



State of Delaware  
Department of Human Resources  
Statewide Benefits Office

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***STATE EMPLOYEE BENEFITS COMMITTEE***

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**Request for Proposals for an  
Employer-Sponsored Medicare Supplement Plan**

**RFP Release Date – October 24, 2023**

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**Intent to Bid Due –  
Tuesday, October 31, 2023 by 1:00 PM ET**

**Proposals Due –  
Tuesday, November 21, 2023 by 1:00 PM ET**

**DHR2303-MedSuppPlan**

841 Silver Lake Boulevard, Suite 100 • Dover, DE 19904  
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# I. Introduction

On behalf of the State of Delaware (the State), the State Employee Benefits Committee (SEBC) is seeking proposals to provide Medical Third-Party Administration (TPA) services for employer-sponsored Medicare plan options under the Group Health Insurance Plan (GHIP). The GHIP provides medical and prescription drug benefits to approximately 131,000 active and retired employees of the State of Delaware and their dependents, including approximately 16,000 employees, retirees and their dependents from groups that also participate in the GHIP as permitted through Delaware Code.

For complete information about the State of Delaware's GHIP, please go to <http://de.gov/statewidebenefits>.

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

## Vendors may bid on:

**One self-funded employer-sponsored Medicare Supplement plan offered to current and future Medicare retirees that duplicates the current Medicare Supplement plan without deviation; for the quoted Medicare Supplement plan, bidders should duplicate the plan design (copays and other out-of-pocket costs to the plan participant at the point of care), provider network (i.e., all providers who accept Medicare assignment), and administrative set-up including coordination of benefits.**

### NOTE:

- a. Prescription drug coverage will continue to be provided through the State's Employer Group Waiver Plan (EGWP).**
- b. This plan requires no prior authorization of services and mirrors CMS requirements under Original Medicare.**
- c. All Medicare-eligible pensioners will have the same plan for the duration of the contract awarded in this RFP.**
- d. Bids for any other arrangement are not being solicited and will not be considered by the SEBC.**

**A contract award will be made to one bidder with a contract effective date of January 1, 2025. The initial term of contract awarded will be for two (2) years ending December 31, 2026. Bidders must guarantee financial terms through December 31, 2026. There will be 1 one-year optional renewal period.**

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

<b>RFP Released</b>	<b>Tuesday, October 24, 2023</b>
<b>Intent to Bid Deadline<sup>1</sup></b>	<b>Tuesday, October 31, 2023 by 1:00 p.m. ET (Local Time)</b>
<b>Mandatory Pre-Bid Meeting (Conference Call)<sup>2</sup></b>	<b>Friday, November 3, 2023 at 11:00 a.m. ET (Local Time)</b>
<b>Follow-up Questions Due to SBO from Confirmed Bidders</b>	<b>Monday, November 6, 2023 by 1:00 p.m. ET (Local Time)</b>
<b>Responses to Questions to Confirmed Bidders</b>	<b>By Thursday, November 9, 2023</b>
<b>Proposal Submissions Due</b>	<b>Tuesday, November 21, 2023 by 1:00 p.m. ET (Local Time)</b>
<b>Notification of Finalists - Invitation to Interview</b>	<b>No later than mid-December, 2023</b>
<b>Finalist Interviews<sup>3</sup></b>	<b>Week of January 8, 2024</b>
<b>Contract Award</b>	<b>Monday, March 18, 2024</b>
<b>Contract Effective Date</b>	<b>January 1, 2025</b>

## **A. Background and Overview**

### **Overview of the SEBC and the GHIP**

The SEBC was established by the State Employee Benefits Consolidation Act, Title 29, Chapter 96 of the Delaware Code. The SEBC has control and management of all employee benefits. The SEBC selects all carriers or third-party administrators necessary to provide coverage to State employees and non-Medicare and Medicare retirees, enters into contracts for the purpose of general administration of employee benefits, determines if contracts are fully insured or self-insured, and adopts rules and regulations for the general administration of the employee benefit coverage.

The SEBC is co-chaired by the Director of the Office of Management and Budget (OMB) and the Secretary of the Department of Human Resources (DHR). The Committee is comprised of the Director of the Office of Management and Budget, the Secretary of the Department of Human Resources, the Insurance Commissioner, the Chief Justice of the Supreme Court, the State Treasurer, the Controller General, the Secretary of the Department of Health and Social Services, the Lieutenant Governor, the

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

<sup>2</sup> IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting (Conference Call). See Section II.B.5 for details.

<sup>3</sup> The SEBC will require each of the finalists to make a presentation. Though the interviews are normally required to be in-person in Dover, Delaware (at the expense of the proposing firm), the SBO may decide to conduct them by webinar. In addition to communicating your organization's capabilities to fulfill the requirements in the RFP, the presentation will require a demonstration regarding customer service tools and resources available to plan participants and any account management on-line functions available to plan sponsors.

Policy Director of the American Federation of State, County and Municipal Employees, the Executive Director of the Delaware State Trooper Association, and a State retiree appointed by the Governor. The Statewide Benefits Office (SBO) is a division within the DHR that 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 with wellness and disease management programs, prescription drug, dental, vision, disability, life, flexible spending accounts, pre-tax commuter benefits, employee assistance program, third-party network of surgeons of excellence and supplemental critical illness and accident benefits. Not all members of the GHIP are eligible for participation in all of the benefit programs.

The SBO administers the GHIP, which is currently self-insured by the State for all employee, non-Medicare and Medicare retiree health and prescription programs. Eligible participants include active and retired State employees from State agencies, school districts, charter schools, Delaware State University and Delaware Technical Community College, as well as employees of non-State groups<sup>4</sup> (i.e., towns, fire companies, the University of Delaware), and COBRA participants and their enrolled dependents. By statute, employee unions cannot negotiate for benefits, therefore there are no union-specific, alternative plan designs for the PPO, HMO, CDH Gold or First State Basic medical plans or the prescription drug benefit plan. Plan participants are primarily located within the State of Delaware, although a small number of participants reside in other states and countries. The chart<sup>5</sup> below provides a summary of the locations where currently enrolled primary subscribers (i.e., employees and pensioners, both from State agencies and from other participating groups) reside.

Locations with >1% of primary subscribers	Active Employees		Non-Medicare Pensioners		Medicare Pensioners	
	#	% of total	#	% of total	#	% of total
Delaware	36,390	90.8%	5,012	83.5%	23,828	80.2%
Pennsylvania	1,761	4.4%	208	3.5%	1,709	5.7%
Maryland	1,247	3.1%	271	4.5%	573	1.9%
New Jersey	426	1.1%	43	0.7%	73	0.2%
All other states & U.S. territories	236	0.6%	466	7.8%	3,538	11.9%
Other countries outside the U.S.	---	---	---	---	8	0.0%
<b>Total Participants</b>	<b>40,060</b>	<b>100%</b>	<b>6,000</b>	<b>100%</b>	<b>29,729</b>	<b>100%</b>

There are multiple employer units and non-payroll groups located in three counties throughout the State, with each exercising a high degree of independence. The plan year for the GHIP begins on July 1 and coincides with the State’s fiscal year, except for Medicare pensioners enrolled in the State’s **Special Medicfill®** Medicare Supplement plan, which begins on January 1. Medicare-eligible plan participants

<sup>®</sup>Medicfill® is a registered trademark of Highmark Blue Cross Blue Shield Delaware.

<sup>4</sup> See Attachment 7 for a detailed breakdown of GHIP participating groups offering Medicare Supplement coverage.

<sup>5</sup> Data for active employees and non-Medicare pensioners is as of August 2023. Data for Medicare pensioners is as of late September/early October 2023.

receive secondary medical coverage through the GHIP as well as prescription drug benefits through an Employer Group Waiver Medicare Part D plan implemented in calendar year 2013.

The last time the GHIP medical plan options were marketed was in 2021, during which proposals were requested for medical plan options offered to active employees, non-Medicare and Medicare retirees. While the only population included in this RFP is Medicare retirees, the intent is to include all three populations (active employees, non-Medicare retiree and Medicare retirees) in the next RFP in either 2025 or 2026.

The SEBC has established the GHIP Strategic Framework to articulate a mission statement and a series of goals, strategies and tactics that support the mission of the GHIP. While the mission statement has remained unchanged since the GHIP Strategic Framework was first established in December 2016, the rest of the framework was updated in February 2020 to reflect the latest strategic direction from the SEBC on what the GHIP will aim to accomplish over the next 3-5 years.

The mission statement articulated in the current GHIP Strategic Framework<sup>6</sup> is:

*Offer State of Delaware employees, retirees and their dependents adequate access to high quality healthcare that produces good outcomes at an affordable cost, promotes healthy lifestyles, and helps them be engaged consumers.*

The SEBC is in the process of reviewing<sup>7</sup> the current goals of the Strategic Framework, with the intention of updating the measurement periods and aligning the goals to the current areas of focus for the SEBC. **The GHIP medical TPAs are key partners in supporting the goals of the Strategic Framework, and the State expects that all contracts awarded for health plan administration align with the Strategic Framework goals. The evaluation process of this RFP will include a review of how each bidder is positioned to support the goals of the Strategic Framework.** Bidders will be required to describe their proposed programs, solutions and partnerships, including readiness to implement and track record of success, that can help the SEBC and SBO achieve the goals of the GHIP Strategic Framework. Higher scoring consideration will be given to bidders that can most effectively support the SEBC and SBO in achieving those goals. To maximize the State's leverage in securing future contracts that align with the Strategic Framework goals, the State will include all three GHIP populations (active employees, non-Medicare and Medicare retirees) in the next RFP for medical plan options that will be conducted in 2025 or 2026.

## **Background Information**

Over the past several years, the State Employee Benefits Committee<sup>8</sup> (SEBC) and the Retirement Benefits Study Committee<sup>9</sup> (RBSC) held many public meetings to study unfunded State retiree

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<sup>6</sup>Medicfill® is a registered trademark of Highmark Blue Cross Blue Shield Delaware.

<sup>6</sup> Additional information about the GHIP Strategic Framework, including the current strategies and tactics, can be found online at <https://dhr.delaware.gov/benefits/facts-figures/documents/2020-ghip-strategic-framework.pdf>.

<sup>7</sup> Recent updates on the SEBC's review and feedback on current GHIP Strategic Framework goals can be found here: <https://dhr.delaware.gov/benefits/sebc/documents/2023/0724-ghip-strategic-framework.pdf>.

<sup>8</sup> Additional information about the work of the SEBC can be found here: <https://dhr.delaware.gov/benefits/sebc/index.shtml>.

<sup>9</sup> Additional information about the work of the RBSC can be found here: <https://finance.delaware.gov/financial-reports/committee-reports/retirement-benefit-study-committee/>.

healthcare costs and found that under the current state pensioner healthcare plans, vesting schedules, and funding models, the retiree healthcare trust fund is underfunded and fiscally unsustainable.

On December 31, 2022, the previous five-year Medicare Special Medicfill® Supplement contract expired. In early 2021, the SEBC competitively bid the administration of the State Group Health Insurance Plans offered to State employees, non-Medicare and Medicare retirees. In early 2022, the SEBC awarded a contract to Highmark Blue Cross Blue Shield Delaware to provide Medicare retiree healthcare under a full replacement Medicare Advantage plan<sup>10</sup>, beginning January 1, 2023.

Following a legal challenge, on October 19, 2022, Superior Court Justice Calvin Scott issued an interim ruling and order to halt the implementation of the Medicare Advantage Plan. Following the October 19, 2022 opinion and order from the Superior Court, the State negotiated with Highmark Blue Cross Blue Shield Delaware to extend the previous Medicare Special Medicfill® Supplement plan until January 1, 2024. SB 29, signed by the Governor, created the Retiree Healthcare Benefits Advisory Subcommittee<sup>11</sup> (RHBAS), a subcommittee of the SEBC, to conduct public meetings and engage public comment about current and future State retiree healthcare benefits, while taking into consideration the previous work of the SEBC and the RBSC. On April 24, 2023, the SEBC voted to further extend the expired Medicare Special Medicfill® Supplement plan for an additional six months through June 30, 2024. On May 1, 2023, the RHBAS issued an initial report to the Governor and the General Assembly, stating that due to the SEBC Medicfill® extension through June 30, 2024, there would not be an impact to the Fiscal Year 2024 State operating budget. On September 18, 2023, the SEBC voted to further extend the Special Medicfill® Medicare Supplement plan through December 31, 2024. The RHBAS is expected to issue its findings and recommendations in October 2023. Additional details about the RHBAS, including materials from recent meetings, can be found on the SBO website here: <https://dhr.delaware.gov/benefits/sebc/index.shtml>.

### **Current State of the GHIP for Medicare Retirees (Pensioners)**

Currently, the State has contracted with Highmark Delaware to administer the State's Medicare Supplement medical plan and with CVS Caremark (CVS) to administer pharmacy benefit management (PBM) services for Medicare retirees (also called "pensioners"). Because the State utilizes multiple electronic human resources programs, such as PeopleSoft, and vendor databases at separate locations in various formats to collect and store participant data, Highmark serves as the medical plan enrollment system of record and shares enrollment and claims data for the Medicare Supplement plans with CVS and the GHIP data warehouse vendor, Merative.

The SEBC is responsible for the design of the medical plans available to the GHIP's participants and setting premium rates that can support the projected expenses of the GHIP. Additional information about current Medicare Supplement plan design can be found on the SBO website via the following link: <https://dhr.delaware.gov/benefits/medical/documents/highmark/spec-medicfill-2024.pdf>.

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<sup>10</sup> Additional information about the Medicare Advantage plan can be found here: <https://dhr.delaware.gov/benefits/medicare/medicare-advantage.shtml>.

<sup>11</sup> Additional information about the RHBAS can be found here, by scrolling down to the "SEBC Subcommittees" section: <https://dhr.delaware.gov/benefits/sebc/index.shtml>.



The percentage of employee/retiree and State share of the premium rates is established in Delaware Code as are the actual plan offerings available to employees and retirees<sup>12</sup>, as outlined in the chart below.

	Actives	Non-Medicare	Medicare Primary
Premium Cost Share Percentage Split	State / Employee	State / Retiree	State / Retiree
Highmark Comprehensive PPO	86.75% / 13.25%	86.75% / 13.25%	
Aetna HMO	93.5% / 6.5%	93.5% / 6.5%	
Aetna CDH Gold (with HRA)	95.0% / 5.0%	95.0% / 5.0%	
Highmark First State Basic	96.0% / 4.0%	96.0% / 4.0%	
Highmark Special Medicfill <sup>®</sup> Medicare Supplement			100% / 0% * 95.0% / 5.0% **

\*Retirees with full State Share who retired before July 1, 2012.

\*\*Retirees with full State Share who retired after July 1, 2012.

The GHIP is a self-funded healthcare program; premium equivalent rates are established to generate the necessary revenues to fund the State’s benefit obligations. Premium revenues are determined and funded in aggregate to offset total projected expenses for the GHIP. Premium equivalents for the GHIP apply uniform rate action to all plans and populations, including the Special Medicfill<sup>®</sup> Medicare Supplement plan. The current underwriting methodology used to determine premium equivalents allows non-Medicare plans to share in revenue items specifically attributable to the Medicare Part D prescription plan (e.g., direct subsidy, coverage gap discount and federal reinsurance payments). Rating groups on their own experience would not impact the overall cost to the GHIP; however, it would ensure that contributions for plan participants (including Medicare retirees receiving less than 100% State share) are based on their group’s own experience. Changes to rating methodology, including rating groups on their own experience, is an administrative and policy decision made by the SEBC. Any changes in the methodology cannot be implemented before FY25 (beginning July 1, 2025). The SEBC recently reviewed this methodology in the context of determining premium rate actions for the FY24 plan year, and in light of the impact that removing Medicare plan experience would have on non-Medicare plans, particularly in terms of the significant increase in contributions that non-Medicare plan participants would pay, no changes were made to this methodology for the FY24 plan year. As such, this RFP is only soliciting self-funded proposals for the Medicare Supplement plan options requested.

On May 22, 2023, the SEBC voted to increase the Special Medicfill<sup>®</sup> Medicare Supplement plan premium rates by 5.0% effective January 1, 2024. Approximately 65% of plan participants (about 16,000 members) pay \$0 contribution and will not be impacted by this change. Retirees who retired after July 1, 2012 and are paying 5.0% toward the cost of this coverage will experience an increase of \$1.15 per month; retirees receiving less than 100% State share will see an increase ranging from \$3.26 to \$22.97 per month. Additional details about the SEBC decision to increase Medicare Supplement plan participant contributions can be found here: <https://dhr.delaware.gov/benefits/sebc/documents/2023/0522-special-medicfill.pdf?ver=0524>.

### **Participation in the Delaware Health Information Network (DHIN)**

The SEBC expects that the TPA(s) selected from this RFP will be an active participant in the Delaware Health Information Network (DHIN) to create a single interface for providers and patients to access

<sup>12</sup> Delaware Code, Title 29, Chapter 52 Web Address: <http://delcode.delaware.gov/title29/c052/index.shtml>

<sup>®</sup>Medicfill<sup>®</sup> is a registered trademark of Highmark Blue Cross Blue Shield Delaware.

health information that supports care coordination, performance reviews and patient engagement, and eliminates duplicative reporting burdens.

DHIN is a statutory (16 Del. C. Ch. 103) not-for-profit instrumentality of the State of Delaware, created to promote the design, implementation, operation and maintenance of facilities for public and private use of healthcare information in the state.

A public-private partnership, DHIN serves as the state-designated health information exchange, facilitating the sharing of clinical and financial healthcare information (as appropriate) among providers and stakeholders, including hospitals, physicians, state agencies, payers, employers and labs, with the goal of improved efficiencies in the health care delivery system.

At a glance, DHIN:

- **Covers all of Delaware:** Every acute care hospital and Federally Qualified Health Center, as well as nearly all providers who make orders, voluntarily participate with DHIN.
- **Supports regional health information exchange:** DHIN's Community Health Record stores patient data by health systems from all or parts of six states and the District of Columbia.
- **Delivers data daily:** DHIN delivers 14 million results annually, adding up to more than 150 million clinical results and reports delivered since its inception in 2007. To date, more than three million patients from all fifty states can be found in DHIN's master patient index.

In addition to its robust clinical data repository, DHIN has also been tasked with housing and managing Delaware's All Payer Claims Database (APCD). The APCD currently contains claims records for 720,000 individuals, representing more than 60% of Delaware residents. This includes Delaware Medicare, Medicaid, the GHIP as well as some other commercial health plans. Claims data span 2013 through 2020. Additional details about the APCD can be found at <https://dhin.org/healthcare-claims-database/>.

The SEBC expects that the TPA(s) selected from this RFP will, prior to the time in which services to the SEBC are provided under an awarded contract:

- Enter into appropriate agreements and stand ready to submit data to the Health Care Claims Database pursuant to the enabling legislation, associated DHIN regulations, and the Data Submission Guide. Information on the Delaware Health Care Claims Database is available at <https://dhin.org/healthcare-claims-database>. All required data must be submitted in a timely fashion and pursuant to DHIN requirements, unless explicitly exempted by Delaware or federal law.
- Contract with DHIN at DHIN's prevailing per member, per month rate for all members to the suite of services provided to payers by DHIN. Such services shall include access to the Community Health Record, Event Notification Services, and Clinical Gateway. A three-party agreement with DHIN, the SEBC and the medical TPA will be required. Payment to DHIN for DHIN services shall be timed to begin concurrently with the services provided to SEBC under any awarded contract.

The SEBC expects that the tools and associated data provided by DHIN will be used by the successful TPA(s) in support of administrative efficiencies in data gathering to support HEDIS reporting, audits of providers for clinical quality purposes, and care coordination.

In addition to the foregoing requirements, and in further support of these efforts, the SEBC expects any successful TPA(s) to provide the following support to the greatest extent possible and where applicable to Medicare Supplement plans:

- Help to alleviate and retire, to the fullest extent possible, reporting burdens currently placed on providers and other entities or individuals contracted to deliver care, if and to the extent such reports contain information already available in DHIN.
- Leverage their contracting power with providers and other entities or individuals contracted to deliver care, to encourage and promote the use of DHIN services, including the Community Health Record, Event Notification Services, and the submission of clinical encounter data (including point of care lab test results) to DHIN for inclusion in its clinical data repositories.
  - To the extent that the successful TPA(s) owns or enters into contracts with telehealth providers, walk-in or urgent care clinics, home health services, rehabilitative services, skilled nursing and long term care facilities or other care organizations, it will require such providers to, if technologically feasible, contract with DHIN to provide clinical encounter data to the DHIN database and use DHIN services in order to improve care coordination and provide administrative simplicity with respect to audits and compliance.
  - In order to further the State of Delaware's progress towards achieving the Triple Aim Plus One, and in support of the development of value-based payment models and cost, quality, efficiency and population health studies that also further these goals, the successful TPA(s) will require that any data submitted to DHIN by its contracted care providers be permitted to be used for all purposes authorized under the DHIN governing statute, regulations, and relevant federal law.
- Promote the use of Health Check Connect, DHIN's personal health record, as a mode of accessing all of the patient's clinical health data from a single source.

### **Request for Proposals**

Proposals are being requested from interested bidders that can administer a self-funded employer sponsored Medicare Supplement plan offered to current and future Medicare retirees that duplicates the current Medicare Supplement plan without deviation; for the quoted Medicare Supplement plan, bidders should duplicate the plan design (copays and other out-of-pocket costs to the plan participant at the point of care), provider network (i.e., all providers who accept Medicare assignment), and administrative set-up including coordination of benefits. This plan requires no prior authorization of services and mirrors CMS requirements under Original Medicare. Bidders should note that prescription drug coverage will continue to be provided through the State's Employer Group Waiver Plan (EGWP). All Medicare-eligible pensioners will have the same plan for the duration of the contract awarded in this RFP. Bids for any other arrangement are not being solicited and will not be considered by the SEBC.

Expected eligible headcount for this Medicare Supplement plan is approximately 39,591 Medicare beneficiaries, which includes the following:

- 29,729 Medicare-eligible beneficiaries (retirees and inactive employees on long-term disability) currently enrolled in the State Group Health plan
- 8,437 Medicare-eligible retirees who are eligible for but are not currently enrolled in the State Group Health plan
- 1,425 future Medicare-eligible retirees who will become Medicare-eligible during 2024.

Eligible headcount is expected to grow by another 1,934 Medicare beneficiaries by 2026.

At this time, only proposals for self-funded Medicare Supplement plans are being requested. This is due to the rating methodology used to underwrite all medical plans offered through the GHIP (described above) and the unintended consequences of splitting out the Medicare retirees from the active employees and non-Medicare retirees.

Any contracts awarded will be made with a contract effective date of January 1, 2025.

## **B. Timetable/Deadlines**

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

<b>Event</b>	<b>Target Date/Timeframe</b>
RFP Released	Tuesday, October 24, 2023
Intent to Bid Deadline <sup>13</sup>	Tuesday, October 31, 2023 by 1:00 p.m. ET (Local Time)
Mandatory Pre-Bid Meeting (Conference Call) <sup>14</sup>	Friday, November 3, 2023 at 11:00 a.m. ET (Local Time)
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Notification of Finalists - Invitation to Interview	No later than mid-December, 2023
Finalist Interviews <sup>15</sup>	Week of January 8, 2024

<sup>13</sup> IMPORTANT: Your bid will not be accepted if the State of Delaware does not receive confirmation of an Intent to Bid. See Section II.B.1 for details.

<sup>14</sup> IMPORTANT: Your bid will not be accepted if your organization does not participate in the Mandatory Pre-Bid Meeting (Conference Call). See Section II.B.5 for details.

<sup>15</sup> The SEBC will require each of the finalists to make a presentation. Though the interviews are normally required to be in-person in Dover, Delaware (at the expense of the proposing firm), the SBO may decide to conduct them by webinar. In

Event	Target Date/Timeframe
Contract Award	Monday, March 18, 2024
Contract Effective Date	January 1, 2025

### C. Proposal Objectives and Scope of Services

Bidding organizations must have prior experience directly related to the services requested in this RFP. The selected medical TPA(s) will be required to provide the following Scope of Services, at a minimum<sup>16</sup>:

#### 1. Support the goals of the GHIP Strategic Framework:

- a) Offer solutions that increase GHIP spend through advanced alternative payment models<sup>17</sup>.
- b) Offer solutions that reduce GHIP diabetic cost per-member-per-month (PMPM).
- c) Offer solutions that limit total cost of care inflation for GHIP participants at a level commensurate with the Health Care Spending Benchmark by focusing on specific components, which are inclusive of, but not limited to:
  - o Outpatient facility costs,
  - o Inpatient facility costs, and
  - o Pharmaceutical costs.
- d) Offer point-of-enrollment and/or point-of-care engagement platform and/or consumerism tools along with solutions to increase GHIP member engagement in those tools.

#### 2. Provide competitive financial terms for the requested scope of services:

- a) Offer competitive fee proposal compared to competitors.
- b) Guarantee performance of the requested scope of services (both financial and non-financial performance guarantees).
- c) Offer credits to offset the costs associated with implementation (if applicable).

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addition to communicating your organization’s capabilities to fulfill the requirements in the RFP, the presentation will require a demonstration regarding customer service tools and resources available to plan participants and any account management on-line functions available to plan sponsors.

<sup>16</sup> This list is meant to be comprehensive, but the detailed requirements are set forth in the Minimum Requirements and Questionnaire sections of this RFP that are available online.

<sup>17</sup> Defined by the Health Care Learning and Action Network’s Alternative Payment Model (APM) Framework as Category 3 and Category 4 models. More information about the APM Framework can be found at <https://hcp-lan.org/apm-refresh-white-paper/>.

**3. Deliver on the core administrative functions of a medical TPA:**

- a) Deliver all enrollment processing and claim administration functions of a typical third-party administrator.
- b) Possess qualified and experienced personnel to provide excellent customer service to GHIP participants.
- c) Provide experienced account management personnel who are responsive to the needs and requests of the Statewide Benefits Office.
- d) Support the communication of GHIP benefits (including any changes) to participants during Open Enrollment.
- e) Possess the ability to execute a comprehensive implementation project plan (communications, file transitions, testing, etc.) to ensure a smooth transition to new TPA or (for incumbent) to support implementation of new communications or benefits if awarded a new contract.

**4. Support the GHIP's programs and plan offerings:**

- a) Administer a Medicare Supplement plan that duplicates the current Medicare Supplement plan without deviation.
- b) Integrate with other benefit programs and vendors supporting GHIP participants.
- c) Partner with other community health resources (e.g., in partnership with the Delaware Department of Health and Social Services, the Department of Public Health) to coordinate care for GHIP participants.

**5. Possess extensive experience and qualifications to provide the requested Scope of Services:**

- a) Able to follow through with operational commitments, such as protection demonstrated through performance guarantees offered to the State and has outstanding references that demonstrate the ability to meet the State's needs.
- b) Have at least five (5) years' experience as an organization administering the requested scope of services with clients of similar size and complexity.
- c) Has existing customers of similar size (number of covered retiree lives), industry and experience administering the requested scope of services and offered best practice solutions for meeting the State's needs.
- d) Have outstanding references from both current and prior customers of comparable size and complexity to the State.

**6. Provide excellent account management services to the State:**

- a) Designated account manager will be accessible and responsive to requests from the SEBC, SBO and the Pension Office.
- b) Account manager will be a senior level resource with at least five (5) years' experience providing account management services for medical TPA customers of similar size and complexity.

- c) Account manager will complete projects within required timeframes, possess problem solving expertise and proactively suggest programs and solutions aligned with the GHIP Strategic Framework that would support the ongoing benefit strategies of the SEBC and SBO, including new products and services available to the State through the TPA's organization.
- d) Provide meaningful and timely management reporting.
- e) Integrate with the GHIP data warehouse vendor and the DHIN according to the description provided in I.A. Background and Overview.

**7. Provide superior program implementation support**

- a) Assuming a contract award no later than March 31, 2024, medical TPA is able to successfully implement the Medicare Supplement plan for a January 1, 2025 effective date for Medicare pensioners and their eligible dependents.
- b) Implementation manager will have successfully managed at least five (5) prior implementations which included services that are similar to the requested scope of services for the State.
- c) Lead the implementation process taking direction from the State.
- d) Conduct a pre-implementation testing process to ensure accuracy of the medical benefits administration, including claims and customer service, prior to Open Enrollment; results of this testing will be shared with the State.

**8. Provide excellent customer service to participants**

- a. Provide dedicated, knowledgeable, and accessible member support services.
- b. Provide a secure and multifunctional member website that allows convenient access to enrollment, plan information, and member tools (e.g., provider finder).
- c. Leverage the work that the State has already put into its benefits website for members to access information and education on their benefits, to support the goal of driving consumerism.
- d. Distribute member ID cards and benefit information.
- e. Support all program-related member communications including Open Enrollment, direct mailings, and other types of media.
- f. Proactively engage with covered plan participants, particularly those who live outside of Delaware, on plan-related communications and resources available to support participants' care needs.

**9. Maintain data security:**

- a) Computer, network, and information security is of paramount concern for the State and the Department of Technology and Information (DTI). Standard controls for data security are required.
- b) The ownership of the data remains with the State and indemnification for the State for data breaches is required.
- c) SOC1 and SOC2 reports and a Business Associate Agreement are also required.

**10. Agree to State requirements for contracting, including but not necessarily limited to:**

- a) Medical TPA must act as an independent contractor and indemnify the State.
- b) All requirements in the terms in the Legal section of the Minimum Requirements.

**D. Evaluation Process**

**1.0 Proposal Review Committee**

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

- Department of Human Resources
- Office of Management and Budget
- Controller General’s Office
- Department of Health and Social Services
- State Insurance Commissioner’s Office
- State Treasurer’s Office
- Chief Justice of the Supreme Court
- Lieutenant Governor’s Office
- Policy Director of the American Federation of State, County and Municipal Employees
- Executive Director of the Delaware State Trooper Association
- State retiree appointed by the Governor

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



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

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

The 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(b), to award a contract to the winning firm or firms as determined by the SEBC in its sole discretion to be in the best interests of the State of Delaware. The SEBC may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The SEBC reserves the right to reject any and all proposals. Pursuant to 29 Del. C. § 6986, the SEBC may award a contract to multiple vendors if the SEBC determines that it is in the best interest of the State.

## 2.0 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.

<b>Topic</b>	<b>Points Awarded</b>	<b>Description / Examples</b>
<b>Financial Proposal</b>	30 points	See Section I.C. Proposal Objectives and Scope of Services for examples of criteria (e.g., I.C.1.a-c and I.C.2.) that may be considered in the evaluation of bidders' proposals.
<b>Plan Administration</b>	20 points	See Section I.C. Proposal Objectives and Scope of Services for examples of criteria (e.g., I.C.3., I.C.6. and I.C.7.) that may be considered in the evaluation of bidders' proposals.
<b>Communication and Engagement</b>	15 points	See Section I.C. Proposal Objectives and Scope of Services for examples of criteria (e.g., I.C.1.d. and I.C.8.) that may be considered in the evaluation of bidders' proposals.
<b>Program Design and Offerings</b>	15 points	See Section I.C. Proposal Objectives and Scope of Services for examples of criteria (e.g., I.C.4.) that may be considered in the evaluation of bidders' proposals.
<b>Experience and References</b>	15 points	See Section I.C. Proposal Objectives and Scope of Services for examples of criteria (e.g., I.C.5.) that may be considered in the evaluation of bidders' proposals.

Topic	Points Awarded	Description / Examples
<b>Responsiveness</b>	5 points	<ul style="list-style-type: none"> <li>• Compliance with the submission requirements of the bid including format, clarity, conformity, realistic responses, and completeness.</li> <li>• Responsiveness to requests during the evaluation process.</li> </ul>
<b>Total Points</b>	<b>100 points</b>	Represents weighted average score from the subcategories above (100% of overall total score)

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

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

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

### 3.0 RFP Award Notification

The contract shall be awarded to the vendor whose proposal is determined by the SEBC to be most advantageous, taking into consideration the evaluation criteria set forth in the RFP. The SEBC is not obligated to award the contract to the vendor who submits the lowest bid or the vendor who receives the highest total point score. 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 enter into a contract with the State; remaining vendors will be notified in writing of their selection status.

### 4.0 Award of Contract

The final award of a contract is subject to approval by the SEBC. The SEBC has the sole right to select the winning vendor 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.

## **E. Confidentiality of Documents**

The State of Delaware and its constituent agencies are required to comply with the State of Delaware Freedom of Information Act, 29 Del. C. § 10001, et seq. (“FOIA”). FOIA requires that the State of Delaware’s records are public records (unless otherwise declared by FOIA or other law to be exempt from disclosure) and are subject to inspection and copying by any person upon a written request. The content of all proposals is subject to FOIA’s public disclosure obligations. However, there shall be no disclosure of any vendor’s information to a competing vendor or in fulfillment of a FOIA request during the bidding and contract development process.

Organizations are advised that when the contract has been fully executed the contents of the proposal and terms of the contract, including administrative fees, will become public record and nothing contained in the proposal or contract will be deemed to be confidential except the proprietary information. If your bid contains the phrase “confidential and proprietary” or simply the word “confidential” on each page, such status will not automatically be granted.

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

In order to allow the State to assess a vendor’s confidential business information, vendors will be permitted to designate appropriate portions of their proposal as confidential business information. Fees or premiums are only considered confidential and proprietary during the bid evaluation process.

If you are providing any information you declare to be confidential or proprietary for the purpose of exclusion from the public record under 29 Del. C. § 100, Delaware Freedom of Information Act, you must follow the directions for submission outlined below and within Section II.C., Submission of Proposal.

The confidential business information must be submitted as one electronic pdf copy as follows:

- 1) A letter from the vendor’s legal counsel describing the information in the attached document(s) and representing in good faith that the information in each document is not “public record” as defined by 29 Del. C. § 10002. The letter must briefly state the reason(s) that the information meets the said definitions. (See Section II.C., Submission of Proposal, for detailed instructions.) 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)”.
- 2) As an attachment to the letter, you must include a list of the question number and topic of the

question. For example, #3.2.5, References.

A vendor's determination as to its confidential business information shall not be binding on the State. The State shall independently determine the validity of any vendor designation as set forth in this section. Any vendor submitting a proposal or using the procedures discussed herein expressly accepts the State's absolute right and duty to independently assess the legal and factual validity of any information designated as confidential business information. Accordingly, vendor(s) assume the risk that confidential business information included within a proposal may enter the public domain.

The State is not responsible for incorrect redactions or reviewing your submission to determine whether or not any information asserted as confidential and proprietary is redacted. Mistakes in redactions are the sole responsibility of the bidder.

## II. Terms and Conditions

### A. Proposal Response Requirements

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

**discrepancies, omissions, unclear or ambiguous intent or meaning, or terms not appropriate to the services requested in the Scope of Services or Minimum Requirements** the vendor shall submit a notification at least ten (10) business days before the proposal due date, therefore, no later than 1:00 p.m. ET, Monday, November 6, 2023, by submitting the *RFP Terms and Conditions Exception Tracking Chart*, Appendix C. 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. (An example would be if a minimum requirement asked for a service that is outside of generally accepted industry standards for third-party administered COE services.)

If it becomes necessary to revise any part of the RFP, an addendum will be posted on the State of Delaware’s website at [www.bids.delaware.gov](http://www.bids.delaware.gov). The State of Delaware or SEBC is not bound by any statement related to this RFP made by any State of Delaware employee, contractor or its agents.

6. **Questions** – The SEBC anticipates this will be an interactive process and will make every reasonable effort to provide sufficient information for vendor responses. Vendors are invited to ask questions during the proposal process and to seek additional information, if needed. However, do not contact any member of the SEBC about this RFP. Communications made to other State of Delaware personnel or attempting to ask questions by phone or in person will not be allowed or recognized as valid and may disqualify the vendor. Vendors should only rely on written statements issued. **All proposing vendors must submit their questions electronically no later than Monday, November 6, 2023, by 1:00 p.m. ET.** The SBO will put all questions received and the responses into one document and post it on the State of Delaware’s website at [www.bids.delaware.gov](http://www.bids.delaware.gov).
7. **Fee Proposal** – At its sole discretion, and as it serves the best interest of the State, the State reserves the right to negotiate for an award for any pricing basis. The State is expecting your bid response to reflect your best offer for administering employer-sponsored Medicare plans as there is no guarantee that a best and final offer will be requested later in this process.

## **B. General Terms and Conditions**

### 1. **Intent to Bid** – **!!!IMPORTANT!!!**

You must indicate your Intent to Bid via the Messaging function within ProposalTech by Tuesday, October 31, 2023, at 1:00 p.m. ET (local time).

- a. Your bid will not be accepted if the State of Delaware does not receive your written confirmation of an Intent to Bid. Include the following information: company name, mailing and physical address, and the name, title, and email address of the primary contact along with the same information for a secondary contact.

### 2. **Non-Disclosure Agreement** – A signed Non-Disclosure Agreement (NDA) is required in order to receive some of the attachments and appendices noted in the Table of Contents. The NDA has been provided as Appendix K and must be signed and returned after your

organization submits your Intent to Bid. After indicating the data destruction term and signing the NDA, scan all the pages of the NDA and send a PDF of the executed NDA to the RFP Administrator via the Messaging function within ProposalTech.

**NOTE:** Brokers cannot execute the non-disclosure agreement on behalf of their client. Subcontractors cannot obtain the attachments and appendices noted in the Table of Contents as “confidential” directly from the State – these documents must be obtained through the contractor they are working with.

2. **Certificate of Destruction** - After the RFP process is completed and the contract award is made, the Non-Disclosure Agreement requires that the confidential information be destroyed in a secure manner and a Certificate of Destruction be provided to the State.
3. **No Bid** - To assist us in obtaining competitive bids and analyzing our procurement processes, if you sign into the Questionnaire within ProposalTech and choose not to bid, we ask that you let us know the reason. We would appreciate your candor. For example: objections to (specific) terms, do not feel you can be competitive, or cannot provide all the services in the Scope of Services. Please submit your decision not to bid along with the rationale via ProposalTech.
4. **Definitions** –
  - a. The following terms are used interchangeably throughout this RFP:
    - i. bidder, vendor, contractor, organization, service provider
    - ii. member (of the GHIP), participant (specifically enrolled or participating)
    - iii. retiree, pensioner
    - iv. SEBC, State of Delaware
    - v. proposal, bid, vendor’s submission
    - vi. non-payroll group, participating group
    - vii. shall, will, and/or must
    - viii. Scope of Services, Scope of Work
    - ix. fees, rates
    - x. rates, premiums
  - b. Customer Service – Services to the members/participants, not the State, SEBC or SBO personnel.
  - c. Account Management – Services provided to your client - the State, SEBC and SBO personnel.
  - d. Appendix – Form provided in the RFP that needs to be completed by the bidder.

- e. Attachment – Informational document provided in the RFP.
  - f. Exhibit – Attachment requested to the vendor’s bid response. Examples would be a copy of the bidder’s business license, a resume, or sample mailings.
5. **Mandatory Pre-Bid Meeting – A Teams Meeting will take place on Friday, November 3, 2023, at 11:00 a.m. ET (local time).**

Your bid will not be accepted if your organization does not participate in the Teams Meeting. Topics will include general information and administrative requirements for bid preparation. The primary contact for the RFP should attend along with anyone who is primarily responsible for entering responses in ProposalTech. Only one person acting as the representative from your company is required to attend, but anyone on your team is welcome to participate. A roll call will be taken to confirm attendance.

Meeting minutes may be taken. If new or additional information is provided, an addendum may be released to address information provided during the mandatory pre-bid conference call. Questions regarding other topics will not be entertained and must be submitted in the Questions and Answers process.

6. **Consistency of Bid Response with Finalist Interview** – A summary of each vendor finalist’s bid response will be provided to the PRC in advance of the finalist interviews. In the event that you are selected as a finalist, it is imperative that you notify the State via ProposalTech of any material differences between your bid response and your finalist presentation no later than five (5) business days before the finalist meeting to ensure adequate time to notify the PRC of those changes.
7. **Best and Final Offer (“BAFO”)** – The State **may or may not** request improved rates or pricing as a Best and Final Offer. Therefore, you are encouraged to submit your best pricing initially in your bid response. A BAFO may be requested of finalists.
8. **Contract Term / Rate Guarantee Periods** – The term of the contract will be for two (2) years beginning January 1, 2025 and ending December 31, 2026. The vendor must guarantee financial terms through December 31, 2026. There will be 1 one-year optional renewal period for this contract.
9. **Contract Termination** – The term of the contract between the winning organization and the State will be for two (2) years with 1 one-year option for renewal extensions. The contract may be terminated for convenience, without penalty, by the State with 150 days written notice. The contract may be terminated for cause by the vendor with 150 days written notice to the State. In the event the winning firm materially breaches any obligation under this Agreement, the State may terminate this Agreement upon thirty (30) days written notice.
10. **Performance Guarantees** - The State expects exceptional client account management and participant customer service from their vendors and is interested in evaluating financial and non-financial performance guarantees. The State reserves the right to negotiate both financial and non-financial performance guarantees. ***If your offer does not receive a clarifying question or any other response from the State, it does not infer acceptance.***



11. **Future Contract Development** - It is imperative that the contract drafting and finalization process be timely and accurately reflect the minimum requirements and other applicable contractual terms in the RFP. The vendor is expected to take their template contract form, or use the State's professional agreement contract template, and incorporate all the terms of the RFP, their bid responses and follow-up responses by the second draft (or first draft for a current vendor) so that wholesale changes are not required. A fee will be at risk as set forth in the Performance Guarantees if this requirement is not met.
12. **Use of Subcontractors** - Subcontractors are subject to all the terms and conditions of the RFP and the companies and their services must be clearly explained in your proposal. A subcontractor is any company that is under direct contract to perform services for the State's account. An example of a business that might provide services on the State's account, but is not a subcontractor, is the United States Postal Service. Companies that provide services through the medical third-party administrator of employer-sponsored Medicare plans, including but not limited to utilization management, independent external review and claims payment auditing, are considered subcontractors. If elected by the SEBC, these services will not be contracted separately. The SEBC reserves the right to approve any and all subcontractors.
13. **Required Reporting of Fees and 2<sup>nd</sup> Tier Spend** –

Monthly Vendor Usage Report – One of the State's primary goals in administering all its contracts is to keep accurate records regarding actual value/usage. This information is essential in order to update the contents of a contract and to establish proper bonding levels if they are required. The integrity of future contracts revolves around the State's ability to convey accurate and realistic information to all interested parties. For benefit programs, only administrative fees that can be identified as separate from any bundled pricing and are not employee-pay-all are reported.

A complete and accurate Usage Report shall be furnished in an Excel format and submitted electronically to the State's central procurement office at the end of each fiscal year stating the monthly administrative fees on this contract. It will be posted on the contract award page of the [www.bids.delaware.gov](http://www.bids.delaware.gov) website and therefore administrative fees are not considered confidential and proprietary. *The SBO will submit this report on your behalf.*

2<sup>nd</sup> Tier Spending Report – In accordance with Executive Order 44, the State of Delaware is committed to supporting its diverse business industry and population. The successful Vendor will be required to accurately report on the participation by subcontractors who are Diversity Suppliers which includes: minority (MBE), woman (WBE), veteran owned business (VOBE), or service disabled veteran owned business (SDVOBE) under this awarded contract. The reported data elements shall include but not be limited to: name of state contract/project, the name of the Diversity Supplier, Diversity Supplier contact information (phone, email), type of product or service provided by the Diversity Supplier and any minority, women, veteran, or service disabled veteran certifications for the subcontractor (State OSD certification, Minority Supplier Development Council, Women's Business Enterprise Council, VetBiz.gov).

Accurate 2nd Tier Reports shall be submitted to the Office of Supplier Diversity on the 15th (or next business day) of the month following each quarterly period. For consistency, quarters shall be considered to end the last day of March, June, September and December of each

calendar year. Contract spend during the covered periods shall result in a report even if the contract has expired by the report due date. *You will be asked for this information and the SBO will submit this report on your behalf.* For benefit programs, only 2nd Tier Spend fees that can be identified as separate from any bundled pricing and are not employee-pay-all are reported.

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

15. **Rights of the PRC** – The PRC reserves the right to:

- Select for contract or negotiations a proposal other than that with lowest costs.
  - Reject any and all proposals received in response to this RFP.
  - Make no award or issue a new RFP.
  - Waive or modify any information, irregularity, or inconsistency in a proposal received.
  - Request modification to proposals from any or all vendors during the review and negotiation.
  - Negotiate any aspect of the proposals with any organization.
  - Negotiate with more than one organization at the same time.
  - Pursuant to 29 Del. C. § 6986, select more than one contractor/vendor to perform the applicable services.
- Right of Negotiation – Discussions and negotiations regarding price, performance guarantees, and other matters may be conducted with organizations(s) who submit proposals determined to be reasonably acceptable of being selected for award, but proposals may be accepted without such discussions. The PRC reserves the right to further clarify and/or negotiate with the proposing organizations following completion of the evaluation of proposals but prior to contract execution, if deemed necessary by the PRC and/or the SEBC. ***If any portion of a bid response does not receive a clarifying question or any other response from the State, the non-response does not infer acceptance of that portion of the bid response by the State.*** The SEBC also reserves the right to move to other proposing firms if negotiations do not lead to a final contract with the initially selected proposing firm. The PRC and/or the SEBC reserves the right to further clarify and/or negotiate with the proposing firm(s) on any matter submitted.
- Right to Consider Historical Information – The PRC and/or the SEBC reserves the right to consider historical information regarding the proposing firm, whether gained from the proposing firm’s proposal, question and answer conferences, references, or any other source during the evaluation process.
- Right to Reject, Cancel and/or Re-Bid – The PRC and/or the SEBC specifically reserve the right to reject any or all proposals received in response to the RFP, cancel the RFP in

its entirety, or re-bid the services requested. The State makes no commitments, expressed or implied, that this process will result in a business transaction with any vendor.

## **C. Submission of Proposal**

### **1. General Directions for Electronic Submission –**

The RFP process is being conducted electronically using the Proposal Technologies Network, Inc. (ProposalTech) application. The official proposal submission process is via ProposalTech.

For any organization that may be unfamiliar with this Web-based tool, ProposalTech representatives will schedule training sessions at your convenience. In advance of the accessing the electronic Questionnaire on the ProposalTech website, you may view an online training demo of the system and its functionality. This demo takes approximately five minutes and will improve your understanding of the system's functionality. Click on the link below to view the flash demo: [http://www.proposaltech.com/help/docs/response\\_training\\_798x599.htm](http://www.proposaltech.com/help/docs/response_training_798x599.htm).

If you have any questions regarding the registration process or have technical questions specific to ProposalTech, contact ProposalTech Support at (877) 211-8316 x84.

### **2. Accessing the electronic Questionnaire – bidders must first take the following actions:**

In order to register for the Questionnaire go to <http://www.proposaltech.com/home/app.php/register>.

Enter your email address into the field provided. No registration code is necessary. Click "Begin Registration." If you already have an account with ProposalTech, it will be listed on the registration page. If you do not, you will be asked to provide company information. Once your account has been confirmed, check the appropriate box for the State of Delaware Medicare Supplement RFP and click the "Register" button. An invitation will be emailed to you within fifteen minutes. If you have any questions regarding the registration process, contact ProposalTech Support at (877) 211-8316 x84.

The primary contact should access the website to initiate review and acceptance of the Questionnaire as noted above. Primary contacts will be responsible for establishing permission to access the Questionnaire for other individuals within their organizations. Multiple users from your organization may access the Questionnaire simultaneously.

Detailed instructions for the completion and submission of your Questionnaire responses will be found in the eRFP. ProposalTech will be available to assist you with technical aspects of utilizing the system.

If you would like to schedule a ProposalTech training session please contact ProposalTech at (877) 211-8316, choose option 4, or send an email to [support@proposaltech.com](mailto:support@proposaltech.com).

### 3. **Attachments and Appendices –**

As listed in the Table of Contents, some of the attachments and appendices require a Non-Disclosure Agreement (NDA). The NDA has been provided as Appendix K and must be signed and returned after your organization submits your Intent to Bid (see Section I.B.1 for instructions on submitting your Intent to Bid). After indicating the data destruction term and signing the NDA, scan all the pages of the NDA and send a PDF of the executed NDA to the RFP Administrator via the Messaging function within ProposalTech.

### 4. **Confidential Information, Generally –**

Confidential and proprietary information identified in the attorney’s letter and redacted from the vendor’s proposal will be treated as confidential during the evaluation process.

### 5. **Directions for Confidential and Proprietary Submission, if any –**

See the **Confidentiality of Documents** section.

### 6. **Directions for the Redacted Electronic Copy, if applicable –**

- a. Any information you deem confidential and proprietary as identified in the attorney’s letter must be redacted. The State is not responsible for incorrect redactions or reviewing your submission to determine whether or not the information asserted as confidential and proprietary is redacted. Mistakes in redactions are the sole responsibility of the bidder.
- b. PDF – A *complete* electronic copy of your entire redacted RFP response is needed in a PDF format; please do not submit only the pages that require redaction. ProposalTech has functionality that allows you to download a PDF copy of your entire proposal so you can redact any confidential and proprietary information. If you have any questions regarding how to download a copy of your entire proposal, please contact ProposalTech Support at (877) 211-8316 x84. You must include all the documents as directed above in the *General Directions for Electronic Copies* above. For large sections or appendices, please include a sheet that identifies the material, not pages of black redactions. 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)”.

### 7. **Follow-Up Responses and Finalist Presentations**

- a. The same format requirements apply to follow-up responses and presentation materials. **If information in any of the follow-ups and presentation matches the type that was requested for a confidential and proprietary determination, you must upload a redacted electronic version of the document(s).**
- b. Finalist Presentation – You will be asked for a non-redacted electronic copy that includes PDFs of any supplemental materials or handouts.

- c. If there is a new type of information that was not included in your original bid and you deem it confidential and proprietary, you must submit an additional required attorney's letter.
8. **Proposal Submission Date** – Your complete proposal must be submitted via ProposalTech no later than **1:00 p.m. ET on Tuesday, November 21, 2023**. Any proposal received after this date and time shall not be considered.
9. **Proposal Opening** – To document compliance with the deadline, the proposals will be date and time stamped upon submission via ProposalTech. Proposals will be opened only in the presence of State of Delaware personnel or their designee. 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 and the list will be posted on [www.bids.delaware.gov](http://www.bids.delaware.gov). Proposals become the property of the State of Delaware at the proposal submission deadline. The contents of any proposal shall not be disclosed or made available to competing entities during the negotiation process.
10. **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. You will be required to fill out an *Officer Certification Form* and include it in your bid package.
11. **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 submitted proposals or information after the applicable deadline.
12. **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.
13. **General Modifications to RFP** – The SEBC reserves the right to issue amendments or change the timelines to this RFP. All firms who registered to respond to the Questionnaire will be notified via ProposalTech of any modifications made by the SEBC to this RFP, where applicable. If it becomes necessary to revise any part of the RFP, a notification of addendum will be emailed to all vendors via ProposalTech who registered to respond and it will also be posted on the State of Delaware's website at [www.bids.delaware.gov](http://www.bids.delaware.gov).
14. **Proposal Clarification** – The SEBC may contact any vendor in order to clarify uncertainties or eliminate confusion concerning the contents of a proposal. Clarifications (known as "follow-ups") will be requested in writing via email and the vendor's responses will become part of the proposal.
15. **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 or services in this RFP, the State of Delaware may choose to visit existing installations of comparable systems, which may or may not include vendor personnel. If the vendor is involved in such site visits, the State of Delaware will pay travel costs only for the State of Delaware personnel for these visits. Please note that the consulting

firm Willis Towers Watson will be contacting references provided by bidders in response to this RFP on the SEBC's behalf.

16. **Time for Acceptance of Proposal** – The bidder agrees to be bound by its proposal for a period of at least 180 days, during which time the State may request clarification or corrections of the proposal for the purpose of the evaluation. The State reserves the right to ask for an extension of time if needed.
17. **Incurred Costs** – This RFP does not commit the SEBC to pay any costs incurred in the preparation of a proposal in response to this request and vendor/bidder agrees that all costs incurred in developing its proposal are the vendor/bidder's responsibility. The State shall bear no responsibility or increased obligation for a vendor's failure to accurately estimate the costs or resources required to meet the obligations defined in the proposal.
18. **Basis of Cost Proposal** – Your proposal must be based on your estimated cost of all expenses for the services and funding arrangements requested.
19. **Certification of Independent Price Determination** – By submission of a proposal, the proposing firm certifies that the pricing guarantees or 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 premium rates or fees, the intention to submit a proposal, or the methods or factors used to calculate the fees or premium rates proposed. You will be required to submit a *Non-Collusion Statement* and include it in your bid package via ProposalTech.
20. **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.
21. **Representation Regarding Contingent Fees** – If it is your business practice to engage services from any person or agency to secure or execute any of the services outlined in this RFP, any commissions and percentage, contingent, brokerage, service, or finder's fees must be included in your proposed rates. The SEBC will not pay any separate brokerage fees for securing or executing any of the services outlined in this RFP. **Therefore, all proposed fees must be net of commissions and percentage, contingent, brokerage, service or finders' fees.**
22. **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.
23. **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.

24. **Consultants and Legal Counsel** – The SEBC may retain consultants or legal counsel to assist in the review and evaluation of this RFP and the vendors’ responses. Bidders shall not contact the consultant or legal counsel on any matter related to this RFP unless written permission and direction is provided.
25. **Contact with State Employees** – Unless expressly requested to contact another State employee or the SBO’s consulting firm, direct contact with State of Delaware employees regarding this RFP other than the designated contact, Ms. Pamela Barr, is expressly prohibited without prior consent. Ms. Barr’s contact information is 302-760-7060 and via email at [pamela.barr@delaware.gov](mailto:pamela.barr@delaware.gov). You are authorized to contact the SEBC’s consulting firm, Willis Towers Watson, through ProposalTech. 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.
26. **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.
27. **Exclusions** – The PRC reserves the right to refuse to consider any proposal from a vendor who:
  - a. Has been convicted for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of the contract or subcontract;
  - b. Has been convicted under State or Federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or other offense indicating a lack of business integrity or business honesty that currently and seriously affects responsibility as a State contractor;
  - c. Has been convicted or has had a civil judgment entered for a violation under State or Federal antitrust statutes;
  - d. Has violated contract provisions such as:
    - i. Knowing failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
    - ii. Failure to perform or unsatisfactory performance in accordance with terms of one or more contracts;

- iii. Has violated ethical standards set out in law or regulation; and
- iv. Any other cause listed in regulations of the State of Delaware determined to be serious and compelling as to affect responsibility as a State contractor, including suspension or debarment by another governmental entity for a cause listed in the regulations.



### III. Mandatory Minimum Requirements

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

Please review Section II.A., Proposal Response Requirements for additional guidelines.

#### **Instructions:**

**!!! IMPORTANT !!!**

- A. **Clear and Succinct** – Whenever applicable, you must clearly and succinctly indicate how your standard procedures would be modified in order to accommodate any specific requirements of the State that deviate from your standard procedures.
- B. **Responsiveness** –
- Generic responses or stock answers that do not address State-specific requirements will be deemed unresponsive.
  - “Will discuss” and “will consider” are not appropriate answers.
  - All questions are important to the State and therefore you may not answer that a topic is not applicable unless you specifically state why it is a service that does not apply for the plans or programs you are proposing.
- C. **Respond to Each Question** –
- If a question is repeated in multiple sections and your answer is the same, please do not refer to your answer in another section but copy it under each question.
  - **If an appendix is not uploaded correctly due to human or technological error, a bidder will not be eliminated solely on that occurrence.**
- D. **Incumbents** – If your organization is the current vendor, you must reply with a full explanation to every question since the Proposal Review Committee may not be familiar with the current contract or your services.
- E. **Fees or Costs** – Fees or costs that are not included in your bid and stated on the appropriate appendices (forms) will not be considered by the State. A fee only stated in a response to a question, whether or not we remind you to include a fee on the appropriate appendix or form, will not be considered! You must document ALL fees and costs within the appropriate appendices.

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**A. Core Capabilities and Experience**

1. The selected vendor must have at least five (5) years’ experience as an organization in providing the type of services to be procured through this competitive RFP process. Please confirm that you have provided these services for other clients that are of similar complexity to the State. Public sector experience is preferred, but not required. The determination of the length of time an entity has provided these services will be based upon the initial date the entity established a contractual relationship to provide such services. The proposing organization must provide sufficient detail to demonstrate it has experience in working with medical insurance programs similar in size and complexity. Because more detailed questions follow, please provide only a broad outline here of the organization’s years of experience and qualifications.
  
2. Your company must have proven ability to perform the services described in this RFP. Of your company's current clients, and separately, clients with expired contracts, please list three (3) or more references. If possible, at least one current reference should be a public sector client, though this is not a requirement. Incumbents may list the State of Delaware as a reference. For each reference, indicate any involvement by staff members who will be servicing the State's account in the event of contract award. For references from clients with expired contracts, there are no timing restrictions on how recently the reference and your company terminated the contractual relationship.

Please ensure ALL references provided in your response include valid contact information (e.g., name, phone number, email address, etc.) and are aware that they will be contacted during the RFP evaluation process. Please note that the consulting firm Willis Towers Watson will be contacting references on the SEBC’s behalf.

|               | Current Client - Reference #1 | Current Client - Reference #2 | Current Client - Reference #3 | Client with Expired Contract #1 (prior company information, current contact information) | Client with Expired Contract #2 (prior company information, current contact information) | Client with Expired Contract #3 (prior company information, current contact information) |
|---------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Customer Name |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |

|                                       | Current Client - Reference #1 | Current Client - Reference #2 | Current Client - Reference #3 | Client with Expired Contract #1 (prior company information, current contact information) | Client with Expired Contract #2 (prior company information, current contact information) | Client with Expired Contract #3 (prior company information, current contact information) |
|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Customer Principal Location           |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Number of Eligible Employees/Retirees |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Number of Subscribers                 |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Effective Date of Contract            |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Customer Contact Name                 |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Job Title                             |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Address                               |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Telephone Number                      |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Email                                 |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |
| Name of Account Manager               |                               |                               |                               |                                                                                          |                                                                                          |                                                                                          |

**B. Account Support**

1. The State acknowledges that a contractor has the right to exercise full control over the employment direction, compensation and discharge of all persons employed by the contractor in the performance of services for their clients. Please confirm your agreement that the State of Delaware has the right to review, meet with and approve changes to the account team assigned by the medical TPA to service the State of Delaware. You agree not to change the assigned account team without prior consent from the State of Delaware. You will provide a transition plan for any changes to the account team and will provide at least 30 days' notice to the State of Delaware of the proposed change.

2. At no cost to the State, please confirm that you will meet with the State on a quarterly basis (on-site in a non-pandemic environment, or at the State's request), to review your company's performance according to the performance guarantees in place and to review plan participation.
3. Please confirm that the primary contact and/or lead personnel assigned to the medical program implementation teams and account management teams will attend the vendor interviews, if you are invited to participate (see Section I.B. Timetable/Deadlines for additional details). Attendance may be in-person or via webinar though in-person is preferred in a non-pandemic environment.

### **C. Benefit Administration**

1. Please confirm that medical services will extend nationwide to all eligible Medicare retirees and their eligible dependents.
2. The vendor selected to administer the Medicare Supplement plan for retirees must be able to duplicate the current plan design without deviation - for further details, see the Special Medicfill® Medicare Supplement Plan booklet available here: <https://dhr.delaware.gov/benefits/medical/documents/highmark/spec-medicfill-2024.pdf>. Please confirm. If you cannot duplicate the current plan designs without deviation, please explain.
3. If you indicated you cannot duplicate the current Medicare Supplement plan design without deviation in the prior question, please confirm if you can do so by the effective date (1/1/2025).
4. Please confirm your understanding that the Plan's enrollment files are full files and that you are able to receive "full" enrollment files and only process those fields in which the information has been added, deleted, or changed.
5. Please confirm that your organization can send and receive the outbound and inbound file feeds listed in Attachment 8. Confirm that your organization can send/receive the inbound and outbound file feeds in Attachment 8 without any modifications. Enrollment data will be transmitted from the State via 3 separate files, and the State will not agree to any changes in the way that enrollment is transmitted. Mutually-agreeable modifications to the file layouts listed in Attachment 8 can be discussed with the SBO at a later point.
6. Please confirm your ability to accept Plan Enrollment File effective dates that may be up to 120 days in the future.
7. Please confirm your ability to store historical information by member with the Social Security Number and employee/retiree identification number as an access key.

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® Medicfill® is a registered trademark of Highmark Blue Cross Blue Shield Delaware.

8. Please confirm your ability to support retroactive enrollments and terminations for members in situations allowable under CMS guidelines.
9. Please confirm that your system is able to handle multiple coverage termination rules depending on the type of Qualifying Event (QE). The State requires that coverage terminates at the end of the month for all QEs except coverage for the ex-spouse and any step-children of a retiree covered by a Medicare Supplement plan will terminate on the last day of the month in which the divorce is final.
10. Please confirm your ability to participate in Voluntary Data Sharing Agreement (VD SA) with the Center for Medicare and Medicaid and accept electronically-transmitted Medicare claims and coordinate those claims with the Plan.
11. Please confirm that the existence of concurrent review and discharge services will be transparent to the member.
12. Please confirm your ability to inquire of the member whether a third party may be liable for the cost of the care received, and, if so, request that the identity of the third party be provided for the purposes of instituting subrogation.
13. Please confirm your ability to actively pursue the State's right of subrogation to recover claim payments from third parties.
14. Please confirm your acceptance of the State's Spousal Coordination of Benefits Policy (<https://dhr.delaware.gov/benefits/cob/documents/spousal-cob-policy.pdf>).
15. Please confirm your acceptance of the State's Dependent Coordination of Benefits Policy (<https://dhr.delaware.gov/benefits/cob/documents/dependent-coordination-benefits-policy.pdf>).
16. Please confirm that your member services representatives will be trained on the State's plan(s) and the toll-free line will be operational by September 1, 2024 for annual State of Delaware Medicare enrollment calls and at no additional cost to the State of Delaware. This requirement also applies to the State Medicare Open Enrollment period each year.
17. Please confirm that member Welcome Kits and ID cards will be mailed to the homes of newly enrolled retirees within fourteen (14) calendar days upon receipt of the enrollment files from the State.
18. Please confirm your ability to comply with any legislation at the State or Federal level that applies to the GHIP Medicare pensioner population.
19. Please confirm your acceptance that an activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities may be performed at satellite facilities such as a foreign office or division. Subcontractors are also subject to this provision.

20. Please confirm that your organization will provide relevant member communications materials, including articles and other communications at a frequency determined by the State for inclusion in member newsletters and websites, and including support for the production and distribution of such materials, at no cost to the State and plan participants. This includes printing and postage.
21. Please confirm that no communications will be delivered to the State of Delaware benefit-eligible Medicare members without prior notification to and approval by the State of Delaware, to the extent permissible under CMS guidelines.
22. Please confirm that you are willing to customize communication materials and that the State of Delaware will have final sign-off on the documents and messaging on any member-facing microsite or portal within a mutually agreed upon timeframe.
23. Please confirm that the proposed administrative fee includes the cost of all general (non-custom) member communications for the State of Delaware, including communications for programs not yet adopted or developed and may be elected during the life of the contract.
24. Please confirm that all cost associated with the design, development, production, and fulfillment of custom communications and any postage for any communications (general and custom), is payable through the communication allowance you are providing to the State.
25. Please confirm that all CMS required communications are included in the proposed base administrative fees for the Medicare plan options included in your proposal.
26. Please confirm that retiree member communications can be customized based upon the State of Delaware's requirements, to the extent permissible under CMS guidelines.
27. Please confirm your organization will conduct customer service surveys and report results on a semi-annual basis. (This is a requirement in the Performance Guarantees.)
28. Please confirm you agree to abide by the State's Eligibility and Enrollment Rules for new and current pensioners and their dependents in their entirety. Participants may only enroll during Open Enrollment in October for coverage beginning on the following January 1, calendar year, except in the case of new retirees or members with a qualifying event who can enroll at the time of the qualifying event. NOTE that the State requires that coverage terminates at the end of the month except coverage for the ex-spouse and any step-children of a retiree covered by a Medicare supplement plan will termination on the last day of the month in which the divorce is final.

Deviations from these rules are not permitted. The State reserves the right to change these rules at the State's discretion.

29. On a monthly basis and at no cost to the State, please confirm that you agree to provide the State's data mining vendor, currently Merative (formerly known as IBM Watson Health), and the all payer claims database administrator (Delaware Health Information Network, or

“DHIN”) with claims data either directly with Merative or indirectly via the State’s medical third-party administrators. The selected organization(s) may, at the direction of the State, be required to provide claims data to other parties and/or business partners of the State, including, but not necessarily limited to, the State's healthcare consultant as determined necessary for the administration of the State's Group Health Insurance Program. Such requests shall be fulfilled at no cost to the State. Please refer to the file layouts referred to as Attachment 8. The State acknowledges that the release of claims data must be done in compliance with HIPAA privacy rules and regulations.

30. Reporting – Please confirm that at no cost to the State:
  - a. Your organization can provide ongoing management reports on a quarterly basis that include, but are not limited to, the following: member utilization of the plan, summary financial data related to claims costs.
  - b. Your organization can provide reporting on the State’s experience in the aggregate and include the corresponding State’s accounting code and a designation of OPEB status. (See Attachment 7 for a detailed breakdown of GHIP participating groups offering Medicare Supplement coverage.)
31. Please confirm your organization’s willingness to enter into performance guarantees.
32. Please confirm your willingness to partner with other Delaware state agencies (such as the Delaware Department of Public Health) as directed by the SBO on member education/communication campaigns directed towards GHIP members on broadly applicable health topics (example: tips for preventing and/or managing high blood pressure).

#### **D. Implementation**

1. The effective date of a contract awarded under this RFP will be January 1, 2025. It is anticipated that the award will be made by late March 2024. Please confirm that if you are awarded the contract no later than March 31, 2024, you would be able to successfully implement the medical plan options awarded for a January 1, 2025, effective date, which would include having your customer service telephone line fully staffed, trained and ready to support the State’s Medicare Open Enrollment by September 1, 2024.
2. Please confirm that your organization will lead the implementation process taking direction from the State of Delaware.
3. Please confirm that you will conduct a pre-implementation testing process to ensure accuracy of plan administration prior to the effective date and that you will share the results of the testing process with the State.

## **E. Financial**

1. Please confirm that all fees or costs to administer the program are included in your pricing terms quoted in the Financial Proposal (Section V). **Fees or costs that are not included in your bid on those forms will not be considered by the State.**
2. If you are selected as the winning bidder, please confirm that you would not require payment of any start-up costs from the State prior to the effective date of the program.
3. Please confirm that the State or its designee will have the right to audit on an annual basis with an auditor of its choice and with full cooperation of your organization, the services and pricing provided in order to verify compliance with all program requirements and contractual guarantees. The State's right to audit shall survive the termination of the agreement between the parties for a period of three (3) years.
4. At minimum, guarantee proposed fees for two (2) contract years (12 months per year). Please include this in your response to the Financial Proposal (Section V).
5. Please confirm that your organization agrees that if in the normal course of business, it, or any other organization with which the Bidder has a working arrangement, chooses to advance any funds that are due, to any provider, subsidiary or subcontractor, the cost of such advance must not be charged back to the State except the State must reimburse Bidder within the confines of the provisions of a contract.
6. Please confirm that you agree not to appoint any agent, general agent, or broker, nor authorize payment of any kind to a party not approved in writing by the State.
7. Please confirm that commission percentages, brokerage or contingent fees are not payable to any agent or broker by the State of Delaware.
8. Please confirm that your organization must submit to the State on its invoice an itemization of the charges and fees, and credit for services provided in the administration of the services.
9. Please confirm your organization's acceptance that any payments made by the State of Delaware will be by Automated Clearing House (ACH) as per its ACH processing procedures.
10. Please confirm that your organization must provide the State with an estimate of administrative fees and amounts of outstanding checks no later than 45 days following the close of each fiscal quarter.
11. Please confirm that your organization must provide financial reporting 45 days (under no circumstances to exceed 60 days) following the end of each quarter.



**F. Legal**

1. Please confirm that your organization will not use the names, home addresses or any other information obtained about participants of the medical program for offering for sale any property or services that are not directly related to services negotiated in the RFP without the express written consent of the State.
2. Please confirm that within the past five (5) years the firm or any officer, controlling stockholder, partner, principal, or other person substantially involved in the contracting activities of the business is not currently suspended or debarred and is not a successor, subsidiary, or affiliate of a suspended or debarred business.
3. Delaware code Title 30 Chapter 25 § 2301 requires any company doing work for the State of Delaware to be appropriately licensed to do business in the State of Delaware through the Division of Revenue or be exempt through licensing with the Department of Insurance. Please provide either your Delaware Business License number, your SBS company number or your NACI number. Confirm your understanding that work cannot begin until your organization has a valid State of Delaware license.
4. Please confirm that your organization is operating as an independent contractor and that it is liable for any and all losses, penalties, damages, expenses, attorney’s fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or injury to any and all property, of any nature, arising out of the vendor’s negligent performance under this contract, and particularly without limiting the foregoing, caused by, resulting from, or arising out of any act of omission on the part of the vendor in their negligent performance under this contract.
5. Please confirm that your organization and any subcontractors, agents or employees employed by you shall not, under any circumstances, be considered employees of the State and they shall not be entitled to any of the benefits or rights afforded employees of the State.
6. Please confirm that your organization is operating as an independent contractor and shall maintain insurance that will protect against claims under Worker’s Compensation Act and from any other claims for damages for personal injury, including death, which may arise from operations under this contract. The vendor is an independent contractor and is not an employee of the State of Delaware.
7. Please confirm that during the term of this contract, the vendor shall, at its own expense, carry insurance minimum limits as follows:

|    |                                 |                                                       |
|----|---------------------------------|-------------------------------------------------------|
| a. | Comprehensive General Liability | \$1,000,000 per person and \$3,000,000 per occurrence |
|----|---------------------------------|-------------------------------------------------------|

|    |                                   |                                                      |
|----|-----------------------------------|------------------------------------------------------|
| b. | Medical or Professional Liability | \$1,000,000 per occurrence and \$3,000,000 aggregate |
| c. | Misc. Errors and Omissions        | \$1,000,000 per occurrence and \$3,000,000 aggregate |

The successful vendor must carry (a) and (b) and/or (c), above, depending on the type of service being delivered. If you believe that a type of coverage would not apply to your service, please explain.

If awarded the contract:

- a. Vendor shall provide 45 days written notice of cancellation or material change of any policies.
- b. Vendor shall provide a copy of the insurance certificate renewals within 30 days of renewal.
- c. the State of Delaware shall NOT be named as an additional insured.

As an exhibit, please provide a copy of your certificate of insurance with the appropriate types and coverage levels. If you do not have the coverage and are awarded the contract, please confirm your understanding that you must provide a copy of your certificate of insurance before any work is done pursuant to the terms in the RFP and resulting contract.

8. Please confirm that you have read and agree to the requirements outlined in Attachment 10, Cyber Responsibilities, Liability and Insurance.
9. Please confirm that upon termination of a contract your organization will not solicit any SEBC member or retiree for any services or products without the explicit written permission of the State.
10. Please confirm your understanding that any of the functions to be performed under a contract, if awarded, shall not be assigned by either party to another party, absent advance notice to the other party, and written consent to said assignment, which consent shall not be unreasonably withheld. In the event either party shall not agree to an assignment by the other party, then the contract shall terminate upon the effective date of said assignment.
11. **Please confirm your organization's acceptance of the following indemnity paragraphs. For your response, if you do not accept this indemnity paragraph as written, you must provide a redline of suggested changes. Be advised that the State cannot agree to major changes.**

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

of such claim; and (ii) vendor shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

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

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

12. Please confirm your organization's agreement that:
  - a. The contract may be terminated for convenience by the successful firm with 180 days written notice to the State.
  - b. The vendor can terminate the contract for cause with written notice to the State of no less than 180 days.
  - c. The State can terminate the contract for cause with written notice to the vendor of no less than thirty (30) days. The State anticipates the vendor will be given the opportunity to cure any default in performance well in advance of a notice of termination.
  
13. Please confirm your understanding that 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 – **including technology platforms and data processing services**. Other examples are graphics, mailing, and printing services. A subcontractor is any company that is under direct contract to perform services for the State's account. Consequently, an example of a business that would provide services on the State's account but is not a subcontractor is the United States Postal Service. Subcontractors are subject to all the terms and conditions of the RFP and the SEBC reserves the right to approve any and all subcontractors. If a subcontractor(s) is involved, note in your response to this question and complete Appendix D, Subcontractor Information Form, included herein for each subcontractor. The company OSD classification information is for self-identification only. Each vendor is required to submit the forms for their subcontractors.
  
14. If your company is awarded the contract, please confirm your agreement that performing the services subject to this RFP, as set forth in 19 Del. C. § 710, you will not discriminate against any employee or applicant with respect to compensation, terms, conditions or privileges of employment because of such individual's race, marital status, genetic information, color, age, religion, sex, sexual orientation, gender identity, or national origin. The successful vendor shall comply with all federal and state laws, regulations and policies

pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

15. Please confirm your organization's acceptance that the RFP and the executed Contract between the State and the successful organization will constitute the Contract between the State and the organization. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: contract, State of Delaware's RFP. No other documents, including your bid response, will be considered. These documents contain the entire agreement between the State and the organization.
16. Please confirm your organization's acceptance that 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.
17. Please confirm your organization's acceptance that the SEBC reserves the right to deduct from administrative fees that are or shall become due and payable to the vendor under this contract between the parties any amounts which are or shall become due and payable to the SEBC by the vendor.
18. 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.
19. If your company is awarded the contract, please confirm your understanding that pursuant to 29 Del. C. § 6909B and effective November 4, 2014, the State does not consider the criminal record, criminal history or credit score of an applicant for state employment during the initial application process unless otherwise required by state and/or federal law. Vendors doing business with the State are encouraged to adopt fair background check provisions. Vendors can refer to 19 Del. C. § 711(g) for applicable established provisions.
20. Please confirm your acceptance that in the event of any dispute under a contract, you consent to jurisdiction and venue in the State of Delaware and that the laws of the State of Delaware shall apply to the contract except where Federal law has precedence.
21. Please confirm your acceptance that the State of Delaware reserves the right to pre-approve any news or broadcast advertising releases concerning this solicitation, the resulting contract, if awarded, the work performed, or any reference to the State of Delaware with regard to any project or contract performance. Any such news or advertising releases pertaining to this solicitation or resulting contract shall require the prior express written permission of the State of Delaware.

22. The State acknowledges that a contractor has the right to exercise full control over the employment direction, compensation and discharge of all persons employed by the contractor in the performance of services for their clients. However, please confirm that, if awarded the contract, your organization will attempt to honor the State's request for specific individuals to be assigned to managerial roles in all areas of account management.
23. Please confirm that, if awarded the contract, your organization ("vendor") will provide on an annual basis a Service Organization Control ("SOC") Report that address the internal control over financial reporting of vendor's services (SOC1). A SOC1 report may include multiple reports to reflect all processes and locations utilized by vendor in performing the Services. SOC reports are prepared under the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Attestation Engagements (SSAE) 16 and must be prepared by external auditors selected by the vendor with appropriate credentials. Upon the State's request in July each year, the vendor will promptly provide the report(s) and a Bridge Letter(s) to encompass the preceding fiscal year (July 1 to June 30) for the State's auditors. Additionally, the State may request a copy at any time of the SOC1 report that includes the time period covered in a previous Bridge Letter.
24. Please confirm that, if awarded the contract, your organization ("vendor") will provide on an annual basis a Service Organization Control ("SOC") Report that address the internal control over standard operating procedures for organizational oversight of vendor's services (SOC2). A SOC2 report may include multiple reports to reflect all processes and locations utilized by vendor in performing the Services. SOC reports are prepared under the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Attestation Engagements (SSAE) 16 and must be prepared by external auditors selected by the vendor with appropriate credentials. Upon the State's request in July each year, the vendor will promptly provide the report(s) and a Bridge Letter(s) to encompass the preceding fiscal year (July 1 to June 30) for the State's auditors. Additionally, the State may request a copy at any time of the SOC2 report that includes the time period covered in a previous Bridge Letter.
25. Please confirm that, if awarded the contract, your organization will provide a written report no later than forty-five (45) days following the close of each quarter which shall describe any judgment or settlement or pending litigation involving Contractor that could result in judgments or settlements in excess of One Hundred Thousand Dollars (\$100,000).
26. Please confirm that your company complies with all federal, state and local laws applicable to its activities and obligations including:
  - a. the laws of the State of Delaware;
  - b. the applicable portion of the Federal Civil Rights Act of 1964;
  - c. the Equal Employment Opportunity Act and the regulations issued there under by the federal government;

- d. a condition that the proposal submitted was independently arrived at, without collusion, under penalty of perjury;
- e. that programs, services, and activities provided to the general public under resulting contract conform with the Americans with Disabilities Act of 1990, and the regulations issued there under by the federal government;
- f. the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”);
- g. Electronic Data Interchange (EDI) Rule; and
- h. Privacy laws.

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

- 27. Please confirm your full HIPAA, EDI and Privacy compliance and that all State member data will be maintained in accordance with applicable federal, state and local regulations to ensure protection and confidentiality.
- 28. Please confirm the existence of strict policies and procedures for the protection of client and member Personal Health Information (PHI) and avoidance of security breaches under HIPAA and HITECH. Confirm the existence of breach notification procedures in the event of a release of PHI.
- 29. Please confirm your acceptance that, if awarded the contract, Contractor shall submit weekly claims invoices to the State in sufficient detail to support the services provided during the previous week. The State will not pre-pay for services. The State agrees to pay those invoices within ten (10) days of receipt. In the event the State disputes a portion of an invoice, the State agrees to pay the undisputed portion of the invoice within ten (10) days of receipt and to provide Contractor a detailed statement of the State’s position on the disputed portion of the invoice within ten (10) days of receipt. The State’s failure to pay any amount of an invoice that is not the subject of a good-faith dispute within ten (10) days of receipt shall entitle Contractor to charge interest on the overdue portion at the rate of 0.5% per month.
- 30. Please confirm your acceptance that, if awarded the contract, unless provided otherwise in an Appendix, all expenses incurred in the performance of the services, including communications and administration, are to be paid by Contractor.
- 31. Please confirm your understanding and acceptance that the State is a sovereign entity, and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of this Agreement.

32. Please confirm your acceptance that, if awarded the contract, the State may suspend performance by Contractor under this Agreement for such period of time as the State, at its sole discretion, may prescribe by providing written notice to Contractor at least fifteen (15) days prior to the date on which the State wishes to suspend. Upon such suspension, the State shall pay Contractor its compensation, based on the percentage of the project completed and earned until the effective date of suspension, less all previous payments. Contractor shall not perform further work under this Agreement after the effective date of suspension. Contractor shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from the State to resume performance.
33. Non-Collusion Statement: Please confirm you have filled out the *State of Delaware Non-Collusion Statement* form, Appendix A, and included it in your bid package.
34. Officer Certification Form: Please confirm you have filled out the *Officer Certification Form*, Appendix B, and included it in your bid package.
35. Employing Delawareans Report: Please confirm you have filled out the *Employing Delawareans Report*, Appendix E, and included it in your bid package. (The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.)
36. Financial Ratings Form: Please confirm you have filled out the *Financial Ratings Form*, Appendix F, and included it in your bid package.
37. Business Associate Agreement (BAA): Please confirm you will enter into a Business Associate Agreement, Appendix I. If you have suggested changes, please provide the document with redlines. **However, please be advised that the State will not consider major changes.** If you assert that a BAA does not apply to the service or product you would be providing, please provide the reason and the regulation or citation.
38. Responsibility for Redaction: State whether or not you are providing any information you declare to be confidential or proprietary for the purpose of exclusion from the public record under 29 Del. C. Ch. 100, Delaware Freedom of Information Act. If so, you must follow the directions for submission in the Confidentiality of Documents and Submission of Proposal sections. Please confirm your understanding and acceptance that the State is not responsible for incorrect redactions or reviewing your submission to determine whether or not any information asserted as confidential and proprietary is redacted. Mistakes in redactions are the sole responsibility of the bidder.

## **G. Technical Standards and Security Requirements**

1. The following Technical Standards and Security Requirements terms are mandatory requirements. Please acknowledge that you have reviewed the requirements and, if you are awarded the contract, you can meet them, either at the time of your response or before the first file exchange.

2. Data Confidentiality Agreement: – The Data Confidentiality Agreement is required by PHRST for testing of the file feeds before Open Enrollment, and therefore before the effective date of the contract. If you have suggested changes, please provide the document with redlines. **However, please be advised that the State will not consider major changes.** Please confirm you have filled out the Data Confidentiality Agreement, Appendix H, and included it in your bid package.
3. Strong Password Requirement - A strong password requirement is applicable to your member facing secure website if members/participants can access any personally-identifiable information. This would typically be for their personal account with claim or claim-type data. It also applies for “super-users”, Statewide Benefits Office personnel, for activities such as accessing reports with personally-identifiable information. It is not a requirement for the vendor's internal data access system.

The requirement for a strong password is eight (8) characters and a password of ten (10) characters is strongly preferred. The policy document is located at:

<https://webfiles.dti.delaware.gov/pdfs/pp/Identity%20and%20Access%20Management%20Guidelines.pdf>

Please confirm that you comply or would by the effective date of the contract if awarded.

4. Software Inventory – Please respond on the Appendix G, Software Inventory, with a list of any software that the Statewide Benefits Office's account management personnel may need. For example, Adobe or Visio. Also list the web browsers (IE) or web service that participants or members would need to access the customer service interface.
5. Additional Data Requests – Please confirm your agreement that if you are awarded the contract and then request additional data, whether or not on a file feed or in a report, the State shall determine the cost of supplying the data and may deny the request.
6. Threats – The SANS Institute and the FBI have released a document describing the Top 18 Internet Security Threats. For your review, the document is available at <https://www.cisecurity.org/controls/cis-controls-list/>. The contractor confirms that any systems or software provided by the contractor are free of the vulnerabilities listed in that document. (A response that security threats are always changing is not acceptable.)
7. Please state whether or not Delaware data will be transmitted via email or accessible on a mobile device. If so, the following requirement applies. <https://webfiles.dti.delaware.gov/pdfs/pp/EncryptionKeyManagementPolicy.pdf>
8. As an exhibit, please provide a diagram with ports that clearly documents the user's interaction with your organization's website and the State. The network diagram should follow the example in Attachment 5, Network Diagram Template.
9. All the terms apply in Attachments 3 and 4 *Delaware Data Usage Terms and Conditions Agreement and Delaware Cloud Services Terms and Conditions*, because the data is non-public data. If awarded the contract, your organization must sign the documents as required by the Department of Technology and Information (DTI) and they will be an appendix to



the contract. Please review the terms carefully. If there are terms that you assert do not apply to this engagement, you may provide a reason and explanation in this response. Substantive changes or wordsmithing will not be considered.

## IV. Questionnaire

### Instructions:

**!!! IMPORTANT !!!**

#### A. Responsiveness –

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

B. **Respond to Each Question** – If a question is repeated in multiple sections and your answer is the same, please do not refer to your answer in another section but copy it under each question.

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

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### 1.0 Bidder Profile

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

|                                                         | Response |
|---------------------------------------------------------|----------|
| Full company name (used for financial filing)           |          |
| Home office address                                     |          |
| Home office telephone number                            |          |
| Address and phone number of additional offices (if any) |          |

|                                  | Response |
|----------------------------------|----------|
| Name of primary contact          |          |
| Title of primary contact         |          |
| Address of primary contact       |          |
| Phone Number of primary contact  |          |
| Email address of primary contact |          |
| Company website                  |          |

2. Provide information about your overall organization not just the segment that is responsible for administering medical plans (for the most recent completed fiscal year) in the chart below.

|                                                                                                                                                                                | Response |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| a. Fiscal Year dates                                                                                                                                                           |          |
| b. Revenue                                                                                                                                                                     |          |
| c. Operating Profit                                                                                                                                                            |          |
| d. Debt                                                                                                                                                                        |          |
| e. Number of Employees                                                                                                                                                         |          |
| f. Ownership Structure<br><i>Response options:</i><br>1: Not for profit,<br>2: Privately owned (for profit),<br>3: Publicly traded,<br>4: Other, describe in "Response" column |          |

3. Do you have a parent organization? If yes, please indicate.
4. Provide a brief overview of your organization, its history and core services. In addition, please describe your strategy towards growth and any immediate plans for expansion both nationally and in the geographic boundary of the state of Delaware.
5. What is the current size of your book of business (by number of covered lives) enrolled in Medicare Supplement plans that your organization administers?
6. What percent of your book of business (by number of covered lives) would the State of Delaware represent among your organization's other customers with Medicare Supplement plans?
7. Please describe any recent (within the last five years) mergers, acquisitions, or partnerships that have impacted or may impact the services you can offer.
8. Have you or any of your subsidiary or affiliated corporations ever been indicted or otherwise accused of any criminal misconduct within the past 10 years? If so, please explain and indicate the outcome as well as any actions and preventive measures now in place to prevent any repetition in the future.

9. Summarize, in one paragraph, the key points of differentiation from your competitors.

**2.0 Medical Plan General Questions**

1. Please provide the contact name, title, phone number, email and brief biography for the following positions who will be assigned to the State of Delaware's account. If available, please provide a resume as an exhibit.

| Position Title                    | Contact Name | Title | Phone number | Email Address | 2023 Client Load | Percent of Time Dedicated to the State of Delaware |
|-----------------------------------|--------------|-------|--------------|---------------|------------------|----------------------------------------------------|
| Executive Sponsor                 |              |       |              |               |                  |                                                    |
| Account Executive                 |              |       |              |               |                  |                                                    |
| Account Manager                   |              |       |              |               |                  |                                                    |
| Clinical Resource                 |              |       |              |               |                  |                                                    |
| Behavioral Health Account Manager |              |       |              |               |                  |                                                    |
| Implementation Manager            |              |       |              |               |                  |                                                    |
| Day-to-Day Contact                |              |       |              |               |                  |                                                    |
| Eligibility/Enrollment            |              |       |              |               |                  |                                                    |
| Claims Supervisor                 |              |       |              |               |                  |                                                    |
| Member Services Supervisor        |              |       |              |               |                  |                                                    |
| Operations Manager                |              |       |              |               |                  |                                                    |
| Medical Director                  |              |       |              |               |                  |                                                    |
| Other Important Roles             |              |       |              |               |                  |                                                    |

2. For the account contacts below, if not already provided in the references section, please provide the following:

|                   | Number of years with organization | Number of years in current position | Total number of accounts | Name of two similar accounts for which this person served in a similar capacity (including company name, city and state, contact name and phone number and/or e-mail address) |
|-------------------|-----------------------------------|-------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Account Executive |                                   |                                     |                          |                                                                                                                                                                               |
| Account Manager   |                                   |                                     |                          |                                                                                                                                                                               |

|                        |  |  |  |  |
|------------------------|--|--|--|--|
| Clinical Resource      |  |  |  |  |
| Implementation Manager |  |  |  |  |

3. Explain how you monitor legislative and regulatory changes at both the federal and state levels and provide notification of changes to the State of Delaware when appropriate. How frequently are notifications sent in the event of legislative and regulatory changes?
4. As noted in Section II. Terms and Conditions, an activity central to the Scope of Services cannot take place at a physical location outside of the United States. Only support activities, including those by a subcontractor, may be performed at satellite facilities such as a foreign office or division. Please identify any support activities taking place at a physical location outside of the United States, including the type of activity, the company name of any subcontractor that is used for the activity and the location(s) where the activity is being performed.
5. Please describe your ability to proactively outreach to and engage with covered plan participants, particularly those who live outside of Delaware, on plan-related communications and resources available to support participants’ care needs. Describe what this outreach would consist of, how frequently it would occur, and any additional information you would need in order for your engagement efforts to be successful. Confirm that this outreach would occur at no additional cost to the State.

### 3.0 GHIP Strategic Direction

Note: In this section, you will be asked to describe how your proposal will help the SEBC achieve the goals of the GHIP Strategic Framework (<https://dhr.delaware.gov/benefits/facts-figures/documents/2020-ghip-strategic-framework.pdf>).

As outlined in Section I. Introduction, there are elements of the GHIP that are required by Delaware Code, including the types of medical plan options offered as well as the employee/pensioner cost sharing (as a percentage of total plan premiums); these required elements impact the ways in which the GHIP Strategic Framework goals can be achieved.

1. Please describe how your proposal would support the following goal of the GHIP Strategic Framework: Increase the proportion of GHIP spend through advanced alternative payment models.
2. Please describe how your proposal would support the following goal of the GHIP Strategic Framework: Reduce GHIP diabetic cost per-member-per-month (PMPM).
3. Please describe how your proposals for Current State and Illustrative Future State would support the following goal of the GHIP Strategic Framework: Limit total cost of care inflation for GHIP participants at a level commensurate with the Health Care Spending Benchmark (<https://dhss.delaware.gov/dhcc/global.html>) by the end of FY2023 by focusing on specific components, which are inclusive of, but not limited to: outpatient facility costs, inpatient facility costs, and pharmaceutical costs.

4. Please describe how your proposal would support the following goal of the GHIP Strategic Framework: Offer point-of-enrollment and/or point-of-care engagement platform and/or consumerism tools along with solutions to increase GHIP member engagement in those tools.
5. Provide details on how the effectiveness of the programs captured within your proposal would be measured, including sample reports and case studies from other plan sponsors that have implemented similar solutions.
6. Please describe how your proposal would offer solutions that uphold and support the Affordability Targets of the Delaware Department of Insurance's Office of Value Based Health Care Delivery. The Affordability Targets are described in detail on the Office of Value Based Health Care Delivery's website (<https://insurance.delaware.gov/divisions/consumerhp/ovbhcd/>).

### **3.0 Medical Plan Administration**

#### **3.1 Implementation**

1. Describe the challenges, roadblocks, and lessons learned from similar implementations over the past two (2) years, and the challenges that remain going forward. Additionally, please provide metrics and benchmarks that your organization uses to track and measure implementation success.
2. Please describe how your organization plans to ensure success during go-live and what specific actions will be taken post implementation. In order to ensure success, please identify any additional requests that your organization would like to make to support implementation (e.g., 24 months of historical claims data).
3. Describe the State resources needed to support implementation and ongoing management of any of the subcontracted programs included in your proposal, including any expectations for support with communicating the program(s) to GHIP participants.

#### **3.2 Enrollment Data Processing**

1. On which of the following frequencies are you are able to update enrollment data:

| <b>Frequency</b>                              | <b>Your current ability to support</b> |
|-----------------------------------------------|----------------------------------------|
| a. Real-time                                  |                                        |
| b. Multiple times per day (but not real-time) |                                        |
| c. Daily                                      |                                        |
| d. Weekly                                     |                                        |
| e. Less frequently than weekly                |                                        |

2. Which of the below methods are available to employers to add, change, terminate enrollees and view enrollment status by member for enrollment processing?

|                | Available method to add / modify enrollees |
|----------------|--------------------------------------------|
| a. Web         |                                            |
| b. Telephonic  |                                            |
| c. Paper-based |                                            |

3. What is your turn-around time for loading electronic enrollment files?
4. What is your turn-around time for handling enrollment records that error out of the general load process?

### 3.3 Claims Administration

1. What is the name of the medical claims processing system platform you have proposed for the State of Delaware?
2. Describe why you are proposing the above stated medical claims processing system platform for the State of Delaware.
3. Provide the following information (for the most recent calendar year) for your proposed medical claim office facility(ies) that will be supporting the State of Delaware:

|                                                          | Location 1 | Location 2 |
|----------------------------------------------------------|------------|------------|
| a. Office location (city, state)                         |            |            |
| b. Hours of Operation M-F (specify time zone)            |            |            |
| c. Hours of Operation Sat/Sun (specify time zone)        |            |            |
| d. Number of representatives (“MSR”) (#.##)              |            |            |
| e. % of representatives working remotely (telecommuting) |            |            |
| f. Average years of experience (#.##)                    |            |            |
| g. Ratio of representatives to members (1:xx)            |            |            |
| h. Blockage rate                                         |            |            |
| i. Abandonment rate                                      |            |            |

|                                                                                                    |  |  |
|----------------------------------------------------------------------------------------------------|--|--|
| j. Average speed to answer (in seconds) by a live person                                           |  |  |
| k. Member satisfaction level                                                                       |  |  |
| l. Average MSR turnover rate                                                                       |  |  |
| m. Average duration time of MSR calls (plan’s standard performance metric)                         |  |  |
| n. Average duration time of MSR calls (unit’s actual performance)                                  |  |  |
| o. First call resolution rate (calls not requiring call back by either party)                      |  |  |
| p. Average caseload (if unit is providing advocacy/navigation support for State plan participants) |  |  |

4. Are you planning any major upgrades to your claim system that will be used to process the State of Delaware's claims within the next 36 months?
5. The Medicare Supplement plan is currently administered with Medicare “crossover” (i.e., a voluntary data sharing agreement, or VD SA) under which claims are automatically sent from Medicare to the secondary carrier for processing. Describe your Medicare crossover program process and confirm that this is included in your fees.

### 3.4 Payment Integrity

1. Payment integrity is the process of ensuring that a healthcare claim is paid correctly by the responsible party, for eligible members, according to contractual terms. Payment integrity uses data mining and analytics to identify fraudulent, erroneous, duplicative or abusive claims. As part of your response, please address the following core areas, including: subrogation; COB/third-party liability; fraud, waste and abuse; error/clinical editing and administrative overpayment.
2. Provide a detailed description of all business partners, joint ventures, outsourcing and co-sourcing relationships currently in place to support your firm's payment integrity business and legal functions.
3. Describe in detail your firm's ability to support Prospective Payment Integrity (PPI) processes across each functional area (Subrogation, Fraud, Waste and Abuse, etc.). Please describe the internal and external processes that are available to support PPI, including efficient data sharing, coordinated workflows, and Application Programming Interfaces (APIs) that are available to move logic and algorithms into the Prospective Edit Modules in your firm's claim system.
4. Describe the technology and analytics solutions that are used to support the end-to-end payment integrity process. Include in your description any systems, capabilities and/or



software used to identify payment integrity cases prior to adjudication and to support payment integrity business processes.

5. Provide examples of your reports and metrics used to measure payment integrity performance.
6. Describe your firm's subrogation specific differentiators and any business processes and practices that are more innovative than competitors in the marketplace.
7. Describe all communication efforts with plan members, including subrogation questionnaires and calls necessary to investigate potential payment integrity cases. In addition, please detail the ability to customize member outreach based on client preferences.
8. Describe your firm's fraud, waste and abuse specific differentiators and any business processes and practices that are more innovative than competitors in the marketplace.

### **3.5 Plan Performance Auditing**

1. Are there any limitations or restrictions regarding an audit of your claim administration and members services performance (e.g., limit on the number of calls/transactions audited per year, number of audits)? If yes, please describe all limitations and restrictions.
2. Indicate your contractual stipulations to submit to external audits that verify the accuracy of your member services, claims repricing and/or adjudication functions when requested by your clients.

### **3.6 Banking Arrangements**

1. Based on the description of the State's preferred banking arrangements noted in the Minimum Requirements, please describe any issues or concerns you have with the State's preferences vs. your preferred banking arrangement.
2. What are the reconciliation services that are included in your standard fees?
3. On what basis are banking reports available? (i.e., processed claims, checks cleared, checks issued, etc.)
4. What type of financial reports will be generated in conjunction with the bank reconciliation and auditing procedures?
5. What reconciliation services do you provide for banking reports compared to claim reports?
6. What escheatment services do you provide for checks that have been mailed but never cashed? Is this service included in your standard fee?

### **3.7 Reporting**

1. Are you able to provide all the reporting listed on Attachment 1, Master Report List? If not, which reports are you unable to produce?
2. Please describe any additional reports you can provide to the State of Delaware on the experience of the Medicare Supplement plan.

## 4.0 Member Services

1. For the most recent calendar year, please provide the requested information for your proposed member service center location.

|                                                                                                    | Location |
|----------------------------------------------------------------------------------------------------|----------|
| a. Office location (city, state)                                                                   |          |
| b. Hours of Operation M-F (specify time zone)                                                      |          |
| c. Hours of Operation Sat/Sun (specify time zone)                                                  |          |
| d. Number of representatives (“MSR”) (#.##)                                                        |          |
| e. % of representatives working remotely (telecommuting)                                           |          |
| f. Average years of experience (#.##)                                                              |          |
| g. Ratio of representatives to members (1:xx)                                                      |          |
| h. Blockage rate                                                                                   |          |
| i. Abandonment rate                                                                                |          |
| j. Average speed to answer (in seconds) by a live person                                           |          |
| k. Member satisfaction level                                                                       |          |
| l. Average MSR turnover rate                                                                       |          |
| m. Average duration time of MSR calls (plan’s standard performance metric)                         |          |
| n. Average duration time of MSR calls (unit’s actual performance)                                  |          |
| o. First call resolution rate (calls not requiring call back by either party)                      |          |
| p. Average caseload (if unit is providing advocacy/navigation support for State plan participants) |          |

2. Please describe the member service unit that will be assigned to handle the State of Delaware's account as follows:
  - Dedicated unit, members from a single employer,
  - Designated unit, members from a specific a group of employers, or
  - Not a dedicated or designated unit, all members.
3. Is this unit co-located in the same service location with claims payment operations that will be supporting the State?
4. If the member service unit assigned to handle the State of Delaware's account will be providing member advocacy and navigation support to State plan participants, do the individual service representatives have confidential telephonic voice mail as an option available for members to leave messages?
5. Describe how your member service unit and self-service tools integrate with existing member resources (including those on the Statewide Benefits Office website that would not be provided by your organization) to provide a seamless member experience that does not add

complexity for the member. Does your program always use warm-transfers when referring members to complementary programs?

6. Describe concisely how member service staff will be trained and prepared, in advance, to support State plan participants.
7. Please describe the hiring criteria and length and type of mandatory training for newly hired member service representatives. Describe how hiring and initial and ongoing training are different for supporting retired members.
8. Regarding your process of measuring performance for member service representatives, how much of their performance is weighted to the following:

|                                        | Performance Weighting |
|----------------------------------------|-----------------------|
| a. Average speed of answer             |                       |
| b. Call duration                       |                       |
| c. First call resolution               |                       |
| d. Member satisfaction                 |                       |
| e. Other, specify in details box below |                       |
| f. Other, specify in details box below |                       |

9. Are 100% of member calls recorded?
10. Do you currently offer a 24/7 interactive voice response (IVR) unit for members if live agents are not available?
11. Does your IVR script give callers the option of opting out in order to speak to a live person without going through the entire menu?
12. Please provide the URL, User ID and password to your member portal and personal health record.
13. Please provide the name and demo access information for any smart-phone/tablet apps that support member services functionality.
14. Do you provide language service to assist non-English speaking members?

## 5.0 Fees Assumptions and Performance Guarantees

### 5.1 Financial Assumptions

1. Please confirm that the following services are included in your guaranteed fees. If not, please specify any deviations and the additional cost.

|                         | Confirmation | If not confirmed, describe | Additional cost |
|-------------------------|--------------|----------------------------|-----------------|
| a. Claim administration |              |                            |                 |

|                                                                                                       |  |  |  |
|-------------------------------------------------------------------------------------------------------|--|--|--|
| b. Implementation and set-up costs                                                                    |  |  |  |
| c. Enrollment meeting assistance, as needed                                                           |  |  |  |
| d. Large case management                                                                              |  |  |  |
| e. Member service (phone, IVR, Web access and mobile device applications)                             |  |  |  |
| f. Eligibility - maintaining eligibility files and providing certification to providers, as requested |  |  |  |
| g. Customized ID cards (with alternate employee ID numbers and PBM's logo/customer service number)    |  |  |  |
| h. ID cards - Production and mailing to employee homes                                                |  |  |  |
| i. Temporary ID card available through the Web or mobile device                                       |  |  |  |
| j. Printing/distribution of standard provider directories (via CSR, IVR, Web, and mobile device)      |  |  |  |
| k. Printing/distribution of standard claim forms (via CSR, IVR, and Web), if requested                |  |  |  |
| l. Printing/distribution of standard EOBs (via CSR, IVR, and Web)                                     |  |  |  |
| m. SPD assistance, draft SPD                                                                          |  |  |  |
| n. SPD assistance, review and sign-off                                                                |  |  |  |
| o. Collection and reimbursement of overpayments                                                       |  |  |  |
| p. Website access to member service                                                                   |  |  |  |
| q. Standard management report packages with online access                                             |  |  |  |
| r. Ad hoc reporting fees                                                                              |  |  |  |
| s. Bank reports that reconcile to invoiced claim reimbursements                                       |  |  |  |
| t. Self-administered billing (to be paid one month after coverage month)                              |  |  |  |

|                                                                                                                                                    |  |  |  |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|
| u. As frequently as quarterly but no less than semi-annual meetings to present analysis of utilization and cost drivers by a health plan clinician |  |  |  |
| v. Printing/ mailing replacement/ additional ID cards to retiree homes (ongoing)                                                                   |  |  |  |
| w. Run-out claim processing, minimum 12 months                                                                                                     |  |  |  |
| x. File transfers to the State of Delaware's data warehouse vendor                                                                                 |  |  |  |
| y. Data file intake for PBM, etc.                                                                                                                  |  |  |  |
| z. Claim fiduciary for final claims appeals, including defense of lawsuits                                                                         |  |  |  |
| aa. Claim fiduciary for final claims appeals but not including defense of lawsuits                                                                 |  |  |  |
| bb. Managing payment of paid claims surcharges/ tax for Massachusetts, Michigan, and New York                                                      |  |  |  |
| cc. Other, please describe                                                                                                                         |  |  |  |

2. Confirm that your fees are quoted on a mature basis for year one.
3. Under what conditions do you reserve the right to change your administrative fees? Specify the percentage limits you apply and the resulting change in fees.
4. Confirm that if the State of Delaware's enrollment growth exceeds your expectations, your per-retiree fees will decrease.
5. Describe the fee structure and include a listing of all primary and ancillary fees applicable to your payment integrity recovery services.
6. Complete the following table in regard to additional revenue sources and/or fee types that are not traditionally included in your standard ASO pricing proposals.

| <b>Revenue source / fee type</b> | <b>Included in the standard ASO per-contract-holder-per-month (PCPM) fee?</b> | <b>Can an employer opt-out of the program?</b> | <b>Please also indicate whether these fees can be charged as a PCPM or per-member-per-month (PMPM) and included in the standard ASO fee</b> |
|----------------------------------|-------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Subrogation                      |                                                                               |                                                |                                                                                                                                             |

|                                          |  |  |  |
|------------------------------------------|--|--|--|
| Hospital/Professional Bill Audit         |  |  |  |
| DRG Audit and Recovery                   |  |  |  |
| Inpatient Admission Retrospective Review |  |  |  |
| Medical Implant Device Audits            |  |  |  |
| COB Vendor Recoveries                    |  |  |  |
| Fraud and Abuse Management               |  |  |  |
| Credit Balance Recovery                  |  |  |  |
| External Reviews                         |  |  |  |
| Other                                    |  |  |  |

## 5.2 Performance Guarantees

1. What percentage of your administrative fees you are willing to put at risk for performance guarantees, in total and to be split across all operational, clinical and financial guarantees? Please specify fees at risk as well as the approximate dollars at risk based on your quoted fees.
2. What performance guarantees are you willing to put in place related to your organization providing oversight of any subcontractor or third-party partner included in your proposal to the State?
3. Do you offer performance guarantees for your payment integrity processes, including how such guarantees would be measured (e.g., timeliness, reporting)?

## **6.0 Other Value Added Services**

1. Please describe any other programs or services that you suggest the State of Delaware consider in order to meet the State's goals and objectives outlined in the Introduction section.
2. Please review the SBO's website at <https://dhr.delaware.gov/benefits/> and then describe any other creative ways that you suggest the State should consider to educate GHIP Medicare participants on their benefit programs and what it means to be a good health care consumer.
3. Describe your differentiators, and any business processes and practices that are more innovative than competitors in the marketplace. Also, describe any innovations in your service delivery model over the past twenty-four (24) months that will have an impact on self-funded plan sponsors.

## V. Financial Proposal

### Instructions:

Please populate the table below with your proposed fees for administering a Medicare Supplement plan in accordance with the Scope of Services outlined in Section I of this RFP.

| Medicare Supplement Plan ASO Fees                                                          | Year 1 Mature: 1/1/25 - 12/31/25                                                                                                                                                                                                                                                                          | Year 2: 1/1/26 - 12/31/26 | Year 3: 1/1/27 - 12/31/27 | Comments |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|----------|
| <b>Assumptions</b>                                                                         |                                                                                                                                                                                                                                                                                                           |                           |                           |          |
| Enrollment (primary subscribers/contract-holders only; the "C" in "PCPM" references below) |                                                                                                                                                                                                                                                                                                           |                           |                           |          |
| <b>Implementation</b>                                                                      |                                                                                                                                                                                                                                                                                                           |                           |                           |          |
| One Time Implementation fee                                                                |                                                                                                                                                                                                                                                                                                           |                           |                           |          |
| <b>ASO Fees - PCPM</b>                                                                     |                                                                                                                                                                                                                                                                                                           |                           |                           |          |
| Total Monthly ASO Fees (PCPM)                                                              |                                                                                                                                                                                                                                                                                                           |                           |                           |          |
| Guaranteed Rate Cap - Optional Renewal for Year 3                                          |                                                                                                                                                                                                                                                                                                           |                           |                           |          |
| <b>Components of your Total Monthly ASO Fees (PCPM)</b>                                    | <b>Please provide the breakdown of the Total Medicare Supplement ASO PCPM fee that you have provided by the items listed. If any of these items can't be broken out, please include the fee in the "Other Fees in Total ASO Fee" row. All items in this section should add up to your Total PCPM fee.</b> |                           |                           |          |



| <b>Medicare Supplement Plan ASO Fees</b>                                                                     | <b>Year 1 Mature: 1/1/25 - 12/31/25</b> | <b>Year 2: 1/1/26 - 12/31/26</b> | <b>Year 3: 1/1/27 - 12/31/27</b> | <b>Comments</b> |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|----------------------------------|-----------------|
| Medical Claims Administration                                                                                |                                         |                                  |                                  |                 |
| BH/CD Administration                                                                                         |                                         |                                  |                                  |                 |
| Member Services Toll Free Telephone line                                                                     |                                         |                                  |                                  |                 |
| Concierge Navigation Support (if part of your proposal to the State)                                         |                                         |                                  |                                  |                 |
| General Administration (Enrollment processing, ID cards, banking, reports on the State's Master Report List) |                                         |                                  |                                  |                 |
| Claim Fiduciary Liability                                                                                    |                                         |                                  |                                  |                 |
| Utilization Review (concurrent review, discharge planning)                                                   |                                         |                                  |                                  |                 |
| Case Management                                                                                              |                                         |                                  |                                  |                 |
| 24-hour Nurse-line                                                                                           |                                         |                                  |                                  |                 |
| Other Fees in Total ASO Fee                                                                                  |                                         |                                  |                                  |                 |
| <b>ASO Fee Components Calculated Total (Monthly)</b>                                                         |                                         |                                  |                                  |                 |
| <b>Total ASO Fee (based on Enrollment Assumptions above)</b>                                                 |                                         |                                  |                                  |                 |
| Total Monthly Cost                                                                                           |                                         |                                  |                                  |                 |
| Total Annual Cost                                                                                            |                                         |                                  |                                  |                 |
| Dollar Change                                                                                                |                                         |                                  |                                  |                 |
| Percentage Change                                                                                            |                                         |                                  |                                  |                 |
| <b>Enrollment Tiered ASO Fees – PCPM</b>                                                                     |                                         |                                  |                                  |                 |
| Total Monthly ASO Fees (PCPM) - Less than 25,000 subscribers                                                 |                                         |                                  |                                  |                 |
| Total Monthly ASO Fees (PCPM) - 25,000 - 29,999 subscribers                                                  |                                         |                                  |                                  |                 |
| Total Monthly ASO Fees (PCPM) - 30,000 - 34,999 subscribers                                                  |                                         |                                  |                                  |                 |

| <b>Medicare Supplement Plan ASO Fees</b>                                                                                                                                  | <b>Year 1 Mature: 1/1/25 - 12/31/25</b> | <b>Year 2: 1/1/26 - 12/31/26</b> | <b>Year 3: 1/1/27 - 12/31/27</b> | <b>Comments</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|----------------------------------|-----------------|
| Total Monthly ASO Fees (PCPM) - 35,000 - 39,999 subscribers                                                                                                               |                                         |                                  |                                  |                 |
| Total Monthly ASO Fees (PCPM) - 40,000 - 44,999 subscribers                                                                                                               |                                         |                                  |                                  |                 |
| Please confirm your guaranteed rate cap for Year 3 (as a % of prior year's ASO fee), and confirm whether this cap is the same for all enrollment tiers (if not, explain). |                                         |                                  |                                  |                 |
| <b>Other Fees (Not included in Total ASO Fee)</b>                                                                                                                         |                                         |                                  |                                  |                 |
| Appeals Review (per hour)                                                                                                                                                 |                                         |                                  |                                  |                 |
| Ad-hoc Reporting (per hour)                                                                                                                                               |                                         |                                  |                                  |                 |
| Case Management (per hour)                                                                                                                                                |                                         |                                  |                                  |                 |
| Subrogation (per hour)                                                                                                                                                    |                                         |                                  |                                  |                 |
| Claim Repricing (Per Claim)                                                                                                                                               |                                         |                                  |                                  |                 |
| Claim Run-in (PCPM)                                                                                                                                                       |                                         |                                  |                                  |                 |
| Claim Run-out (PCPM)                                                                                                                                                      |                                         |                                  |                                  |                 |
| Customized Member Portal (PCPM)                                                                                                                                           |                                         |                                  |                                  |                 |
| Customized Mobile App (PCPM)                                                                                                                                              |                                         |                                  |                                  |                 |
| Real-time Eligibility Access (PCPM)                                                                                                                                       |                                         |                                  |                                  |                 |
| Custom ID Cards (PCPM)                                                                                                                                                    |                                         |                                  |                                  |                 |
| Data transfer to partners (enrollment to PBM)                                                                                                                             |                                         |                                  |                                  |                 |
| Data receipt from partners (Rx claims from PBM)                                                                                                                           |                                         |                                  |                                  |                 |
| Data transfer (claims, enrollment data) to Merative Health data warehouse                                                                                                 |                                         |                                  |                                  |                 |

| <b>Medicare Supplement Plan ASO Fees</b>                                                                           | <b>Year 1 Mature: 1/1/25 - 12/31/25</b> | <b>Year 2: 1/1/26 - 12/31/26</b> | <b>Year 3: 1/1/27 - 12/31/27</b> | <b>Comments</b> |
|--------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|----------------------------------|-----------------|
| Data transfer (claims) to the Delaware Health Information Network (DHIN)                                           |                                         |                                  |                                  |                 |
| Capitation fees or other charges not identified (describe and convert to PCPM)                                     |                                         |                                  |                                  |                 |
| Other Fees not yet Included                                                                                        |                                         |                                  |                                  |                 |
| <b>Funding/Credits</b>                                                                                             |                                         |                                  |                                  |                 |
| Implementation Fund/Credit                                                                                         |                                         |                                  |                                  |                 |
| Confirm if there are any enrollment limitations that reduce funding allotment                                      |                                         |                                  |                                  |                 |
| Confirm if funding is annual or one-time                                                                           |                                         |                                  |                                  |                 |
| Please specify how this fund can be used (i.e., pre-implementation claims audits, data feed fees, buy-up programs) |                                         |                                  |                                  |                 |
| Communications Fund/Credit                                                                                         |                                         |                                  |                                  |                 |
| Confirm if there are any enrollment limitations that reduce funding allotment                                      |                                         |                                  |                                  |                 |
| Confirm if funding is annual or once                                                                               |                                         |                                  |                                  |                 |
| Please specify how this fund can be used (i.e., custom communications, postage for member mailings)                |                                         |                                  |                                  |                 |

# **APPENDICES**

## APPENDIX A

### STATE OF DELAWARE NON-COLLUSION STATEMENT

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

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

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

COMPANY NAME \_\_\_\_\_

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

(Check one)

NAME OF AUTHORIZED REPRESENTATIVE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ TITLE \_\_\_\_\_

COMPANY ADDRESS \_\_\_\_\_

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

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

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

FEDERAL E.I. NUMBER \_\_\_\_\_

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

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

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

ADDRESS \_\_\_\_\_

CONTACT \_\_\_\_\_

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

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

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

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

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

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

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

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

## APPENDIX B

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

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

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

I certify that our response to the State of Delaware's Request for Proposal for an Employer-Sponsored Medicare Supplement Plan, DHR2303-MedSuppPlan, 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

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

| <b>PART I – STATEMENT BY PROPOSING VENDOR</b>     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 1. CONTRACT NO.<br>DHR2303-MedSuppPlan            | 2. Proposing Vendor Name:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 3. Mailing Address |
| 4. SUBCONTRACTOR                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    |
| a. NAME                                           | 4c. Company OSD Classification:<br><br>Certification Number: _____                                                                                                                                                                                                                                                                                                                                                                                                                                         |                    |
| b. Mailing Address:                               | 4d. Women Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No<br>4e. Minority Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No<br>4f. Disadvantaged Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No<br>4g. Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No<br>4h. Service Disabled Veteran Owned Business Enterprise <input type="checkbox"/> Yes <input type="checkbox"/> No |                    |
| 5. DESCRIPTION OF WORK BY SUBCONTRACTOR           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    |
| 6a. NAME OF PERSON SIGNING                        | 7. BY <i>(Signature)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 8. DATE SIGNED     |
| 6b. TITLE OF PERSON SIGNING                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    |
| <b>PART II – ACKNOWLEDGEMENT BY SUBCONTRACTOR</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    |
| 9a. NAME OF PERSON SIGNING                        | 10. BY <i>(Signature)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 11. DATE SIGNED    |
| 9b. TITLE OF PERSON SIGNING                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                    |



## APPENDIX E

|                                                  |
|--------------------------------------------------|
| <b>EMPLOYING DELAWAREANS REPORT<sup>18</sup></b> |
|--------------------------------------------------|

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

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

If subcontractors are to be used:

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

---

<sup>18</sup> The number of Delawareans employed by your organization are not taken into consideration during the evaluation or scoring of your bid.

## APPENDIX F

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

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

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

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



## APPENDIX H

### DATA CONFIDENTIALITY AGREEMENT

#### Data Exchange of Enrollment in the Group Health Insurance Plan

This Data Confidentiality Agreement (“Agreement”) is undertaken and effective on the date of the State Employee Benefit Committee (“SEBC”) award on \_\_\_\_\_ pursuant to the parties’ performance of a certain contract (“Contract”) effective January 1, 2025, by and between the State of Delaware (“State”) by and through the Department of Human Resources (“DHR”) on its own behalf and on behalf of the group health plan it sponsors for employees, retirees, and other covered persons, collectively referred to hereafter as “Covered Persons”, and \_\_\_\_\_ (“Contractor”) with offices at \_\_\_\_\_, (“Parties”).

WHEREAS, the State issued a Request for Proposal (“RFP”) for an Employer-Sponsored Medicare Supplement Plan on October 24, 2023;

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

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

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

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

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

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

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

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

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

**STATE OF DELAWARE**  
**DEPARTMENT OF HUMAN RESOURCES**

**CONTRACTOR**

\_\_\_\_\_  
 Signature  
 Faith L. Rentz  
 Director of Statewide Benefits  
 and Insurance Coverage

\_\_\_\_\_  
 Signature  
 Printed Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Date

## APPENDIX I

### DELAWARE BUSINESS ASSOCIATE AGREEMENT

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

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

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

#### I. DEFINITIONS

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

##### A. Specific Definitions

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

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

A. During the continuance of the Contract, Contractor will perform services necessary in connection with the Plan as outlined in the Contract. These services may include Payment activities, Health Care Operations, and Data Aggregation as these terms are defined in 45 CFR §164.501. In connection with the services to be performed pursuant to the Contract, Contractor is permitted or required to use or disclose PHI it creates or receives for or from the Plan or to request PHI on the Plan’s behalf as provided below.

B. Functions and Activities on the Plan’s Behalf. Unless otherwise limited in this BA Agreement, Contractor may use or disclose PHI to perform functions, activities, or services for, or on behalf of, the Plan as specified in the Contract. Contractor may decide in its own reasonable discretion what uses and disclosures of PHI are required for it to perform administrative services for the Plan as outlined in this BA Agreement and in the Contract as well as in accordance with the law.

1. Use for Contractor's Operations. Contractor may use PHI it creates or receives for or from the Plan for Contractor's proper management and administration or to carry out Contractor's legal responsibilities in connection with services to be provided under the Contract.
2. Disclosures for Contractor's Operations. Contractor may disclose the minimum necessary of such PHI for Contractor's proper management and administration or to carry out Contractor's legal responsibilities, but only if the following conditions are met:
  - a. The disclosure is required by law; or
  - b. Contractor obtains reasonable assurance, evidenced by written contract, from any person or organization to which Contractor will disclose such PHI that the person or organization will:
    - i) Hold such PHI in confidence and use or further disclose it only for the purpose for which Contractor disclosed it to the person or organization or as required by law; and
    - ii) Promptly notify Contractor (who will in turn promptly notify the Plan) of any instance of which the person or organization becomes aware in which the confidentiality of such PHI was breached.
3. Minimum Necessary Standard. In performing functions and activities in connection with the Contract, Contractor agrees to make reasonable efforts to use, disclose or request only the minimum necessary PHI to accomplish the intended purpose of the use, disclosure or request.

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

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

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

### **III. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR**

- A. Contractor will develop, document, implement, maintain and use appropriate administrative, technical and physical safeguards to preserve the integrity and confidentiality of, and to prevent non-permitted use or disclosure of, PHI created or received for or from the Plan.
- B. Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI by Contractor in violation of the requirements of this BA Agreement.
- C. Contractor agrees to report to Covered Entity, without unreasonable delay and in any event within thirty (30) days, any use or disclosure of the PHI not provided for by this BA Agreement or otherwise in writing by the Plan. Contractor shall maintain a written log recording the date, name of Covered Person and description of PHI for all such unauthorized use or disclosure and shall submit such log to the Plan Sponsor semiannually and by request. Contractor agrees to directly provide notice to any effected participants in the event of a Breach and to send a written log each such Breach and notice to participants to the Covered Entity within thirty (30) days of notification. Contractor agrees to notify participants in accordance with the guidelines and standards set forth by the Department of Health and Human Services under the American Reinvestment & Recovery Act and the HITECH Act. Upon termination of BA Agreement, the Contractor agrees to transfer all logs that contain the accounting of PHI Disclosure to the Plan or a designee.
- D. Contractor will require that any agent, including a subcontractor, to whom it provides PHI as permitted by this BA Agreement (or as otherwise permitted with the Plan's prior written approval), agrees to the same restrictions and conditions that apply through this BA Agreement to Contractor with respect to such information.
- E. Contractor agrees to make internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Contractor on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the HIPAA Rules.
- F. Contractor agrees to implement administrative, physical, and technical safeguards (as set forth in the Security Rule) that reasonably and appropriately protect the confidentiality and integrity (as set forth in the Security Rule), and the availability of Electronic PHI, if any, that Contractor creates, receives, maintains, or transmits electronically on behalf of Covered Entity. Contractor agrees to establish and maintain security measures sufficient to meet the safe harbor requirements established pursuant to ARRA by making data unreadable, indecipherable, and unusable upon receipt by an unauthorized person. Contractor agrees to provide adequate training to its staff concerning HIPAA and Contractors responsibilities under HIPAA.
- G. Contractor agrees to report to Covered Entity any Security Incident of which Contractor becomes aware.
- H. Contractor agrees to ensure that any agent, including a subcontractor, to whom it provides Electronic PHI, agrees to implement reasonable and appropriate safeguards to protect such information.

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

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



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

- B. Amendment.** Contractor and the Plan agree that, wherever feasible, and to the extent that responsive information is in the possession of Contractor, Contractor will amend PHI as required by 45 CFR §164.526 on the Plan's behalf. Contractor will amend such PHI according to its own procedures for such amendment. Contractor represents that its procedures for such amendment comply with the requirements of 45 CFR §164.526. Such amendment will not relieve the Plan of any additional and independent obligations to amend PHI where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will amend such PHI contained in a Designated Record Set, in accordance with the requirements of 45 CFR §164.526. Upon receipt of written or electronic notice from the Plan, Contractor will amend or permit the Plan access to amend any portion of the PHI created or received for or from the Plan in Contractor's custody or control, so that the Plan may meet its amendment obligations under 45 CFR §164.526.
- C. Disclosure Accounting.** So that the Plan may meet its disclosure accounting obligations under 45 CFR §164.528, Contractor and the Plan agree that, wherever feasible and to the extent that disclosures have been made by Contractor, Contractor will provide the accounting that is required under 45 CFR §164.528 on the Plan's behalf. Contractor will provide such accounting according to its own procedures for such accounting. Contractor represents that its procedures for such accounting comply with the requirements of 45 CFR §164.528. Such provision of disclosure accounting will not relieve the Plan of any additional and independent obligations to provide disclosure accounting where requested by an individual. Accordingly, upon the Plan's written or electronic request or the direct request of a Covered Person or the Covered Person's Personal Representative, Contractor will provide an accounting as set forth below.

1. Disclosure Tracking

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

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

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

2. Exceptions from Disclosure Tracking

Contractor is not required to record disclosure information or otherwise account for disclosures of PHI that this BA Agreement or the Plan in writing permits or requires: (i) for the purpose of the Plan's payment activities or health care operations, (ii) to the individual who is the subject

of the PHI disclosed, or to that individual's personal representative; (iii) to persons involved in that individual's health care or payment for health care; (iv) for notification for disaster relief purposes, (v) for national security or intelligence purposes, (vi) to law enforcement officials or correctional institutions regarding inmates; (vii) pursuant to an authorization; (viii) for disclosures of certain PHI made as part of a limited data set; (ix) for certain incidental disclosures that may occur where reasonable safeguards have been implemented; (x) for disclosures prior to April 14, 2003; or (xi) as otherwise excepted under 45 CFR §164.528.

### 3. Disclosure Tracking Time Periods

Contractor will have available for the Plan or for Covered Persons the Disclosure Information required for the six (6) years immediately preceding the date of the Plan's request for the Disclosure Information (except Contractor will not be required to have Disclosure Information for disclosures occurring before April 14, 2003) or when it was last in effect, whichever is later.

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

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

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

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

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

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

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

**A. Effect of Termination.**

1. Return or Destruction upon Contract End

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

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

2. Disposition When Return or Destruction Not Feasible

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

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

- A. Communication of PHI.** Except as specifically agreed upon by Contractor, the Plan and Plan Sponsor, and in compliance with any requirements imposed by this Section VII, all disclosures of PHI from Contractor pursuant to the Contract shall be made to the Plan, except for disclosures related to enrollment or disenrollment in the Plan.
- B. Summary Health Information.** Upon Plan Sponsor's written request for the purpose either to, (a) obtain premium bids for providing health insurance coverage for the Plan, or (b) modify, amend or terminate the Plan, Contractor is authorized to provide Summary Health Information regarding the Covered Persons in the Plan to Plan Sponsor.
- C. Plan Sponsor Representation.** Plan Sponsor represents and warrants (A) that the Plan has been established and is maintained pursuant to law, (B) that the Plan provides for the allocation and delegation of responsibilities for the Plan, including the responsibilities assigned to Contractor under the Contract, (C) that the Plan includes or incorporates by reference the appropriate terms of the Contract and this BA Agreement, and (D) that the Plan incorporates the provisions required by 45 CFR §164.504.
- D. Plan Sponsor's Certification.** Contractor will not disclose Covered Persons' PHI to Plan Sponsor, unless and until the Plan authorizes Contractor in writing to disclose the minimum necessary Covered Persons' PHI to Plan Sponsor for the plan administration functions to be performed by Plan Sponsor as specified in the Plan.

- E. **Contractor Reliance.** Contractor may rely on Plan Sponsor's certification and the Plan's written authorization, and will have no obligation to verify that the Plan complies with the requirements of 45 CFR §164.504 or this BA Agreement or that Plan Sponsor is complying with the Plan.
- F. **The Plan Amendment.** Before the Plan will furnish Plan Sponsor's certification described above to Contractor, the Plan will ensure (1) that its Plan establishes the uses and disclosures of Covered Persons' PHI consistent with the requirements of 45 CFR §164 that Plan Sponsor will be permitted and required to make for the plan administration functions Plan Sponsor will perform for the Plan, and (2) that Plan Sponsor agrees to all the applicable conditions imposed by §164.504 on the use or disclosure of PHI.

## VIII. **MISCELLANEOUS**

- A. **Regulatory References.** A reference in this BA Agreement to a section in the HIPAA Rules means the section as in effect or as amended, and for which compliance is required.
- B. **Survival.** The respective rights and obligations of Contractor under Section IV of this BA Agreement shall survive the termination of this BA Agreement.
- C. **Interpretation.** Any ambiguity in this BA Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the HIPAA Rules. Except to the extent specified by this BA Agreement, all of the terms and conditions of the Contract shall be and remain in full force and effect. In the event of any inconsistency or conflict between this BA Agreement and the Contract, the terms and provisions and conditions of this BA Agreement shall govern and control. Nothing express or implied in this BA Agreement and/or in the Contract is intended to confer, nor shall anything herein confer, upon any person other than the parties and the respective successors or assigns of the parties, any rights, remedies, obligations, or liabilities whatsoever. This BA Agreement shall be governed by and construed in accordance with the same internal laws that are applicable to the Contract.
- D. **Duration.** This BA Agreement will continue in full force and effect for as long as the Contract remains in full force and effect. This BA Agreement will terminate upon the cancellation, termination, expiration or other conclusion of the Contract.
- E. **Term.** The Term of this BA Agreement shall be effective as of the date appearing on the signature page, and shall terminate when all of the PHI provided by Covered Entity to Contractor, or created or received by Contractor on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with the termination provisions of this BA Agreement.
- F. **Amendment.** Upon the effective date of any final regulation or amendment to final regulations with respect to the HIPAA Rules, this BA Agreement will automatically amend such that the obligations imposed on Plan Sponsor, the Plan and Contractor remain in compliance with such regulations, unless (1) Contractor elects to terminate the Contract by providing Plan Sponsor and the Plan notice of termination in accordance with the Contract at least thirty (30) days before the effective date of such final regulation or amendment to final regulations; or (2) Contractor notifies the Plan of its objections to any such amendment. In the event of such an objection, the parties will negotiate in good faith in connection with such changes or amendment to the relevant final regulation.
- G. **Conflicts.** The provisions of this BA Agreement will override and control any conflicting provision of the Contract. All nonconflicting provisions of the Contract will remain in full force and effect.
- H. **Independent Relationship.** None of the provisions of this BA Agreement are intended to create, nor will they be deemed to create any relationship between the parties other than that of independent parties contracting with each other as independent parties solely for the purposes of effecting the provisions of this BA Agreement and the Contract.

- I. **Rights of Third Parties.** This BA Agreement is between Contractor and the Plan and the Plan Sponsor and shall not be construed, interpreted, or deemed to confer any rights whatsoever to any third party or parties.
- J. **Notices.** All notices and notifications under this BA Agreement shall be sent in writing by traceable carrier to the listed persons on behalf of Contractor, the Plan and Plan Sponsor at the addresses indicated on the signature page hereof, or such other address as a party may indicate by at least ten (10) days' prior written notice to the other parties. Notices will be effective upon receipt.
- K. **Expenses.** Unless otherwise stated in this BA Agreement or the Contract, each party shall bear its own costs and expenses related to compliance with the above provisions. Any additional expenses incurred by Contractor in connection with services to be provided pursuant to this BA Agreement shall be included in the Contract.
- L. **Documentation.** All documentation that is required by this BA Agreement or by the HIPAA Rules must be retained by Contractor for six (6) years from the date of creation or when it was last in effect, whichever is longer.

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

**For State of Delaware:**

**For Contractor:**

By: \_\_\_\_\_  
 Faith L. Rentz  
 Director, Statewide Benefits Office  
 and Insurance Coverage Office

By: \_\_\_\_\_  
 Title:  
 Printed Name:

**Addresses for Notices:**

**Addresses for Notices:**

Statewide Benefits Office, DHR  
 Attention: Ms. Faith L. Rentz, Director  
 Enterprise Business Park  
 841 Silver Lake Boulevard, Suite 100  
 Dover, DE 19904

## APPENDIX J

### PERFORMANCE GUARANTEES

**Instructions:** If you propose alternative guarantees, performance results, or definitions, please use a strikeout font and insertion. **The State requires bidders to agree to place a percentage of retention charges (fees) per contract year at risk for performance guarantees; please comment on your ability to place fees at risk for the following performance categories below, as well as your proposed percentage of fees at risk for each category.** If your offer does not receive a clarifying question or any other response from the State, it does not infer acceptance. The State reserves the right to negotiate both financial and non-financial performance guarantees with the selected vendor.

Various types of performance guarantees are addressed within the following sections of this document:

- Administrative performance guarantees
- Clinical performance guarantees
- Financial performance guarantees

#### **Administrative Performance Guarantees**

**Implementation:** While some implementation activities occur each year, such as reviewing plan design features and issuing employee communications, the bulk of the implementation activities will take place in Year 1. Since a successful program depends on a flawlessly executed implementation, a separate guarantee for implementation activities is required. An overall rating of satisfactory at the end of the implementation period is required. It will be based on ongoing feedback provided by the SBO on the status of the implementation and by April 1, 2025, the State will determine whether an overall rating of satisfactory was met. Penalty payments, if any, will be made by June 30, 2025.

**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 15<sup>th</sup> day of the month following the end of a quarter; for example, April 15 for the first quarter (January 1 – March 31) of the plan year (January 1 to December 31). Quarterly and monthly results, as applicable, 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.

**Implementation**

| <b>Performance</b>                                                  | <b>Standard</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Performance Measure</b> | <b>Frequency of Reporting</b> | <b>Fee at Risk</b> |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------|--------------------|
| Future Contract Development                                         | The vendor is expected to take their template contract form, or use the State’s professional agreement contract template, and incorporate all the terms of the RFP, their bid responses and follow-up responses by the second draft (or first draft for a current vendor) so that wholesale changes are not required.                                                                                                                                           |                            | n/a                           | 1.5%               |
| Implementation and Account Manager Performance                      | Implementation manager and account executive /manager will participate in every implementation call and will be prepared to lead the calls, based on detailed agenda sent to team in advance.                                                                                                                                                                                                                                                                   |                            | n/a                           | 1.0%               |
| Maintenance of Detailed Project Plan and Adherence to Key Deadlines | Project plan must delineate due dates, responsible parties and critical linkages between tasks, as appropriate. Project plan will be updated and distributed in advance of each implementation weekly call. All key dates will be met to the extent Vendor has control and/or has notified State of risks of failure in advance of due date. State and Vendor will agree at the beginning of implementation on which deadlines are critical to program success. |                            | n/a                           | 2.5%               |
| <b>Total for Implementation</b>                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                               | <b>5.0%</b>        |

**Ongoing Administrative Performance Guarantees**

**Total Fees at Risk – 27% and 12.5% for Implementation Annually**

| <b>Performance Guarantee</b>                                        | <b>Standard</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Performance Measure</b> | <b>Frequency of Reporting</b> | <b>Fee at Risk</b> |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-------------------------------|--------------------|
| <b>Implementation Each Plan Year</b>                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                            |                               |                    |
| Implementation and Account Manager Performance                      | Implementation manager and account executive /manager will participate in every implementation call and will be prepared to lead the calls, based on detailed agenda sent to team in advance.                                                                                                                                                                                                                                                                   |                            | n/a                           | 1.0%               |
| Maintenance of Detailed Project Plan and Adherence to Key Deadlines | Project plan must delineate due dates, responsible parties and critical linkages between tasks, as appropriate. Project plan will be updated and distributed in advance of each implementation weekly call. All key dates will be met to the extent Vendor has control and/or has notified State of risks of failure in advance of due date. State and Vendor will agree at the beginning of implementation on which deadlines are critical to program success. |                            | n/a                           | 2.5%               |
| Plan Design                                                         | Systems will be updated for accurate plan designs in time for State to conduct a pre-implementation audit.                                                                                                                                                                                                                                                                                                                                                      |                            | n/a                           | 2.0%               |
| Account Structure                                                   | Vendor will be prepared to replicate existing account structure and conduct a meeting with the State to review current account structure to ensure it is adequate to meet current reporting needs.                                                                                                                                                                                                                                                              |                            | n/a                           | 2.0%               |
| Enrollment Support                                                  | Accurate enrollment materials will be distributed to Medicare-eligible pensioners in advance of open enrollment period.                                                                                                                                                                                                                                                                                                                                         |                            | n/a                           | 2.0%               |



| Performance Guarantee        | Standard                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Performance Measure | Frequency of Reporting | Fee at Risk |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|------------------------|-------------|
|                              | <p>Where permissible according to CMS guidelines, and to provide accurate information to members of the State of Delaware’s Group Health Insurance Program, all standard communications prepared by Vendor shall contain clarification that not all Vendor’s programs, processes, services, etc. pertain to members of the State of Delaware’s Group Health Insurance Program.</p> <p>Additionally, the Plan Sponsor reserves the right to review in advance all print communications being mailed or available electronically to State of Delaware members. All communications related to State of Delaware annual Open Enrollment (specifically Plan Benefit Booklets, Summary of Benefits and Coverage, Open Enrollment Booklets, plan information) shall be complete and delivered to the Plan Sponsor in advance of the annual Open Enrollment period, provided however, that the State of Delaware provides Vendor final decisions about its intended plan designs not less than 45 days prior to the first day of the Open Enrollment period.</p> |                     |                        |             |
| Initial ID Card Distribution | ID cards will be distributed at least 20 days in advance of effective date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     | n/a                    | 1.0%        |
| Customer Service             | Customer Service center will be trained and available to respond to employee inquiries prior to the open enrollment period and will remain open and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                     | n/a                    | 2.0%        |

| <b>Performance Guarantee</b>                   | <b>Standard</b>                            | <b>Performance Measure</b> | <b>Frequency of Reporting</b> | <b>Fee at Risk</b> |
|------------------------------------------------|--------------------------------------------|----------------------------|-------------------------------|--------------------|
|                                                | available continuously from that point on. |                            |                               |                    |
| <b>Total for Implementation Each Plan Year</b> |                                            |                            |                               | <b>12.5%</b>       |

| <b>Ongoing Performance Each Plan Year</b>    |                                                                                                                                                                                                |                                        |                               |                    |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------|--------------------|
| <b>Performance Guarantee</b>                 | <b>Standard</b>                                                                                                                                                                                | <b>Performance Measure</b>             | <b>Frequency of Reporting</b> | <b>Fee at Risk</b> |
| <b>Claim Administration/Customer Service</b> |                                                                                                                                                                                                |                                        |                               |                    |
| Turnaround Time for Claims                   | Percentage of Claims Processed in 10 days; 20 days.                                                                                                                                            | 94% within 10 days, 99% within 20 days | Monthly                       | 2.0%               |
| Financial Payment Accuracy                   | Percentage of claims paid accurately (Total dollars of audited claims paid minus sum of absolute dollar value of all over/under payments divided by the total dollars of audited claims paid.) | 99%                                    | Monthly                       | 2.0%               |
| Procedural Accuracy                          | Coding accuracy per month (Coding error that results in an incorrect payment of a claim. Formula = total                                                                                       | 98%                                    | Monthly                       | 2.0%               |

| <b>Performance Guarantee</b> | <b>Standard</b>                                                                                                                                                                     | <b>Performance Measure</b>                                                           | <b>Frequency of Reporting</b> | <b>Fee at Risk</b> |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------|--------------------|
|                              | number correct claims/total number of claims audited)                                                                                                                               |                                                                                      |                               |                    |
| Payment Incident Accuracy    | Average year end accuracy (Number of correct audited payments/total number of payments audited)                                                                                     | 97.5%                                                                                | Annually                      | 2.0%               |
| Overpayment Recovery         | The percentage of overpaid funds recovered within the stated number days.                                                                                                           | 85% recovered within 120 calendar days                                               | Quarterly                     | 1.0%               |
| Telephone Response Time      | Maintain an average speed of answer of 30 seconds or less from the time of selection to speak to a live representative via the IVR system to the time a live person is on the line. | 30 seconds or less                                                                   | Monthly                       | 1.0%               |
| Call Abandonment Rate        | Calculated automatically via automatic telephone call distribution system.                                                                                                          | 2%                                                                                   | Monthly                       | 0.25%              |
| First Call Resolution        | 90% of calls will be closed on the same day as received with no returned call for the same                                                                                          | The percentage of calls closed on the same day as received with no returned call for | Quarterly                     | 1.0%               |

| <b>Performance Guarantee</b>                              | <b>Standard</b>                                                                                                                                                                                                                                                                                                       | <b>Performance Measure</b>                                                                                                                                                                                                                     | <b>Frequency of Reporting</b> | <b>Fee at Risk</b> |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------|
|                                                           | reason by the same individual within 30 calendar days.                                                                                                                                                                                                                                                                | the same reason by the same individual within 30 calendar days.                                                                                                                                                                                |                               |                    |
| Customer Service                                          | Customer Service Center staff will be trained and available to respond to employee inquiries and will remain open and available 8:30 a.m. to 7:00 p.m. Monday through Friday, EST.<br>Website is available 24/7.<br>Customer Service Center will also offer “chat” option where staff can address employee inquiries. | Customer Service Center staff will be trained and available to respond to employee inquiries and will remain open and available 8:30 a.m. to 7:00 p.m. Monday through Friday, EST.<br>(Excludes: Emergency or Weather-Related Office Closings) | On-going                      | 1.0%               |
| Enrollment/ Transfer Accuracy                             | Percentage of updates processed accurately                                                                                                                                                                                                                                                                            | 97%                                                                                                                                                                                                                                            | Monthly                       | 0.5%               |
| Timely Submission of Data to Data Warehouse Vendor        | Claims and enrollment sent by the 15 <sup>th</sup> of the month                                                                                                                                                                                                                                                       | Claims and Enrollment files: 90% timely                                                                                                                                                                                                        | Monthly                       | 1.0%               |
| ID Card Distribution (routinely throughout the plan year) | 100% mailed either within 10 days of data receipt or CMS                                                                                                                                                                                                                                                              | 99%                                                                                                                                                                                                                                            | Monthly                       | 0.25%              |

| <b>Performance Guarantee</b>                     | <b>Standard</b>                                                                                                             | <b>Performance Measure</b>                                                                                                                        | <b>Frequency of Reporting</b>        | <b>Fee at Risk</b>                   |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                  | requirements, whichever is faster                                                                                           |                                                                                                                                                   |                                      |                                      |
| Data Security                                    | Regularly advise the State of any changes in status regarding implementation of required data security procedures.          | 100%                                                                                                                                              | On-going                             | 1.0%                                 |
| Timeliness of Responding to CMS Demands          | Provide written response to CMS or third party vendor (e.g., MSPRC; if applicable) within 45 days of date demand is issued. | 98%                                                                                                                                               | On-going                             | 0.25%                                |
| Member Satisfaction Survey                       | Positive Response Rate                                                                                                      | 85% or higher                                                                                                                                     | Annually                             | 0.25%                                |
| Open Issue Resolution Time                       | 95% within 2 business days<br>98% within 5 business days                                                                    | The percentage of open inquiries from members and the SBO completed within the stated number of days from initial receipt date to resolution date | Quarterly                            | 2.0%                                 |
| Reporting (See Attachment 1, Master Report List) | Complete and Timely Submission of accurate reports, as defined in Attachment 1,                                             | Complete, accurate and timely submission of reports, as defined in Attachment 1, Master Report List, unless                                       | Per Attachment 1, Master Report List | Accuracy: 1.25%<br>Timeliness: 1.25% |

| <b>Performance Guarantee</b>                  | <b>Standard</b>                                                                                                                                                                                                 | <b>Performance Measure</b>                                                         | <b>Frequency of Reporting</b> | <b>Fee at Risk</b> |
|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-------------------------------|--------------------|
|                                               | Master Report List. <sup>19</sup>                                                                                                                                                                               | agreed to in writing by the State and Vendor.                                      |                               |                    |
| Data Submission from TPA to DHIN, ACOs        | Timely submission of data (enrollment/ attribution, medical and Rx claim files) from TPA to DHIN and ACOs by the 15 <sup>th</sup> of each month (or timing mutually agreed to by the State of Delaware and TPA) | 100% of data submissions within 5 days of due date (15 <sup>th</sup> of the month) | Monthly                       | 3.50%              |
| <b>Account Management</b>                     |                                                                                                                                                                                                                 |                                                                                    |                               |                    |
| Account Management Satisfaction <sup>20</sup> | Score of 3.0 or higher on the State's Account Management Survey Form.                                                                                                                                           | 2.9-2.5=0.75%<br>2.4-2.0=1.5%<br><2.0=2.50%                                        | Quarterly                     | 3.5%               |
| <b>Total Ongoing Administrative</b>           |                                                                                                                                                                                                                 |                                                                                    |                               | <b>27.0%</b>       |

<sup>19</sup> Those items listed in Attachment 1, Master Report List, which also appear separately on this Performance Guarantee appendix, will be excluded from this specific standard.

<sup>20</sup> Overall Account Management performance will be measured quarterly, and the annual performance determination will be based on the arithmetic mean of the quarterly measurements. See Attachment 2 for the Account Management Survey.

**Clinical Performance Guarantees**

Please propose clinical guarantees appropriate for your proposal to the State. Suggested areas of performance guarantees are provided in the chart below. Performance guarantees that are tied to the goals of the GHIP Strategic Framework are preferred by the State.

| <b>Performance Guarantee</b>                                                   | <b>Standard/Performance Measure</b>                                                                                                                                                                  | <b>Fee at Risk</b>       |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Preventive care compliance                                                     | <i>Vendor to Propose</i>                                                                                                                                                                             | <i>Vendor to Propose</i> |
| Inpatient readmission review                                                   | All readmissions to any 24-hour care facility within 6 months or less will be reviewed by a MD or senior clinical supervisor. Each case must have a detailed plan to avoid future re-hospitalization | <i>Vendor to Propose</i> |
| Reduction in ER visits per 1,000 members                                       | <i>Vendor to Propose</i>                                                                                                                                                                             | <i>Vendor to Propose</i> |
| Reduction in hospital admissions per 1,000 members                             | <i>Vendor to Propose</i>                                                                                                                                                                             | <i>Vendor to Propose</i> |
| Engagement of frequent ER utilizers                                            | <i>Vendor to Propose</i>                                                                                                                                                                             | <i>Vendor to Propose</i> |
| Engagement of high cost claimants                                              | <i>Vendor to Propose</i>                                                                                                                                                                             | <i>Vendor to Propose</i> |
| Increased annual A1c test rates                                                | <i>Vendor to Propose</i>                                                                                                                                                                             | <i>Vendor to Propose</i> |
| Improvement in medication possession ratio for members with chronic conditions | <i>Vendor to Propose</i>                                                                                                                                                                             | <i>Vendor to Propose</i> |

| <b>Performance Guarantee</b> | <b>Standard/Performance Measure</b>                                                                                                                                   | <b>Fee at Risk</b>       |
|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Designated Clinical Manager  | Clinical manager/supervisor will be available during business hours Monday - Friday to aid in requests from escalated member issues and the Statewide Benefits Office | <i>Vendor to Propose</i> |
| Other                        | <i>Please include additional rows for any PGs you are proposing</i>                                                                                                   | <i>Vendor to Propose</i> |
|                              | <b>Total Clinical</b>                                                                                                                                                 | <i>Vendor to Propose</i> |

### **Financial Performance Guarantees**

Please propose financial guarantees appropriate for your proposal to the State. Suggested areas of performance guarantees are provided in the chart below. Performance guarantees that are tied to the goals of the GHIP Strategic Framework goals are preferred by the State.

| <b>Performance Guarantee</b>                    | <b>Standard/Performance Measure</b>                                                                                                          | <b>Fee at Risk</b>       |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| Trend reduction through value-based contracting | Verifiable reduction in the State's per employee per year (PEPY) medical trend by 0.5% in Year 1 and 1.0% in Year 2 and each year afterward. | <i>Vendor to Propose</i> |
| Other                                           | <i>Please include additional rows for any PGs you are proposing</i>                                                                          | <i>Vendor to Propose</i> |
|                                                 | <b>Total Financial</b>                                                                                                                       | <i>Vendor to Propose</i> |



## APPENDIX K

### NON-DISCLOSURE AGREEMENT WITH CERTIFICATE OF DESTRUCTION

#### State of Delaware Employer-Sponsored Medicare Supplement Plan

This Agreement is entered into as of October 24, 2023, by and between \_\_\_\_\_ (“Vendor”) and the State of Delaware (“State”).

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

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

The parties hereby agree as follows:

1. **Property of State.** All right, title and interest in and to the Proprietary Information shall be and remain vested in the State. Nothing in this Agreement shall grant the Vendor any license or right of any kind with respect to the Proprietary Information, other than to review and evaluate such information solely for the Purpose of the Disclosure set forth above. All Proprietary Information is provided on an “AS IS” basis; and all representations and warranties, express or implied, are hereby disclaimed.
2. **Vendor’s Obligations.** Vendor agrees that it will:
  - (a) use commercially reasonable efforts to safeguard the Proprietary Information, and to prevent any unauthorized access, reproduction, disclosure, or use of any of the Proprietary Information other than for the Purpose of the Disclosure and then only in strict compliance with the provisions hereof and subject to any applicable laws;
  - (b) disclose the Proprietary Information only to those officers, directors, employees, consultants and advisors of the Vendor who need to know such information in order to carry out the Purpose of the Disclosure and, in the event the employment or engagement of any such

person is terminated, the Vendor agrees to use commercially reasonable efforts to recover any Proprietary Information in such person's custody or control;

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

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

**(e) On or before January 31, 2024, Vendor shall dispose of all Proprietary Information in its systems or otherwise in its possession or under its control and in all of its forms, for example: disk, CD/DVD, backup tapes, and paper. Data shall be permanently deleted and shall not be recoverable, according to National Institute of Standards and Technology (NIST) approved methods and the attached certificate of destruction form shall be provided to the State of Delaware.**

3. **Exceptions.** Notwithstanding the provisions of Section 2 above, Vendor has no obligation to maintain the confidentiality of any Proprietary Information which: (a) Vendor can demonstrate was known by Vendor without violation of any contractual, fiduciary or other obligation of confidentiality prior to the disclosure thereof by the State; (b) properly came into the possession of Vendor from a third party which was not under any obligation to maintain the confidentiality of such information; (c) has become available to members of the public through no act or fault on the part of Vendor in breach of this Agreement; or (d) Vendor can demonstrate that it was independently developed by or for Vendor without the use of Proprietary Information.
4. **Term.** Vendor's obligations hereunder with respect to Proprietary Information disclosed by the State shall apply to all Proprietary Information provided to Vendor by State with respect to the Purpose of Disclosure terminate upon the Vendor's certification to the State that Vendor has returned or destroyed all Proprietary Information and has not retained any copies thereof.
5. **Equitable Relief.** Vendor agrees that any unauthorized use of the Proprietary Information by Vendor shall cause the State irreparable harm for which its remedies at law would be inadequate. Therefore, in addition to any other rights it may have at law, the State shall be entitled to seek equitable relief.

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

**VENDOR**

**STATE OF DELAWARE**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Faith L. Rentz  
Director, Statewide Benefits and Insurance  
Coverage

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

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

Address: \_\_\_\_\_

Address:  
Department of Human Resources  
Statewide Benefits Office  
841 Silver Lake Boulevard, Suite 100  
Dover, DE 19904

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

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

- The Delaware Information Security Policy, Disposal of Electronic Storage Media:  
<https://dti.delaware.gov/pdfs/pp/DelawareInformationSecurityPolicy.pdf>
- Data Classification Policy:  
<http://dti.delaware.gov/pdfs/pp/DataClassificationPolicy.pdf>
- Disposal of Electronic/Storage Media Policy:  
<http://dti.delaware.gov/pdfs/pp/DisposalOfElectronicEquipmentAndStorageMedia.pdf>
- **Request for Proposal (RFP) for Employer-Sponsored Medicare Supplement Plan, October 24, 2023:**  
 On or before January 31, 2024, Company will destroy all data files received for the purposes of preparing a bid in response to this RFP including, but not necessarily limited to, enrollment, aggregate claims and diagnosis data, and personally identifiable member data enrolled members of the Disability Insurance Program (DIP) for the purpose of responding to a proposal for administration of the DIP program. Company will send a certified letter to the DTI Chief Security Officer indicating the date, time and confirmation of the destruction along with this completed form and any documentation produced from the data destruction/data wipe software such as a certificate or certification log. Send via certified mail (or by a delivery service such as UPS or FedEx with a signature receipt required) to: Delaware Department of Technology and Information, Office of the Chief Security Officer, 801 Silver Lake Blvd., Dover, DE 19904 (302-739-9500) with a copy via email or regular mail to: State of Delaware DHR, Statewide Benefits Office, Attn: Pamela Barr, 841 Silver Lake Boulevard, Suite 100, Dover, DE 19904.

|                                                                                                                                                                                                                                                                                                                                                |                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Company Name and Address:                                                                                                                                                                                                                                                                                                                      |                                       |
| Date of Destruction:                                                                                                                                                                                                                                                                                                                           | Authorized By:                        |
| Description of Information Disposed of/Destroyed: De-identified enrollment, aggregate claims and financial information and aggregate diagnosis data for enrolled members of the Employer-Sponsored Medicare Supplement Plan for the purpose of responding to a proposal for administration of the Employer-Sponsored Medicare Supplement Plan. |                                       |
| Inclusive Dates Covered: 2020-2024                                                                                                                                                                                                                                                                                                             |                                       |
| METHOD OF DESTRUCTION:                                                                                                                                                                                                                                                                                                                         |                                       |
| <input type="checkbox"/> Burning                                                                                                                                                                                                                                                                                                               | <input type="checkbox"/> Pulverizing  |
| <input type="checkbox"/> Overwriting                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> Reformatting |
| <input type="checkbox"/> Pulping                                                                                                                                                                                                                                                                                                               | <input type="checkbox"/> Shredding    |
| <input type="checkbox"/> Other:                                                                                                                                                                                                                                                                                                                |                                       |
| Records Destroyed By*:                                                                                                                                                                                                                                                                                                                         |                                       |
| If On Site, Witnessed By:                                                                                                                                                                                                                                                                                                                      |                                       |
| Department Manager:                                                                                                                                                                                                                                                                                                                            |                                       |

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