



**State of Delaware
Office of Management & Budget
Statewide Benefits Office**

STATE EMPLOYEE BENEFITS COMMITTEE

**Request for Proposal
for The State of Delaware
Short-Term & Long-Term Disability Programs**

September 16, 2013

**Intent to Bid Deadline –
September 30, 2013, no later than 4:00 p.m. EST**

OMB13002-Disablns

Table of Contents

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

I.	Introduction	1
	A. Background and Overview	1
	B. Proposal Objectives	2
	C. Scope of Services	3
	D. Timetable/Deadlines	3
	E. Evaluation Process.....	4
	F. Confidentiality of Documents	6
II.	Terms and Conditions.....	7
	A. Proposal Response Requirements.....	7
	B. General Terms and Conditions	7
	C. Submission of Proposal	9
	D. Other Terms and Conditions	14
III.	Minimum Requirements.....	16
IV.	Technical Standards and Security Requirements	23
V.	Questionnaire.....	29
	A. DIP Administration Specifics	29
	B. Account Case Management and Membership Services	30
	C. Contractual issues	31
	D. LTD Claim Paying Services	32
	E. Coordination	33
	F. Quality Controls and Audits	33
	G. Financial Guarantees	33
	H. Underwriting	34
	I. Reporting and On-Line Access to Information	34
	J. Short-Term Disability Specific Questions	35
	K. Long-Term Disability Specific Questions	36
	L. Implementation and Transition	38
	Appendix A: RFP Terms and Conditions Exception Tracking Form	39
	Appendix B: RFP Questionnaire Exceptions Tracking Forms	40
	Appendix C: Officer Certification Form.....	41

Appendix D: State of Delaware Non-Collusion Statement.....	42
Appendix E: Performance Guarantees	43
Appendix F: Proposed Premium and Fees	45
Appendix G: Subcontractor Information Form.....	47
Appendix H: Cloud and Offsite Hosting Specific Terms and Conditions	48
Appendix I: Contractor Confidentiality (Non- Disclosure) and Integrity of Data Agreement	52
Appendix J: Software Inventory Template	53
Appendix K: Technology Exception Tracking Chart.....	54
Appendix L: Financial Rating Form	55
Appendix M: Take Over Issues Form.....	56

Attachments:

(All Attachments will be provided on a CD-Rom. Please email Ms. Laurene Eheman at laurene.eheman@state.de.us to receive a copy.)

- Attachment 1: HB 214 - Relating to Removal of Insensitive and Offensive Language
- Attachment 2: RTW Guidelines
- Attachment 3: Hartford RTW
- Attachment 4: Business Associate Agreement
- Attachment 5: State STD Appeals Process
- Attachment 6: Reporting Schedule
- Attachment 7: STD EOB Payroll Cycle
- Attachment 8: Educational Employees Memorandum - 06-08
- Attachment 9: Educational Employees Memorandum - 06-09
- Attachment 10: Senate Bill No. 337- Public Officers and Employees Disability Insurance Program
- Attachment 11: State LTD Premium Report
- Attachment 12: University LTD Premium Report
- Attachment 13: DIP Census
- Attachment 14: State LTD Annual Experience
- Attachment 15: University LTD Annual Experience
- Attachment 16: State Open and Closed LTD Claims
- Attachment 17: University Open and Closed LTD Claims
- Attachment 18: State LTD and STD Diagnosis List
- Attachment 19: University LTD Diagnosis List
- Attachment 20: State STD Claim History and Claim Demographics
- Attachment 21: University STD Claim History and Claim Demographics
- Attachment 22: State Current STD Claimants
- Attachment 23: University Current STD Claimants
- Attachment 24: ASO STD Booklet
- Attachment 25: LTD Booklet
- Attachment 26: State LTD Claims Month by Month
- Attachment 27: University LTD Claims Month by Month
- Attachment 28: State ASO LTD Claims Month by Month
- Attachment 29: State STD Claims Month by Month
- Attachment 30: University STD Claims Month by Month
- Attachment 31: Senate Bill No. 304 – Amend Title 29 Relating to the Disability Insurance Program
- Attachment 32: Eligibility File Layout
- Attachment 33: Account Management Team Survey
- Attachment 34: DIP FAQs
- Attachment 35: DIP Rules and Regulations

I. Introduction

The State Employee Benefits Committee (SEBC) is seeking proposals from disability vendors to underwrite its fully insured Long-Term Disability (LTD) program and to provide claims management for its self-funded Short-Term Disability (STD) program along with a small grandfathered closed group that is a self-funded LTD program. **All bidders must provide proposals for both the LTD and STD programs.** This Request for Proposal (RFP) is issued pursuant to Title 29 Delaware Code, Chapter 69, Sect. 6981 and 6982.

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

Contract Effective Date:	July 1, 2014
Intent to Bid Due:	Monday, September 30, 2013, by 4:00 p.m. EST
Proposal Submissions Due:	Monday, November 4, 2013, by 3:00 p.m. EST

A. Background and Overview

Organization Description

The SEBC is chaired by the Director of the Office of Management and Budget (OMB). The Controller General, Insurance Commissioner, State Treasurer, Secretary of Health and Social Services, Secretary of Finance and Chief Justice of the Supreme Court comprise the remainder of the SEBC. The SEBC controls and manages benefits for approximately 35,000 active employees.

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, group life, flexible spending accounts, wellness and disease management programs, and pre-tax commuter benefits.

Background Information

The Disability Insurance Program (DIP) offers short-term and long-term disability benefits to employees hired into a position covered by the Delaware State Employees' Pension Plan. Disability benefits are currently offered to approximately 33,000 State employees and 1,300 University of Delaware employees. The DIP is a legislated program based on Title 29, Chapter 52a of the Delaware Code, enacted July 1, 2005. Prior to enactment of this legislation, some school districts sponsored their own LTD programs. State and school district employees with at least five (5) years of service received a disability benefit under the pension plan if they retired due to a disability. State and school district employees with less than five (5) years of service did not receive a disability benefit.

Effective January 1, 2006, The Hartford was selected to provide a fully-insured LTD program and administrative services for the self-insured STD program along with a small grandfathered closed group that is a self-funded LTD program. Vested employees with more than five (5) years

of service were given the option to make an irrevocable election to continue coverage under the disability pension benefit or move to the new DIP effective January 1, 2006. Approximately 90% of eligible employees chose to enroll in the DIP. Effective January 1, 2006, all newly hired employees and non-vested pension eligible employees were automatically enrolled for the DIP.

Eligible participants include the State's pension eligible employees, including school district, charter school, university and community college employees. By statute, employee unions cannot negotiate for benefits. DIP participants primarily reside within the State of Delaware. Throughout the three counties, each agency's human resource office exercises a high degree of independence. The State pays 100% of the cost for the DIP.

As a result of the new DIP, the Appoquinimink, Brandywine, Christina, and Red Clay school districts and the University of Delaware enhanced their current LTD programs with a buy up option of 6 2/3% for a total benefit of 66 2/3%. Each bidder must confirm that a buy up rate and a separate renewal based on just the buy up will be provided to these school districts and the University of Delaware upon their request.

In addition, under the current program, the State and the University of Delaware plans are covered under two separate policies. Going forward, there will be one LTD contract covering both the State and the University of Delaware as of July 1, 2014. The five (5) buy up plans must be noted as separate classes in the new contract.

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

You may view all information specific to the DIP governed by the SEBC at the following web site: <http://ben.omb.delaware.gov/disability/index.shtml>.

B. Proposal Objectives

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

- * offer state of the art disability administrative services
- * directly impact and reduce the cost of disabilities
- * communicate benefit determination to multiple employer units and employees in a timely manner
- * provide timely disability reporting
- * reduce the cost of disabilities by identifying early return to work opportunities
- * offer innovative solutions to manage the cost and duration of disabilities

C. Scope of Services

The selected organization is required to perform the following services¹:

1. Provide an insured LTD program to the State and the University of Delaware.
2. Provide an insured buy up LTD program for the University of Delaware and four (4) school districts upon request by these entities.
3. Administer current self-insured STD.
4. Administer a small grandfathered closed group self-funded LTD program for four (4) individuals on a run-in basis.
5. Provide exceptional customer service to beneficiaries of the DIP and to State personnel administering the DIP.
6. Provide rehabilitation and clinical case management services for the DIP.
7. Provide STD claim status listings on an agreed upon schedule to the life insurance vendor for waiver of premium processing.
8. Provide RTW services and coordinate with the State's RTW program and/or coordinator.
9. Communicate benefit information separately and independently to multiple human resource offices.
10. Calculate disability payment, underpayment, and overpayment amounts and assist the State in recovering overpayments.
11. Ensure that the State's electronic data and information is confidential and the electronic storage and processing systems are protected.

D. Timetable/Deadlines

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

Event	Target
RFP Advertised	M 09/16 & 23
Intent to Bid Deadline	M 09/30
Follow-up Questions due to SBO from Confirmed Bidders	M 10/07
Responses to Questions to Confirmed Vendors	F 10/18
Deadline for Bids	M 11/04
Notification of Finalists - Invitation to Interview	W 12/11

¹ This is a general list of services. Details may be found in the minimum qualifications and questionnaire sections. Please see the Attachments for the *DIP Rules and Regulations*, claims information and other information necessary to prepare your bid. For more information visit <http://ben.omb.delaware.gov/disability/index.shtml>.

Finalist Interviews ¹	Week of 01/06
Contract Award	March 2014
Plan Effective Date	07/01/14

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

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

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

The PRC shall make a recommendation regarding the award of contract to the SEBC who shall have final authority, in accordance with the provisions of this RFP and 29 Del.C. §6982, to award a contract to the successful firm or firms as determined by the SEBC in its sole discretion to be in the best interests of the State of Delaware. The SEBC may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The SEBC reserves the right to reject any and all proposals or award to multiple vendors.

Evaluation Criteria

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the PRC to evaluate proposals:

¹ The SEBC will require each of the finalists to make a presentation in Dover, Delaware. The presentation will be at the expense of the proposing firm.

- **Financial** – Cost for requested services as detailed in the RFP in relation to other competitive proposals and proposed performance guarantees.
- **Organization’s Ability** – Depth of the organization’s experience and ability to be responsive to the needs of the SEBC. Proven ability and infrastructure to perform the services as outlined in the Scope of Work for multiple employer units.
- **Experience and Stability** – Overall financial stability of the organization. Qualifications and experience of the organization’s personnel to provide excellent administrative services as outlined in the Scope of Work.
- **Administrative Services** – Demonstrated ability to address the multi-faceted needs of the State’s disability insurance program. Proven customer service and claims paying ability as well as timely reporting. Additionally, the organization must have a demonstrated flexibility to facilitate anticipated and unanticipated regulatory and process changes in the disability insurance programs

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

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

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

RFP Award Notification

After review by the PRC, a recommendation will be made to the SEBC for award of the contract. The contract may be awarded on a contingent basis if there are outstanding requirements that must be satisfied, including, but not limited to, the technical standards and security requirements. The contract shall be awarded to the vendor whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. It should be explicitly noted that the SEBC is not obligated to award the contract to the vendor who submits the lowest bid rather the contract will be awarded to the vendor whose proposal is determined by the SEBC to be the most advantageous. The award is subject to the appropriate State of Delaware approvals. After a final selection is made, the winning vendor will be invited to negotiate a contract with the State; remaining vendors will be notified in writing of their selection status.

Award of Contract

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

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 once a proposal is received by the State, a decision on contract award is made and the contract awarded, its contents will become public record and nothing contained in the proposal will be deemed to be confidential except proprietary information. Pricing information and fee structures are treated as confidential only until the contract to the awarded vendor has been executed and cannot be included as proprietary 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 (DIP RFP). 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 separate CD from the bidding documents. In order to submit a complete electronic copy, you must scan the letter as the first page so that the file is clearly designated.

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

Please see the section entitled 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 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. All information requested is considered important. If you have additional information you would like to provide, include it as an appendix to your proposal.
3. **Realistic** – It is the expectation of the SEBC that vendors can fully satisfy the obligations of the proposal in the manner and timeframe defined within their proposal. Proposals must be realistic and must represent the best estimate of time, materials, and other costs including the impact of inflation and any economic or other factors that are reasonably predictable. The State of Delaware shall bear no responsibility or increased obligation for a vendor’s failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
4. **Completeness of Proposal** – The proposal must be complete and comply with all aspects of the specifications. Any missing information could disqualify your proposal. Proposals must contain sufficient information to be evaluated and, therefore, must be complete and responsive. Unless noted to the contrary, we will assume that your proposal conforms to our specifications in every way. The SEBC reserves full discretion to determine the competence and responsibility, professionally, and/or financially, of vendors. Failure to respond to any request for information may result in rejection of the proposal at the sole discretion of the SEBC.

B. General Terms and Conditions

1. **Intent to Bid** – You must indicate your intent to bid via email to Ms. Laurene Eheman at laurene.eheman@state.de.us by September 30, 2013, no later than 4:00 p.m. EST.
2. **Attachments will be provided on CD-ROM by overnight mail upon request.**

3. **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 Work. Please email Ms. Laurene Eheman at laurene.eheman@state.de.us.
4. **Definitions** – The following terms are used interchangeably throughout this RFP:
 - a. bidder, vendor, contractor, organization
 - b. SEBC, State of Delaware
 - c. proposal, bid, vendor’s submission
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, 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) days before the proposal opening. 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.

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware’s website at 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.

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 Ms. Laurene Eheman, electronically, and only electronically at laurene.eheman@state.de.us, no later than ten (10) calendar days prior to the time set for opening of the proposals.

6. **Questions** – The SEBC anticipates this will be an interactive process and will make every reasonable effort to provide sufficient information for vendor responses. Vendors are invited to ask questions during the proposal process and to seek additional information, if needed. Do not contact any member of the SEBC about this RFP or the Disability Insurance Program administration services selection process. Communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor.

Vendors should only rely on written statements issued by the RFP designated contact, Ms. Laurene Eheman. **All proposing vendors must submit their questions electronically, and only electronically, to Ms. Laurene Eheman no later than October 7, 2013, at 4:00 p.m. EST.** The SBO will then put all questions received and the responses into one document and send to all vendors who confirmed their intention to bid. Again, all questions regarding this proposal should be directed only, and by email only, to Ms. Laurene Eheman at laurene.eheman@state.de.us.

Exceptions to the RFP – Any exceptions to the RFP or State of Delaware’s terms and conditions, **not** the scope of work requirements, minimum requirements, or topics in the questionnaire, must be clearly set forth in the RFP Terms and Conditions Exception Tracking Chart, Appendix A, and submitted to Ms. Laurene Eheman, electronically, and only electronically at laurene.eheman@state.de.us. Acceptance of exceptions is within the sole discretion of the SEBC. If your organization takes no exceptions to the terms or conditions found in the RFP, please check the box and include it with your proposal.

C. Submission of Proposal

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

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

2. **Hard Copies** – Please submit six (6) complete hard copies - binders are preferred instead of spiral bound - of your proposal to Ms. Laurene Eheman at the following address:

Ms. Laurene Eheman, RFP and Contract Coordinator
Office of Management and Budget
Statewide Benefits Office
500 W. Loockerman Street, Suite 320
Dover, DE 19904
Phone: (302) 739-8331
Fax: 302) 739-8339

Complete means that it includes all information you may deem proprietary and confidential. In other words, the information deemed proprietary and confidential must not be redacted or separated from the rest of the information.

3. **Electronic Copies** – Please include a *complete* electronic copy of your proposal in a PDF format on its own CD. You must scan all the documents; for example, a signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability.¹ Please label and carefully package the CD.
4. **Redacted Copies** – Information that you assert is confidential and proprietary must be submitted in a redacted form within the entire proposal. This means the information must be blacked out or substituted with a blank page that references the page or document that is missing. For example:

¹ As stated in the Technical Standards and Security Requirements section, Directions, please ensure that your responses (and exhibits, if any) to that section are in a separate tab(s).

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]
 [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] 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. You must scan all the documents; for example, the signed cover letter, the signed Officer's Statement and any appendices. Please divide the PDF into manageable sections for easier readability. Please label and carefully package the CD.

Recap of Proposal Copy Formats	Hard Copies	PDF Copies (on 3 separate CDs)
Confidential and Proprietary documents: <u>Only</u> those documents and the attorney's cover letter in a marked and sealed envelope	1	1
Complete bid <u>without</u> redacted sections	6	1
Complete bid <u>with</u> redacted sections	1	1

5. **Proposal Submission Date** – Both hard and electronic copies of your complete proposal must be received at the above address no later than **3:00 p.m. EST on November 4, 2013**. 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 as to be made available to competing entities during the negotiation process.
6. **Proposal Opening** – To document compliance with the deadline, the proposals will be date and time stamped upon receipt. Proposals will be opened only in the presence of State of Delaware personnel. There will be no public opening of proposals, but a public log will be kept of the names of all vendor organizations that submitted proposals. The list will be posted on bids.delaware.gov. The contents of any proposal will not be disclosed to competing vendors prior to contract award.
7. **Officer Certification** – All vendors participating in this RFP will be required to have a company officer attest to compliance with RFP specifications and the accuracy of all responses provided. **Please fill out the Officer Certification Form, Appendix C, and include it in your bid package.**
8. **Vendor Errors/Omissions** – The SEBC will not be responsible for errors or omissions made in your proposal. You will be permitted to submit only one proposal. You may not revise or withdraw submitted proposals after the applicable deadline.
9. **General Modifications to RFP** – The SEBC reserves the right to issue amendments or change the timelines to this RFP. All firms who submitted an Intent to Bid notice will be notified in writing via e-mail of any modifications made by the SEBC to this RFP.
10. **Modifications to Submitted Proposal** – Changes, amendments or modifications to proposals shall not be accepted or considered after the time and date specified as the deadline for submission of proposals. However, vendors may modify or withdraw its complete proposal by written request, provided that both proposal and request is received by Ms. Laurene Eheman prior to the proposal due date. Pages for substitution will not be accepted or allowed. Then, the proposal may be re-submitted in accordance with the proposal due date in order to be considered.
11. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications will be requested in writing and the vendor's responses will become part of the proposal.
12. **References** – The SEBC may contact any customer of the vendor, whether or not included in the vendor's reference list, and use such information in the evaluation process. Additionally, if applicable to the scope of work in this RFP, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for the State of Delaware personnel for these visits.

13. **Time for Acceptance of Proposal** – The bidder agrees to be bound by its proposal for a period of at least 180 days, during which time the State may request clarification or correction of the proposal for the purpose of the evaluation.
14. **Incurred Costs** – This RFP does not commit the SEBC to pay any costs incurred in the preparation of a proposal in response to this request and vendor/bidder agrees that all costs incurred in developing its proposal are the vendor/bidder's responsibility.
15. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
16. **Certification of Independent Price Determination** – By submission of a proposal, the proposing firm certifies that the fees submitted in response to the RFP have been arrived at independently and without – for the purpose of restricting competition – any consultation, communication, or agreement with any other proposing firm or competitor relating to those fees, the intention to submit a proposal, or the methods or factors used to calculate the fees proposed. **Please fill out the Non-Collusion Statement, Appendix D, and include it in your bid package.**
17. **Improper Consideration** – Bidder shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, service, the provision of travel or entertainment, or any items of value to any officer, employee, group of employees, retirees or agent of the SEBC in an attempt to secure favorable treatment or consideration regarding the award of this proposal.
18. **Representation Regarding Contingent Fees** – By submission of a proposal, the proposing firm represents that it has not retained any person or agency to solicit or secure a contract for the services described herein upon an agreement or understanding for a commission or a percentage, brokerage, or contingent fee. The SEBC will not pay any brokerage fees for securing or executing any of the services outlined in this RFP. Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service, or finder's fees.
19. **Confidentiality** – All information you receive pursuant to this RFP is confidential and you may not use it for any other purpose other than preparation of your proposal.
20. **Solicitation of State Employees** – Until contract award, vendors shall not, directly or indirectly, solicit any employee of the State of Delaware to leave the State's employ in order to accept employment with the vendor, its affiliates, actual or prospective contractors, or any person acting in concert with the vendor, without prior written approval of the State's contracting officer. Solicitation of State of Delaware employees by a vendor may result in rejection of the vendor's proposal.

This paragraph does not prevent the employment by a vendor of a State of Delaware employee who has initiated contact with the vendor. However, State of Delaware employees may be legally prohibited from accepting employment with the contractor or subcontractor under certain circumstances. Vendors may not knowingly employ a person who cannot legally accept employment under state or federal law. If a vendor discovers that they have done so, they must terminate that employment immediately.

21. **Consultants and Legal Counsel** – The SEBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultant or legal counsel on any matter related to this RFP.
22. **Contact with State Employees** – Direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Laurene Eheman, is expressly prohibited without prior consent. Vendors directly contacting State of Delaware employees risk elimination of their proposal from further consideration. Exceptions exist only for organizations currently doing business with the State who require contact in the normal course of doing that business.
23. **Organizations Ineligible to Bid** - Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subcontractors currently debarred or suspended is ineligible to bid. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.
24. **Exclusions** - The PRC reserves the right to refuse to consider any proposal from a vendor who:
 - a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
 - b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
 - c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
 - d. Has violated contract provisions such as:
 - i. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - ii. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;
 - iii. Has violated ethical standards set out in law or regulation; and
 - iv. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.

D. Other Terms and Conditions

Rights of the PRC

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

- Right of Negotiation – Discussions and negotiations regarding price, performance guarantees, and other matters may be conducted with organizations(s) who submit proposals determined to be reasonably susceptible of being selected for award, but proposals may be accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. The SEBC also reserves the right to move to other proposing firms if negotiations do not lead to a final contract with the initially selected proposing firm. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted.

- Right to Consider Historical Information – The PRC and/or the SEBC reserves the right to consider historical information regarding the proposing firm, whether gained from the proposing firm's proposal, question and answer conferences, references, or any other source during the evaluation process.

- Right to Reject, Cancel and/or Re-Bid – The PRC and/or the SEBC specifically reserve the right to reject any or all proposals received in response to the RFP, cancel the RFP in its entirety, or re-bid the services requested. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any vendor.

Contract/Rate Guarantee Periods

The State of Delaware reserves the right to incorporate standard State contractual provisions into any contract negotiated as a result of a proposal submitted in response to this RFP. Any proposed modifications to the terms and conditions of the standard contract are subject to review and approval by the State of Delaware. The vendor is required to sign the contract for all services. If the vendor to whom the award is made fails to enter into the agreement as herein provided, the award will be annulled and an award made to another vendor. Such vendor shall fulfill every stipulation embraced herein as if they were the party to whom the first award was made.

Performance Guarantees

The State expects exceptional client account management and participant customer service from their vendors and is interested in evaluating financial and non-financial performance guarantees. The State reserves the right to negotiate both financial and non-financial performance guarantees. Please refer to Appendix E.

Use of Subcontractors

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

Required Reporting

One of the primary goals in administering this contract is to keep accurate records regarding its actual value. This information is essential in order to update the contents of the contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around our ability to convey accurate and realistic information to all interested bidders. Therefore, be advised that a Monthly Usage Report will be filed with the State's Contracting Office that discloses the fee paid to the successful vendor for the administration of this contract.

In accordance with Executive Order 14 and 29 – Increasing Supplier Diversity Initiatives within State Government and Ensuring Representation of Veteran-Owned Businesses, the State is committed to supporting its diverse business industry and population. The successful Vendor will be required to report quarterly on the participation by a certified minority, woman, or veteran owned business for subcontracted services that are provided for the administration of this contract.

III. Minimum Requirements

The following minimum requirements are mandatory. Failure to meet any of these proposal criteria will result in disqualification of the proposal submitted by your organization.

If your responses to the minimum requirements are different for the STD or the LTD coverages, please note and provide appropriate responses for each coverage. If not noted, it will be assumed your response is applicable to both programs.

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, excluding claim adjudication offices, that would provide the services requested under this RFP. Also provide the name and information for the primary contact, including email address, for this RFP.

1. The selected vendor must have at least five (5) years' experience as an organization in providing the type and scope of DIP coverage to be procured through this competitive RFP process. Please confirm that you have reviewed the plan information included in this RFP and that you have provided the DIP coverage outlined in the RFP for other clients. The determination of the length of time an entity has provided these services will be based upon the initial date the entity established a contractual relationship to provide such services. The proposing organization must provide sufficient detail to demonstrate it has significant experience in working with programs similar in size and complexity to the DIP. Because more detailed questions follow, please provide only a broad outline here of the organization's years of experience and qualifications for the services listed in the Scope of Services.
2. The individual who will act as the SEBC's primary contact shall be, at a minimum, a senior level manager and shall have at least ten (10) years' experience providing disability benefit account management, of which three (3) years' experience must have been in providing disability insurance programs to plans consisting of at least 30,000 covered employees, preferably in a municipal setting. Please provide a Statement detailing such experience and a resume.
3. Please confirm your organization will administer the State's DIP according to the eligibility definition referenced below:

Employees covered by the Delaware State Employees' Pension Plan pursuant to 29 Del. Chapter 55 who are U.S. citizens or U.S. residents who are actively at work for one full day on or after January 1, 2006, are automatically enrolled in the DIP. Also includes retired Delaware State Troopers who are employed in a position covered by the Delaware State Employees' Pension Plan as of July 1, 2008.
4. Please confirm your organization will administer the State's DIP according to the leave rules noted in Title 29, Chapter 59, and section 5933 (c) and (d), at <http://delcode.delaware.gov/title29/c059/sc03/index.shtml>.

5. Please confirm your organization will administer the DIP according to the statutes referenced in Title 29, Chapter 52a of the Delaware Code (c) and (d), at <http://delcode.delaware.gov/title29/c052a/index.shtml>.
6. Please confirm your organization's acceptance that any payments made by the State will be by Automated Clearing House (ACH) as per its ACH processing procedures. See <https://w9.accounting.delaware.gov/?OpenForm> for the required information.
7. The term of the contract between the successful organization and the State will be for three (3) years and may be renewed for two (2) additional one-year extensions at the discretion of the SEBC. The State will be the only party to have termination for convenience rights. Should the vendor terminate for cause, the State will require 180 days written notice. On the Proposed Premiums and Fees chart, Appendix F, provide rates and fees for a three (3) year contract period beginning effective July 1, 2014. In addition, provide two (2) additional one-year extensions. The vendor must guarantee the contract period rates and fees through June 30, 2017, with a rate cap for two (2) additional optional one-year periods that may be exercised at the discretion of the SEBC. The rate caps must be expressed as a percentage increase from the prior year's rates.
8. Please confirm your company is appropriately licensed to do business in the State of Delaware for both STD and LTD programs and provide a copy of each license.
9. The current LTD and STD benefits are two programs set forth in Attachments 24 and 25. The plan design must be matched. **No deviations are permitted.** Please confirm your organization's ability to match each term in the plan design. In addition, confirm that if any differences arise between the current plan design and your proposal, that your plan will be modified to match the current plan design.
10. Please confirm your organization's ability to administer the LTD ASO plan.
11. Please confirm that your organization will provide LTD buy up benefit rates to the four (4) school districts and the University of Delaware if requested. In addition, please confirm that you will bill and renew with each district and the University of Delaware separately for this benefit based on their respective experience.
12. Please confirm that your organization will provide one (1) LTD contract for the State and the University of Delaware with separate classes noted for the buy up benefits that may be purchased by the four (4) school districts and the University of Delaware.
13. Please confirm that your organization will provide experience reports and an LTD renewal proposal to the State that excludes the experience of the buy up programs. Also, confirm that your buy up program renewals and experience reports will be provided directly to the sponsoring districts and/or the University of Delaware.
14. Please confirm that your organization will not use the names, home addresses or any other information obtained about participants of the DIP for the purpose of offering for sale any property or services that are not directly related to services negotiated in the RFP without the express written consent of the State.

15. Verify that the primary contact and/or lead personnel assigned to a transition team and account management team will be part of any interview team. Additionally, the vendor must provide a demonstration of the on-line access to claimant information, reporting, etc.
16. Provide a copy of an errors and omissions professional liability insurance coverage in the amount, at a minimum, of \$1,000,000 per person and \$3,000,000 per occurrence.
17. Please confirm that your organization will provide and maintain separate, secure, and individual access to your online portal by human resources' benefit representatives for each employer group/unit. In other words, a benefit representative would be able to see only their group's employees and benefit information. Additionally, SBO designated staff must have central access to all employer groups/units.
18. Your company must have proven ability to perform the services described in this RFP. Of your company's current clients, list three (3) or more references whose STD and LTD programs are comparable in size to the State's number of STD and LTD claimants. If possible, at least one reference should be a governmental client of a similar size. Additionally, provide references for three (3) terminated clients and note the date of termination and reason. Include the following information:
 - a. Client name
 - b. Principal location
 - c. Location servicing account, if different
 - d. Number of covered participants for both STD and LTD coverage
 - e. Client contact including name, title address, email and phone number
 - f. List of services provided (Please be specific)
 - g. Effective date of contract
19. It is anticipated that an award of the DIP program will be made on or before March 31, 2014. Please confirm that if you are awarded the contract no later than March 31, 2014, you would be able to successfully implement the DIP for a July 1, 2014, effective date.
20. Please confirm that you will sign the Business Associate Agreement, Attachment 4. The State expects to revise the terms of the Business Associate Agreement at some time during the RFP process prior to execution of the contract with the winning vendor. Any revised item will be issued as an Addendum to the RFP. Vendors are expected to comply with the terms of any Addendum to the RFP.
21. Please confirm that requested State data (along with other relevant documentation such as procedure manuals and system access) will be made available to the State or its authorized agents for purpose of an audit.
22. Please confirm that all records, documents, and data – except LTD fully-insured claims data used for underwriting purposes – shall be the property of the State, not the administrator, and will not be stored offshore (outside of the United States).

23. Please confirm your organization is willing to accept the State's performance guarantees and fees at risk, at minimum, as listed in Appendix E. If you propose higher penalties than the minimums, please indicate those by using a strikeout font and insertion.
24. Please confirm your organization's willingness to negotiate financial and non-financial performance guarantees.
25. Please confirm that in the event of contract termination for the STD program, you agree to transfer to the State (or to a successor administrator) within thirty (30) days of termination notice all data and participant records necessary for the continued administration of the plan. Your organization must agree to continue operations until the transfer of data has been completed.
26. Please confirm your organization's acceptance: The RFP and the executed Contract between the State and the successful organization will constitute the Contract between the State and the organization. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter; contract and RFP. No other documents will be considered. These documents contain the entire agreement between the State and the organization.
27. Please confirm your organization's acceptance: 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, based on audits, to not constitute allowable costs. Any payment shall be reduced for overpayment, or increased for underpayment on subsequent invoices.
28. Please confirm your organization's acceptance: The SEBC reserves the right to deduct from amounts that are or shall become due and payable to the vendor under this contract between the parties any amounts which are or shall become due and payable to the SEBC by the vendor.
29. Please confirm that your organization will not use the State's name, either express or implied, in any of its advertising or sales materials without the State's express written consent.
30. The State of Delaware communicates enrollment information on a biweekly basis via an electronic file that does not include employee SSNs. Please confirm that your organization is able to process an unique employee ID number in lieu of a SSN and are able to include the unique identifier.
31. Please confirm that your organization will follow the current STD appeals process as defined by 29 Del. C. § 5258 - see Attachment 5.
32. Delaware Senate Bill 337 allows State employees approved for LTD benefits the option to escrow annual (vacation) and sick leave for up to six (6) months. In addition, this statute allows employees vested as of December 31, 2005, to be covered under the State's disability pension plan upon exhaustion of the long-term disability benefit due to mental condition

and/or substance abuse. See Attachment 10 for details. Please confirm that you will be able to administer the later provision.

33. Please confirm that any participant address changes sent in the eligibility feed will automatically update to the appropriate claims systems.
34. Please confirm that your organization will guarantee that all participants, who would have continued to be covered on the plan effective date if there had been no change in carriers, will be covered by your policy on the plan effective date.
35. Please confirm that your organization will communicate with, and provide regular reporting and status information to, multiple agencies within the State. See Attachment 6 for a detailed list of the types of reports and the recipients.
36. Please confirm your organization's acceptance: Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the vendor, its agents or employees, or (B) vendor's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) vendor shall have been notified in writing by the State of any notice of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.
37. Please confirm your organization's acceptance: 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.
38. Please confirm your organization's ability to allow designated SBO representatives, along with representatives from each agency's human resources office, access to real time claim status information. Designated SBO representatives must also have access to claimant documentation for RTW and appeal purposes upon request. Please confirm the existence of an in-house Customer Support Specialist for the STD and LTD benefit programs.
39. Please confirm your organization will abide by the State's calculation of residual disability payments.

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

A = Pre-disability weekly earnings

B = Current weekly earnings

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

40. Please confirm your organization is able to file and deduct applicable employee/employer federal, State, and local taxes as well as the employee share of medical, dental and/or vision benefit costs from LTD disability payments. Note any cost for this on the Proposed Premiums and Fees chart, Appendix F.
41. Please confirm your organization's agreement that either party can terminate the contract without cause and that the State can provide thirty (30) days' notice while the vendor is required to provide 180 days notice to the State.
42. Please confirm your agreement to the current benefit for both STD and LTD for currently eligible individuals without requiring evidence of insurability.
43. Please confirm your organization will match or enhance the current process for STD EOB submission schedule, see Attachment 7. The vendor may propose an alternative process which would eliminate the need for an EOB submission. If so, describe.
44. Please confirm that all materials, contracts and communications will comply with Delaware House Bill No 214 relating to the removal of Insensitive and Offensive Language. See Attachment 1.
45. Please confirm that a renewal package must be submitted no less than 180 days prior to the start of the plan year in accordance with the rate caps proposed in Appendix F.
46. Please confirm that any changes in administrative and/or premium rates will be effective only on the renewal date of July 1st.
47. The State requires your organization to confirm that all services identified in your proposal are provided solely by your organization and identify any services that may be provided by a subcontractor. Subcontractors are subject to all the terms and conditions of the RFP. If a subcontractor(s) is involved, note in your response to this question and complete Appendix G included herein. **If a subcontractor provides IT services, please respond as directed in the *Technology and Security Requirements* section.**
48. Please confirm your organization will accept the data elements in the Eligibility File Layout, Attachment 32.
49. Please confirm that your organization will adjust STD benefit payments for any salary changes that may occur while an employee is receiving benefits.
50. Please confirm that the rates or fees quoted in your organization's proposal are firm and will not be recalculated based on actual enrollment as of the effective date of the contract.
51. Please confirm that your organization can accept and process a separate electronic file of health care (i.e., medical, dental and/or vision) deductions from the members' LTD monthly payments. Also, please confirm your organization has a procedure when an LTD beneficiary does not have enough funds in their LTD payment to support a full health care deduction.
52. Please confirm your organization's ability to transition claimants from STD to LTD in a timely manner. Also, please confirm your organization's ability to provide an agency's

human resource office with an STD decision independently of the member's LTD claim status.

53. Please confirm your organization has the ability to file a claim telephonically and via the web or other online system.
54. Please confirm your organization's ability to pay physicians for their release of requested medical documentation as applicable and appropriate.
55. Please confirm your organization's ability to assist the State of Delaware's LTD claimants with applying for and appealing Social Security benefits.
56. Please confirm your organization's ability to calculate disability payment, underpayment, and overpayment amounts and to provide the State with daily reports (Monday-Friday) showing the results of your calculations. Please confirm that your organization will assist the State in recovering overpayments that may be made to claimants.

IV. Technical Standards and Security Requirements

Carefully read the following descriptions and requirements for your responses!

Omission of the acknowledgements or responses and forms could result in a determination that your bid is non-responsive.

Subcontractors:

If any of your computer applications/programs are leased from and/or hosted by a vendor, the third-party vendor is considered a sub-contractor and is also subject to, and required to comply with, **all** of the State's technology and security requirements. The *Subcontractor Information Form* must be submitted. Be advised that in signing the *Subcontractor Information Form* the subcontractor agrees to comply with all of the terms, conditions, and requirements of this procurement which includes this section, Technical Standards and Security Requirements. Therefore, the subcontractor **must complete this section and all the forms** provided herein. (See the Checklist of Forms section below.) The completed forms need to be submitted by your organization as part of your proposal, **not** remitted separately by the subcontractor.

Cloud Providers and Computing:

Please refer to the National Institute of Standards and Technology (NIST)'s *Definition of Cloud Computing* at <http://csrc.nist.gov/publications/nistpubs/800-145/SP800-145.pdf>. **Any vendor that receives the State's data via the internet and is an external host of the State's data is deemed to be a Software as a Service (SaaS) cloud provider and must comply with the related State security protocols, Standards, and Terms.** Because the selected vendor for the Disability Insurance Program services will be storing the State's data, the vendor (and their subcontractor, if any) is considered an external host and therefore a cloud provider.

1. All non-negotiable terms and conditions for cloud providers must be accepted without exception. Bidders and subcontractors who do not accept the non-negotiable terms without exception will be considered non-responsive and eliminated from consideration.¹
2. Bidders and subcontractors may take minor exceptions to the negotiable terms and conditions for cloud providers. The State has the final determination in consideration of exceptions.

Data Ownership:

For the Short-Term Disability program, all data generated from the original source data shall be the property of the State. The control of the disclosure of those data shall be retained by the State and the Department of Technology and Information.

For the Long-Term Disability program, claims data that is used for underwriting that would be considered confidential and proprietary shall remain the property of the vendor.

In order to address the standards and security requirements for both programs, the vendor must fill out two State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions forms, one for the STD program and the other for the LTD program.

¹ Reference: 29 Del Code § 6924 (m)

Directions:

1. **Proposal** - Because your responses to this section of the RFP will be analyzed by a different department, please provide your hard copy responses (which would include your subcontractors, if any) in a separate tab. For the pdf submission, please submit a separate and complete pdf copy with your subcontractor's response, if applicable. (Don't forget to scan the documents with signatures, handwritten information, or exhibits for your complete electronic copy.)
2. **Checklist of Forms** – You must print and scan all the forms for your pdf copy.
 - a. **State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions**
At Appendix H, a copy of the form is provided only for your convenience. Go to the link at the end of this paragraph and use the fillable pdf form to provide your responses for the STD program and again for the LTD program. Print out a copy of both completed forms to include in your bid packet and clearly identify which form is for which program.
<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingTemplate.pdf>
 - b. At Appendix I - **Contractor Confidentiality (Non-Disclosure) and Integrity of Data Agreement**
 - c. At Appendix J - **Software Inventory Template**
 - d. At Appendix K – **Technology Exception Tracking Chart**
 - e. If applicable, at Appendix G - **Subcontractor Information Form**
3. **Clarity** – Though some items may be similar or seem duplicative to other requirements or questions, please respond to each question completely. Your responses must be clearly stated. For example, vendors may not reference an attachment as a response without clearly referencing the specific statement(s) or section(s) in the attachment that serve as the response. If a response and exception is not understood, only one (1) clarification question will be asked. If your response is still unclear, your bid will be considered non-responsive and will therefore be eliminated from consideration. Representatives of the SEBC, including the State's Information Technology personnel, cannot verbally discuss your responses.
4. **Exception Tracking Chart** – The *Technology Exception Tracking Chart*, Appendix K, for this section is different and separate from the chart for the *Questionnaire*, Appendix B.
 - a. **If you have an exception**, you must copy and paste the term into the chart and provide a detailed explanation; **OR**
 - b. Check the box to acknowledge that you **take no exceptions** to the specifications, terms or conditions found in the *Technology Standards and Security Requirements* section and submit it with your bid package.
5. **Definitions** – In the following section, "contractor" has the same meaning as "vendor", "bidder", and/or "subcontractor" as does "Service Provider" in the *State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions* form.

**TECHNICAL STANDARDS AND SECURITY REQUIREMENTS –
ACKNOWLEDGEMENT REQUIRED**

Non-Negotiable Requirements

1. USE OF SUBCONTRACTORS:

Please clearly identify whether you will utilize a subcontractor(s) for IT services. If a subcontractor is involved, complete the *Subcontractor Information Form* included herein. Be advised that in signing the *Subcontractor Information Form* the subcontractor agrees to comply with all of the terms, conditions, and requirements of this procurement.

Response:

2. TERMS AND CONDITIONS:

The State is taking a very deliberate approach to cloud-based engagements because of concerns around the protection of our data, access control, and the lack of mature standards in the industry. It is for this reason that explicit details of the cloud solutions are required, including an item-by-item acknowledgement from the candidate vendor. **Proposals must contain the attached form - *State of Delaware Cloud and Offsite Hosting Specific Terms and Conditions*. All of the Terms and Conditions (T&C) must be signed (acknowledged). T&C 1 through 9 are non-negotiable and numbers 10 through 23 that the solution accommodates should be signed. If your response is that a term in 10 through 23 does not apply¹, please so state on the Exception Tracking Chart with a detailed explanation.**

Response:

3. CONFIDENTIALITY AND DATA INTEGRITY:

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. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. All data generated from the original source data, shall be the property of the State. The control of the disclosure of those data shall be retained by the State and the Department of Technology and Information.²

The Contractor is required to agree to the requirements in the **CONFIDENTIALITY AND INTEGRITY OF DATA STATEMENT**, attached, and made a part of this RFP. Contractor employees, individually, may be required to sign the statement prior to beginning any work.

Response:

4. SECURITY:

Computer, network, and information security is of paramount concern for the State and the Department of Technology and Information. The State wants to ensure that computer/network hardware and software does not compromise the security of its IT infrastructure. The SANS Institute and the FBI have released a document describing the Top 20 Internet Security Threats. The document is available at www.sans.org/top20.htm for your review. The Contractor is guaranteeing that any systems or software provided by the Contractor are free of the vulnerabilities listed in that document.

The awarded vendor shall maintain network security policy compliance in accordance with Secure File Transport to secure data classified as confidential or higher per the Data Classified Policy when moving data. References to the policy documents are provided in Question 8.

Response:

¹ Or if it does apply and you have an exception, use the *Technology Exception Tracking Chart*.

² This excludes LTD claims data used for underwriting that would be considered confidential and proprietary.

5. Electronic information storage devices (hard drives, tapes, diskettes, compact disks, USB, multifunction peripherals, etc) shall be disposed of in a manner compliant to Delaware Department of Technology and Information policy DTI-005.01, Disposal of Electronic Equipment/Storage Media. Reference to the policy document is provided in Question 8.

Response:

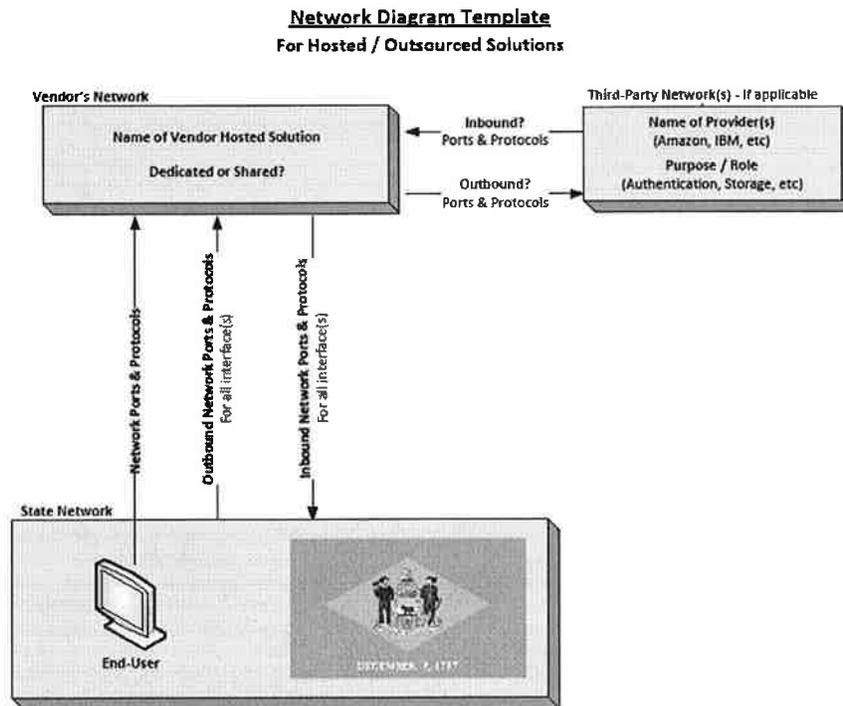
6. **CYBER SECURITY LIABILITY:**

It shall be the duty of the Vendor to assure that all products of its effort do not cause, directly or indirectly, any unauthorized acquisition of data that compromises the security, confidentiality, or integrity of information maintained by the State. Vendor's agreement shall not limit or modify liability for information security breaches, and Vendor shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) arising out of such breaches. In addition to all rights and remedies available to it in law or in equity, the State shall subtract from any payment made to Vendor all damages, costs and expenses caused by such information security breaches that have not been previously paid to Vendor.

Response:

7. **Architectural Documentation Requirements**

- a. **Network Diagram** - A network diagram of the proposed solution is required that clearly documents the user's interaction with the solution and the State. If the diagrams would be different for the STD and LTD programs, you must include both network diagrams. The network diagram should follow this example:



Confirm Attached:

- b. **Software Inventory** - A software inventory of the proposed solution is required that list any software that the State needs. For example, a certain web browser (IE) or web service technology for an interface. Software inventories should use the format attached at Appendix * – Software Inventory.

Confirm Attached:

- c. **Database Dictionary or Data model** - A data dictionary OR a conceptual data model for state-owned business data must be provided to the state.¹ The data dictionary or conceptual data model does not have to be submitted with a vendor response to this RFP, but must be submitted once the design of the solution is complete or prior to implementation of the solution. The submitted data dictionary or conceptual data model must include at least the following items: entity names and descriptions, entity relationships and descriptions, attribute names, attribute descriptions, attribute data type, attribute lengths, and primary identifier for each entity.

Data dictionaries must be submitted in Excel or in a .csv file. The directions for how to format the Excel workbook is explained in the first section of the Data Model Samples document. If a data model is submitted, it must be in either Sybase PowerDesigner or CA ERwin format. This document is also available at the following URL:

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

Any submission by a vendor to comply with these requirements that necessarily includes data that the vendor wishes to claim as proprietary must be submitted and labeled "Proprietary Information" with the RFP/Contract number. The envelope must contain a letter from the Vendor'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 29 *Del. C.* § 10002(d), and briefly stating the reasons that each document meets the said definitions. The vendor's counsel must also acknowledge what elements of the submission are not claimed as proprietary and are subject to release upon request.

Response:

8. Mandatory Standards

The following State technology standards and/or policies have been identified as being related to this solution. Please confirm your ability to meet all of these requirements:

- a. Data Classification Policy
<http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>
- b. Data Management Policy
<http://dti.delaware.gov/pdfs/pp/DataManagementPolicy.pdf>
- c. State of Delaware Information Security Policy (DISP)
<http://dti.delaware.gov/pdfs/pp/DelawareInformationSecurityPolicy.pdf>
- d. Secure File Transport
<http://dti.delaware.gov/pdfs/pp/SecureFileTransport.pdf>
- e. Strong Password Standard
<http://dti.delaware.gov/pdfs/pp/StrongPasswordStandard.pdf>

¹ The submission is required only of the contracted vendor. A response of "confirmed" indicates that if your organization is awarded the contract, you will comply and provide this information for your organization and any applicable sub-contractor(s).

- f. Web Application Security
<http://dti.delaware.gov/pdfs/pp/WebApplicationSecurity.pdf>
- g. Cloud and Offsite Hosting Policy
<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingPolicy.pdf>
Terms & Conditions Form:
<http://dti.delaware.gov/pdfs/pp/CloudandOffsiteHostingTemplate.pdf>
- h. Data Modeling Standard
<http://dti.delaware.gov/pdfs/pp/DataModelingStandard.pdf>
Requirements:
<http://dti.delaware.gov/pdfs/pp/RFPRequirementsforSubmissionofaDataDictionaryorDataModel.pdf>
- i. Disposal of Electronic Equipment and Storage Media Policy
<http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>
- j. Data Center Policy
<http://dti.delaware.gov/pdfs/pp/DataCenterPolicy.pdf>
- k. Data Integration Standard
<http://dti.delaware.gov/pdfs/pp/DataIntegrationStandard.pdf>

Response:

V. Questionnaire

Failure to respond to any request for information may result in rejection of the proposal at the sole discretion of the State. Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures. Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.

Questionnaire Exception Tracking Chart – The exception tracking chart, Appendix B, for this section is different and separate from the chart for the *Technology Exception Tracking Chart*, Appendix K.

- a. **If you have an exception**, you must copy and paste the term into the chart and provide a detailed explanation; **OR**
- b. Check the box to acknowledge that you **take no exceptions** to the specifications, terms or conditions found in the *Questionnaire* section and submit it with your bid package.

A. DIP Administration Specifics

1. The State currently has a return to work (RTW) program that is detailed in Attachments 2 and 3. Please detail what types of assistance your RTW coordinators will provide to the State's RTW coordinator. Also, please explain how your organization will support and coordinate the current program and what innovative approaches your organization would be able to provide to ensure the success of the RTW program.
2. With regard to information that the State's RTW Coordinator would have online view access, confirm that:
 - a. The data in your system is updated in real-time,
 - b. Status and reason codes or descriptions are included,
 - c. The State will be able to view the appeal status of a particular claimant; and
 - d. The contact information, including name and phone number, for the analyst coordinating the participant's claims will be available in an online view system.
3. Does your organization record all calls and, if so, can they be reviewed upon request by the RTW Coordinator and/or Disability Program Lead?
4. Many of the State's educational employees do not work full time for twelve (12) months a year. Currently the State handles the calculation of the STD benefits for these employees based on the information in Attachments 8 and 9. Describe how your organization would determine the STD benefits due to these employees?
5. Currently, the State includes STD benefits for eligible employee in their paychecks. The current vendor provides an EOB based on the schedule noted in Attachment 7. Will your organization include Other Income offsets on these EOBs?

6. Please describe the process your organization uses to pay physicians for their release of requested medical documentation as applicable and appropriate.

B. Account Case Management and Membership Services

1. Please complete the chart below showing your organization’s enrollment in the indicated disability programs as of July 1, 2013:

Benefit	# of Employees covered	# of Employer Plans covered	# of State Governments
Short-Term Disability (Self-Funded Only)			
Short-Term Disability (Total)			
Long-Term Disability (Fully Insured Only)			
Long-Term Disability (Total)			

2. Please answer the following:

- a. What sales/service office would handle the general servicing of this account?
- b. If different than already provided, please provide a brief biography of the senior officials responsible for the overall service and day-to-day operations of the account. If the same personnel that are stated elsewhere are utilized in these roles, please reference where the information can be found.
- c. What is the time zone and standard hours for your customer service office?

3. Please answer the following:

- a. Will dedicated, not designated, customer service representatives be assigned to this account? If not, explain.
- b. Are customer service representatives separated from the claim processing unit or do claim processors have customer service responsibilities?
- c. Do customer service representatives have authority to approve claims?

4. Does your organization assign case managers based on the type of disability involved? For example, would you assign case managers that specialize in behavioral health related disabilities to those types?
5. Describe the frequency and training received by claim processors, case managers, supervisors and other management staff.
6. List and describe the three (3) most recent in-house educational programs provided to your customer service representatives.
7. Describe your screening procedures and outreach protocols for claimants targeted for return to work/rehabilitation programs.
8. Describe the return to work & rehabilitation programs offered claimants. Does your program target specific conditions, ages, etc.? What is the success rate of rehabilitation (as a percent of all claimants in rehab programs). Include any costs associated with the program on the Proposed Premium and Fees chart, Appendix F. Additionally, provide the subcontractor's information on the Subcontractor Information Form, Appendix G.
9. Please describe your organization's ability and process to receive claims telephonically and via the web or other online system.
10. Please describe how your organization processes the transition of claimants from STD to LTD in a timely manner. Also, please describe your process to provide an agency's human resource office with an STD decision independently of the member's LTD claim status.

C. Contractual Issues

1. Does your organization agree during the duration of any contract, and for twelve (12) months after termination, that any direct contact, direct marketing, educational material, and other communication made to plan participants, other than responses to individual member inquiries regarding individual member services issues, are strictly prohibited without the authorization and approval of the State of Delaware?
2. Submit a copy of the standard contracts that your organization would use for this client if you were selected as the provider of STD/LTD benefits.
3. If your company is awarded this business, how soon after notification of the award will you provide a draft of the contract?
4. Please confirm that, in the event of contract termination, your organization will provide support, including necessary STD claims run-out processing, during any transition to a new vendor. Include any associated costs on the Proposed Premium and Fees chart, Appendix F.
5. As may be required by the Statewide Benefits Office for appeals and/or RTW, does your organization agree to provide the State with access to any and all information relating to member STD and/or LTD benefits including clinical information and status updates?
6. Please explain the impact to employees receiving disability benefits if either the STD or the LTD contract is terminated before the completion of a plan year.

7. Please explain the State's financial responsibility if either the STD or LTD contract is terminated before the completion of a plan year.
8. Does your organization agree that upon termination of an insurance contract with your company, your company would remain liable for all pending and unreported claims incurred prior to the termination date?

D. LTD Claim Paying Services

1. Describe how the claims payment process would work for the buy up option program. Would claims paying for the buy up program integrate with the regular program? Would additional information be required from the eligible employee and/or University of Delaware or school district(s)?
2. Describe how disabilities are verified and monitored. Are independent medical examiners (IMEs) used to verify disabilities? If so, what percent of these (IMEs) are MDs?
3. How does your organization avoid duplicate payments of the same claim? If duplicate payments or overpayments are made, what are your procedures for recovery of the overpayments or duplicate payments?
4. Please indicate your ability to integrate and manage workers' compensation disability claims.
5. For uncomplicated claims for the claim office proposed, what is the number of working days for a claim to be processed from the date of receipt? On what basis does your organization make that representation (e.g., average turnaround time over the past twelve (12) months)? Describe separately for contested and complicated claims.
6. For the claim office proposed, what percent of book of business claims are processed within fifteen (15) working days?
7. For the claim office proposed, what percent of book of business claims are processed within thirty (30) working days?
8. For the claim office proposed, please provide the following for the last two calendar years:
 - a. Financial accuracy as a percent of total claims dollars paid (include over/under payments), and
 - b. Coding accuracy as a percent of total claims submitted.
9. Describe the methods used to track claims. If on-line, can claim tracking be made available to participants, HR representatives, and the Statewide Benefits staff?
10. Would your organization transfer enrollment cards, claim information and other administrative records to any carrier/TPA who replaced you at no charge? If there is a charge, please include that fee on the Proposed Premiums and Fees chart, Appendix F.
11. In the aggregate, identify the experience, qualifications and experience levels of the individuals proposed to make claims' determinations on this account.

12. Describe the related training (initial and ongoing) received by your staff.

E. Coordination

1. How does your organization investigate and monitor potential Social Security Disability Income (SSDI) for LTD cases?
2. Please describe your organization's ability and process to assist the State of Delaware's LTD claimants with applying for and appealing Social Security benefits.
3. Describe your organization's process for confirming any change in SSDI amounts during subsequent years.
4. Based on your book of business, what percentage of cases are successful at qualifying for SSDI after 24 months from onset of disability? Does your organization have any data specific to Delaware or the Delaware region?

F. Quality Controls and Audits

1. Describe the quality controls, auditing and peer review mechanism in place for your organization's claim-processing department? Do you use internal or independent/outside auditors?
2. Does your organization have a fraud detection unit or program in place? If so, please describe. For the disability programs requested, what percent of claims submitted were denied because of misrepresentation and fraud? Is the fraud detection program provided by a subcontractor and is there a separate fee for this service and/or for each benefit program? If the fraud detection program is provided by a subcontractor and/or requires a separate fee, please fill out the Subcontractor form in Appendix G and show the fee that may apply for this service in the Proposed Fee form in Appendix F.

G. Financial Guarantees

Please complete the following questions. Please note that Officers will be held accountable for accuracy/validity of all answers.

1. See Appendix F for the Proposed Premiums and Fees chart. Please fill out the form and include all costs and fees. **If you include a fee in your response, or state there is no fee, that information must be noted on the chart. If a fee is not included on the chart, it will be assumed there is no fee for that service.**
2. Please provide a sample of your invoice and confirm that your organization will provide detailed monthly invoices to the State.
3. Please fill out and provide your carrier's most recent rating or filing on the Financial Rating form, Appendix L.
4. Please fill out and sign the Take-Over Issues Form, Appendix M. Include a list of exceptions, if any, as a second page to the form.

H. Underwriting

1. Will your organization guarantee that all insured, who would have continued to be covered on the plan effective date if there had been no change in carriers, will be covered by your policy on the plan effective date?
2. Please complete the following:

LTD rates quoted are derived from _____% actual claim experience
and _____% manual rates.
LTD rates quoted are derived from _____% administration
and _____% reserves
What is your organization's target loss ratio?

3. For the LTD program, please provide a renewal calculation template along with a summary of the methodologies, assumptions and the basis for determining each assumption to be used in subsequent renewals along with a proposed renewal process.
4. What is your organization's retention as a percent of premium for the LTD program?
5. Describe any limitations and/or exclusions in your proposed LTD policy that would result in non-payment of benefits.
6. Are there actively-at-work provisions in your policy? Please describe.

I. Reporting and On-Line Access to Information

1. Describe in detail your organization's on-line reporting capabilities and available reports for the proposed STD and LTD coverages. Please provide sample reports.
2. Will STD and LTD claimants have access to your organization's claim system? If so, please describe.
3. The State requires that Statewide Benefits Office personnel as well as all Human Resource Benefit Representatives have access to STD and LTD claim information contained in your systems. Please describe any limitations that may exist in your systems including any information that would not be available for State personnel to view as well as any system limitations that could exist with regard to the number of individuals that could access your systems.
4. Describe how user ids and passwords will be issued to the State. Will each individual be required to have their own user id and password? How are users terminated from the system?

5. Describe your organization's ad-hoc reporting capabilities including turn-around time for ad-hoc requests. Any additional fee for this should be noted on the Proposed Premiums and Fees chart, Appendix F.
6. Does your organization participate in the Integrated Benefits Institute (IBI) Health and Productivity Benchmarking Program or other similar program? If so, please describe the comparative data and reports that will be available to the State. Please provide samples of any proposed reports.
7. Will you be willing to provide a regular extract of STD and LTD data for use in the State's data warehouse? What is your preferred file layout? Please provide a sample chart. Any additional fee for this should be noted on the Proposed Premiums and Fees chart, Appendix F.
8. Describe how your organization's reporting capabilities would assist the State to identify the root health risk factors related to disabilities in their population.
9. Please provide an outline of innovative reports/metrics that your organization proposes to offer the State to assist in managing their DIP. Any additional fee for this should be noted on the Proposed Premiums and Fees chart, Appendix F.

J. Short-Term Disability Specific Questions

1. In what ways does your firm accept claim applications?
2. How does your organization verify if an individual qualifies for disability payments?
3. How does your organization verify eligibility during telephonic claims intake?
4. How often will your organization verify the disability status of a claimant? Do you set a diary note or use another tracking method to follow up on the medical progress of a claimant? How is the claimant notified of their responsibilities? How is the human resources office notified of the employee's claim status?
5. Do reviewers use clinical standards and duration guidelines for specific diagnoses? How are these monitored? How often are the standards reviewed and/or updated? Is the client notified when updates occur?
6. Does your organization currently administer, or have previously administered, an STD program that coordinated with an employer's sick days or vacation leave? Describe the coordination process and provide examples of the process.
7. What percentage of STD claims are denied in your Book of Business? What are your organization's three (3) most common reasons for claim denial?
8. Please explain how your organization handles disability payments for a participant working on a part-time basis during the return to work process?
9. Please explain how your organization handles disability payments when an employee is diagnosed with another disability while receiving STD benefits.

10. How is the elimination period affected by a participant who prematurely returns to work?
11. Do all of the systems and software used to manage your organization's disability programs interact with each other? If not, please describe how you would ensure that information is disseminated in a timely manner to appropriate individuals.
12. Please describe the criteria used to determine when a claim is referred for clinical support. Please include the turnaround time from when it leaves the analyst to when it is reviewed by the clinical specialist.
13. Are initial intake calls handled by nurses or other medical professionals? Do intake personnel utilize a standard list of questions when conducting an intake call? If so, please include a list of your organization's standard questions. What are the minimum qualifications of the intake personnel?
14. How many cases does each case analyst typically handle?

K. Long-Term Disability Specific Questions

1. What types of LTD claims submission does your organization support?
2. Once an individual has been accepted to long-term disability status, how does your organization manage the case? How do you coordinate the transition from STD to LTD? Does an individual have to re-file a claim for LTD? At what point during the STD process is a claim referred to the LTD unit?
3. What percentage of the LTD cases that your organization currently manages are terminated prior to the end of the individual's LTD benefit period because of your program's medical management services (e.g., RTW, determined to be no longer disabled, etc.)?
4. How often will your organization verify the disability status of a claimant? How are the results of the re-evaluation reported back to your client and the LTD claimant?
5. How does your organization define a partial or residual disability?
6. How does your organization verify if an individual qualifies for disability payments? What national guidelines do you use for:
 - a. Disability determinations, and
 - b. Durations?
7. How does your organization handle a case where the claimant no longer meets the clinical criteria for a condition?
8. How often and in what manner does your organization communicate with the claimant's physician?
9. Does your organization review documentation from the claimant's physician for return-to-work opportunities and then promptly notify the RTW Coordinator?

10. What diary system does your staff use to track tasks that need to be done in the course of managing these disability cases?
11. Discuss your organization's case management process. What claims qualify for case management? How many cases does each case manager handle?
12. How do you manage the following types of conditions?
 - a. Mental health
 - b. Substance abuse
 - c. Subjective conditions (e.g., chronic fatigue syndrome, chronic pain, fibromyalgia, etc.)
13. List the three (3) most recent in-house educational programs provided to your case managers.
14. What reporting do you provide to demonstrate the level and impact of your organization's interaction with claimants?
15. How is the performance of your claim management staff evaluated?
16. What options do you offer with respect to Social Security offsets? For example, can the offset be frozen as of the date of disability? Will your organization be able to reduce LTD claim payments by the amount of expected Social Security benefit offset prior to an individual receiving approval for disability from the Social Security Administration? If so, please describe the process.
17. Describe the vocational and general rehabilitation services that are available. What percent of cases are referred to vocational rehabilitation? Are there certain types of cases that are never recommended for vocational rehabilitation? If yes, please describe.
18. Does your organization provide a behavioral health assessment for each claimant? Please explain. If yes:
 - a. Please provide a copy of your assessment.
 - b. What percent of cases complete the assessment?
 - c. How are these assessments used in the management of the claim?
 - d. Please provide three (3) examples of how the behavioral health assessment was used to affect a claimant outcome.
19. If required, will your organization prepare 1099s and mail directly to the employees' home? If so, please indicate any proposed costs on the Proposed Premium and Fees chart, Appendix F.
20. Please describe your organization's process when an LTD beneficiary does not have enough funds in their LTD payment to support a full health care deduction.

L. Implementation and Transition

1. Who would be on your implementation team if you are the selected bidder? Please include the titles and credentials of this team.
2. Describe your implementation process and provide a proposed implementation and transition plan and timetable, beginning with the award of business to effective date of coverage. Include:
 - a. Steps required to implement the program
 - b. Role played by the State and vendor
 - c. Eligibility feeds
 - d. Contacts and personnel assigned to each step of the implementation process
 - e. Your proposed data migration strategy
 - f. Your approach to risk and issue management, scope control, and quality assurance
 - g. Establishment of bank accounts
3. How would your organization communicate the change in administrator to State employees? Please attach sample communication materials and indicate the additional cost, if any, on the Proposed Premium and Fees chart, Appendix F. Are customized communications available?
4. Based upon past experience from other self-funded and fully-insured disability insurance programs you have implemented, what can the State expect as far as the transition process is concerned?
5. Will you be willing to put a percentage of fees/premium at risk during the implementation process?
6. How would your organization handle recurrent STD and LTD situations during a transition?

Appendix C: Officer Certification Form

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

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

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

Officer's Signature

Date Signed

Appendix D: 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 Request for Proposal 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.

COMPANY NAME: _____

Check one)

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

NAME OF AUTHORIZED REPRESENTATIVE
(Please type or print) _____

SIGNATURE _____ TITLE _____

COMPANY ADDRESS _____

PHONE NUMBER _____ FAX NUMBER _____

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

COMPANY CLASSIFICATION CERT. NO	(circle one)		(circle one)		(circle one)	
	Women Business Enterprise (WBE)	Yes No	Minority Business Enterprise (MBE)	Yes No	Disadvantaged Business Enterprise (WBE)	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 WITH YOUR PROPOSAL 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 E: Performance Guarantees

The following are the minimum performance guarantees the State requires. However, the State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendor. We encourage you to propose higher penalties than the minimums noted below. Indicate these by using a strikeout font and insertion.

Terms: Vendor will perform a review of its records to determine whether each standard was met for the time period of the quarter immediately preceding the 45th day of the month following the end of a quarter (for example, May 15 for the first quarter of the calendar year – January 1 to March 31). Quarterly results will be averaged on an annual basis and penalty payments, if any, will be made annually within six (6) months of the end of the plan year. In no instance will a measurement or penalties apply to any period less than a full quarter.

STD Program			
Item	Service Standard	Penalty	Reporting
Timeliness of Appendix A Reports	100%	2.0%	Quarterly
Claim Determination	98% within 10 business days	2.5%	Quarterly
Telephone Response Time	Average of 30 seconds or less	1.5%	Quarterly
Telephone Abandonment Rate	3% or less	1.0%	Quarterly
Annual Financial Reporting	By December 1 st of each year	1.0%	Annually
Timely Referral to LTD	Documentation is present indicating STD claims were reviewed for potential LTD benefits at mid-point of STD	1.0%	Quarterly
Overall Program Satisfaction	Score of 3.0 or more on the Management Survey, Attachment 33	1.0%	Quarterly
Total		10.0% of STD Fees	

LTD Program			
Item	Service Standard	Penalty	Reporting
Timeliness of Appendix A Reports	100%	0.75%	Quarterly
Claim Determination	95% within 20 business days	0.75%	Quarterly
Financial Accuracy	98% of claims	0.25%	Quarterly
Annual Financial Reporting	By December 1 st of each year	0.25%	Annually
Social Security Advocacy	Any occupation cases meeting SSDI requirements for application will be at the Administrative Law Judge level or have an offset in place within 30 months of disability	0.25%	Quarterly
Overall Program Satisfaction	Score of 3.0 or more on the Management Survey, Attachment 33	0.75%	Quarterly

LTD Program continued			
Service Standard	Service Standard	Service Standard	Service Standard
Care Planning and Integrated Referral	Documented complete and proactive care plan in file within 5 days of case assignment. Care plan will include cross referral documentation to other health partners (i.e., EAP, Disease Management) to optimize recovery.	0.25%	Quarterly
Total		3.25% of LTD premium	

Appendix F: Proposed Premium and Fees

Costs for all services should be included in LTD insured premium and STD per employee per month administrative fee (excluding the buy ups). Please provide one rate for the State and University plans.

LTD	Covered Lives	Covered Monthly Volume	July 1, 2014		July 1, 2015		July 1, 2016	
			Rate per \$100	Annual Premium	Rate per \$100	Annual Premium	Rate per \$100	Annual Premium
60%	34,566	135,867,734						

STD/LTD	Covered Lives	July 1, 2014		July 1, 2015		July 1, 2016	
		Rate per Life	Annual Fee	Rate per Life	Annual Fee	Rate per Life	Annual Fee
Administrative Fee	34,566						

Please include run out administration in administrative fees.

LTD	Covered Lives	July 1, 2017	July 1, 2018
		% Increase Cap	% Increase Cap
Premium Rate Increase Caps	34,566		

STD/LTD	Covered Lives	July 1, 2017	July 1, 2018
		% Increase Cap	% Increase Cap
Administrative Fee Increase Caps	34,566		

List all services and supplies that are covered by the rates/fees quoted. If your organization charges for any services or supplies that are not included in the monthly fees/rates quoted on the basis indicated above, please clearly describe on the next page. Otherwise, we will assume that the fees and rates that you quote include all services and supplies that could reasonably be expected to be provided to the State of Delaware during the course of your administration of the plans.

LTD and STD Services	Included in Quoted Fees/Rates? (Y or N)	If not included in fees/rates, please provide cost and frequency for July 1, 2014 – June 30, 2017	July 1, 2017	July 1, 2018
			% Increase Cap	% Increase Cap
Ad Hoc Reporting				
Start Up Costs (list with description)			N/A	N/A
Booklet Drafting (not printing)				
Tax Administration				
Providing extracts of STD and LTD data for the State's Data Warehouse				
Rehabilitation and Clinical Case Management services for STD program				
Any Additional Fees/Premium (add rows as needed)				

Appendix G: Subcontractor Information Form

PART I – STATEMENT BY PROPOSING VENDOR		
1. RFP #: OMB13002-DisabIns	2. Proposing Vendor Name:	3. Mailing Address:
4. SUBCONTRACTOR INFO		
a. NAME	4c. Company OMWBE Classification: Certification Number if Applicable:	
b. Mailing Address:	4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No 4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No	
5. DESCRIPTION OF WORK BY SUBCONTRACTOR		
6a. NAME OF PERSON SIGNING	7. BY (<i>Signature</i>)	8. DATE SIGNED
6b. TITLE OF PERSON SIGNING		
PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR		
9a. NAME OF PERSON SIGNING	10. BY (<i>Signature</i>)	11. DATE SIGNED
9b. TITLE OF PERSON SIGNING		

Appendix H: State of Delaware Cloud Hosting Specific Terms and Conditions

!!! IMPORTANT !!!!

For your convenience, this is an example only! Go to the link at the end of this paragraph and use the fillable pdf form to provide your responses for the STD program AND AGAIN for the LTD program. Print out a copy of both completed forms to include in your bid packet and clearly identify which form is for which program.

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

!!! IMPORTANT !!!!

Contract # _____, Appendix _____
 Between State of Delaware and _____ dated _____
 This document shall become part of the final contract.

	Terms and Conditions Clauses 1-9 are mandatory for every engagement. Exceptions will be considered non-compliant and non-responsive.	Vendor's Acknowledgement
1	The State of Delaware shall own all right, title and interest in its data that is related to the services provided by this contract. The Service Provider shall not access State of Delaware User accounts, or State of Delaware Data, except (i) in the course of data center operations, (ii) response to service or technical issues, (iii) as required by the express terms of this contract, or (iv) at State of Delaware's written request.	
2	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) Personal information obtained by the Service Provider 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. c) The Service Provider shall not use any information collected in connection with the service issued from this proposal for any purpose other than fulfilling the service. d) The Service Provider shall encrypt all non-public data in transit to the cloud during the life of the contract. e) For engagements where the Service Provider stores sensitive personally identifiable or otherwise confidential information, this data shall be encrypted at rest. Examples are Social Security Number, Date of Birth, Driver's	

	License number; passwords, financial data, and federal/State tax information.	
3	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.	
4	The Service Provider shall inform the State of Delaware of any actual security breach that jeopardizes the State of Delaware data or processes. This notice shall be given to the State of Delaware within 24 hours of its discovery. Full disclosure of the jeopardized data shall be made. In addition, the Service Provider shall inform the State of Delaware of the actions it is taking or will take to reduce the risk of further loss to the State.	
5	Delaware Code requires public breach notification when citizen's personally identifiable information is lost or stolen. Reference: <u>6 Del. C. § 12B-101(4)</u> . All communication shall be coordinated with the State of Delaware. When the Service Provider is liable for the loss, the State of Delaware shall recover all costs of response and recovery from the breach, for example: 3-year credit monitoring services, mailing costs, website, and telephone call center services. Without limitation of additional legal bases, pursuant to the <u>State of Delaware Constitution of 1897 at Article VIII, §§ 3 and 4 and 29 Del. C. § 6519(a)</u> the State of Delaware is not legally permitted to agree to any limitations on liability.	
6	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.	
7	In the event of termination of the contract, the Service Provider shall implement an orderly return of State of Delaware data in a State-defined format and the subsequent secure disposal of State of Delaware data. Suspension of services: During any period of suspension, the Service Provider shall not take any action to intentionally erase any State of Delaware data. 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 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, delete all State of Delaware data in its systems or otherwise in its possession or under its control. 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. 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 (NIST) approved methods and certificates of destruction shall be provided to the State of Delaware.	

8	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 up to 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.	
9	The Service Provider shall comply with and adhere to the following State Standards: <ul style="list-style-type: none"> • Data Modeling Standard • Strong Password Standard These standards are available at http://dti.delaware.gov/information/standards-policies.shtml . Any future updates to the above standards that apply to this contract shall be mutually agreed on between both parties and documented via a contract addendum as needed.	
	Terms and Conditions Clauses 10-23 are preferred but not mandatory. The applicability of each depends on the nature of engagement	Vendor's Acknowledgement
10	The Service Provider shall allow the State of Delaware access to system security logs, latency statistics, etc. 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.	
11	The Service Provider shall allow the State of Delaware to audit conformance to the contract terms. The State of Delaware may perform this audit or contract with a third party at its discretion at the State's expense.	
12	The Service Provider shall perform an independent audit of their data centers at least annually at their expense, and provide a redacted version of the audit report upon request. The Service Provider may remove their proprietary information from the redacted version. For example, a Service Organization Control (SOC) 2 audit report would be sufficient.	
13	Advance notice (to be determined at contract time) shall be given to the State of Delaware of any major upgrades or system changes that the Service Provider will be performing. A major upgrade is a replacement of hardware, software or firmware with a newer or better version, in order to bring the system up to date or to improve its characteristics and usually includes a new version number. The State of Delaware reserves the right to defer these changes if desired.	
14	The Service Provider shall disclose its non-proprietary security processes and technical limitations to the State of Delaware such that adequate protection and flexibility can be attained between the State of Delaware and the Service Provider. For example: virus checking and port sniffing – the State of Delaware and the Service Provider shall understand each other's roles and responsibilities.	
15	The Service Provider shall enforce separation of job duties, require commercially reasonable non-disclosure agreements, and limit staff knowledge of customer data to that which is absolutely needed to perform job duties.	
16	The State of Delaware shall have the ability to import or export data in piecemeal or in entirety at its discretion without interference from the Service Provider. This includes the ability for the State of Delaware to import or export data to/from other Service Providers.	

17	The Service Provider shall be responsible for the acquisition and operation of all hardware, software and network support related to the services being provided. The technical and professional activities required for establishing, managing, and maintaining the environment are the responsibilities of the Service Provider. The system shall be available 24 hours per day, 365 days per year basis (with agreed-upon maintenance downtime), providing service to customers as defined in the Service Level Agreement.	
18	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.	
19	The State shall have the right at any time to require that the Service Provider remove from interaction with State any Service Provider representative who the State believes is detrimental to its working relationship with the Service Provider. The State will provide the Service Provider with notice of its determination, and the reasons it requests the removal. If the State signifies that a potential security violation exists with respect to the request, the Service Provider shall immediately remove such individual. The Service Provider shall not assign the person to any aspect of the contract or future work orders without the State's consent.	
20	The Service Provider shall provide a business continuity and disaster recovery plan upon request and ensure that the State's Recovery Time Objective (RTO) of <u>XXX</u> hours/days is met. (XXX will be negotiated by both parties.)	
21	<p>The Service Provider shall comply with and adhere to the following State Standard:</p> <ul style="list-style-type: none"> • Website Common Look and Feel Standard <p>This standard is available at http://dti.delaware.gov/information/standards-policies.shtml. http://www.dti.delaware.gov/information/standards-policies.shtml--addAny future updates to the above standard that apply to this contract shall be mutually agreed on between both parties and documented via a contract addendum as needed.</p>	
22	The Service Provider shall use web services exclusively to interface with the State's data in near real-time when possible.	
23	The Service provider shall encrypt all State of Delaware non-public data that resides on any Service Provider's mobile devices during the life of the contract.	

Service Provider Authorizing Official Name: _____

Service Provider Authorizing Official Signature: _____

Appendix I: Contractor Confidentiality (Non-Disclosure) and Integrity of Data Agreement

STATE OF DELAWARE DEPARTMENT OF TECHNOLOGY AND INFORMATION

William Penn Building
801 Silver Lake Boulevard
Dover, Delaware 19904

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. Computer programs developed to process State Agency data will not be modified without the knowledge and written authorization of the Department of Technology and Information. 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 _____ 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.

Contractor or Employee Signature _____

Date: _____

Contractor Name: _____

Appendix L: Financial Rating

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?

Appendix M: Take-Over Issues Form

An authorized representative of your company must sign this form. Any exceptions to these requirements must be clearly stated and the exceptions should include the standard wording in your proposal. (Attach additional pages as necessary). It is very important that we are notified of any exceptions to these requirements so that we can address these concerns prior to awarding the business. If your answer differs by plan (i.e., STD or LTD), please note.

“No loss/no gain” is to apply for all participants currently covered under the proposed plans (STD/LTD). This means that a participant will not be penalized or lose the following benefits/provisions for which he/she has not yet satisfied the requirements or are not yet eligible:

- Pre-existing conditions provisions;
 - Guarantee issue limits and
 - Waiting periods.
- Waive the actively-at-work rule for all participants as of the effective date whether or not the participant is totally or partially disabled or temporarily absent from work; and
- Extend coverage to all participants currently covered by the State due to lay-off, severance agreement or leave of absence whether or not they are currently disabled.

Carrier accepts the preceding terms and conditions for insurance coverage with:

_____ the exceptions noted on a subsequent page(s).

_____ no exceptions.

Signature

Date

Title

Carrier Name