

**UNIVERSITY OF
MASSACHUSETTS AMHERST**

**REQUEST FOR PROPOSALS
GROUP MEDICAL PROGRAM**



RFP AA12-JM-4325

August 2011

SUBMITTED BY THE AMHERST PROCUREMENT DEPARTMENT

SPONSORED BY THE UMASS AMHERST HUMAN RESOURCES DEPARTMENT

1.0 General Information

1.1 Summary

The University of Massachusetts Amherst invites competitive proposals for the group medical plan offered to all Post-Doctoral Fellows of the University of Massachusetts Amherst (UMass Amherst) and their family members.

1.2 UMass Amherst

University of Massachusetts Amherst, the flagship campus of the University of Massachusetts system, sits on nearly 1,450-acres in the scenic Pioneer Valley of Western Massachusetts, 90 miles from Boston and 175 miles from New York City. The campus provides a rich cultural environment in a rural setting close to major urban centers.

This RFP will request proposals to insure UMass's Post-Doctoral Fellows under a group medical plan. All UMass Amherst Post-Doctoral Fellows of the University and eligible Dependents are eligible to enroll in this insurance plan.

Currently, UMass Amherst offers an Injury and Sickness Insurance Plan, insured through Harvard Pilgrim Health Care to its Post-Doctoral Fellows. This is not a group plan and is not compliant with Massachusetts Credible Coverage and the requirements under Federal HealthCare Reform. Historic claims data is not available for this plan, nor would it be of any use given the unique benefit structure.

UMass Amherst's overall objective for its benefits program is to consistently offer its post-doctoral employees the best value for its benefit dollar. The purpose of this bidding effort is to obtain competitive proposals on a plan design closely matching the current offering, while bringing it in compliance with State and National laws.

2.0 Instructions to Bidders:

2.1 Implementation Schedule:

Event	Date and time
RFP Release Date	August 5, 2011
Bidder Questions Due	August 15, 2011 @ 5pm EST
Respond to Bidder Questions	August 19, 2011 @ 5pm EST
RFP Due Date	August 24, 2011 (by 2:00 pm EST)
Bid Opening	August 24, 2011 @ 2pm EST
Bid Award	September 12, 2011 (Approximate)

The University may change these dates at its sole discretion and will issue an addendum to all parties with any changes made to dates prior to the bid opening date.

2.2 Questions:

Any questions regarding this RFP must be *emailed or faxed* and must be received by 5:00 p.m. EST by **August 15, 2011**. No telephone calls will be accepted. All questions must be addressed to:

John O. Martin
Director of Procurement & Campus Services
University of Massachusetts
e-mail: jomartin@admin.umass.edu
fax (413) 545-1643
Attn. RFP AA12-JM-4325

The University will mail its responses to all written questions from all lenders of record by formal addendum **by 5 p.m. on August 19, 2011**.

Prospective bidders are prohibited from obtaining information about this bid from any University personnel. Inquiries received after the specified date and time will not be accepted. The questions and official University responses will be issued by formal addendum and sent to all prospective bidders to the bidder email addresses on record.

The UNIVERSITY will extend the due date by written addendum if such information significantly amends this RFP or makes compliance with the original proposed due date impractical.

2.3 Proposal Submittals:

Proposals should be submitted using the attached RFP response sheet. Vendors that are interested in responding to this RFP must submit their information **by 2:00 p.m., EST on Wednesday, August 24, 2011**. All responses must be addressed as follows and submitted to:

University of Massachusetts
Procurement Office
407 Goodell
140 Hicks Way
Amherst, MA 01003
Attn. RFP AA12-JM-4325

The University of Massachusetts Amherst recommends sending the proposal with acknowledged receipt. It is the bidder's responsibility to insure that its bid is received in its entirety and without exception by the bid closing date and time. Late submittals will not be accepted and will be placed, unopened, in the bid file. Any bid received after the date and time specified will not be accepted, read, or evaluated.

We reserve the right to schedule face-to-face meetings with any or all respondents in order to determine the eligibility of any vendor.

The University of Massachusetts Amherst will not be responsible for computer, server, internet or any technical problems, errors, delivery delays, or failures beyond its physical control. Bidders are advised to send their bid responses prior to the bid deadline to compensate for potential routing delays.

Vendors who submit proposals will be notified in writing of our decision on or around **September 12, 2011**.

2.4 Amendments to Proposal:

The proposal along, with any addenda, and University responses to bidder questions will also be posted on the campus' website at the following location: umass.edu/procurement

It is the bidder's responsibility to periodically check this website for any possible addenda to the RFP that may have been posted.

2.5 Contact Information:

Except as may be noted otherwise herein, the issuing office and sole contact for the coordination and dissemination of all information regarding this RFP is:

John O. Martin
Director of Procurement & Campus Services
Procurement Department
407 Goodell Building
Amherst, MA 01003
Email: jomartin@admin.umass.edu

2.6 Accept/Reject Proposal:

The University of Massachusetts Amherst reserves the right to reject any or all proposals, wholly or in part; to waive technicalities, irregularities, and omissions; to make the award in a manner deemed to be in the best interest of the University of Massachusetts Amherst; and to correct any award erroneously made as a result of a clerical error on the part of the University of Massachusetts Amherst.

2.7 Withdrawal of Proposal:

Proposal offers may be withdrawn at any time prior to the bid receipt deadline date and time. Once the proposal receipt deadline has passed all proposals become the property of the University.

2.8 Proposal Results:

Complete records of all proposals and awards are maintained in the University of Massachusetts Amherst Procurement Department. All bid documents will be made available for public examination after the bid evaluation committee has completed its bid review, selection and award.

2.9 No University Obligation:

The RFP in no manner obligates the University of Massachusetts Amherst to the eventual purchase of any products or services described, implied, or which may be proposed, until confirmed by written agreement, and may be terminated by the University of Massachusetts Amherst without penalty or obligation at any time prior to the signing of an agreement.

2.10 Authorized Signature:

The proposal offer shall be signed by an officer who is authorized to make such commitments for the bidder. Please complete bidder information in Section 7.0.

2.11 Expenses:

Expenses for developing and presenting proposals shall be the entire responsibility of the bidder and shall not be chargeable to the University of Massachusetts Amherst. All supporting documentation and manuals submitted with this proposal will become the property of the University of Massachusetts Amherst unless requested by the bidder, in writing, at the time of the submission, and agreed to, in writing, by the University of Massachusetts Amherst.

2.12 Public Information:

All proposals and related documents submitted in response to this RFP are subject to the Massachusetts Freedom of Information Law, M.G.L. Chapter 66, Section 10 and to M.G.L. Chapter 4, Section 7, Subsection 26, regarding public access to such documents. Statements in the bid response that are inconsistent with those statutes will be disregarded.

3.0 Bid Requirements

Bidders must respond to all items in Sections 3-6. Those items represent the bid response required by the University of Massachusetts Amherst for consideration.

Bidders are required to respond to all items; even if only to indicate that no proposal will be provided for a specific line of requirements. *Failure to respond to all items may warrant elimination of the proposal from consideration in the sole discretion of the University of Massachusetts Amherst.*

3.1 Current Health Insurance Plans

The following table summarizes the current medical plans that UMass offers to its Post-Doctoral Fellows and their eligible family members and the current enrollment in each plan:

Harvard Pilgrim Health Care	PPO
Employee Only	83
Employee + Spouse	3
Employee + Child(ren)	3
Employee plus Family	14
Total Enrollment	103

*The current UMass Post Doctoral injury and sickness plan has an annual pharmacy maximum (\$5,000) and an overall plan maximum (\$250,000). Our expectation is that these maximums will be removed under the proposed group plan.

3.2 Proposed Health Insurance Plans

The following chart summarizes the proposed PPO plan design for the Post-Doctoral Fellows at UMass Amherst:

	PPO	
	In-Network	Out-of-Network
Annual Deductible	None	None
Out-of-Pocket Maximum	None	None
Hospital Inpatient	Covered in Full	80% coinsurance
Outpatient Surgery	Covered in Full	80% coinsurance
Emergency Room	\$50 copayment	\$50 copayment
Physician Office Visits	\$10 copay	80% coinsurance
Prescription Drugs	Retail (up to 31 day supply): \$5.00 copay generic, \$15.00 copay brand formulary \$25.00 copay brand non-formulary Mail order 2x copays	

Please provide premium rates for the proposed plan design requested in Bid Form A in Appendix I (“Appendix I UMass Amherst.xls”).

Please provide a premium rate decrement for the proposed plan design change requested in Bid Form B in Appendix I (“Appendix I UMass Amherst.xls”).

PPO Benefit Variations

- \$250 Individual Deductible, \$750 Family Deductible w/ \$1000 Individual OOP max, \$3,000 Family OOP max

Please provide a detailed description of any benefit variations for the proposed plan design requested in Bid Form C in Appendix I (“Appendix I UMass Amherst.xls”).

Proposed Funding Arrangement

In your response to this RFP, please provide quotes on a fully insured non-participating arrangement.

Network Access Results - PPO Network

In your response to this RFP, please complete the Network Access Results worksheet in Appendix I (“Appendix I UMass Amherst.xls”).

Employee Contributions

Upon the effective date of the health insurance plans, UMass Amherst intends to fund 75% of the premium rates for all tiers. It is expected that this will increase the overall participation in the group medical plan. Currently, UMass Amherst decides on an employee-by-employee basis whether and for how much it will fund the premium rates.

3.3 Appendix I Bid Forms (“Appendix I UMass.xls”)

Please see the attached “Appendix I UMass Amherst.xls” spreadsheet for the entire Bid Forms section of this RFP. We request that you complete the Bid Forms outlined below in Excel format and return them with your electronic submission to this RFP.

- Bid Form A – Proposed Fully Insured Rates – Status Quo Plans
- Bid Form B – Alternative Plan Design Rate Decrements
- Bid Form C – Plan Design Deviations
- Bid Form D – PPO Network Access Results

3.4 Confirmation of Proposal

Please complete the following confirmation of proposal. If you are able to affirm an item, simply state “confirmed.” If you are not able to confirm an item, please provide an explanation.

1. Confirm that your proposal complies with the bidding instructions and assumptions identified in this RFP and that any deviations have been noted where appropriate.
2. Confirm that your proposal assumes an October 1, 2011 effective date and that rates/fees are unconditionally firm and guaranteed for a minimum of twelve months.
3. Confirm that all renewals will be guaranteed for a minimum of 12 months.
4. Confirm that your proposal does not include any minimum participation requirements and that changes in participation will not impact rates/fees during rate/fee guarantee periods.
5. Confirm that you will provide at least a 180-day notification of renewal rate/fee changes.
6. Confirm that your proposal does not include any actively-at-work provision (or similar language) and that coverage will be provided on a “no loss no gain” basis. Current employees will be covered on the effective date without restriction.
7. Confirm your company will insure/process all claims with dates of service on or after the effective date (October 1, 2011). All claims with dates of service prior to October 1, 2011 are the responsibility of the current insurers.
8. Confirm that your proposal does not include commissions. If your rates/fees standardly include socialized commissions and they cannot be removed from your rates, please confirm that you have indicated the amount included on the Bid Forms.
9. Confirm that your quoted rates/fees include a standard management reporting package and that you have provided a sample with your proposal.

10. Confirm your willingness to accept eligibility information on paper or electronically. UMass would prefer on-line, electronic eligibility transfer and updates.
11. Confirm that all non-assigned claim payments and all Explanation of Benefits (EOB) forms are to be mailed directly to the claimant.
12. Confirm that your proposal includes a standard 30-day grace period for premium/fee payment.
13. Confirm that your proposal includes a toll-free number for employees to access your customer service operation and for UMass to access account-level service personnel.
14. Confirm that your proposal assumes UMass's compliance with state and federal legislation and regulations pertaining to employer-sponsored group medical plans.
15. Confirm that your response to this confirmation of proposal supersedes all other proposal pages, including boilerplate proposal language.
16. Confirm that your quoted rates include SPD draft, including TWO rounds of review by UMass.
17. Confirm that your proposal includes a specimen contract/agreement for the services you are proposing.
18. Confirm that you have duplicated the proposed plans and have provided detailed descriptions of all proposed plans.
19. Confirm that your response to Bid Forms C and D is in the EXACT format requested, so that network access may be compared equitably.
20. Confirm that you have clearly outlined any restrictions and conditions for all alternatives for which you have provided a proposal.
21. Confirm that your proposed plan meets the Massachusetts minimum credible coverage level and is compliant under Federal Health Care Reform.

3.5 Confirmation of Company Ability to Service Proposed Health Plan

1. Please identify your proposed service locations for account service, claim processing and management and customer service. Please indicate hours of operations. Have you included in your proposal a toll-free telephone number for employees' use to ensure access to your claim office during standard business hours?
2. Please provide a sample of your various standard management reports available to UMass and indicate their frequency.
3. Please provide client references for three similarly sized accounts, including client name, contact's name, address and telephone number. Please describe your specific relationship with

the client, including the type of program and the length of time that your program has been offered.

4. Please give an overview of your HMO, POS and PPO networks, including information such as the number of participating providers, negotiated discounts, balance billing practices, and care management.
5. What communication services would you provide for the implementation process? Be specific in terms of the subject matter, media, etc., that you are capable of providing. Identify any associated costs. Please indicate your willingness to participate in benefit fairs held annually at UMass in connection with its open enrollment.
6. Are you willing to offer any performance guarantees? If so, please provide details.
7. Please indicate how you intend to calculate fully-insured renewal rates.
8. Please identify the source of reasonable and customary fee information for the out-of-network component of the POS and PPO plans, including frequency of updates.
9. Please provide your proposed claim office performance results with regard to claim payment accuracy, processing accuracy and turnaround.
10. What percentage of claims are submitted electronically? What is your auto-adjudication rate?
11. Please describe your network contracting strategy, including provider credentialing.
12. Please provide a list of all of the disease management programs included under your fully insured programs.
13. Please provide a detailed explanation of your disease management member intervention techniques. What percentage of target members participate in your disease management programs? Do you offer incentives for program participation? What percentage of targeted members receive outbound phone calls?
14. Please describe your predictive modeling capabilities. At what frequency do you run the application for a group of UMass's size? Please explain the member intervention process you apply once an "at risk" member is identified. Please confirm that your predictive modeling program is included in your proposed fully insured and self-insured proposal for UMass.
15. Please describe the web-based tools you make available for member self-service. In addition, please identify any that tools are currently under development and their target release date. Do you offer a web-based health risk appraisal tool?
16. What differentiates your organization from your peers? Describe any cost/utilization management strategies that you believe set you apart from your peers?
17. Please provide a description of how you will partner with UMass to help control costs.

18. Are you willing to participate and invest resources in a regularly scheduled (e.g., monthly or quarterly) wellness initiative at UMass? What programs would you recommend for UMass?
19. Please describe how you would partner with UMass to improve and further develop the wellness/health and disease management programs.
20. Please provide any additional plan alternatives, other than those specifically requested within the RFP, that you think would provide the most beneficial options to UMass and its Post-Doctoral Fellow. Please include all rate details and/or benefit decrement factors for such plans. Please also provide the rationale to support why you have chosen those selected plan design alternatives.

3.6 Additional RFP Support Information

The following information will be made available to assist you in the development of your response to our RFP:

- Detailed Plan Benefit Comparison for the current benefit plan
- Current Census File (included "UMass.xls" as an attachment to the email containing this RFP)

3.7 Proposal Format

All offers shall be made following the Proposal Response Format provided in Section 3.2. All proposals shall be submitted as *Best and Final Offers*. Bidders will not be allowed to make material alterations to their proposal offers after the proposal opening. Each bidder shall include in their written offer all requirements, terms and conditions they may have, and shall not assume that an opportunity will exist to add such requirements, terms or conditions after the proposal opening. Bidder's terms or conditions that are deemed unacceptable by the University may be the basis for the University's rejection of the proposal.

3.8 Proposed Materials

All material submitted in response to the RFP shall become the property of the University of Massachusetts Amherst upon submission and will be considered as part of this RFP.

3.9 Massachusetts Public Records Law

Access to University of Massachusetts Amherst records is made in accordance with the Massachusetts Public Records Law, M.G.L. c. 66, s. 10. All Bid Responses received are subject to M.G.L. c. 4, s. 7, ss. 26, and M.G.L. c. 66, s. 10 regarding public access to such documents. Statements or endorsements inconsistent with those statutes will be disregarded. The University of Massachusetts Amherst will make available the documents within those Responses only upon the finalization of those records.

3.10 RFP Interpretation

Interpretation of the wording of this document shall be the responsibility of the University of Massachusetts Amherst and that interpretation shall be final.

3.11 Addendum

Any addendum issued to bidders prior to the proposal opening date shall include an addendum acknowledgement section. Since all addenda shall become a part of the proposal, all addenda must be

signed by an authorized bidder representative and returned with the proposal. Failure to sign and return any and all addendum acknowledgements will be grounds for rejection of the proposal response.

3.12 Proposal Modification

Any exceptions/ additions/ alterations to the terms and conditions contained herein must be included in the bidder's proposal response. Failure to provide the required data to allow for evaluation of the bidder's response to the RFP, or failure to follow and complete the RFP proposal format and accompanying documents will be grounds for rejecting the proposal offer. The University of Massachusetts Amherst reserves the right to reject any proposals that alter the terms specified in the RFP.

3.13 Confidentiality

From the date of issuance of the RFP until the opening date, the bidder must not make available or discuss its proposal, or any part thereof, with any employee or agent of the University of Massachusetts Amherst. The bidder is hereby warned that any part of its proposal or any other material marked as confidential, proprietary, or trade secret, can only be protected to the extent permitted by Commonwealth of Massachusetts laws.

3.14 Period of Firm Proposal

All proposal offers must remain in effect for a minimum period of 120 days following the RFP opening date in order to allow for sufficient time for evaluation, approval, and issuance of award notice. The successful bidder's offer will remain firm for the duration of any resulting award and extensions.

3.15 Pre-Award Negotiations

After the proposals are opened, but prior to award, the University of Massachusetts Amherst may elect to conduct negotiations with the highest ranked proposal respondents for purposes of:

- Resolving minor differences and information
- Clarifying necessary details and responsibilities
- Emphasizing important issues and points
- Receiving assurances from respondents

Selection may be made without further discussion, negotiations or bidder's presentations; therefore, bidder shall offer the most favorable terms in response to this RFP. Bidder must demonstrate an understanding of the scope of service to be provided and the ability to accomplish the tasks set forth. Bidder shall include information that will enable the University of Massachusetts Amherst to determine the bidder's overall qualifications. The University of Massachusetts Amherst reserves the right to request additional information or clarification on any matter included in the proposal response, to enable the University of Massachusetts Amherst to arrive at the final award decision.

4.0 Contract

4.1 Contract Term:

The contract will be for a one (1) year period with the option to renew for up to three additional one (1) year renewal periods. The services and requirements of the contract shall begin at the discretion of the

University of Massachusetts Amherst. During renewal periods all Terms and Conditions will remain the same as the original term.

4.2 Contract Status:

The response to this RFP will be considered as the bidder's offer to contract. Final negotiations on the offer that receives the highest evaluation by the University of Massachusetts Amherst will be conducted to resolve any minor differences and informalities that do not materially alter the offer.

4.3 Contract Format :

The resulting University of Massachusetts Amherst Award will incorporate the University of Massachusetts Contract Terms and Conditions, a sample copy of which is enclosed as Appendix II. This RFP, any addendum, the bidder's response thereto, all additional agreements and stipulations, and the results of any final negotiations will constitute the final contract.

4.4 Contract Modification:

Any changes to the contract must be agreed to, in writing, by both parties prior to their execution.

4.5 Contractor Assignment of Sub-Contract:

The resulting contract shall not be assigned, transferred, or sublet, in whole or in part, without the prior written approval of the Director of Procurement. If bidders intend to subcontract any portion of the resulting contract, they must describe their process for selecting such subcontractor(s) and the quality control measures that the bidder will employ to ensure that any subcontractor complies with the provisions of bidder's contract with the University of Massachusetts Amherst.

5.0 Company History and Background

Bidders must submit a written description and brief history of their firm's experiences, qualifications and successes in providing the type of service described herein, including a listing of subcontractors, if applicable, and their anticipated role.

6.0 Evaluation Criteria

RFP responses will be evaluated by a review team consisting of appropriate UMass Amherst officials. The following criteria will be used to evaluate responses and pre-approve vendors:

- Proposed premium rates
- Proposed services
- Ability to duplicate the proposed plans
- Demonstrated ability to administer the plan effectively
- Response to this RFP
-

7.0 Bidder Information and Signature

Please complete the information below. The person signing below signifies that s/he is authorized to bind the company to the information contained in their response to this RFP.

Vendor Name:	Vendor Address
Submitted By: Name & Title	
Signature:	
Telephone:	Fax No:
Email Address:	