan may meet its obligations to evaluate requests for restrictions and confidential communications in connection with the disclosure of PHI under 45 CFR §164.522, Contractor and the Plan agree that, wherever feasible and to the extent that communications are within the control of Contractor, Contractor will perform these evaluations on behalf of the Plan. Contractor will evaluate such requests according to its own procedures for such requests, and shall implement such appropriate operational steps as are required by its own procedures. Contractor represents that its procedures for evaluating such requests comply with the requirements of 45 CFR §164.522. Such evaluation will not relieve the Plan of any additional and independent obligations to evaluate restrictions or implement confidential communications where requested by an individual. Accordingly, upon the Plan’s written or electronic request or the direct request of a Covered Person or the Covered Person’s Personal Representative, Contractor will

evaluate requests for restrictions and requests for confidential communications, and will respond to these requests as appropriate under Contractor's procedures.

## **V. OBLIGATIONS OF THE COVERED ENTITY**

- A.** Covered Entity shall provide Contractor with any changes in, or revocation of, permission by Individual to use or disclose PHI, if such changes affect Contractor's permitted or required uses and disclosures.
- B.** Covered Entity shall notify Contractor of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522.
- C.** Covered Entity shall not request Contractor to use or disclose PHI in any manner that would not be permissible under the HIPAA Rules if done by Covered Entity except as provided in this BA Agreement. In no event shall Covered Entity request Contractor to disclose to Covered Entity or agents of Covered Entity any PHI unless such disclosure is the minimum necessary disclosure that satisfies the request and that such disclosure is solely for the purpose of treatment, payment or plan operations.

## **VI. BREACH OF PRIVACY OBLIGATIONS**

Without limiting the rights of the parties under the Contract, the Plan will have the right to terminate the Contract if Contractor has engaged in a pattern of activity or practice that constitutes a material breach or violation of Contractor's obligations regarding PHI under this BA Agreement and, on notice of such material breach or violation from the Plan, fails to take reasonable steps to cure the breach or end the violation.

If Contractor fails to cure the material breach or end the violation after the Plan's notice, the Plan may terminate the Contract by providing Contractor written notice of termination, stating the uncured material breach or violation that provides the basis for the termination and specifying the effective date of the termination. Such termination shall be effective sixty (60) days from this termination notice.

### **A. Effect of Termination.**

#### **1. Return or Destruction upon Contract End**

Upon cancellation, termination, expiration or other conclusion of the Contract, Contractor will if feasible return to the Plan or destroy all PHI, in whatever form or medium (including in any electronic medium under Contractor's custody or control), that Contractor created or received for or from the Plan, including all copies of such PHI that allow identification of any Covered Person who is a subject of the PHI. Contractor will complete such return or destruction as promptly as practical after the effective date of the cancellation, termination, expiration or other conclusion of the Contract.

Following notice, Contractor shall pay the costs incurred in returning or destroying such PHI unless Plan Sponsor agrees to reimburse Contractor for reasonable costs following good faith negotiation between Contractor and Plan Sponsor subject to the requisite appropriation by the Delaware General Assembly as required by Title 29 Delaware Code Chapter 65 and Article 8, Section III of the Delaware Constitution.

2. Disposition When Return or Destruction Not Feasible

The Plan recognizes that in many situations, particularly those involving data aggregation services performed by Contractor for the Plan and others, that it will be infeasible for Contractor to return or destroy PHI. Accordingly, where in Contractor's discretion such return or destruction is infeasible, for any such PHI, upon cancellation, termination, expiration or other conclusion of the Contract, Contractor will limit its further use or disclosure of the PHI to those purposes that make their return to the Plan or destruction infeasible.

**VII. PLAN SPONSOR'S PERFORMANCE OF PLAN ADMINISTRATION FUNCTIONS**

- A. **Communication of PHI.** Except as specifically agreed upon by Contractor, the Plan and Plan Sponsor, and in compliance with any requirements imposed by this Section VIII, all disclosures of PHI from Contractor pursuant to the Contract shall be made to the Plan, except for disclosures related to enrollment or disenrollment in the Plan.
- B. **Summary Health Information.** Upon Plan Sponsor's written request for the purpose either to, (a) obtain premium bids for providing health insurance coverage for the Plan, or (b) modify, amend or terminate the Plan, Contractor is authorized to provide Summary Health Information regarding the Covered Persons in the Plan to Plan Sponsor.
- C. **Plan Sponsor Representation.** Plan Sponsor represents and warrants (A) that the Plan has been established and is maintained pursuant to law, (B) that the Plan provides for the allocation and delegation of responsibilities for the Plan, including the responsibilities assigned to Contractor under the Contract, (C) that the Plan includes or incorporates by reference the appropriate terms of the Contract and this BA Agreement, and (D) that the Plan incorporates the provisions required by 45 CFR §164.504.
- D. **Plan Sponsor's Certification.** Contractor will not disclose Covered Persons' PHI to Plan Sponsor, unless and until the Plan authorizes Contractor in writing to disclose the minimum necessary Covered Persons' PHI to Plan Sponsor for the plan administration functions to be performed by Plan Sponsor as specified in the Plan.
- E. **Contractor Reliance.** Contractor may rely on Plan Sponsor's certification and the Plan's written authorization, and will have no obligation to verify that the Plan complies with the requirements of 45 CFR §164.504 or this BA Agreement or that Plan Sponsor is complying with the Plan.

**F. The Plan Amendment.** Before the Plan will furnish Plan Sponsor's certification described above to Contractor, the Plan will ensure (1) that its Plan establishes the uses and disclosures of Covered Persons' PHI consistent with the requirements of 45 CFR §164 that Plan Sponsor will be permitted and required to make for the plan administration functions Plan Sponsor will perform for the Plan, and (2) that Plan Sponsor agrees to all the applicable conditions imposed by §164.504 on the use or disclosure of PHI.

## VII. MISCELLANEOUS

**A. Regulatory References.** A reference in this BA Agreement to a section in the HIPAA Rules means the section as in effect or as amended, and for which compliance is required.

**B. Survival.** The respective rights and obligations of Contractor under Section IV of this BA Agreement shall survive the termination of this BA Agreement.

**C. Interpretation.** Any ambiguity in this BA Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules. Except to the extent specified by this BA Agreement, all of the terms and conditions of the Contract shall be and remain in full force and effect. In the event of any inconsistency or conflict between this BA Agreement and the Contract, the terms and provisions and conditions of this BA Agreement shall govern and control. Nothing express or implied in this BA Agreement and/or in the Contract is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever. This BA Agreement shall be governed by and construed in accordance with the same internal laws that are applicable to the Contract.

**D. Duration.** This BA Agreement will continue in full force and effect for as long as the Contract remains in full force and effect. This BA Agreement will terminate upon the cancellation, termination, expiration or other conclusion of the Contract.

**E. Term.** The Term of this BA Agreement shall be effective as of the date appearing on the signature page, and shall terminate when all of the PHI provided by Covered Entity to Contractor, or created or received by Contractor on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this BA Agreement.

**F. Amendment.** Upon the effective date of any final regulation or amendment to final regulations with respect to the HIPAA Rules, this BA Agreement will automatically amend such that the obligations imposed on Plan Sponsor, the Plan and Contractor remain in compliance with such regulations, unless (1) Contractor elects to terminate the Contract by providing Plan Sponsor and the Plan notice of termination in accordance with the Contract at least thirty (30) days before the effective date of such final regulation or amendment to final regulations; or (2) Contractor notifies the Plan of its objections to any such

amendment. In the event of such an objection, the parties will negotiate in good faith in connection with such changes or amendment to the relevant final regulation.

- G. Conflicts.** The provisions of this BA Agreement will override and control any conflicting provision of the Contract. All non-conflicting provisions of the Contract will remain in full force and effect.
- H. Independent Relationship.** None of the provisions of this BA Agreement are intended to create, nor will they be deemed to create any relationship between the parties other than that of independent parties contracting with each other as independent parties solely for the purposes of effecting the provisions of this BA Agreement and the Contract.
- I. Rights of Third Parties.** This BA Agreement is between Contractor and the Plan and the Plan Sponsor and shall not be construed, interpreted, or deemed to confer any rights whatsoever to any third party or parties.
- J. Notices.** All notices and notifications under this BA Agreement shall be sent in writing by traceable carrier to the listed persons on behalf of Contractor, the Plan and Plan Sponsor at the addresses indicated on the signature page hereof, or such other address as a party may indicate by at least ten (10) days' prior written notice to the other parties. Notices will be effective upon receipt.
- K. Expenses.** Unless otherwise stated in this BA Agreement or the Contract, each party shall bear its own costs and expenses related to compliance with the above provisions. Any additional expenses incurred by Contractor in connection with services to be provided pursuant to this BA Agreement shall be included in the Contract.
- L. Documentation.** All documentation that is required by this BA Agreement or by the HIPAA Rules must be retained by Contractor for six (6) years from the date of creation or when it was last in effect, whichever is longer.

AGREED By and between the undersigned Parties this \_\_\_ day of \_\_\_\_\_ 20\_\_.

**For State of Delaware:**

**For Contractor:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Brenda L. Lakeman

Title: \_\_\_\_\_

Director of Human Resource Management  
and Benefits Administration

**Address for Notices:**

Statewide Benefits Office, OMB  
Attention: Ms. Brenda L. Lakeman, Director  
HR Mgt and Benefits Administration  
Duncan Center, Suite 320  
500 W. Loockerman Street  
Dover, DE 19904

**Address for Notices:**

## APPENDIX M

### PROFESSIONAL SERVICES AGREEMENT

This Agreement (“Agreement”) is entered into as of \_\_\_\_\_, 20\_\_ (“Effective Date”) by and between the State of Delaware (the “State”), Office of Management and Budget (“OMB”), and \_\_\_\_\_, a \_\_\_\_\_ corporation, with offices at \_\_\_\_\_ (“Contractor”).

WHEREAS, the State desires to obtain certain services for the State Employees Benefit Committee and the Group Health Insurance Program; and

WHEREAS, Contractor desires to provide such services to the State on the terms set forth below;

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. Services.

1.1 Contractor shall perform for the State the services specified in the Appendices to this Agreement, attached hereto and made a part hereof:<sup>28</sup>

1.1.1 Appendix A – Scope of Services

1.1.2 Appendix B – Payment Schedule

1.1.3 Appendix B – Technology and Data Security

1.1.4 Appendix C - Performance Guarantees with Account Management Survey

1.1.5 Appendix D – Business Associate Agreement

1.2 Any conflict or inconsistency between the provisions of the following documents shall be resolved by giving precedence to such documents in the following order: (a) this Agreement (including any amendments or modifications thereto); and (b) the State’s request for proposals, dated \_\_\_\_\_, 20\_\_ (“RFP”). The RFP is specifically incorporated into this Agreement and made a part hereof.

1.3 The State may, at any time, by written order, make changes in the scope of this Agreement and in the services or work to be performed. No services for which additional compensation may be charged by Contractor shall be furnished without the written authorization of the State. When the State desires any addition or deletion to the deliverables or a change in the Services to be provided under this Agreement, it shall notify Contractor, who shall then submit to the State a "Change Order" for approval authorizing

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<sup>28</sup> The appendices will differ as applicable to the engagement. This list comprises the typical appendices.

said change. The Change Order shall state whether the change shall cause an alteration in the price or the time required by Contractor for any aspect of its performance under this Agreement. Pricing of changes shall be consistent with those established within this Agreement.

1.4 Contractor will not be required to make changes to its scope of work that result in Contractor's costs exceeding the current unencumbered budgeted appropriations for the services. Any claim of either party for an adjustment under Section 1 of this Agreement shall be asserted in the manner specified in the writing that authorizes the adjustment.

## **2. Payment for Services and Expenses.<sup>29</sup>**

2.1 The term of the initial contract shall be from \_\_\_\_\_ through \_\_\_\_\_ with the State having the option for up to \_\_\_\_\_ extensions.

2.2 The State will pay Contractor for the performance of services described in Appendix \_\_\_\_, Statement of Services. The fee will be paid in accordance with the Payment Schedule attached hereto as part of Appendix \_\_\_\_.

2.3 The State's obligation to pay Contractor for the performance of services described in Appendix \_\_\_\_, Statement of Services, will not exceed the fixed fee amount of \$ \_\_\_\_\_ (spelled out). It is expressly understood that the work defined in the appendices to this Agreement must be completed by Contractor and it shall be Contractor's responsibility to ensure that hours and tasks are properly budgeted so that all services are completed for the agreed upon fixed fee. The State will not agree to provide any prepayments in advance of services being rendered. Payment for any and all services provided by the Contractor to the State shall be made only after said services have been duly performed and properly invoiced. The State's total liability for all charges for services that may become due under this Agreement is limited to the total maximum expenditure(s) authorized in the State's purchase order(s) to Contractor.

2.4 Contractor shall submit monthly invoices to the State in sufficient detail and supporting documentation to support the services provided during the previous month. Such invoices will, at a minimum, include the name of each individual, the individual's job title, the number of hours worked during the period, the hourly rate, the total compensation requested for the individual, the total amount due the vendor for the period invoiced, and the project or work type. The State agrees to pay those invoices within thirty (30) days of receipt. In the event the State disputes a portion of an invoice, the State agrees to pay the undisputed portion of the invoice within thirty (30) days of receipt and to provide Contractor a detailed statement of the State's position on the disputed portion of the invoice within thirty (30) days of receipt. The State's failure to pay any amount of an invoice that is not the subject of a good-faith dispute within thirty (30) days of receipt shall entitle Contractor to charge interest on the overdue portion at the rate of 0.5% per month.

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<sup>29</sup> Paragraphs 2.1 through 2.4 would be revised to reflect the applicable terms in the Scope of Services and type of fee structure.

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

2.6 The SEBC reserves the right to deduct from amounts which are or shall become due and payable to the vendor under this contract between the parties any amounts which are or shall become due and payable to the SEBC by the vendor.

2.7 Any payments made by the State of Delaware will be by Automated Clearing House (ACH) as per its ACH processing procedures.

2.8 All expenses incurred in the performance of the services are to be paid by Contractor.

2.9 The State is a sovereign entity, and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of this Agreement.

2.10 The State shall subtract from any payment made to Contractor all damages, costs and expenses caused by Contractor's negligence, resulting from or arising out of errors or omissions in Contractor's work products, which have not been previously paid to Contractor.

2.11 Invoices shall be submitted to:

State of Delaware  
Office of Management & Budget  
Financial Operations, Suite 101  
122 Martin Luther King, Jr., Blvd., South  
Dover, DE 19901

### **3. Responsibilities of Contractor.**

3.1 Contractor shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by Contractor, its subcontractors and its and their principals, officers, employees and agents under this Agreement. In performing the specified services, Contractor shall follow practices consistent with generally accepted professional and technical standards. Contractor shall be responsible for ensuring that all services, products and deliverables furnished pursuant to this Agreement comply with the requirements of the RFP and the standards of the OMB.

Contractor shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to the State caused by Contractor's failure to ensure compliance with RFP requirements and OMB standards.

3.2 It shall be the duty of the Contractor to assure that all products and services are technically sound and in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. Contractor will not produce a work product that violates or infringes on any copyright or patent rights. Contractor shall, without additional compensation, correct or revise any errors or omissions in its work products and services.

3.3 Permitted or required approval by the State of any products or services furnished by Contractor shall not in any way relieve Contractor of responsibility for the professional and technical accuracy and adequacy of its work. The State's review, approval, acceptance, or payment for any of Contractor's services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Contractor shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to the State caused by Contractor's performance or failure to perform under this Agreement.

3.4 Contractor shall furnish to the State's designated representative copies of all correspondence to regulatory agencies that apply to services or products subject of this contract.

3.5 Contractor agrees that its officers and employees will cooperate with the State in the performance of services under this Agreement and will be available for consultation with the State at such reasonable times with advance notice as to not conflict with their other responsibilities.

3.6 Contractor has or will retain such employees as it may need to perform the services required by this Agreement. Such employees shall not be employed by the State or any other political subdivision of the State.

3.7 Contractor 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.

3.8 The State 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 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.

3.9 The rights and remedies of the State provided for in this Agreement are in addition to any other rights and remedies provided by law.

3.10 Contractor shall 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).

3.11 The Contractor must affirm 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.

3.12 Monthly Value/Usage Reports – The Contractor is required to accurately report the administrative fees paid monthly by the State. The Statewide Benefits Office will file the reports on the Contractor’s behalf.

3.13 2<sup>nd</sup> Tier Spending Report - In accordance with Executive Order 44, the State of Delaware is committed to supporting its diverse business industry and population. All contractors are required to accurately report on the participation by Diversity Suppliers. You will be asked for this information on a quarterly basis and the SBO will submit this report on your behalf.

3.14 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.

#### **4. Time Schedule.**

4.1 Any delay of services or change in sequence of tasks must be approved in writing by the State.

4.2 In the event that Contractor fails to complete the project or any phase thereof within the time specified in the Contract, or with such additional time as may be granted in writing by the State, or fails to prosecute the work, or any separable part thereof, with such diligence as will insure its completion within the time specified in this Agreement or any extensions thereof, the State may suspend the payments scheduled herein.

#### **5. State Responsibilities.**

5.1 In connection with Contractor's provision of the Services, the State shall perform those tasks and fulfill those responsibilities specified in the appropriate Appendices.

5.2 The State agrees that its officers and employees will cooperate with Contractor in the performance of services under this Agreement and will be available for consultation with Contractor at such reasonable times with advance notice as to not conflict with their other responsibilities.

5.3 The services performed by Contractor under this Agreement shall be subject to review for compliance with the terms of this Agreement by the State’s designated representatives. The State representatives may delegate any or all responsibilities under

the Agreement to appropriate staff members. The review comments of the State's designated representatives may be reported in writing as needed to Contractor. It is understood that the State's representatives' review comments do not relieve Contractor from the responsibility for the professional and technical accuracy of all work delivered under this Agreement.

## **6. Work Product.**

6.1 All materials, information, documents, and reports, whether finished, unfinished, or draft, developed, prepared, completed, or acquired by Contractor for the State relating to the services to be performed hereunder shall become the property of the State and shall be delivered to the State's designated representative upon completion or termination of this Agreement, whichever comes first. Contractor shall not be liable for damages, claims, and losses arising out of any reuse of any work products on any other project conducted by the State. The State shall have the right to reproduce all documentation supplied pursuant to this Agreement.

6.2 Contractor shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques within the scope of its consulting practice that are used in the course of providing the services.

## **7. Confidential Information.**

To the extent permissible under 29 Del. C. § 10001, et seq., the parties to this Agreement shall preserve in strict confidence any information, reports or documents obtained, assembled or prepared in connection with the performance of this Agreement.

## **8. Warranty.**

8.1 Contractor warrants that its services will be performed in a good and workmanlike manner. Contractor agrees to re-perform any work not in compliance with this warranty brought to its attention within a reasonable time after that work is performed.

8.2 Third-party products within the scope of this Agreement are warranted solely under the terms and conditions of the licenses or other agreements by which such products are governed. With respect to all third-party products and services purchased by Contractor for the State in connection with the provision of the Services, Contractor shall pass through or assign to the State the rights Contractor obtains from the manufacturers and/or vendors of such products and services (including warranty and indemnification rights), all to the extent that such rights are assignable.

## **9. Indemnification.<sup>30</sup>**

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<sup>30</sup> This is the same indemnity paragraph with the phrase "data security breaches or incidents" that is a requirement in the Technical Standards and Security Requirements, Section V.

9.1 Contractor 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 Contractor, its agents or employees, or (B) Contractor'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) Contractor shall have been notified in writing by the State of any notice of such claim; and (ii) Contractor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

## **10. Employees.**

10.1 Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder; provided, however, that it will, subject to scheduling and staffing considerations, attempt to honor the State's request for specific individuals.

10.2 Except as the other party expressly authorizes in writing in advance, neither party shall solicit, offer work to, employ, or contract with, whether as a partner, employee or independent contractor, directly or indirectly, any of the other party's Personnel during their participation in the services or during the twelve (12) months thereafter. For purposes of this Section 10.2, "Personnel" includes any individual or company a party employs as a partner, employee or independent contractor and with which a party comes into direct contact in the course of the services.

## **11. Independent Contractor.**

11.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent or employee of the State and shall furnish such services in its own manner and method except as required by this Agreement. Contractor shall be solely responsible for, and shall indemnify, defend and save the State harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the State, and that they shall not be entitled to any of the benefits or rights afforded employees of the State, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits. The State will not provide or pay for any liability or medical insurance, retirement contributions or any other benefits for or on behalf of the State or any of its officers, employees or other agents.

11.3 Contractor shall be responsible for providing liability insurance for its personnel.

11.4 As an independent contractor, Contractor has no authority to bind or commit the State. Nothing herein shall be deemed or construed to create a joint venture, partnership, and fiduciary or agency relationship between the parties for any purpose.

**12. Suspension.**

The State may suspend performance by Contractor under this Agreement for such period of time as the State, at its sole discretion, may prescribe by providing written notice to Contractor at least fifteen (15) days prior to the date on which the State wishes to suspend. Upon such suspension, the State shall pay Contractor its compensation, based on the percentage of the project completed and earned until the effective date of suspension, less all previous payments. Contractor shall not perform further work under this Agreement after the effective date of suspension. Contractor shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from the State to resume performance.

**13. Termination.**

13.1 This Agreement may be terminated in whole or in part by either party for convenience or in the event of substantial failure of the other party to fulfill its obligations under this Agreement through no fault of the terminating party; but only after the other party is given notice as follows:

- a. Not less than 180 days written notice by the Contractor for convenience.
- b. Not less than 180 days written notice by the Contractor for cause.
- c. Not less than 30 days written notice by the State for convenience or cause.

13.2 If after termination for failure of Contractor to fulfill contractual obligations it is determined that Contractor has not so failed, the termination shall be deemed to have been effected for the convenience of the State.

13.3 The rights and remedies of the State and Contractor provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

13.4 Gratuities.

- 13.4.1 The State may, by written notice to Contractor, terminate this Agreement if it is found after notice and hearing by the State that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor or any agent or representative of Contractor to any officer or employee of the State with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of any determinations with respect to the performance of this Agreement.

13.4.2 In the event this Agreement is terminated as provided in 13.1 hereof, the State shall be entitled to pursue the same remedies against Contractor it could pursue in the event of a breach of this Agreement by Contractor.

13.4.3 The rights and remedies of the State provided in Section 13.1 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

#### **14. Severability.**

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest permissible extent the intent and agreements of the parties herein set forth.

#### **15. Assignment; Subcontracts.**

15.1 Any attempt by Contractor to assign or otherwise transfer any interest in this Agreement without the prior written consent of the State shall be void. Such consent shall not be unreasonably withheld.

15.2 Services specified by this Agreement shall not be subcontracted by Contractor, without prior written approval of the State.

15.3 Approval by the State of Contractor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve Contractor of responsibility for the professional and technical accuracy and adequacy of the work. All subcontractors shall adhere to all applicable provisions of this Agreement.

15.4 Contractor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work under this Agreement by Contractor, its subcontractor or its sub-subcontractor.

15.5 The compensation due shall not be affected by the State's approval of the Contractor's request to subcontract.

#### **16. Force Majeure.**

Neither party shall be liable for any delays or failures in performance due to circumstances beyond its reasonable control.

**17. Non-Appropriation of Funds.**

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

17.2 Notwithstanding any other provisions of this Agreement, this Agreement shall terminate and the State's obligations under it shall be extinguished at the end of the fiscal year in which the State fails to appropriate monies for the ensuing fiscal year sufficient for the payment of all amounts which will then become due.

**18. State of Delaware Business License.**

Contractor and all subcontractors represent that they are properly licensed and authorized to transact business in the State as provided in 30 *Del. C.* §2502.

**19. Complete Agreement.**

19.1 This Agreement and its Appendices shall constitute the entire agreement between the State and Contractor with respect to the subject matter of this Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of this Agreement supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement.

19.2 If the scope of any provision of this Agreement is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.

19.3 Each Appendix, except as its terms otherwise expressly provide, shall be a complete statement of its subject matter and shall supplement and modify the terms and conditions of this Agreement for the purposes of that engagement only. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the parties hereto with respect to the subject matter hereof.

**20. Miscellaneous Provisions.**

20.1 In performance of this Agreement, Contractor shall comply with all applicable federal, state and local laws, ordinances, codes and regulations. Contractor shall solely

bear the costs of permits and other relevant costs required in the performance of this Agreement.

20.2 Neither this Agreement nor any appendix may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against which it is sought to be enforced.

20.3 The delay or failure by either party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

20.4 Contractor covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Contractor further covenants, to its knowledge and ability, that in the performance of said services no person having any such interest shall be employed.

20.5 Contractor acknowledges that the State has an obligation to ensure that public funds are not used to subsidize private discrimination. Contractor recognizes that if they refuse to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, the State may declare Contractor in breach of the Agreement, terminate the Agreement, and designate Contractor as non-responsible.

20.6 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, the State shall have the right to annul this contract without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

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

20.8 Contractor shall maintain all public records, as defined by 29 Del. C. §10002(1), exclusion for privileged and confidential commercial and financial information is provided by 29 Del. C. §10002 (1)(2), relating to this Agreement and its deliverables for the time and in the manner specified by the State Division of Archives, pursuant to the State Public Records Law, 29 Del. C. Ch. 5. During the term of this Agreement, authorized representatives of the State may inspect or audit Contractor' performance and records pertaining to this Agreement at the Contractor business office during normal business hours.

## **21. Insurance.**

21.1 Contractor shall maintain the following insurance during the term of this Agreement:

- A. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law.
- B. Comprehensive General Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence.
- C. Professional Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence; and/or
- D. Miscellaneous Errors and Omissions - \$1,000,000.00 per person/\$3,000,000 per occurrence.

21.2. Contractor shall provide forty-five (45) days written notice of cancellation or material change of any policies.

21.3. Before any work is done pursuant to this Agreement, the Certificate of Insurance and/or copies of the insurance policies, referencing the contract number stated herein, shall be filed with the State.

21.4. Contractor will provide the State a copy of renewal certificates throughout the term of the Agreement. If possible, Contractor will have the insurer add the State as an entity to automatically be copied on all policy changes and renewals to the following address: State of Delaware, OMB – Statewide Benefits Office, 500 W. Loockerman Street, Suite 320, Dover, DE 19904.

21.5. In no event shall the State be named as an additional insured on any policy required under this Agreement.

## **22. Assignment of Antitrust Claims.**

As consideration for the award and execution of this contract by the State, Contractor hereby grants, conveys, sells, assigns, and transfers to the State all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State, relating to the particular goods or services purchased or acquired by the State pursuant to this contract.

## **23. Applicable Law**

The laws of the State of Delaware shall apply, except where Federal Law has precedence. Contractor consents to jurisdiction and venue in the State of Delaware.

Contractor certifies that it 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 Contractor 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.

Contractor shall keep itself fully informed of and shall observe and comply with all applicable existing Federal and State laws, and County and local ordinances, regulations and codes, and those laws, ordinances, regulations, and codes adopted during its performance of the work.

**24. Notices.**

Any and all notices required by the provisions of this Agreement shall be in writing and shall be mailed, certified or registered mail, return receipt requested. All notices shall be sent to the following addresses:

TO **State** at:

State of Delaware, OMB  
Statewide Benefits Office  
Ms. Brenda Lakeman,  
Director of Human Resource Management and Benefits Administration  
Duncan Center, Suite 320  
500 W. Loockerman Street  
Dover, DE 19904

TO **Contractor** at:

(insert)

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

**STATE OF DELAWARE  
OFFICE OF MANAGEMENT AND BUDGET**

By: \_\_\_\_\_

Name: Brenda L. Lakeman

Title: Director of HR Management and Benefits Administration

Date: \_\_\_\_\_

**CONTRACTOR**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX N**  
**COST QUOTATION**

Please confirm your understanding of each of the following terms:

1. Hourly rates for Year 1 and 2 and the rate cap percentages for each of the remaining three years must be included. If your organization is offering a zero percentage rate cap, please do not leave the item blank but fill in “0%”.
2. The hourly rate caps will be from the previous year’s rate and must be guaranteed through the term of the contract.
3. The monthly retainer for Primary Support services, a flat fee per project, and the hourly rates and yearly rate caps as applicable, are firm for the duration of the contract and are not subject to escalation for any reason unless the contract is duly amended.
4. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted. For each project or service, a scope of service will be developed and an hourly rate or flat fee will be negotiated. Therefore the fees offered herein are for the PRC and SEBC to determine if they are reasonable and competitive with other proposals.
5. The unit rates (defined as the monthly retainer for the Primary Support consultant, a flat fee for a specific project, and the hourly rates) in the completed cost quotation form shall constitute the entire compensation due the vendor for services and all of the vendor’s obligations hereunder regardless of the difficulty, materials or equipment required. The unit prices include, but are not limited to, all applicable taxes, fees, general office expense, overhead, profit, and all other direct and indirect costs incurred or to be incurred by the vendor. The cost of travel and attendance to attend all SEBC meetings in Dover, Delaware (approximately 16 per year) by the Primary Support consultant is included in the monthly retainer. No additional compensation will be provided by the SEBC for any expense, cost, or fee not specifically authorized by contract or by written authorization from the SEBC.

(continued on the next page)

6. **Hourly Rates** **Years 1 and 2**

|                                          |  |
|------------------------------------------|--|
| Senior Consultant/Actuary<br>(Principal) |  |
| Senior Consultant/Actuary                |  |
| Consultant/Actuary                       |  |
| Associate Consultant/Actuary             |  |
| Technical                                |  |
| Administrative/Clerical                  |  |
| Other (Describe)                         |  |
| Other (Describe)                         |  |

|                   |  |
|-------------------|--|
| <b>Rate Cap %</b> |  |
| Optional Year 3   |  |
| Optional Year 4   |  |
| Optional Year 5   |  |

7. **Health Insurance RFP**

The SEBC will be entering into a contract, effective July 1, 2016, with a qualified consultant for the Health Insurance RFP project. The process of RFP development through contract award is described in the Procurement and Contract Negotiation section of the Scope of Services by Category section. Also, Attachment 4 is provided as a sample scope of services. We expect to receive three bids. Please provide a flat fee not-to-exceed quote for this project and include the number of hours you would expect to expend on each stage. Also include a list of the work that would not be included in the flat fee.

8. **Primary Support Monthly Retainer**

Effective July 1, the SEBC will enter into a monthly retainer payment arrangement for the Primary Support Services as described in the Scope of Services by Category section. Referencing that list, please provide a fee quote and confirm that your organization will provide all those services. In addition, provide a detailed list of services that your organization would not provide in your fee and/or services that would be provided in addition to the services listed.

# **ATTACHMENTS**





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

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

- The Delaware Information Security Policy, Disposal of Electronic Storage Media:  
<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>
- Per the terms of the contract, 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 Eheman, 500 W. Loockerman St., Suite 320, Dover, DE 19904.

|                     |
|---------------------|
| <b>ATTACHMENT 2</b> |
|---------------------|

|                                                   |                                       |
|---------------------------------------------------|---------------------------------------|
| Company Name and Address:                         |                                       |
| Date of Destruction:                              | Authorized By:                        |
| Description of Information Disposed of/Destroyed: |                                       |
| Inclusive Dates Covered:                          |                                       |
| METHOD OF DESTRUCTION:                            |                                       |
| <input type="checkbox"/> Burning                  | <input type="checkbox"/> Pulverizing  |
| <input type="checkbox"/> Overwriting              | <input type="checkbox"/> Reformatting |
| <input type="checkbox"/> Pulping                  | <input type="checkbox"/> Shredding    |
| <input type="checkbox"/> Other:                   |                                       |
| Records Destroyed By*:                            |                                       |
| If On Site, Witnessed By:                         |                                       |
| Department Manager:                               |                                       |

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

## ATTACHMENT 3

### Cyber Liability Insurance

1. An awarded vendor unable to meet the DTI Cloud and Offsite Hosting Policy requirement of encrypting PII at rest shall, *prior to execution of a contract*, present a valid certificate of cyber liability insurance at the levels indicated below. Further, the awarded vendor shall ensure the insurance remains valid for the entire term of the contract, inclusive of any term extension(s).
2. Levels of cyber liability insurance required are based on the number of PII records anticipated to be housed by the contractor at any given point in the term of the contract. The level applicable to this contract is: \_\_\_\_\_.<sup>31</sup> Should the actual number of PII records exceed the anticipated number, it is the vendor's responsibility to ensure that sufficient coverage is obtained (see table below). In the event that vendor fails to obtain sufficient coverage, vendor shall be liable to cover damages up to the required coverage amount.

**NOTE: The contract officer is to engage Agency IRM and/or DTI for identification of the anticipated number of PII records.**

| Level | Number of PII records  | Level of Cyber Liability Insurance Required |
|-------|------------------------|---------------------------------------------|
| 1     | 1 - 10,000             | \$ 2,000,000 per occurrence*                |
| 2     | 10,001 – 50,000        | \$ 3,000,000 per occurrence                 |
| 3     | 50,001 – 100,000       | \$ 4,000,000 per occurrence                 |
| 4     | 100,001 – 500,000      | \$ 15,000,000 per occurrence                |
| 5     | 500,001 – 1,000,000    | \$ 30,000,000 per occurrence                |
| 6     | 1,000,001 – 10,000,000 | \$ 100,000,000 per occurrence               |

\* Occurrence is defined as a data breach

<sup>31</sup> The number of records will be determined when the Scope of Work for the claims and eligibility audit projects are developed. Again, cyber liability insurance is **only** required if your firm does not encrypt data at rest.

## **ATTACHMENT 4**

### **Sample Health Insurance RFP Scope of Services**

#### **I. RFP Preparation**

##### **A. Develop RFP**

- Collect benefit designs from Statewide Benefits
- Collect and review claims and census data from Truven Health Analytics
- Draft custom RFP to meet the State's needs and requirements
  - Development of critical terms/minimum requirements of the RFP
  - Development of Scoring Methodology for RFP analysis
- Edit and finalize RFP with input from the State
- Incorporate contractual requirements/minimums into RFP
- Develop RFP that includes marketing of the existing Disease Management and Health Management/Wellness programs
- The RFP will include alternatives on COB with Medicare
- The RFP will include a Medicare Advantage plan marketing

##### **B. Deliverables**

- RFP document with utilization and benefit design attachments

##### **C. Assumptions**

- Assumes development and review of three drafts of the RFP
- 2-3 vendors (including incumbents)

#### **II. RFP Management**

##### **A. Support the Release and Management of the RFP**

- Support the release of the RFP through the procurement process, including providing de-identified census and claims data in electronic media (Consultant will compile all supporting data for the RFP and deliver it to Statewide Benefits for release)

- As directed by the State, answer questions from vendors in a written Q&A process
- Receive RFP responses from the State

**B. RFP Analysis / Deliverables**

- Phase 1: Provide high level analysis of bids received with rankings in PowerPoint presentation, including
  - Compliance with critical terms and conditions and minimum qualifications
  - High-level financial review, including review of financial and performance guarantees
  - Review of provider network access capabilities
- Phase 2: Provide in-depth analysis of the selected Finalists' RFPs to the State and the Proposal Review Committee (PRC)
- As part of the Phase 2 analysis, consultant will provide an in-depth review of the Technical and Cost components of the Finalists' bids. For the Technical review, this would include:
  - A review of the vendor's financial stability
  - A review of the vendor's documented experience in successfully administering programs of similar size and complexity
  - A review of the qualifications and experience of the vendor's management and account team
  - A review of the vendor's ability to meet all required services and accommodate plan designs
  - A review of the vendor's ability to provide innovative and cost-effective health plan programs
- On the Financial side, the key areas measures would be:
  - A review of the member disruption that would occur if a change in vendor occurred (i.e., determining if current in-network providers utilized are also in the bidder's network)
  - Access (based on urban, suburban and rural)
  - Administrative fees and guarantees
  - Discounts and guarantees

- Performance guarantees
- Trend and in-network guarantees if applicable
- Disease Management and Health Management/Wellness guarantees as applicable
- Phase 3: Review in-depth PowerPoint analysis with the PRC prior to the Finalist interviews

### **III. Finalist Interviews and Selection**

#### **Finalist Interviews / Deliverables**

- Support Finalist interviews
- Provide questions for Finalists
- Identify questions to ask and processes to review
- Based on Finalist interviews, provide follow-up questions to vendors and ask for Best and Final Offer (BAFO)
- As a result of the Finalist interview and BAFO process, provide updated and revised PowerPoint summary
- Based on additional data provided during and after Finalist interviews, provide additional analysis to the State and the PRC
- Attend scoring meeting with the State and the PRC and tabulate final scoring resulting in recommendation to award

Note: Implementation services and draft contract reviews are outside the scope of this assignment.

## **ATTACHMENT 5**

**(Continued on the next page)**

## *Account Management Team Survey*

### *Vendor*

For Reporting Period: FY \_\_\_\_ Quarter: \_\_\_\_\_  
 Completed by: Statewide Benefits Office

The Statewide Benefits Office is using this tool to evaluate the firm serving as a provider of consulting and/or actuarial services as described in the contract dated \_\_\_\_\_.

**Knowledge:** Indicate the extent to which you agree that your Account Management Team:

|                                                                                                                              | Strongly<br>Agree<br>5   | Agree<br>4               | Somewhat<br>Agree<br>3   | Disagree<br>2            | Strongly<br>Disagree<br>1 | For any "1" or "2" responses, please<br>provide specific comments in the area<br>below |
|------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|----------------------------------------------------------------------------------------|
| 1. Understands your benefits plan.                                                                                           | <input type="checkbox"/>  |                                                                                        |
| 2. Understands your business needs. Meets with you to establish needs and service expectations.                              | <input type="checkbox"/>  |                                                                                        |
| 3. Understands your service expectations. Develops a business plan that incorporates the agreed upon needs and expectations. | <input type="checkbox"/>  |                                                                                        |
| 4. Displays knowledge regarding (describe) benefit products and services.                                                    | <input type="checkbox"/>  |                                                                                        |
| 5. Clearly explains your report results.                                                                                     | <input type="checkbox"/>  |                                                                                        |

Average Rating \_\_\_\_\_

**Professionalism:** Indicate the extent to which you agree that your Account Management Team:

|                                                                   | Strongly<br>Agree<br>5   | Agree<br>4               | Somewhat<br>Agree<br>3   | Disagree<br>2            | Strongly<br>Disagree<br>1 | For any "1" or "2" responses, please<br>provide specific comments in the area<br>below |
|-------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|----------------------------------------------------------------------------------------|
| 6. Actively listens to and acknowledges your issues and concerns. | <input type="checkbox"/>  | _____                                                                                  |
| 7. Provides appropriate verbal communication.                     | <input type="checkbox"/>  | _____                                                                                  |
| 8. Provides appropriate written communication.                    | <input type="checkbox"/>  | _____                                                                                  |
| 9. Works with you to develop a positive working relationship.     | <input type="checkbox"/>  | _____                                                                                  |
| Average Rating                                                    |                          |                          |                          |                          |                           | _____                                                                                  |

**Proactive Management:** Indicate the extent to which you agree that your Account Management Team:

|                                                                                                 | Strongly<br>Agree<br>5   | Agree<br>4               | Somewhat<br>Agree<br>3   | Disagree<br>2            | Strongly<br>Disagree<br>1 | For any "1" or "2" responses, please<br>provide specific comments in the area<br>below |
|-------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|----------------------------------------------------------------------------------------|
| 10. Actively monitors your account and interacts with you in a frequency that meets your needs. | <input type="checkbox"/>  | _____                                                                                  |
| 11. Communicates potential problems/issues.                                                     | <input type="checkbox"/>  | _____                                                                                  |
| 12. Provides viable alternative solutions that meet your business needs.                        | <input type="checkbox"/>  | _____                                                                                  |
| 13. Manages and understands system requirements and their effect on your business.              | <input type="checkbox"/>  | _____                                                                                  |
| 14. Sets realistic expectations regarding turn-around time.                                     | <input type="checkbox"/>  | _____                                                                                  |
| Average Rating                                                                                  |                          |                          |                          |                          |                           | _____                                                                                  |

**Accessibility:** Indicate the extent to which you agree that your Account Management Team:

|                                                                                                    | Strongly<br>Agree<br>5   | Agree<br>4               | Somewhat<br>Agree<br>3   | Disagree<br>2            | Strongly<br>Disagree<br>1 | For any "1" or "2" responses, please<br>provide specific comments in the area<br>below |
|----------------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|----------------------------------------------------------------------------------------|
| 15. Available to you on a timely basis.                                                            | <input type="checkbox"/>  | _____                                                                                  |
| 16. Allocates appropriate time when meeting with you.                                              | <input type="checkbox"/>  | _____                                                                                  |
| 17. Demonstrates flexibility with regard to schedule changes.                                      | <input type="checkbox"/>  | _____                                                                                  |
| 18. Provides/communicates alternate contacts in the event of their absence.                        | <input type="checkbox"/>  | _____                                                                                  |
| 19. Advises you of schedule limitations upon contact for meetings, conference calls, projects etc. | <input type="checkbox"/>  | _____                                                                                  |
| Average Rating                                                                                     |                          |                          |                          |                          |                           | _____                                                                                  |

**Responsiveness:** Indicate the extent to which you agree that your Account Management Team:

|                                                                  | Strongly<br>Agree<br>5   | Agree<br>4               | Somewhat<br>Agree<br>3   | Disagree<br>2            | Strongly<br>Disagree<br>1 | For any "1" or "2" responses, please<br>provide specific comments in the area<br>below |
|------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|----------------------------------------------------------------------------------------|
| 20. Responds to your inquiries in a timely manner.               | <input type="checkbox"/>  | _____                                                                                  |
| 21. Provides thorough responses to your inquiries.               | <input type="checkbox"/>  | _____                                                                                  |
| 22. Follows-through regarding outstanding problems/issues/items. | <input type="checkbox"/>  | _____                                                                                  |
| 23. Solicits the assistance of product experts when needed.      | <input type="checkbox"/>  | _____                                                                                  |
| Average Rating                                                   |                          |                          |                          |                          |                           | _____                                                                                  |
| Overall Average Rating                                           |                          |                          |                          |                          |                           | _____                                                                                  |

