

UNIVERSITY OF MASSACHUSETTS  
AMHERST

REQUEST FOR PROPOSALS

STUDENT HEALTH INSURANCE/BENEFITS PROGRAM



**RFP AA12-JM-4492**

FEBRUARY 2012

---

SUBMITTED BY THE AMHERST PROCUREMENT DEPARTMENT

SPONSORED BY UNIVERSITY HEALTH SERVICES

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February 9, 2012

RE: SHIP Request for Proposals  
RFP AA12-JM-4492

Dear Prospective Proposers:

The Request for Proposals Advisory Committee (RFPAC) is pleased to provide prospective Proposers with this RFP document for a Student Health Insurance/Benefit Program (SHIBP) for the University of Massachusetts Amherst (UMass). The following are specific points Proposers are encouraged to consider or note in reviewing this RFP.

- The current fully insured Student Health Insurance Program (SHIP) fully complies with the [standards](#) for SHIBPs promulgated by the American College Health Association. UMass is fully committed to maintaining a SHIBP that meets ACHA's standards for the contract period specified in this RFP, and has recently adopted a formal mission statement (refer to Section VI, Attachment A).
- UMass had hoped that final federal regulations addressing minimum loss ratios for fully insured student health plans under the Patient Protection and Affordable Care Act would be issued before the release of this RFP. If final regulations are not issued prior to the Addenda deadline stated in Section I, Section 1.8, requiring a minimum medical loss ratio, UMass is likely to require a retrospective premium reserve fund arrangement for fully insured proposals.
- As you can see from Section II, Section 2.7, SHIP Enrollment, there has been negligible change in plan participation, even after full implementation of the mandated expansion of dependent eligibility to age 26 under the Patient Protection and Affordable Care Act. SHIBPs providing comprehensive coverage remain an outstanding value for many students/families because of the continued trend for employers shifting cost to employees via increased premium and reductions in coverage, particularly the increased adoption of high deductible health plans (refer to the Kaiser Family Foundation's 2001 survey for Employer Health Benefits at <http://ehbs.kff.org/pdf/2011/8225.pdf>).

Comparing student enrollment for fall of 2011 with fall of 2010, there was a reduction of about four percent in GEO enrollees, distributed equally between male and female enrollees. The average age of students in the GEO plan remained constant at 28.7. For the non-GEO plan, while the overall enrollment decline was three percent, there was no change in the number of male enrollees, and the number of female enrollees fell by six percent. The average age of non-GEO plan student enrollees is about 22.4 for both plan years. Note that there are approximately 600 graduate students, with demographics consistent with GEO plan participants, in the non-GEO plan.

The University pays 95 percent of the Student premium/cost and 90 percent of the Family premium/cost for students/families in the GEO plan.

- As noted in Section II, Section 2.2, University Health Services, effective for the 2011/12 plan year the Student Health Fee no longer covers medical office visits (including psychiatric medication visits) for SHIP-covered students. Both SHIP and privately insured students are now being charged

for these services. Almost all of the increase to the cost of the SHIP for the 2011/12 plan year was attributable to this change in coverage for the Student Health Fee.

Also noted in this section are significant, recent changes in the scope of services and hours of medical services provided at the University Health Services (UHS), with additional changes scheduled for implementation in 2012/13. A Chancellor's Committee is currently reviewing UHS operations and may make additional changes to UHS operating hours and/or services. Proposers are encouraged to read Section 2.2 and associated Attachments carefully.

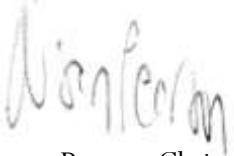
- Utilization data are not available for the 2008/09, 2009/10, and 2010/12 for incurred charges or paid claims by Plan 101 (non-GEO) and Plan 106 (GEO). Accordingly, Proposer(s) will have to use manual underwriting systems using census data included in Section VI, Attachment A, in developing the required student-only cost quotations for fully insured quotes in Section V-A for Undergraduate and Graduate/GEO students. Utilization reports provided in Section VI, Attachment H-2, includes paid claims totals that do not balance with the data provided in Section II, 2.9, Claims to Premium Loss Ratios. As of the date of the release of this RFP, Aetna Student Health has verified the accuracy of the data provided in Section 2.9. The discrepancy in the data provided in Section 2.9 compared to reports in Section VI, Attachment H-2, has not been resolved as of the date of release of this RFP document.
- The required family rate of \$6,000 that is specified for fully insured proposals in Section V-A addresses unfavorable loss ratios for dependent coverage. Adverse selection is not expected to be a significant concern for this cost increase given the level of the family contribution provided by UMass for graduate students in the GEO Bargaining Unit. To the extent any financial subsidy is required from student only coverage to provide family coverage at the specified \$6,000 cost, this subsidy should be included only in the Graduate/GEO student rate quotation in Section V-A and not included in the Undergraduate student rate.
- UMass is requesting both fully insured proposals and partial self-funding proposals (either Administrative Services Only or Minimum Premium arrangements) under this RFP. Proposers are welcome to issue proposals for either or both funding options. While a feasibility study developed in 2011 concluded that partial self-funding could produce substantial savings and possible non-financial program control advantages, UMass does not begin this RFP process with any anticipation of a specific outcome.
- Proposer(s) that are not affiliated with major insurance organizations responding to the fully insured and partial self-funding options requested in Sections III-B and III-C are encouraged to respond independently to the optional programs and services requested in Section III-D. These include stop-loss coverage, medical evacuation and repatriation coverage, web-based enrollment/waiver process, and fully insured dental coverage.

Proposer(s) that are affiliated with major insurance organizations responding to the fully insured and partial self-funding options requested in Sections III-B and III-C and that offer stand alone optional programs and services requested in Section III-D are encouraged to respond to all three Sections.

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Inquiries regarding this RFP must be submitted pursuant to the process stated in Section 1.7. Proposers should also carefully adhere to the requirements stated in Section I, Section 1.4(G), Prohibited Communication with Members of the RFPAC and other UMass employees.

Sincerely yours,

A handwritten signature in blue ink that reads "Susan Pearson". The signature is written in a cursive, flowing style.

Susan Pearson Chair,  
RFPAC Associate  
Chancellor

**UNIVERSITY OF MASSACHUSETTS  
CONTRACT FOR SERVICES TERMS  
AND CONDITIONS**

(P.O. No.) \_\_\_\_\_  
(Bid No.) \_\_\_\_\_

This agreement is made, entered into, and effective on \_\_\_\_\_ by and between the University of Massachusetts, \_\_\_\_\_ (Campus), (hereinafter called "**University**"), an agency of the Commonwealth of Massachusetts and

\_\_\_\_\_  
(Contractor's legal name and address)  
(hereinafter called the "Contractor" and collectively the "Parties").

This agreement (the "Contract") is comprised of the following documents, listed in the order of precedence: (1) this **Contract for Services Terms and Conditions**; (2) any **Contract Amendments**, as identified in Section 2, below; and (3) any attached **Scope of Services** as identified in Section 1, below, including any addenda thereto. The Contract for Services Terms and Conditions and any agreed upon changes thereto included in any Contract Amendments shall take precedence over any additional or conflicting terms and conditions as may be included in any other document attached hereto.

1. **Scope of Services.** The Contractor agrees to perform the following services:

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

or if applicable, those services described in the Attachment[s] attached hereto. Any Attachment attached hereto is made a part of this Contract and must be specifically labeled (e.g. "Attachment A, Scope of Services, consisting of „n" pages"). Only the Scope of Services specifically referenced in this Contract and signed by the Parties" authorized representatives shall apply.

2. **Contract Amendments.** The following amendments to the Contract have been executed by duly authorized representatives of the Parties and are attached hereto and incorporated herein:

\_\_\_\_\_. All amendments attached hereto must be specifically labeled (e.g. "Attachment B, Amendment No. 1, consisting of „n" pages").

3. **Dates of Performance:** From: \_\_\_\_\_ To: \_\_\_\_\_  
(Start Date) (Completion Date)

4. **Responsible University Official:** The University Official exercising managerial and budgetary control for this Contract shall be:

\_\_\_\_\_  
(Name and Title)

5. **Payment:**

A. The University shall compensate the Contractor for the services rendered at the rate of \$ \_\_\_\_\_ per \_\_\_\_\_ (e.g., hour, week, semester, project, etc.).

B. In no event shall the Contractor be reimbursed for time other than that actually spent providing the described service(s).

C. Payment will be made upon submittal and approval of the Contractor's Invoice(s) that is (are) received Monthly \_\_\_\_\_, Quarterly \_\_\_\_\_, Other \_\_\_\_\_ (specify) \_\_\_\_\_.

D. Reimbursement for Travel and Other Contractor Expenses:

\_\_\_\_ All travel and meals are part of this Contract. No reimbursement will be made.

\_\_\_\_ Contractor will be reimbursed for pre-approved travel in an amount not to exceed \$ \_\_\_\_\_.  
Copies of receipts must be submitted. Any expense claimed by the Contractor for which there is no supporting documentation shall be disallowed.

\_\_\_\_ Contractor will be reimbursed for OTHER expenses in an amount not to exceed \$ \_\_\_\_\_.  
OTHER Expenses shall be limited to: \_\_\_\_\_.  
Copies of receipts must be submitted. Any expense claimed by the Contractor for which there is no supporting documentation shall be disallowed.

- E. The total of all payments made against this Contract shall not exceed \$\_\_\_\_\_.
- F. The University's payment terms are net thirty (30) days from the date of receipt of Contractor's invoice, with late penalty interest assessable at rates established by the Commonwealth after 45 days in accordance with Mass. Gen. Laws ch 29 § 29C and with Commonwealth regulation 815 C.M.R. 4.00.
6. **Certification.** Contractor certifies under the pains and penalties of perjury that pursuant to Mass. Gen. Laws ch.62C, §49A, that the Contractor has filed all state tax returns, paid all taxes and complied with all applicable laws relating to taxes; and that pursuant to Mass. Gen. Laws ch.151A, §19A(b), has complied with all laws of the Commonwealth relating to contributions and payment in lieu of contributions to the Employment Security System; and, if applicable, with all laws of the Commonwealth relating to Worker's Compensation, Mass. Gen. Laws ch.152 and payment of wages, Mass. Gen. Laws ch. 149, § 148. Pursuant to federal law, Contractor shall verify the immigration status of all workers assigned to the contract without engaging in unlawful discrimination; and Contractor shall not knowingly or recklessly alter, falsify, or accept altered or falsified documents from any such worker.
7. **Conflict of Interest.** Contractor acknowledges that it may be subject to the Massachusetts Conflict of Interest statute, Mass. Gen. Laws ch. 268A, and to that extent, Contractor agrees to comply with all requirements of the statute in the performance of this Contract.
8. **Compliance With Laws.** Contractor agrees to comply with all applicable local, state, and federal laws, regulations and ordinances in the performance of its obligations under this Contract.
9. **Independent Contractor Status.** The Contractor is an independent contractor and not an employee or agent of the University. No act or direction of the University shall be deemed to create an employer/employee or joint employer relationship. The University shall not be obligated under any contract, subcontract, or other commitment made by the Contractor.
10. **Contractor's Qualifications and Performance.** In accordance with the terms and conditions of this Contract, the Contractor represents that it is qualified to perform the services set forth herein and has obtained all requisite licenses and permits to perform the services. In addition, the Contractor agrees that the services provided hereunder shall conform to the professional standards of care and practice customarily expected of firms engaged in performing comparable work; that the personnel furnishing said services shall be qualified and competent to perform adequately the services assigned to them; and that the recommendations, guidance, and performance of such personnel shall reflect such standards of professional knowledge and judgment.
11. **Termination:**
- A. **Without Cause.** This Contract may be terminated without cause by either party by giving written notice to the other at least thirty (30) calendar days prior to the effective date of termination stated in the notice.
- B. **With Cause.** If Contractor breaches any material term or condition stated herein or fails to perform or fulfill any material obligation required by this Contract, the University may terminate this Contract by giving written notice to the Contractor stating the circumstances of the breach at least seven (7) calendar days before the effective date of termination stated in the notice. Notwithstanding the foregoing, the notice of termination provided by the University may state a period during which the alleged breach may be cured by the Contractor, which cure shall be subject to approval by the University. In the event of a breach by Contractor, Contractor may be subject to any and all applicable contract rights and remedies available to the University. Applicable statutory or regulatory penalties may also be imposed.
12. **Obligations in Event of Termination:**
- A. Upon termination of this Contract, all finished or unfinished documents, data, studies, and reports prepared by the Contractor pursuant to this Contract, shall become the property of the University.
- B. Upon termination of this Contract without cause, the University shall promptly pay the Contractor for all services performed to the effective date of termination, subject to offset of sums due the Contractor against sums owed by the Contractor to the University, and provided Contractor is not in default of this Contract and Contractor submits to the University a properly completed invoice, with supporting documentation covering such services, no later than thirty (30) calendar days after the effective date of termination.
13. **Recordkeeping, Audit, and Inspection of Records.** The Contractor shall maintain books, records and other compilations of data pertaining to the requirements of the Contract to the extent and in such detail as shall properly substantiate claims for payment under the Contract. All such records shall be kept for a period of six (6) years or for such longer period as is specified

herein. All retention periods start on the first day after final payment under this Contract. If any litigation, claim, negotiation, audit or other action involving the records is commenced prior to the expiration of the applicable retention period, all records shall be retained until completion of the action and resolution of all issues resulting therefrom, or until the end of the applicable retention period, whichever is later. The Governor, the Secretary of Administration and Finance, the State Comptroller, the State Auditor, the Attorney General, the Federal grantor agency (if any), the University, or any of their duly authorized representatives or designees shall have the right at reasonable times and upon reasonable notice, to examine and copy, at reasonable expense, the books, records, and other compilations of data of the Contractor which pertain to the provisions and requirements of this Contract. Such access shall include on-site audits, review, and copying of records.

14. **Political Activity Prohibited.** The Contractor may not use any Contract funds and none of the services to be provided by the Contractor may be used for any partisan political activity or to further the election or defeat of any candidate for public office.
15. **Title, Ownership.** Unless provided otherwise by law or the University, title and possession of all data, reports, programs, software, equipment, furnishings, and any other documentation or product paid for with University funds shall vest with the University at the termination of the Contract. If the Contractor, or any of its subcontractors, publishes a work dealing with any aspect of performance under the Contract, or of the results and accomplishments attained in such performance, the University shall have a royalty-free non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use the publication.
16. **Confidentiality/Privacy.** The Contractor shall comply with all applicable state and federal laws and regulations relating to confidentiality and privacy. In addition, in the performance of this Contract, the Contractor may acquire or have access to “personal data” and become a “holder” of such personal data (as defined in Mass. Gen. Laws ch. 66A) or personal information (as defined in Mass.Gen.Laws ch. 93H). Personal data and personal information shall be deemed to be “Personal Information.” Contractor shall implement feasible safeguards to restrict access and ensure the security, confidentiality and integrity of all Personal Information owned, controlled, stored, or maintained by University and provided to or accessed by Contractor in the performance of services irrespective of the medium in which it is held. The Contractor agrees that it shall inform each of its employees, servants or agents, having involvement with Personal Information of the laws and regulations relating to confidentiality and privacy.
17. **Assignment and Delegation.** The Contractor shall not assign or in any way transfer any interest in this Contract without the prior written consent of the University, nor shall the Contractor subcontract any service without the prior written approval of the University. Any purported assignment of rights or delegation of performance in violation of this Section is VOID.
18. **Nondiscrimination in Employment.** The Contractor shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap, or sexual orientation or a person who is a member of, applies to perform, or has an obligation to perform service in a uniformed military service of the United States, including the National Guard on the basis of that membership, application or obligation. The Contractor agrees to comply with all applicable Federal and State employment statutes, rules and regulations
19. **Severability.** If any provision of this Contract is declared or found to be illegal, unenforceable, or void, then both Parties shall be relieved of all obligations under that provision. The remainder of the Contract shall be enforced to the fullest extent permitted by law.
20. **Choice of Law.** This Contract is entered into in the Commonwealth of Massachusetts, and the laws of the Commonwealth, without giving effect to its conflicts of law principles, govern all matters arising out of or relating to this Contract and all of the transactions it contemplates, including, without limitation, its validity, interpretation, construction, performance and enforcement.
21. **Forum Selection.** The Parties agree to bring any action arising out of or relating to this Contract or the relationship between the Parties in the state courts of the Commonwealth of Massachusetts which shall have exclusive jurisdiction thereof. The Contractor expressly consents to the jurisdiction of the state courts of the Commonwealth of Massachusetts in any action brought by the Commonwealth or the University arising out of or relating to this Contract or the relationship between the Parties, waiving any claim or defense that such forum is not convenient or proper. This paragraph shall not be construed to limit any other legal rights of the Parties.
22. **Force Majeure.** Neither party shall be liable to the other or be deemed to be in breach of this Contract for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include, but are not limited to, acts of nature or of a public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather. Dates or times of performance shall be extended to the extent of delays excused by this section, provided that the party whose performance is affected notifies the other promptly of the existence and nature of such delay.

23. **Indemnification of University.** The Contractor shall defend, indemnify, and hold harmless the Commonwealth, the University, its Trustees, Officers, servants, and employees from and against any and all claims, liability, losses, third party claims, damages, costs, or expenses (including attorneys' and experts' fees) arising out of or resulting from the performance of the services performed by the Contractor, its agents, servants, employees, or subcontractors under this Contract, provided that any such claims, liability, losses, third party claims, damages, costs, or expenses are attributable to bodily injury, personal injury, pecuniary injury, damage to real or tangible personal property, resulting therefrom and caused in whole or in part by any intentional or negligent acts or omissions of the Contractor, its employees, servants, agents, or subcontractors. The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the Commonwealth and/or the University that would otherwise exist. The University shall give the Contractor prompt and timely notice of any claims, threatened or made, or any law suit instituted against it which could result in a claim for indemnification hereunder. The extent of this Contract of indemnification shall not be limited by any obligation or any term or condition of any insurance policy. The obligations set forth above shall survive the expiration or termination of this Contract.
24. **Risk of Loss.** The Contractor shall bear the risk of loss of any Contractor materials used for a Contract and for all deliverables and work in process.
25. **Tax Exempt Status.** The University is exempt from federal excise, state, and local taxes; therefore, sales to the University are exempt from Massachusetts sales and use taxes. If the University should become subject to any such taxes during the term of this Contract, the University shall reimburse the Contractor for any cost or expense incurred. Any other taxes imposed on the Contractor on account of this Contract shall be borne solely by the Contractor.
26. **Waivers.** All conditions, covenants, duties and obligations contained in this Contract can be waived only by written agreement. Forbearance or indulgence in any form or manner by a party shall not be construed as a waiver, nor in any way limit the legal or equitable remedies available to that party.
27. **Amendments.** This Contract may be amended only by written agreement of the Parties, executed by the Parties' authorized representatives and in compliance with all other regulations and requirements of law.
28. **Entire Agreement.** The Parties understand and agree that this Contract and its attachments or amendments (if any) constitute the entire understanding between the Parties and supersede all other verbal and written agreements and negotiations by the Parties relating to the services under this Contract.
29. **Notice.** Unless otherwise specified, any notice hereunder shall be in writing addressed to the persons and addresses indicated below (Name, postal address, phone, email address):

**To the University:**

\_\_\_\_\_

**To the Contractor:**

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

**Employees of the University shall not be held personally or contractually liable by or to the Contractor under any term or provision of this Contract or because of any breach thereof. This Contract is not binding until signed by an authorized University official.**

*IN WITNESS WHEREOF*, the Parties have caused this Contract to be executed by their respective duly authorized officers as of the date first above written.

**UNIVERSITY OF MASSACHUSETTS**  
\_\_\_\_\_ (Campus)

**CONTRACTOR**  
\_\_\_\_\_ (Name)

Sig: \_\_\_\_\_

Sig: \_\_\_\_\_

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

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

Title: \_\_\_\_\_  
(Authorized University Official)

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

Sig: \_\_\_\_\_

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

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

Sig: \_\_\_\_\_

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

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

1.1 **PURPOSE OF THE REQUEST FOR PROPOSALS (RFP)**

The primary purpose of this Request for Proposals (RFP) is to evaluate fully insured and partial self-funding arrangements and associated vendors for the operation of the University of Massachusetts Amherst student health insurance/benefit program (SHIBP) for the 2012/13 plan year and four (4) subsequent annual renewals. A secondary objective is to evaluate optional programs and services as specified in Section III-D of this RFP.

Renewals beyond the 2012/13 plan year are at the sole discretion of the University of Massachusetts Amherst. Nothing in this RFP may be construed to be a promise by the University of Massachusetts Amherst to either maintain the SHIBP or renew agreements established under this RFP process for plan years subsequent to the initial 2012/13 plan year.

1.2 **RECENT SHIP HISTORY**

Recent history for the Student Health Insurance Plan (SHIP) is summarized in Section II of this RFP.

1.3 **DEFINITIONS AND KEY ABBREVIATIONS**

*The headings contained in this RFP are for reference purposes only and will not in any way affect the meaning or interpretation hereof. Generally, terms that are capitalized in this RFP document are defined in this Section 1.3.*

An understanding of the following terms and abbreviations is essential as a prerequisite to reviewing this RFP document.

**Agreement:** Proposer(s) must agree the contract between the University of Massachusetts and the Contractor(s) selected through this RFP Process will be encompassed by the following documents/material: (1) this RFP document and any subsequent addenda; (2) the proposal submitted to UMass in response to this RFP; (3) salient points from the Proposer(s) interview, subsequent clarifications/discussions, and any documents developed or distributed during these discussions or thereafter and jointly agreed upon by the University of Massachusetts Amherst and the Proposer(s) will be transcribed and incorporated as an attachment to the Proposer(s)'s offer to UMass; (4) any program communication materials for students that are jointly developed and agreed upon by UMass and the Contractor(s); and (5) the Purchase Order issued to the Contractor(s) by the University of Massachusetts resulting from this RFP process.

If there is any discrepancy between the documents, the intent of the RFP is always the controlling document in determining the requirements for the Contractor(s) or the University of Massachusetts. The components defined herein constitute the entire Agreement between the Contractor(s) and the University of Massachusetts.

The Agreement is for the benefit only of the parties hereto and will inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors, and assigns. By reference, the terms and conditions set forth in the foreword of this RFP will serve as the Agreement terms and conditions. In addition, the laws of the Commonwealth of Massachusetts will apply. No other terms and conditions will apply unless submitted as a part of the proposal response and accepted by the University of Massachusetts.

**Award:** the University of Massachusetts Amherst's formal announcement of the successful Proposer(s) under this RFP.

**Contractor(s):** The company(ies) that is/are a recipient of an Award under this RFP.

**GEO/GEO Bargaining Unit:** Graduate Employee Organization, also referred to in this RFP as the GEO Bargaining Unit. UMass contributes toward the cost of health insurance for students and their dependents who are covered by the GEO Bargaining Unit.

**SHIP:** The fully insured student health insurance program that is presently operated by the University of Massachusetts Amherst. The 2011/12 policy and program brochure is included in Section VI, Attachment C.

**University of Massachusetts Amherst (UMass)** ([www.umass.edu](http://www.umass.edu)): UMass is the flagship campus of the University of Massachusetts system, sits on nearly 1,450 acres in the scenic Pioneer Valley of Western Massachusetts, and has 21,812 undergraduate and 6,272 graduate students (Fall, 2011).

**University Health Services (UHS)** (<http://www.umass.edu/uhs/>): The medical and mental health services program operated by the University of Massachusetts Amherst. UHS serves UMass Amherst students, faculty and staff, along with their spouses, domestic partners and dependents. As explained in Section II, Section 2.2, substantial changes for the scope of services and hours of operation for UHS were implemented for UHS in the fall of 2011, and additional changes are planned for the fall of 2012.

**PPACA:** The Patient Protection and Affordable Care Act.

**Proposer(s)/Qualified Proposer(s):** Organizations or firms submitting proposals in response to this RFP that fully comply with the requirements stated in Section 1.4, Qualified Proposer(s), of this RFP. Unless otherwise indicated, the term Proposer(s) means Qualified Proposer(s). The terms Successful Proposer(s) or Contractor(s) mean the company(ies) that is/are a recipient of an Award under this RFP.

**RFP:** This Request for Proposals document.

**RFPAC:** The advisory committee charged with managing the request for proposal process for the student health insurance/benefit program and determination of plan benefits/services for the 2012/13 plan year.

Proposer(s) must not have any contact with members of the RFPAC, or other University Officials, about any aspect of the RFP process until the Award has been made to the Contractor(s). Proposer(s) may be determined by UMass not to be Qualified Proposer(s) if attempts are made to influence the outcome of this RFP process by unethical or illegal means. All questions must be directed to the person listed in Section 1.7 of this RFP.

**SHIBP:** The student health insurance/benefit program adopted by the University of Massachusetts Amherst for the 2012/13 plan year as a result of this RFP process. If the University adopts a fully insured program, the title will continue to be Student Health Insurance Plan (SHIP). If the University adopts an Administrative Services Only partially self-funded program, the program title will be Student Health Benefits Plan (SHBP). If a Minimum Premium program is adopted for self-funding, the term SHIP may be used if the Proposer(s) verifies this form of self-funding is regulated by the Commonwealth of Massachusetts as fully insured coverage.

All applicable terminology, such as “premium” versus “cost of coverage” and “insured person” versus “covered person” will be modified to reflect the selected funding arrangement. A SHIBP mission and management parameters statement, first effective for the 2012/13 plan year, is included in Section VI, Attachment B.

**Student Health Program (formerly QSHIP):** A student health insurance program offered by a college or university domiciled in Massachusetts in accordance with the requirements of M.G.L. c. 15A, § 18 and 114.6 CMR 3.00 (<http://www.mass.gov/eohhs/docs/dhcfp/g/regs/114-6-3.pdf>). For the purposes of this RFP, either a SHIP or SHBP adopted through this RFP process must be provided by Proposer(s) in a manner that meets all of the requirements specified for a Student Health Program.

#### 1.4 QUALIFIED PROPOSER(S)

It is a Mandatory Criterion for submission of a proposal in response to this RFP that the proposal must be issued by a Qualified Proposer(s). Each of the conditions noted below establishes the minimum standards that must be met for an organization or firm to be deemed by the University of Massachusetts to be a Qualified Proposer(s):

##### A. Compliance with Section I, General Specifications

Proposer(s), including Proposer(s) offering a response only to optional programs and services as requested in Section III-D, must comply with all requirements and instructions stated in Section I of this RFP and the cost quotation format provided in Sections V-A through V-C. Failure to comply with any requirement or instruction stated in the RFP may be cause for rejection, at the sole discretion of the University of Massachusetts, of the Proposer(s)'s offer in response to this RFP.

##### B. Prohibited Communication with Members of the RFPAC and other UMass Employees

Proposer(s) must refrain from any attempt to influence the outcome of this RFP process by either contacting members of the RFPAC or attempting to directly or indirectly influence the outcome of this RFP by contacting directly or indirectly other employees of the University of Massachusetts Amherst who could affect the University of Massachusetts Amherst's final decision regarding an Award(s) under this RFP. All questions must be directed to the person listed in Section 1.7 of this RFP.

##### C. Financial Qualification and Certification

All signatures are to be in ink and must be those of authorized officers or authorized representatives of the Proposer(s) and said signature(s) will (1) certify the response to the RFP meets or exceeds all conditions and/or standards listed in the RFP and (2) affirm the proposal complies with all applicable state and federal statutes, rules, or regulations, whether such legal requirements apply to either the Proposer(s) or the University of Massachusetts.

In addition to the certifications stated elsewhere in this RFP, Proposer(s) that are insurance organizations/companies offering to indemnify a health insurance risk under this RFP must (1) have a financial rating of A+ Superior from the A.M. Best Company (UMass reserves the right to waive this requirement if the insurance carrier is otherwise determined to have sufficient financial solvency) and (2) be licensed by the Commonwealth of Massachusetts's Division of Insurance to provide the insurance coverage requested through this RFP. Proposer(s) offering claims administration services must also be licensed by the Commonwealth of Massachusetts's Division of Insurance. A copy of the most recent analysis reports from the A.M. Best Company must be included with the Proposer(s)'s offer in response to this RFP document.

**D. Proposer(s) Representation and Warranty**

Proposer(s) represents and warrants the following: (1) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to provide the services and products required in this RFP, and perform all its obligations required hereunder; (2) that it is able to furnish all products and services required to complete the requirements hereunder and perform all of its obligations hereunder and has sufficient experience and competence to do so; (3) that it possesses the legal authority to provide the insurance coverage or services requested under this RFP, and that it has taken all actions required by its procedures, by-laws, and/or applicable law to exercise that authority, and to lawfully authorize its undersigned signatory to execute an Agreement with the University of Massachusetts under this RFP; (4) that the person(s) executing this response to this RFP on behalf of the Proposer(s) warrant(s) that such person(s) have full authorization to execute an Agreement with the University of Massachusetts; and (5) that the Proposer(s) has visited the site (or specifically waives the opportunity for site visit) of the project and familiarized itself with the local conditions under which the Agreement is to be performed.

**E. Compliance with Deviations Disclosure Requirement**

The University of Massachusetts will not consider or accept any deviations from the Proposer(s) that are shown in any other part of a proposal other than those listed in a specific section entitled DEVIATIONS (refer to inquiry A of Section 4.2 ). All deviations must be clearly identified and fully explained. Deviations determined to be unreasonable or clearly outside the intent of this RFP may be cause for rejection of the proposal. Pursuant to Inquiry A of Sections IV-A, IV-B, and IV-C, Section 4.2, the Proposer(s) must agree to be legally obligated to render services or to indemnify the risk for the products identified in this RFP unless deviations are shown as specified and accepted by the University of Massachusetts.

**F. Proposals Net of Agent/Broker Commissions**

Proposals must be submitted without the services of an agent or broker and net of any commissions. The University of Massachusetts Amherst will retain an independent benefits consulting firm to provide services that might otherwise be provided by an agent or broker. The University of Massachusetts Amherst reserves the right to include the cost of these services, as well as any other administrative fees or other benefit costs into the final cost of the SHIBP for eligible students/dependents for the 2012/13 plan year.

**G. Proposal Discussions with Individual Proposer(s) (post-proposal submission interviews)**

Proposal Discussions with Individual Proposer(s) are held to (1) promote understanding of the University's requirements and the proposals submitted under this RFP and (2) facilitate arriving at a contract that will be most advantageous to the University, taking into consideration price and the other evaluation factors set forth in this RFP.

If during discussions there is a need for any substantial clarification of, or change to, the Request for Proposals, this RFP will be amended to incorporate such clarification or change. Auction techniques (revealing one Proposer(s)'s price to another) and disclosure of any information from competing proposals are prohibited. Any substantial oral clarification of a proposal will be reduced to writing by the Proposer(s).

Proposer(s) should complete their quote with the understanding that post-proposal submission interviews or negotiations are an option that may, or may not, be exercised by UMass.

**1.5 PROPOSAL COPIES AND SUBMISSION INSTRUCTIONS**

One original and three (3) copies of the proposal must be received by the due date and time specified in Section 1.6. An electronic copy in Adobe™ PDF format must also be submitted on a CD-ROM or DVD disk with the original proposal. The original proposal must be signed by such individual or individuals who have full authority from the Proposer(s) to enter into binding contracts on behalf of the Proposer(s).

Proposals shall be delivered no later than 2:00 PM on March 16, 2012. Proposals shall be addressed and delivered to:

University of Massachusetts Amherst  
Procurement Department  
Room 407 Goodell Building  
140 Hicks Way  
Amherst, MA 010093-9334

**Attention RFP: AA12-JM-4492**

**1.6 EXPECTED REQUEST FOR PROPOSALS SCHEDULE**

All dates noted in this Section 1.6 are subject to change or correction via RFP addendum at the sole discretion of the University of Massachusetts. Unless otherwise noted, all deadlines are for 5:00 PM, Eastern Time.

Release of SHIBP Request for Proposals	February 8, 2012
Deadline for submission of questions	March 9 @ 2:00 PM
Deadline for University of Massachusetts Amherst to respond to submitted questions and issue RFP written addenda	March 13
<b>Deadline for receipt of Proposals (Proposal Opening)</b>	<b>March 16, 2012 (2:00 PM)</b>
Review of Proposals by the University of Massachusetts for compliance with mandatory RFP requirements under Section 1.11, Evaluation Criteria	March 17-19
RFPAC leadership, Procurement Department, and RFPAC Technical Advisers review of proposals and preparation of proposal analysis report	March 20-25
Evaluation of Proposals by RFPAC and Weighted Criteria scoring under Section 1.11, Evaluation Criteria	March 26-27
Invitation to Proposer(s) to participate in interviews at the University of Massachusetts Amherst (optional at University's discretion)	March 27
Proposer(s) Interviews at the University of Massachusetts Amherst	Wednesday-Thursday, April 4-5
Final Negotiations with Proposer(s), if necessary	April 6-12
Announcement of Award	Friday, April 13, 2012
Preparation for contract implementation and marketing material publication	April – May

**1.7 PROPOSER(S) QUESTIONS**

Any questions regarding this RFP must be emailed or faxed and must be received by 2:00 PM Eastern Time on March 9, 2012. No telephone calls will be accepted. All questions must be addressed to:

John O. Martin  
Director of Procurement & Campus Services  
University of Massachusetts Email:  
[jomartin@admin.umass.edu](mailto:jomartin@admin.umass.edu)  
Fax (413) 545-1643  
**Attn. RFP AA12-JM-4492**

The University will post its responses to all questions submitted by the deadline to all vendors of record by formal addendum **by 5:00 PM on March 13, 2012**. 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.

1.8 **RFP ADDENDA**

Any additions, interpretations, corrections, or changes in the RFP will be made by addenda by the University of Massachusetts. Interpretations, corrections, or changes to the RFP made in any other manner will not be binding, and no Proposer(s) may rely upon any such interpretations, corrections, or changes.

Proposer(s) must acknowledge all addenda in their response to this RFP or the University, at its sole discretion, may reject the Proposer(s)'s submission as being unresponsive.

1.9 **IDENTIFICATION OF CONTRACTOR(S) AND SUBCONTRACTOR(S)**

Proposer(s) must agree to hold contracts with only those companies or persons identified in their respective proposals. Any individual or company, other than the Proposer(s)'s officers or employees, who will receive compensation as a result of the Award of this contract, must be identified and their function fully described in response to inquiries stated in Sections IV-A, IV-B, and IV-C. All Proposer(s) must represent and warrant that any subcontractor(s) who are involved in the delivery of services/products under this RFP have agreed to the terms and conditions of this RFP and all components of the Agreement between the University of Massachusetts and the Proposer(s).

1.10 **REJECTION OF PROPOSALS AND WAIVERS**

The University of Massachusetts, in its sole discretion, expressly reserves the right to reject any or all proposals, or portions thereof, without providing explanation for the cause of rejection. UMass further expressly reserves the right to waive inconsistencies, mandatory requirements, informalities, minor irregularities, discrepancies, and any other matter or shortcoming.

1.11 **EVALUATION CRITERIA**

A. **Mandatory Criteria**

Throughout the RFP, mandatory criteria have been established and identified for selecting acceptable proposals. Mandatory criteria, such as compliance with Section I of this RFP, are stated as a mandate or requirement for submitting a proposal in response to this RFP.

Mandatory criteria for submission of proposals are identified either by (1) a notice in the RFP provision specifically indicating it is a mandatory requirement for submission or (2) the terms must or must not.

UMass will make the following determination regarding each mandatory criterion contained in this RFP:

**A = Acceptable:**

The Proposer(s) demonstrates full compliance with the requirement(s) stated in the RFP.

**AWE = Acceptable With Explanation:**

The Proposer(s)'s response to the RFP suggests that explanation is required to assure the proposal complies fully with the RFP mandate.

**AWC = Acceptable With Caution:**

The Proposer(s)'s response to the RFP is either partially acceptable or suggests the Proposer(s) is probably not capable of fully complying with the RFP.

**U = Unacceptable:**

The Proposer(s)'s response is not in compliance with mandatory criteria and is cause for rejection of the proposal.

Upon receipt of proposals, the Office of Procurement may contact Proposer(s) to obtain clarification or confirmation of compliance with the mandatory criteria for the RFP.

**B. Weighted Criteria**

Once a Proposer(s) has been certified by the University of Massachusetts Amherst as meeting all mandatory criteria requirements, an evaluation of the proposal will be conducted by UMass on the basis of the Proposer(s)'s cost quotation, overall response to the RFP, reference checks, and other information available to UMass. UMass is not bound to accept the lowest priced proposal if that proposal is not in the best interest of UMass as determined by the RFPAC. The criteria for evaluation of proposals, and selection of the successful Proposer(s), will be based on the weighted criteria shown in the following table. The order of the items is in rank order of importance to the University. Some items may be equal in value.

Item	Description of Evaluation Criteria	Pre-Interview	Post-Interview
1	Long-term costs for risk indemnification, claims administration, and other cost containment products/services	X	
2	Projected risk indemnification costs for 2012/13 (either stop-loss coverage or fully insured premiums) balanced with any reserve funding requirements	X	
3	Expected quality of service for claims administration, reporting capability, customer service, and other services	X	
4	Scope and quality of provider network	X	
5	Evaluation of Provider Agreements for Impact on In-Network Paid Claims in the Amherst/Western Massachusetts areas		X
6	Interview Score		X
7	Cost quotations and flexibility in providing alternative benefits and cost options	X	
8	General ability to fulfill deliverables specified in the RFP	X	
9	References	X	

In making determinations under each criterion, the University of Massachusetts Amherst will assess the entirety of each offer, fully insured or partial self-funding, in conjunction with all other offers to provide one or more of the services requested in the RFP for the 2012/13 plan year and possible subsequent renewal periods.

Upon completion of the initial review and evaluation of the proposals submitted, selected Proposer(s) may be invited to participate in oral presentations and/or negotiations. Oral presenta-

tions/negotiations, if any, will bind Proposer(s) by any representations made in such presentations benefiting UMass.

#### 1.12 CHANGES REQUIRED BY STATUTE, REGULATION, OR COURT ORDER

The University of Massachusetts Amherst recognizes there are factors that may cause a change of condition that are beyond the control of UMass. The factors that may impact this RFP after the effective date for the contract include, but are not limited to, the following:

- a) forthcoming federal regulations for SHIBPs under the Patient Protection and Affordable Care Act (refer to draft regulations at <http://www.gpo.gov/fdsys/pkg/FR-2011-02-11/pdf/2011-3109.pdf>);
- b) federal and state statutes, rules, regulations, and court decisions (particularly new interpretations of the requirements of Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, or the Age Discrimination Act of 1975);
- c) rulings of the Commonwealth of Massachusetts' Department of Insurance;
- d) rulings of the Massachusetts Division of Health Care Finance and Policy for interpretation of Student Health Program statutes and regulations;
- e) regulations or rulings of the US Department of Labor and/or US Department of Education pertaining to the Health Insurance Portability and Accountability Act; and
- f) regulations from the United States Information Agency pertaining to health insurance requirements for J visa recipients.

If a change of condition occurs (as described above), or if the Agreement is later determined not to be in compliance with the above conditions, the Proposer(s)/Contractor(s) must agree the contract with the University of Massachusetts will be amended retroactively to comply with the foregoing changes of condition. Any necessary adjustments in the cost for risk indemnification or the cost for the services specified in this RFP will be implemented through normal renewal negotiations effective for the following plan year.

As of the date of issuance of this RFP, the University of Massachusetts Amherst requires that all Proposer(s) must acknowledge that health care reform initiatives at both the federal level and by the Commonwealth of Massachusetts may have impact on the operation of the SHIBP and that provisions of this Section 1.12 may be implemented by the University of Massachusetts Amherst during the 2012/13 contract period or subsequent contract periods. If final federal regulations are issued prior to the deadline for issuing Addenda to this RFP (refer to Section 1.6, Expected Request for Proposals Schedule), UMass will make a good faith effort to analyze the regulations and make any required changes to this RFP. Such analysis will not, however, reduce or eliminate the compliance requirements applicable to Proposer(s) that are stated in this Section 1.12 and elsewhere in this RFP document.

#### 1.13 TERMINATION FOR CONVENIENCE

The contract may be cancelled by the University of Massachusetts, with or without cause, effective at the end of any coverage period (i.e., semester or summer session) with 30 days prior written notice. Notice of

the intent to cancel will be made by Certified Mail. In the event of cancellation, with or without cause, UMass will remain liable for all premiums or service fees due to the Contractor(s) prior to the date of cancellation. Upon termination of this Contract, all finished or unfinished documents, data, studies, and reports prepared by the contractor pursuant to this contract shall become the property of the University. **This Paragraph shall be construed as superseding Sections 11 and 12 of the Standard Contract.**

1.14 INDEMNIFICATION

The Contractor(s) shall defend, indemnify, and hold harmless the Commonwealth, the University, its Trustees, Officers, servants, and employees from and against any and all claims, liability, losses, third party claims, damages, costs, or expenses (including attorneys' and experts' fees) arising out of or resulting from the performance of the services performed by the Contractor(s), its agents, servants, employees, or subcontractors under this Contract, provided that any such claims, liability, losses, third party claims, damages, costs, or expenses are attributable to bodily injury, personal injury, pecuniary injury, damage to real or tangible personal property, resulting therefrom and caused in whole or in part by any intentional or negligent acts or omissions of the Contractor(s), its employees, servants, agents, or subcontractors. The foregoing express obligation of indemnification shall not be construed to negate or abridge any other obligation of indemnification running to the Commonwealth and/or the University that would otherwise exist. The University shall give the Contractor(s) prompt and timely notice of any claims, threatened or made, or any law suit instituted against it which could result in a claim for indemnification hereunder. The extent of this Contract of indemnification shall not be limited by any obligation or any term or condition of any insurance policy. The obligations set forth above shall survive the expiration or termination of this Contract.

Contractor(s) must: (a) notify the University of Massachusetts Amherst in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperate completely with UMass and/or the University of Massachusetts Amherst's insurers in the defense of such injury or claim; and (c) take no steps such as admission of liability which would prejudice the defense or otherwise prevent the University of Massachusetts Amherst from protecting the University of Massachusetts Amherst's interests.

1.15 INFORMATION TRUE AND CORRECT

All documents, agreements, and other information provided to the University of Massachusetts Amherst by Contractor(s) or which Contractor(s) has caused to be provided to the University of Massachusetts Amherst are true and correct in all respects and do not omit to state any material fact or condition required to be stated or necessary to make shipment or information not misleading, and there are no other agreements or conditions with respect thereto.

All information provided by the University of Massachusetts Amherst via this RFP is believed to be correct, but the University of Massachusetts Amherst makes no warranty as to its accuracy or validity.

1.16 UNIVERSITY OF MASSACHUSETTS RULES, REGULATIONS, AND INSTRUCTIONS

Contractor(s) will follow and comply with all rules and regulations of the University of Massachusetts Amherst and the reasonable instructions of UMass personnel. The University of Massachusetts Amherst reserves the right to require the removal of any worker it deems unsatisfactory, without providing cause or explanation for such removal.

Proposer(s) must review the University of Massachusetts standard Contract for Services (the "Standard Contract") contained in the Forward of this RFP and agree to comply with all terms and conditions set forth

therein. The Proposer(s) receiving the Award of this RFP shall sign the Standard Contract. . . . If there is a conflict between the Standard Contract and other requirements in this RFP, the requirements that are in the best interest of the University of Massachusetts will prevail.

1.17 **REQUIRED ACKNOWLEDGEMENT AND PROPOSER(S)'S DEVIATIONS NOTICE**

The Proposer(s)'s submission in response to this RFP must acknowledge receipt of all RFP document pages (including Addenda) and the Proposer(s) must accept all conditions or requirements for this RFP unless otherwise noted in a Section entitled DEVIATIONS to the RFP (refer to Inquiry A of Section 4.2, Sections, IV-A, IV-B, and IV-C). **The University of Massachusetts Amherst will not consider or accept any deviation(s) from the Proposer(s) that are shown in any other part of a proposal other than a Section entitled DEVIATIONS. The Proposer(s) is legally obligated to render services for the University of Massachusetts Amherst for the products identified in this RFP unless deviations are shown as specified in this RFP.**

Even if there are no deviations to the RFP document, the Proposer(s) must still include a section entitled DEVIATIONS in the proposal submission to the University of Massachusetts Amherst. An affirmative statement must be included in this section of the Proposer(s)'s offer to the University of Massachusetts Amherst that there are no deviations from this RFP document.

1.18 **RIGHT OF AUDIT AND REMEDIES**

The University of Massachusetts Amherst has the right to audit any recipient of a contract for services pursuant to this RFP. The Contractor(s) must be able and willing to commence with the audit within twenty (20) days of receipt of written notice from the University of Massachusetts Amherst.

The University of Massachusetts Amherst reserves the right to inspect services provided under this RFP and subsequent Agreement at all reasonable times and places during the term of the contract. Services as used in this clause include services performed or tangible material produced or delivered in the performance of services. If any of the services do not conform to this RFP or Agreement requirements, UMass may require the Contractor(s) to perform the services again in conformity with contract requirements, with no additional payment. When defects in the quality or quantity of service cannot be corrected by re-performance, the University of Massachusetts Amherst may (1) require the Contractor(s) to take necessary action to ensure that future performance conforms to contract requirements and (2) equitably reduce the payment due the Contractor(s) to reflect the reduced value of the services performed. These remedies in no way limit the remedies available to UMass in the termination provisions of this contract, or remedies otherwise available at law.

In addition to any other remedies provided for in this RFP and the Agreement, and without limiting its remedies otherwise available at law, the University of Massachusetts Amherst may exercise the following remedial actions if the Contractor(s) substantially fails to satisfy or perform the duties and obligations in this contract. Substantial failure to satisfy the duties and obligations will be defined to mean significant insufficient, incorrect, or improper performance, activities, or inaction by the Contractor(s). These remedial actions are as follows:

- a) suspend Contractor(s)'s performance pending necessary corrective action as specified by UMass, without Contractor(s)'s entitlement to adjustment in price/cost or schedule; and/or
- b) withhold payment to Contractor(s) until the necessary services or corrections in performance are satisfactorily completed; and/or

- c) request the removal from work on the contract of employees or agents of Contractor(s) whom the University of Massachusetts Amherst justifies as being incompetent, careless, insubordinate, unsuitable, or otherwise unacceptable, or whose continued employment on the contract the University of Massachusetts Amherst deems to be contrary to the public interest or not in the best interest of the University of Massachusetts Amherst; and/or
- d) deny payment for those services or obligations which have not been performed and which due to circumstances caused by Contractor(s) cannot be performed, or if performed would be of no value to the University of Massachusetts Amherst (denial of the amount of payment must be reasonably related to the value of work or performance lost to the University of Massachusetts Amherst); and/or
- e) terminate the contract for default.

The above remedies are cumulative and the University of Massachusetts Amherst, in its sole discretion, may exercise any or all of them individually or simultaneously. The University of Massachusetts Amherst also reserves the right to redress any harm caused by the Contractor(s) under the Contractor(s)'s errors and omissions insurance coverage. The Contractor(s) must maintain errors and omissions insurance coverage with a limit of not less than \$1,000,000 per occurrence (refer to Section 1.24).

1.19 SOLE ENDORSEMENT BY UNIVERSITY OF MASSACHUSETTS

The University of Massachusetts Amherst does not intend to offer, endorse, or administer any other student health insurance plan or program during the contract period(s). If an organization under the control of the University of Massachusetts Amherst decides to offer a student health insurance plan to its students, the successful Proposer(s) may require that the class of students, with the exception of international students, offered coverage be excluded from eligibility under this RFP document.

1.20 FERPA COMPLIANCE

The Proposer(s), and any of its subcontractor(s), must agree to act as an agent of the University of Massachusetts Amherst with regard to acceptance of any confidential information (e.g., Social Security numbers of students). The Proposer(s) agrees to maintain such information under the confidentiality requirements of The Family Educational Rights and Privacy Act of 1974, as amended (34 C.F.R. Part 99) and other applicable law.

1.21 HIPAA COMPLIANCE

The Proposer(s) is responsible for assuring that all components of the SHIBP under its direct control are in compliance with provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). For claims administrators responding to this RFP, either insurance companies or third party claims administrators, regardless of the funding option specified in Section III, the Proposer(s) is responsible for fully complying with delivery of certificates of creditable coverage and administration of any pre-existing condition exclusion under HIPAA.

1.22 LIABILITY INSURANCE REQUIREMENT

Contractor(s) will at its own expense obtain and maintain and provide evidence of such coverage to its response:

A. Commercial General and Umbrella/Excess Liability Insurance

Contractor(s) will maintain Commercial General Liability (CGL) insurance written on an occurrence basis and with a limit of not less than \$2,000,000 each occurrence and \$4,000,000 in the aggregate. If such CGL insurance contains a general aggregate limit, it will apply separately by location and will not be less than \$4,000,000. CGL insurance will be written on a standard ISO occurrence form (or a substitute form providing equivalent coverage) and will cover liability arising from premises, operations, independent contractor(s), products-completed operations, personal injury and advertising injury, and liability assumed under a Contractor(s) contract including the tort liability of another assumed in a business contract. Waiver of subrogation language will be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

**B. Commercial Auto Insurance**

Contractor(s) will maintain a commercial auto policy with a combined single limit of not less than \$1,000,000; under-insured and uninsured motorists limit of not less than \$1,000,000; comprehensive; collision; and a medical payments limit of not less than \$100,000. Coverage will include non-owned and hired car coverage. Waiver of subrogation language will be included.

**C. Personal Property Insurance**

Contractor(s) will purchase insurance to cover Contractor(s)'s personal property. In no event will the University of Massachusetts Amherst be liable for any damage to or loss of personal property sustained by Contractor(s), even if such loss is caused by the negligence of the University of Massachusetts Amherst, its employees, officers, or agents. Waiver of subrogation language will be included.

**D. Work ers' Comp ens ation Insu  
ra nce**

Contractor(s) will maintain all coverage statutorily required of the Contractor(s), and coverage will be in accordance with the laws of Massachusetts. Contractor(s) will maintain Employer's Liability with limits of not less than \$100,000/\$500,000/\$100,000.

**E. Professional Liability Insurance**

Contractor(s) will maintain professional liability (errors and omissions) insurance on a claims-made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability must not be less than \$1,000,000.

**1.23 INDEPENDENT CONTRACTOR STATUS**

The Contractor(s) is an independent contractor(s) and not an employee or agent of the University. No act or direction of the University shall be deemed to create an employer/employee or joint employer relationship. The University shall not be obligated under any contract, subcontract, or other commitment made by the Contractor(s).

**1.24 CONFIDENTIALITY/PRIVACY**

The Contractor(s) shall comply with all applicable state and federal laws and regulations relating to confidentiality and privacy. In addition, in the performance of this Contract, the Contractor(s) may acquire or have access to "personal data" and become a "holder" of such personal data (as defined in Mass. Gen. Laws ch.66A) or personal information (as defined in Mass. Gen. Laws ch.93H). Personal data and personal in-

formation shall be deemed to be “Personal Information.” Contractor(s) shall implement feasible safeguards to restrict access and ensure the security, confidentiality and integrity of all Personal Information owned, controlled, stored, or maintained by University and provided to or accessed by Contractor(s) in the performance of services irrespective of the medium in which it is held. The Contractor(s) agrees that it shall inform each of its employees, servants or agents, having involvement with Personal Information of the laws and regulations relating to confidentiality and privacy.

1.25 POLITICAL ACTIVITY PROHIBITED

The Contractor(s) may not use any Contract funds and none of the services to be provided by the Contractor(s) may be used for any partisan political activity or to further the election or defeat of any candidate for public office.

1.26 NONDISCRIMINATION IN EMPLOYMENT

The Contractor(s) shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap, or sexual orientation or a person who is a member of, applies to perform, or has an obligation to perform service in a uniformed military service of the United States, including the National Guard on the basis of that membership, application or obligation. The Contractor(s) agrees to comply with all applicable Federal and State employment statutes, rules and regulations

2.1 THE UNIVERSITY OF MASSACHUSETTS AMHERST BACKGROUND AND HISTORY

The University of Massachusetts Amherst was founded in 1863 as a land-grant university with four faculty members, four wooden buildings, 56 students and a curriculum combining modern farming, science, technical courses, and liberal arts. Over time, the curriculum, facilities, and student body outgrew the institution’s original mission. After World War II, the university experienced rapid growth in facilities, programs and enrollment, with 4,000 students in 1954. By 1964, undergraduate enrollment was 10,500. In the 1970s continued growth gave rise to new services on campus and to several important architectural additions. The next two decades saw the emergence of UMass as a major research facility. UMass Amherst entered the 21st century as the flagship campus of the state’s five-campus University system, with enrollment of nearly 24,000 students and a national and international reputation for excellence.

Today, the University of Massachusetts Amherst has 1,174 faculty members and more than 28,000 students. Its 1,450-acres campus is located in Amherst, 18 miles northeast of the city of Springfield and 90 miles from Boston. UMass is the largest public university in New England. On the Amherst campus, over 12,000 students live in 45 residence halls; and families, staff, and graduate students live in 345 units in two apartment complexes on campus. The table below shows enrollment for fall term, 2011. There are 378 (1.8%) undergraduate and 1,416 (22.6%) graduate international students included in the enrollment figures.

Fall 2011	Men	Women	Total
Full-time Undergraduate	10,285	9,824	20,109
Part-time Undergraduate	505	651	1,156
<b>Total Undergraduate</b>	<b>10,790</b>	<b>10,475</b>	<b>21,265</b>
Full-time Graduate	1,075	1,274	2,349
Part-time Graduate	2,083	1,840	3,923
<b>Total Graduate</b>	<b>3,158</b>	<b>3,114</b>	<b>6,272</b>
Total Degree Students	13,948	13,589	27,537
Total Non-Degree Students	218	329	547
<b>Grand Total</b>	<b>14,166</b>	<b>13,918</b>	<b>28,084</b>
Refer to publications by the University of Massachusetts Amherst Office of Institutional Research for additional information: <a href="http://www.umass.edu/oapa/oir/index.php">http://www.umass.edu/oapa/oir/index.php</a>			

2.2 UNIVERSITY HEALTH SERVICES (<http://www.umass.edu/uhs/>)

Comprehensive health and counseling services and health promotion/education are provided on campus at the University Health Services (UHS). UHS services are available to UMass students, faculty and staff, and their spouses, domestic partners, and dependents. Students enrolled in five or more credits are automatically assessed a health fee which entitles them to specific benefits. There have been significant, recent changes in the health fee benefits and in the scope and hours of services for medical services, and additional changes are scheduled for implementation in 2012/13.

A. Health Fees

Prior to August 1, 2011, the Student Health Fee covered primary care office visits for SHIP-covered students, counseling visits, and health education/promotion services. Students and/or their insurance plans were billed for specialty and ancillary services, procedures, and for office services not covered by the health fee.

Effective August 1, 2011, all medical office visits (including psychiatric medication visits) are billed to students’ insurance and the health fee covers only the copayments and coinsurance. In other words,

the health fee changed from being the primary coverage for office visits to being secondary. For counseling services, four visits per academic year are covered by the health fee, and copayments and coinsurance are covered by the health fee for visits exceeding four per academic year.

B. Medical Services at UHS

Current medical services include primary care and pediatric services, radiology, physical therapy, laboratory testing, and immunizations. Primary care providers include physicians, nurse practitioners, and physician assistants. Other services provided are acupuncture, sports medicine, nutrition, occupational health, and mind/body medicine. In addition, there is an eye clinic which provides eye exams, corrective lenses, and eyeglasses. Gynecology and orthopedics are available at UHS by appointment from specialists who purchase space from UHS.

Services by a medical provider are available by appointment or on a walk-in basis. Beginning 2011/12, clinic hours are Monday through Friday, 8:00 AM to 8:00 PM during fall and spring terms, 8:00 AM to 6:00 PM during intersession, and 8:00 AM to 6:00 PM during summer term. Weekend hours are noon to 4:00 PM Saturdays and Sundays during fall and spring terms. UHS is closed on weekends in the summer and on major holidays when school is not in session. Prior to 2011/12, UHS medical services were available from 8:00 AM to midnight, 365 days per year. Although medical service hours were dramatically reduced starting this academic year, overall utilization of UHS medical services is not expected to significantly decrease, nor is usage of local emergency room services expected to increase, as a result of this change. The change in hours reflects the fact that there was minimal, if any, utilization of primary care services during the time periods cut from the clinic schedule. A Chancellor's Committee is currently reviewing UHS operations and may make changes to UHS operating hours; however, the number of service hours is not likely to be reduced. Opening and closing hours on weekends may shift and/or additional weekday hours may be added. Even if hours are changed as a result of the committee review, there will be minimal impact on the overall utilization of UHS.

Currently, the UHS operates a CLIA certified, high-complexity laboratory providing chemistry, hematology, urinalysis, pregnancy testing, serology, and microbiology services (refer to Section VI, Attachment C, for the current encounter form and current laboratory test listing). Other tests are collected and sent to a reference laboratory (also included on the encounter form). Beginning June 2012, UHS will perform only CLIA waived and a few other select laboratory tests (refer to Section VI, Attachment G, for a list of tests that will remain in-house). Also effective June 2012, tests performed by reference laboratories will be billed directly by the reference laboratories to students/patients. Alternately, these reference lab tests may be covered with a group billing arrangement with the reference lab for SHIBP enrollees if rates are more advantageous to the plan.

UHS currently operates a pharmacy that is open from 8:30AM to 7:00 PM on weekdays and 11:00 AM to 5:00 PM on Saturdays during fall and spring terms. Hours may be reduced during other times of the year. The UHS pharmacy is expected to be closed at the end of this fiscal year (pharmacy services will not be available on campus effective 2012/13). The UHS pharmacy currently processes all charges through the SHIP pharmacy benefits manager (PBM). If the Chancellor's Committee reverses the decision to close the UHS Pharmacy, pharmacy charges will continue to be processed through the PBM like any other pharmacy claim.

**C. Counseling Services at UHS**

Services include crisis intervention, short-term therapy for individuals, couples and families, support and therapy groups, behavioral medicine, suicide prevention training, assessments, psychiatric services, and an eating disorders clinic. Service hours are Monday through Friday, 8:00 AM to 5:00 PM, with emergency on-call services available 24 hours a day, seven days per week. The health fee covers the first four psychotherapy visits. After these prepaid visits, the students' primary insurance plans are billed.

All psychiatric medication visits are billed to students' primary insurance plans. The health fee covers balance not paid by the primary insurance plans, with the exception of plan deductibles, which are billed to the students. Psychiatric services include evaluation, diagnosis, and treatment by a psychiatrist or psychiatric clinical nurse specialist.

**2.3 2008/09 TO PRESENT SHIP VENDORS AND FUNDING ARRANGEMENT**

For 2008/09 through the current plan year, the SHIP has been provided on a fully insured basis without any dividend or risk sharing arrangements through Aetna Student Health. For plan years 2008/09 through 2010/11, office visits at the UHS for eligible students were covered by the Student Health Fee and charges were not made to the SHIP for these services. Effective August 1, 2011, these office visits are charged to the SHIP (refer to Section II, Section 2.2-A) and are generally paid by the SHIP with a 15 percent discount off of UHS billed charges. Charges are submitted via ledger billing by UHS to Aetna Student Health for SHIP reimbursement.

Included in the coverage provided by Aetna Student Health is medical evacuation and repatriation coverage underwritten by Virginia Surety Company, with medical and travel assistance services provided by On Call. Refer to the 2011/12 brochure provided in Section VI, Attachment C, for a description of this unlimited coverage.

**2.4 SHIP BENEFIT AND MANAGEMENT CHANGES FROM 2009/10 TO PRESENT****A. 2009/10**

- ER copay implemented for GEO (waived for GEO prior to this plan year).
- UHS began to bill SHIP for office visits related to the administration of an immunization.
- Implemented a \$200 annual plan deductible. The deductible applied to services outside of the UHS even if there was a UHS referral. Deductibles were \$200 per student, spouse, or child; or \$600 per family. Previously, a deductible would not apply if there was a UHS referral.
- Reduced the maximum benefit from \$500,000 to \$250,000 per condition per policy year.
- Generic prescription copayments were increased from \$7.50 to \$10.00. Prescription plan maximum was \$5,000. Copayment for GEO oral contraception was reduced to \$10.

**B. 2010/11**

- Sex reassignment surgery exclusion was removed.
- Dependent eligibility was changed to covering dependent children under age 26 who reside with, and are fully supported by, the covered student. Prior to this, dependent child eligibility was defined as unmarried dependent children under the age of 19 who reside with, and are fully supported by, the covered student.
- Both the policy plan maximum and prescription plan maximum increased to unlimited benefits.

- Mammogram benefits increased from 80 percent to 100 percent coverage for Non-Preferred Care.
- Eliminated voluntary sterilization expense.
- Prescription copayments increased from \$10 to \$20 for generic and from \$15 to \$35 for brand name drugs.
- Copayment for oral contraceptives for GEO students was reduced to \$10.

C. 2011/12

- Durable medical equipment maximum of \$10,000 was adopted.
- Dental injury maximum of \$400 was adopted.
- Psychological testing was covered only at UHS. Covered at 85 percent.
- Physical therapy services were capped at 20 visits.
- Acupuncture was limited to 20 visits.
- Student Health Fee became secondary to students’ insurance coverage for office visits for SHIP coverage. SHIP reimbursement to UHS was set at 85 percent of UHS charges.
- Dependent eligibility changed to conform to PPACA, covering dependent children under age 26.
- Deductibles increased to \$250 per student, spouse, or child; and \$750 for family.
- Implemented Preferred Care & Non-Preferred Care combined individual out-of-pocket maximum of \$5,000 per policy year.
- Preferred Care coinsurance changed from 100 percent to 85 percent; and Non-Preferred Care from 80 percent to 75 percent; including elective abortions, mammograms, and pap exams.
- Prescription copayments reduced to \$15 for generic and \$30.00 for brand name drugs.
- Added Christian Science healing benefit with \$20 copayment and 80 percent coinsurance.

Prescription drug copayments are summarized in the following table:

	2008/09	2009/10	2010/11	2011/12
Generic	\$ 7.50	\$10.00	\$20.00	\$15.00
Brand-name	\$15.00	\$15.00	\$35.00	\$30.00
Oral Contraceptives, GEO only				\$10.00

2.5 CENSUS DATA FOR FALL 2011

A current census report providing age and gender data is included in Section VI, Attachment D. Included in Section VI, Attachment D is a report of current SHIP enrollment by GEO and non-GEO students. The tables below show comparisons of fall enrollment for 2010 and 2011. The first table shows the average age for each group of enrollees and the percent change from 2010 to 2011. The second table summarizes student only enrollment for both periods. Complete dependent enrollment numbers for fall 2010 are not available. Average dependent age for 2010 is based on incomplete data.

It should be noted that there are approximately 600 graduate students who are enrolled in the non-GEO Plan. If separate plans are implemented for Graduate/GEO and Undergraduates, all non-GEO graduate students will be in the Graduate/GEO Plan. Proposer(s) should take this into consideration when quoting separate Graduate/GEO and Undergraduate rates.

Average Age									
	2010/11			2011/12			Percent Change		
	F	M	Total	F	M	Total	F	M	Total
GEO Student	28.8	28.5	28.7	28.9	28.6	28.7	0%	0%	0%
GEO Dependent	22.1	17.3	20.0	21.8	20.4	21.2	-1%	18%	6%
Student	22.0	22.6	22.3	22.1	22.6	22.4	0%	0%	0%
Dependent	20.7	21.3	21.0	22.9	17.0	19.7	10%	-20%	-6%
Total	24.6	24.7	24.7	24.4	24.4	24.4	-1%	-1%	-1%

Enrollees									
	2010/11			2011/12			Percent Change		
	F	M	Total	F	M	Total	F	M	Total
GEO Student	1,144	1,212	2,356	1,105	1,161	2,266	-3%	-4%	-4%
Student	1,781	1,921	3,702	1,682	1,922	3,604	-6%	0%	-3%

2.6 SHIP 2011/12 ENROLLMENT POLICIES AND PROCEDURES

Students enrolled for five or more credits are automatically enrolled in the SHIP unless they waive participation online by the waiver deadline date. Students wishing to enroll in the SHIP who are not automatically enrolled must first pay the Student Health Fee.

Students covered by the SHIP who purchase the family plan, those taking fewer than five credits per semester, program fee students, and those enrolled in a degree-seeking program through Continuing and Professional Education or University Without Walls may enroll at UHS Patient Services before the end of the Add/Drop period.

The SHIP family plan is a combined package of the SHIP and the student health fee, which provides coverage for a covered student's spouse, same-sex domestic partner, and/or unmarried dependent children under age 26. The student must be enrolled in the SHIP and have paid the Student Health Fee to enroll eligible family members.

A. Eligibility and Enrollment Policies

SHIP eligibility and enrollment policies are as follows.

- Undergraduate and Graduate students taking five or more credits are automatically enrolled unless they have completed a waiver, by the waiver deadline, indicating they have comparable coverage. If an online waiver is submitted for fall semester, coverage is automatically waived for spring semester.
- Undergraduate and Graduate students taking fewer than five credits may purchase the plan on a voluntary basis. Enrollment is processed at UHS and the charges are sent to the Bursar's office to be included in the tuition account.
- Students enrolled in online programs are not eligible to purchase coverage.
- International students may not waive out of the plan and are required to maintain SHIP coverage.

- U.S. students with comparable coverage under another major medical insurance plan, including Commonwealth Choice, may waive the SHIP.
- Spouses, domestic partners, and children under age 26 of students are eligible on a voluntary basis providing the students are enrolled in the SHIP and have paid the Student Health Fee. Enrollment is processed at UHS and the charges are sent to the Bursar's office to be included in the tuition account.
- For graduate students in the GEO bargaining unit, the University academic departments pay 95 percent of the cost of the Student SHIP and 90 percent of the cost of the Student Family Health Plan. .

B. UMass Enrollment/Waiver Process Functions

The following functions or tasks were provided by UMass for the operation of the SHIP enrollment/waiver system.

- Work with insurance vendor representative regarding wording on waiver website. Discuss dates of eligibility to waive (i.e. July 12th – October 22nd).
- After initial audit, insurance vendor sends this information to UHS Patient Services. UHS Patient Services reviews the listing, sends an email to the students notifying them that they will be re-charged. This recharge information is also sent to the Bursar's office. UMass recharges those who have not complied with the audit information and those who have Commonwealth Care.
- UHS's IT Department picks up the waiver file; strips the information and forwards to the Bursar's Office in the format requested, the Bursar's Office removes the charges on the tuition bill from the file of valid waivers. UHS and the Bursar's Office compare this file on a regular basis to ensure all files were completed.
- UHS provides customer service to students who have problems with the waiver site or those who did not waive by the deadline.
- UHS assists students with paper waivers for those who cannot use the waiver website.

C. Current Vendor Enrollment/Waiver Functions

The following functions or tasks were provided by Aetna for the operation of the SHIP enrollment/waiver system.

- Maintain on line waiver website – including content of waiver site.
- Ensure waiver site is available and open during dates of eligibility to waive.
- Send students confirmation of approval or denial of waiver information.
- Perform initial audit of waiver information given on website (Aetna Student Health audits 30% of total waivers received and then lists all Commonwealth Care members). Aetna sends an initial email to the student to obtain corrected insurance information.
- Aetna on a daily basis sends electronically the file of those students who had successfully waived and those that were denied. Denials are normally those who had not completed the information.
- Provides customer service to students who have problems with the waiver site.
- Provides customer service to UHS by verifying when students have actually gone online to waive when student asserts waiver was completed.

If a student withdraws from the University within the first 31 days of a coverage period, the student will cease to be covered and the full premium will be refunded, less any claims paid. After 31 days, students will be covered for the full period for which premiums have been paid, and no refund is allowed. This refund policy does not apply to students who withdraw as a result of a covered accident or sickness.

After the last day for refund for all UMass tuition/fees, refunds are not permitted except in the case of a student entering into the armed services of any country. A student entering the armed forces will not be covered under the SHIP as of the date of such entry. A pro-rata refund of premium will be made for any such person and any covered dependents upon written request received within 90 days of withdrawal from school. SHIP start dates vary depending on the term the student meets the eligibility requirements. With the exception of certain graduating GEO students, the end date is always the end of the policy year. With the exception of a nominal number of GEO students who have 13 and 14 month appointments, the plan is an annual policy and is billed over two semesters for students’ convenience.

GEO students are guaranteed insurance coverage by their collective bargaining contract. GEO students who start their employment contracts before the start of classes are enrolled for a June/July coverage period. There are generally two to three individuals that use this option. GEO students who graduate in September enroll in the plan for the month of August only. Generally there are about 30 individuals and some families who fall into this category. These students/families need to have been enrolled in the previous plan period to qualify (they cannot just enroll in the August plan). Proposer(s) must be able to replicate these coverage periods.

**2.7 SHIP ENROLLMENT**

The table below summarizes the annual enrollment by plan year. Enrollment reflects headcount. A member enrolled for a full or partial plan year is considered one member.

Plan Year	Student Coverage	Spouse	Child(ren)	% Change from Previous Year
2008/09	5,725	396	325	
2009/10	6,311	401	324	9.2%
2010/11	6,555	423	345	4.1%
2011/12 (Fall)	5,917	372	292	(3.9%)*
* Based on enrollment as of December 31 of each Plan year.				

**2.8 ANNUAL COST FOR SHIP**

	2008/09	2009/10	2010/11	2011/12
Student	\$2,322	\$2,322	\$2,371	\$2,776
Family	\$3,836	\$3,836	\$3,917	\$4,598

For all plan years, a \$10 administrative fee was retained by UMass for student only coverage before premium was remitted to Aetna Student Health. The administrative fee was \$25 for family coverage. For the 2011/12 plan year, Aetna Student Health was required to include a \$10 per student per year fee for the Massachusetts Health Connector.

2.9 CLAIMS TO PREMIUM LOSS RATIOS

**2008/2009 Policy Year**

	Claims Paid	Ultimate	Ultimate with Pooling Adjustment	Premium	Loss Ratio
<b>Students</b>					
Medical Costs	\$6,116,861	\$6,116,861	\$5,791,582	\$11,542,947	60.2%
Drug	\$1,177,567	\$1,177,567	\$1,177,567		
<b>Dependents</b>					
Medical Costs	\$1,469,013	\$1,469,013	\$1,392,200	\$1,397,988	107.3%
Drug	\$98,237	\$98,237	\$98,237		
Health Center Claims (not including Rx)	\$513,538	\$513,538	\$513,538		
Taxes	\$83,260	\$83,260	\$83,260		
<b>Total</b>	<b>\$9,375,215</b>	<b>\$9,375,216</b>	<b>\$8,973,123</b>	<b>\$12,940,935</b>	<b>69.2%</b>

**2009/2010 Policy Year**

	Claims Paid	Ultimate	Ultimate with Pooling Adjustment	Premium	Loss Ratio
<b>Students</b>					
Medical Costs	\$6,323,935	\$6,323,935	\$6,231,929	\$12,752,241	59.0%
Drug	\$1,287,827	\$1,287,827	\$1,287,827		
<b>Dependents</b>					
Medical Costs	\$1,634,173	\$1,634,173	\$1,455,197	\$1,404,610	112.6%
Drug	\$122,983	\$122,983	\$122,983		
Health Center Claims (not including Rx)	\$564,296	\$564,296	\$564,296		
Taxes	\$78,531	\$78,531	\$78,531		
<b>Total</b>	<b>\$9,933,214</b>	<b>\$9,933,214</b>	<b>\$9,662,232</b>	<b>\$14,156,851</b>	<b>68.3%</b>

**2010/2011 Policy Year**

	Claims Paid	Ultimate	Ultimate with Pooling Adjustment	Premium	Loss Ratio
<b>Students</b>					
Medical Costs	\$7,478,316	\$7,584,791	\$7,205,116	\$12,639,007	66.8%
Drug	\$1,242,713	\$1,242,713	\$1,242,713		
<b>Dependents</b>					
Medical Costs	\$1,514,610	\$1,536,175	\$1,445,371	\$1,657,010	96.9%
Drug	\$157,523	\$157,523	\$157,523		

<i>Health Center Claims (not including Rx)</i>	\$709,469	\$709,469	\$709,469		
<i>Taxes</i>	\$102,305	\$102,305	\$102,305		
<b>Total</b>	<b>\$11,102,631</b>	<b>\$11,230,671</b>	<b>\$10,760,193</b>	<b>\$14,296,017</b>	<b>75.3%</b>

Accurate reporting is not available distributing claims between student and dependents covered under the GEO Bargaining Unit (designated as Group 106) and all other undergraduate and graduate students (designated as Group 101).

2.10 LARGE AND CATASTROPHIC CLAIMS

Provided in Section VI, Attachment E, is a listing of large and catastrophic claims for the 2008-09 plan year. Also included is a review of 2011/12 plan year large and catastrophic claims.

2.11 CLAIMS UTILIZATION REPORTS

Annual claims utilization reports from Aetna Student Health are provided in Section VI, Attachment H-1 and H2, for the 2008/09 (includes 2006/07 through 2008/09) and 2011/12 (includes 2009/10 through 2011/12) plan years respectively.

Provided in Section VI, Attachment F, Excel™ format are paid claims lag studies for claims incurred and paid as of November, 30, 2011. These studies are for all plan participants, with separate reporting for medical and prescription drug paid claims. There are also worksheets within the file providing separate data for students covered by the GEO Bargaining Unit and all other SHIP participants.

2.12 MEDICAL EVACUATION AND REPATRIATION CLAIMS

Claims utilization data for medical evacuation and repatriation claims for 2008/09 to present is provided as follows:

**2008/2009:**

- Economy Class Ticket from Massachusetts to Beijing: \$2,383.90

**2009/2010:**

- Economy Class Ticket Nurse Medical Escort from Massachusetts to Seoul: \$10,727.00

**2010/2011 and 2011/12 (Year/To/Date):**

There are no medical evacuations, medical repatriations, or repatriation of deceased remains cases.

3.1 **ELIGIBILITY AND INSURANCE REQUIREMENT**

The number of students eligible to participate in the SHIBP is not expected to change significantly for the 2012/13 plan year. The University of Massachusetts Amherst will continue to require health insurance as a condition of enrollment as specified in the 2011/12 the University of Massachusetts Amherst Student Health Insurance Plan brochure provided in Section VI, Attachment C, and as explained in Section II, Section 2.6., SHIP 2011/12 Enrollment Policies and Procedures.

An individual is a qualified late enrollee if the request for enrollment is made within 30 days after termination of coverage provided under another health insurance plan or arrangement where such coverage has ceased due to termination of the spouse's employment or death of the spouse. If a covered person is unable to renew coverage due to a loss of eligibility due to his or her graduation, expenses incurred after the termination of insurance will be payable provided they commenced while insured and resulted from a covered accident or sickness. No payment will be made under this provision beyond 52 weeks from the date of the accident or the date of the first treatment of the sickness.

Students who enrolled during fall term and who have insurance and either forgot to waive in fall or who have acquired new insurance can withdraw from the plan for spring term.

UMass will continue to perform the functions stated in Section II, Section 2.6, for the enrollment/waiver process.

3.2 **GENERAL RESPONSIBILITIES FOR THE UNIVERSITY OF MASSCHUSETTS AMHERST**

Except as specifically stated in this Section III-A, the responsibilities for the University of Massachusetts Amherst will vary depending upon the funding arrangement and vendors selected through this RFP process. Refer Sections 3.1 and 3.2 of Sections III-B and III-C. The following are specific responsibilities applicable to UMass regardless of the funding system adopted through this RFP Process.

A. **Insurance Requirement and Overall Management of SHIBP**

The University of Massachusetts Amherst will verify that all covered students and dependents are eligible to participate in the SHIBP. The University of Massachusetts Amherst will continue to devote sufficient resources and staff to effectively manage all facets of the SHIBP.

B. **Operation of University Health Services**

Except as specifically provided in this Section 3.2, UMass will operate University Health Services with the same scope of services and hours of operation as specified in Section II, Section 2.2, University Health Services. Proposer(s) should note that charges for medical services by University Health Services, not including charges from health care providers leasing space at UHS, will be self-funded by UMass under fully insured proposals (refer to Section III-B, Section 3.1 and Section 3.2(C)).

- Beginning in 2012/13, UHS will perform only CLIA waived and a few other select laboratory tests (refer to Section VI, Attachment G, for a list of tests that will UHS will continue to perform in its internal laboratory).
- Effective in 2012/13, tests performed by reference laboratories will be billed directly by the reference laboratories to students/patients, including charges to students covered by the SHIBP. Alter-

nately, UMass may pursue a group billing arrangement with a reference lab for SHIBP enrollees if rates are more advantageous to the plan.

C. Student Health Program Reporting

UMass will continue to be responsible for all reporting required for Student Health Programs that is specified for colleges and universities by the Massachusetts Division of Health Care Finance and Policy or other agencies of the Commonwealth of Massachusetts.

3.3 REQUIRED PLAN BENEFITS AND NO GAIN/NO LOSS PROVISION

Except for the change(s) below or unless otherwise specified in this Section, or otherwise adopted by UMass through a benefit design option selected through this RFP process, Proposer(s) must replicate the schedule of benefits, covered expenses, exclusions, limitations, definitions, and special provisions stated in the 2011/12 Plan Document and 2011/12 SHIP brochure provided in Section VI, Attachment C. This requirement does not apply to accidental death and dismemberment benefits. The schedule of benefits should be changed as follows:

1. Eliminate the requirement for students to obtain a UHS referral for services. In-network and out-of-network services should be payable without UHS referral at the published Preferred and Non-Preferred rate (no reduction to 60 percent coinsurance). Since the health fee covers coinsurance and/or copayments for services at UHS, there would continue to be an incentive for enrollees to seek care at the UHS (e.g., no out-of-pocket expense for the enrollee).
2. Remove the dollar maximums put in place for the 2011/12 plan year for dental injury and durable medical equipment.

Proposer(s) must modify the schedule of benefits to best comply with the benefit and plan management requirements that are anticipated in final regulations for SHIBPs under the PPACA. These modifications must be fully explained in response inquiry A stated in Section 4.2., of Sections IV-A and IV-B.

This requirement does not apply to any provision that would be contrary to the legal authority or requirements applicable to certain Proposer(s). Proposer(s) must identify any legal requirements that are contrary to the provisions in this Section 3.3 by using the Proposer(s) DEVIATIONS notice specified in Section 1.4(E).

Unless otherwise specified in this RFP, Proposer(s) must agree to provide coverage so that covered persons will neither lose nor gain benefits from the 2011/12 plan year to the 2012/13 plan year. Exceptions to this provision are (1) any change in benefits specified in this RFP or formally adopted in final negotiations with the Proposer(s) under this RFP or (2) any Proposer(s) DEVIATIONS accepted by the University of Massachusetts Amherst that are compliant with the requirements stated in Section 1.4(E) and Inquiry A of each Section 4.2.

This no gain/no loss provision applies even if there was an error in administration of the plan or an error in interpretation of benefits for the 2011/12 plan year.

3.4 OPERATION OF SHIBP AND RESERVE FUNDS

Regardless of whether a fully insured or partial self-funding arrangement is adopted resulting from this RFP process, the University of Massachusetts Amherst will operate the SHIBP for the sole benefit of its students.

Existing and future reserve funds will be encumbered for the sole benefit of student participants under the mission statement that will be adopted for the SHIBP that is provided in Section VI, Attachment A.

3.5 **CONTRACT PERIOD AND ANNUAL RENEWAL NEGOTIATIONS**

The initial contract period will be for the 2012/13 plan year with an effective date of August 1, 2012, and a termination date of July 31, 2013. The intent of RFP is for the University of Massachusetts Amherst to renew the contract for four (4) additional one year contract periods beyond the initial 2012/13 contract period.

Only benefit options and cost quotations in Sections V-A through V-C are negotiable at renewal, including new benefits and services; all other RFP provisions and the contract between the successful Proposer(s) and the University of Massachusetts Amherst are non-negotiable and will remain the same as in the initial one year period. Unless otherwise agreed to by the successful Proposer(s) and the University of Massachusetts Amherst, renewal negotiations will occur on the third Friday of March, 2013, and this same date for each year thereafter. A written renewal proposal must be prepared by the successful Proposer(s) and submitted to the University of Massachusetts Amherst ten (10) working days prior to this date.

If the successful Proposer(s) does not intend to renew the Agreement, the successful Proposer(s) must notify the Director of Clinical Practices, Operations and Systems for University Health Services at the University of Massachusetts Amherst no later than 90 days prior to the date the written renewal is to be provided. Failure to provide this notice will result in the Proposer(s)'s forfeiture of any retrospective reserve funds and/or other performance incentive funds to the date the notice should have been provided and through the end of the contract period. The University of Massachusetts Amherst may also recover any expenses incurred for conducting an RFP process or other costs associated with changing vendors for the SHIBP.

3.6 **PAYMENT OF PREMIUM AND SERVICE/PRODUCT FEES**

UMass will work with the successful Proposer(s) in developing an appropriate enrollment remittance and payment schedule.

**3.1 REQUESTED PROGRAM AND METHODS FOR SHIP OPERATION**

Based on the provisions of this Section III-B, the University of Massachusetts Amherst will evaluate fully insured proposals from a single insurance organization for risk indemnification, claims administration services, health care provider networks, and all other necessarily related services or products, including those that are listed in Optional Programs and Services. As noted in Section III-A, Section 3.2-B, UMass will begin self-funding the medical claims liability for University Health Services charges, not including charges billed by health care providers working out of space at UHS and billing services directly to students, effective for the 2012/13 plan year. If the Chancellor's Committee (refer to Section II, Section 2.2-B) reverses the decision to close the UHS Pharmacy, pharmacy charges will not be administered internally by UMass; they will be processed through the PBM like any other pharmacy claim.

Proposer(s) must base their claim projections on the assumptions listed in Section III, Section 3.3 benefit design requirements for the 2012/13 plan year. Proposer(s) must provide claims projections that have actuarial validity based on the expected impact of their respective agreements with participating providers in Massachusetts that will continue to provide the majority of the health care services received by covered students and their dependents.

The cost quotation for this fully insured program is predicated on having two separate student cost categories: (1) students covered by the GEO Bargaining Unit and other graduate students and (2) undergraduate students. UMass recognizes that the lack of data for paid claims data for these two student classes will require Proposer(s) to develop costs based on the census data provided in Section VI, Attachment D, using manual underwriting systems.

Proposer(s) should also note that the cost quotation for Section III-A specifies the use of dependent rates for 2012/13 that were determined by UMass. The rates are developed with the intention that there will be nominal subsidy for dependent coverage from the undergraduate student rate since almost all of the dependents are in the graduate and GEO student populations.

**3.2 RESPONSIBILITIES FOR THE UNIVERSITY OF MASSACHUSETTS AMHERST**

UMass will fulfill the responsibilities specified in Section III-A of this RFP, including the adoption of a formal program mission statement and commitments for operation of the SHIBP and possible maintenance of retrospective reserve funds. The following responsibilities for UMass are specific to proposals for fully insured proposals.

**A. General Responsibilities**

UMass will fulfill all requirements for program operation stated in Section III-A of this RFP related to overall management of the SHIBP, payment of premium, and operation of University Health Services.

**B. Student Health Program (formerly QSHIP) Reporting and Other Mandates Applicable to UMass**

UMass will fulfill all reporting requirements to the Division of Health Care Finance and Policy for Student Health Programs and other mandates that (e.g., insurance requirements) that are applicable to colleges and universities. Note that responsibility for compliance with required benefits and other matters that are not sole responsibilities for UMass will be applicable to the Contractor(s) under the requirements stated in Section I of this RFP and Section III-B for fully insured programs and Section III-C for Minimum Premium proposals.

C. Self-Funding for UHS Claims Liability

UMass will self-fund the medical claims liability for services provided at University Health Services, not including health care providers external to UMass that are providing services at UHS. If the Chancellor's Committee (refer to Section II, Section 2.2-B) reverses the decision to close the UHS Pharmacy, pharmacy charges will not be self-funded. UMass will be responsible for administering this claims liability relative to determining a capitation to be charged to the SHIP or charging fee-for-service charges to the SHIP account.

3.3 DELIVERABLES FOR FULLY INSURED VENDORS

A. Fully Insured Coverage

The Proposer(s) must provide a policy to the University of Massachusetts Amherst that fully complies with all applicable federal and state laws (refer to Section I, Section 1.12). The fully insured proposal must include catastrophic claim pooling protection for the purpose of determining annual renewal negotiations at the \$100,000 per claim level.

UMass does not require a dividend accounting or retrospective premium arrangement to the extent a minimum medical loss ratio requirement is specified for this fully insured proposal under forthcoming regulations under the PPACA. If regulations that include a medical loss ratio requirement are not issued for the 2012/13 plan year, UMass reserves the right to issue an Addendum to this RFP requiring the use of a dividend accounting arrangement or retrospective premium arrangement.

B. Claims Administration

The Proposer(s) must accept responsibility for all routine functions associated with claims administration services including, but not limited to, determination of eligible expenses (including allowed charges under participating provider agreements); application of deductibles, copayments, and coinsurance provisions; issuing of benefit payments, explanation of benefit forms, and claim declination letters; and producing utilization reports. All services must be provided in a timely manner, consistent with the highest standards for quality and accuracy for the health insurance field.

In addition to claims administration services, the Proposer(s) must also issue HIPAA certificates of creditable coverage to students who discontinue participation in the SHIP. These certificates must be issued pursuant to federal law and the laws of the Commonwealth of Massachusetts relative to time requirements and content.

The Proposer(s) must provide all of the standard and custom utilization reports and other reporting promised pursuant to responding to this RFP from the University of Massachusetts Amherst. These reports must be accurate and provided on a timely basis.

All reporting data provided by the claims administrator will be the sole property of the University of Massachusetts Amherst. No Proposer(s) that receives an Award under this RFP will be permitted to constrain the University of Massachusetts Amherst's use of any claims reports.

C. Provider Networks

The Proposer(s) must provide and maintain the managed care network for participating providers. The Proposer(s) is responsible for all routine functions associated with credentialing, providing, and maintaining the managed care network, including, but not limited to, credentialing of providers and facili-

ties, establishing liability insurance requirements for providers, negotiating fee schedules, and monitoring contract compliance among providers (e.g., no balance billing).

D. Program Communication

The Proposer(s) must develop, publish, and mail a program communication document to all eligible students during the summer, specific dates to be decided by UMass. This document must comply with all of the benefit communication requirements specified in the PPACA. The Proposer(s) must also provide a comprehensive web site for the SHIP, attend health fairs and other events at the Amherst campus, and provide other program communication materials as specified through this RFP process.

E. Delivery of Annual Renewal Proposals

Renewal Proposals must be delivered to the University of Massachusetts Amherst within the time parameters determined pursuant to Section III-A, Section 3.5.

F. Legal Compliance

The Proposer(s) must comply with the legal requirements for the operation of the SHIP specified in Section I, Section 1.12, and any new legal requirements that become applicable to the SHIP subsequent to the issuance of this RFP.

G. All Other Services

The successful Proposer(s) must provide all services or indemnification of risk necessary for the successful operation of the SHIP which are under the purview of the successful Proposer(s) and would customarily be provided by an insurance company/managed care organization under the provisions of this RFP.

Proposer(s) may choose to include in their proposals the benefits, services, or products specified as Optional Cost Quotations rather than providing separate cost quotations for the Optional Programs and Services in Section III-D (i.e., the benefit, service, or product is included in the cost quotation for fully insured coverage under this Section 3.3).

3.4 OPTIONAL COST QUOTATIONS

Proposer(s) should note that Section III-D, Optional Programs and Services, includes requests for cost quotations for several programs and services that Proposer(s) may routinely provide in their fully insured quotes without separate cost. Proposer(s) may choose to respond to these cost Items in Section V-C as being included in the cost quotation under Section V-A, or they can provide separate cost quotations. Proposer(s) may also note that certain services or products are available only to the extent UMass makes an Award to the Proposer(s) under the Section III-B or III-C requested products and services.

3.5 ALTERNATIVE BENEFIT OPTIONS

Refer to Section III-D, for Optional Programs and Services such as medical evacuation and repatriation coverage, enrollment/waiver systems, and dental insurance benefits.

UMass is interested in the impact on costs to implement the following alternate benefit designs and/or changes to the current benefit design. Note that all of the requirements specified in Section I of this RFP apply to Alternative Programs, Services, and Benefit Designs; particularly Section 1.12, Changes Required by Statute, Regulation, or Court Order.

**A. BENEFIT CHANGES**

Provide a separate cost quotation for modifying each item of the following in the schedule of coverage.

1. Change Preferred Care office visit coinsurance to “After \$20 copayment, 100% of negotiated charge.” Deductible does not apply to office visits. Copayment does not apply to out-of-pocket maximum.
2. Change Preferred Care mental health counseling visits (biological and non-biological) to “After \$20 copayment, 100% negotiated charge.” Deductible does not apply to mental health counseling visits. Copayment does not apply to out-of-pocket maximums. All other visit limitations and other requirements remain unchanged.
3. Change office visit/services benefit to “After \$20 copayment, 100% of negotiated charge including in-office laboratory and radiology tests, and non-surgical office procedures.”
4. Reduce the out-of-pocket maximum from \$5,000 to \$3,000.
5. Reduce the annual deductible from \$250 to \$200.
6. Add a third tier prescription drug copayment of \$45 for non-preferred brand name drugs. Contraceptive coverage for GEO students remains at \$10.

**B. COPAYMENT BENEFIT DESIGN**

Provide a cost quotation for modifying the schedule of coverage specified in Section III, Section 3.3, Required Benefits and No Gain/No Loss Provision, with changes to the schedule of coverage as specified in the following table.

	<b>In-Network Copayment/Coinsurance</b>	<b>Out-of-Network Deductible/ Copayment/Coinsurance</b>
<b>Plan-year deductible</b>	None	\$250 per member
<b>Plan-year coinsurance and copayment maximum (excludes prescription copayments)</b>	\$3,000 per member	\$6,000 per member
<b>Covered Services</b>		
<b>Outpatient Care</b>		
Emergency room visits	\$50 per visit	\$50 per visit (waived if admitted) plus 25% coinsurance
Clinic visits: physicians’, podiatrists’, and office visits for medical care services, including office lab tests and x-rays.	\$30 per visit, then 100% payment	25% coinsurance after deductible
Routine GYN exam (one per plan year), including related lab tests	\$30 per visit (100% payment for routine tests)	25% coinsurance after deductible
Speech, hearing, and language disorder treatment (refer to below for benefits for diagnostic X-rays and lab tests)	\$30 per visit	25% coinsurance after deductible
Diagnostic X-rays, lab tests, and other tests	10% coinsurance	25% coinsurance after deductible
Home health care, including hospice care	10% coinsurance	25% coinsurance after deductible
Durable medical equipment (such as wheelchairs, crutches, hospital beds) and repairs	10% coinsurance	25% coinsurance after deductible

Surgery and related anesthesia (including infertility services) • Ambulatory surgical facility	\$50 per admission, plus 10% coinsurance 10% coinsurance	25% coinsurance after deductible 15% coinsurance
<b>Inpatient Care (including maternity care)</b> Hospital care in general or chronic disease hospital	\$250 per admission plus 10% coinsurance	25% coinsurance after deductible
Surgical services	\$200 copayment	25% coinsurance after deductible
<b>Mental Health and Substance Abuse Treatment</b> Biologically based conditions: • Inpatient admissions in a general or mental hospital, or substance abuse facility	\$250 per admission, plus 10% coinsurance \$30 per visit	25% coinsurance after deductible 25% coinsurance after deductible
Non-biologically based mental conditions • Inpatient admissions in a general hospital  • Inpatient admissions in a mental hospital (up to 60 days per plan year)  • Outpatient visits (up to 24 visits per plan year)	\$250 per admission, plus 10% coinsurance \$250 per admission, plus 10% coinsurance \$30 per visit	25% coinsurance after deductible 25% coinsurance after deductible 25% coinsurance after deductible
Prescription Drug Benefits	No change to required coverage	No change to required coverage

3.1 **REQUESTED PROGRAM AND METHODS FOR SHBP OPERATION**

It is the University of Massachusetts Amherst's intent under this Section III-C to evaluate an Administrative Services Only (ASO) or Minimum Premium partial self-funding arrangements. Under either option, a single insurance organization would provide stop-loss coverage, claims administration services, and provider networks, and all other necessarily related services or products, including any optional stop-loss coverage adopted through Section 3.5., or optional programs or services adopted through Section III-D. UMass will be responsible for determining the cost of coverage for students and dependents, as well as all benefit design options.

Proposer(s) must base their claim projections for aggregate stop-loss coverage on the assumptions in Section III-A, Section 3.3, Required Benefits and No Gain/No Loss Provision; and the benefit design requirements for the 2012/13 plan year.

Proposer(s) must provide claims projections that have actuarial validity based on the expected impact of their respective agreements with participating providers in Massachusetts that will continue to provide the majority of the health care services received by covered students and their dependents.

3.2 **RESPONSIBILITIES FOR THE UNIVERSITY OF MASSCHUSETTS AMHERST**

UMass will fulfill all responsibilities specified in Section III-A of this RFP, including adherence to the program mission statement (refer to Section VI, Attachment A) and commitments for operation of the SHBP and maintenance of reserve funds. The following responsibilities for UMass are specific to proposals for self-funding.

A. **Plan Documents**

To the extent the Proposer(s) does not provide the capability to develop a plan document for the SHBP, UMass will assume this responsibility. UMass may also have a preference for developing its own plan document.

B. **Funding of Claims and ASO Fees**

UMass will work with the successful Proposer(s) in developing an appropriate enrollment remittance and payment schedule. Due to the limited number of Qualified Late Enrollees, Unqualified Late Enrollees, and students first enrolling in the SHBP for the summer coverage period, Proposer(s) should calculate fees based on student enrollment in the SHBP in September and January.

Unless otherwise agreed to in final negotiations, the University of Massachusetts Amherst will fund claim costs on a monthly basis via wire transfer of funds.

C. **Administration of UHS Claims**

Claims incurred at University Health Services, other than medical expenses incurred by health care providers that are external to UMass and performing services at UHS, will be administered internally by UMass. If the Chancellor's Committee (refer to Section II, Section 2.2-B) reverses the decision to close the UHS Pharmacy, pharmacy charges will not be administered internally by UMass; they will be processed through the PBM like any other pharmacy claim.

D. **INBR Reserves and Claims Fluctuation Reserves**

UMass will maintain dedicated reserve funds, encumbered for the sole benefit of SHBP participants, as specified in Section III-A, Section 3.4.

E. Medical Evacuation and Repatriation Coverage

Unless otherwise selected as one of the Section III-D options offered by a Proposer(s), the University of Massachusetts Amherst will either separately purchase medical evacuation and repatriation coverage or self-fund this liability.

F. Legal Compliance

The University of Massachusetts Amherst will be responsible for legal compliance for the operation of the SHBP under applicable federal and state law if an ASO program is adopted. Legal compliance will remain a deliverable for the Contractor(s) if a Minimum Premium program is adopted.

3.3 DELIVERABLES FOR ASO VENDORS

A. Section I Requirements and Other Responsibilities

In addition to the specific deliverables specified for the Proposer(s) in this Section, the Proposer(s) must comply with all requirements specified in Section I of this RFP and any deliverables offered or agreed to by the Proposer(s) through this RFP process.

B. Stop-Loss Coverage

The Proposer(s) must indemnify the risk specified under the stop-loss coverage, including any benefit design options that are selected by the University of Massachusetts Amherst, and provide all such insurance coverage and services under the terms and conditions of this RFP. Proposer(s) may provide cost quotations for either stop-loss coverage or claims administration services under this proposal. The base cost quotation for specific stop-loss coverage must be quoted with a \$100,000 deductible and aggregate stop-loss coverage must be quoted at 120% of expected paid claims. Both specific and aggregate stop-loss coverage must be quoted on a 12 month incurred and 18 month paid basis. The Proposer(s) must also assure that there is no gain or loss of benefits from the transition from the 2011/12 plan year pursuant to Section III-A, Section 3.3, of the RFP. Alternative stop-loss protection levels may be included in final negotiations with the successful Proposer(s).

C. Claims Administration

The Proposer(s) must accept responsibility for all routine functions associated with claims administration services including, but not limited to, determination of eligible expenses (including allowed charges under participating provider agreements); application of deductibles, copayments, and coinsurance provisions; issuing of benefit payments, explanation of benefit forms, and claim declination letters; and producing utilization reports. All services must be provided in a timely manner, consistent with the highest standards for quality and accuracy for the health insurance field.

The claims administrator must have agreements with external entities to administer prescription drug benefits through a prescription benefit management (PBM) organization and administer in-network claims that are incurred outside of the Amherst area through a national free-standing provider network.

In addition to claims administration services, the Proposer(s) must also issue HIPAA certificates of creditable coverage to students who discontinue participation in the SHBP. These certificates must be issued pursuant to federal law and the laws of the Commonwealth of Massachusetts relative to time requirements and content.

The Proposer(s) must provide all of the standard and custom utilization reports and other reporting promised pursuant to responding to this RFP from the University of Massachusetts Amherst. These reports must be accurate and provided on a timely basis. All reporting data provided by the claims administrator will be the sole property of the University of Massachusetts Amherst. No Proposer(s) that receives an Award under this RFP will be permitted to constrain the University of Massachusetts Amherst's use of any claims reports.

The Proposer(s) must submit all stop-loss claims in a timely manner, submit potential large claim notifications to the stop-loss carrier, and carry out other responsibilities for submission of stop-loss claims.

D. Provider Networks

The Proposer(s) must provide and maintain the managed care network for participating providers. The Proposer(s) is responsible for all routine functions associated with credentialing, providing, and maintaining the managed care network, including, but not limited to, credentialing of providers and facilities, establishing liability insurance requirements for providers, negotiating fee schedules, and monitoring contract compliance among providers (e.g., no balance billing).

E. Plan Document or Policy

The Proposer(s) must develop a plan document for the SHBP, unless otherwise specifically excluded as an ASO deliverable by the Proposer(s). For Minimum Premium proposals, a policy must be provided by the Proposer(s) to UMass.

F. Program Communication

The Proposer(s) must develop, publish, and mail a program communication document to all eligible students during the summer specific dates to be decided by UMass. This document must comply with all of the benefit communication requirements specified in the PPACA. The Proposer(s) must also provide a comprehensive web site for the SHBP, attend health fairs and other events at the Amherst campus, and provide other program communication materials as specified through this RFP process.

G. Delivery of Annual Renewal Proposals

Renewal Proposals must be delivered to the University of Massachusetts Amherst within the time parameters established in Section III-A, Section 3.5.

H. Legal Compliance

The Proposer(s) must comply with the legal requirements for the operation of the SHBP specified in Section 1.12, and any new legal requirements that become applicable to the SHBP subsequent to the issuance of this RFP.

I. All Other Services

The successful Proposer(s) must provide all services or indemnification of risk necessary for the successful operation of the SHBP which are under the purview of the successful Proposer(s) and would customarily be provided by an insurance company/managed care organization under the provisions of this RFP.

### 3.4 DELIVERABLES FOR MINIMUM PREMIUM VENDORS

A. Section I Requirements and Other Responsibilities

In addition to the specific deliverables specified for the Proposer(s) in this Section, the Proposer(s) must comply with all requirements specified in Section I of this RFP and any deliverables offered or agreed to by the Proposer(s) through this RFP process.

B. Maximum Monthly Paid Claims Funding Requirement

The maximum monthly paid claims funding requirement will be set at 115 percent of expected monthly paid claims (net paid claims covered by specific stop-loss coverage specified in this Section 3.4-B). A year-to-date credit or deficit calculation may be applied in determining the maximum monthly paid claims funding.

The Proposer(s) must provide stop-loss coverage for individual catastrophic claims \$100,000 during the 2012/13 plan year. Any paid claims for individual claimants in excess of \$100,000 will be removed from the monthly paid claims funding requirement for UMass.

C. Terminal Claims Liability

The Proposer(s) must set a one-time, lump sum premium payment for funding of incurred but not reported paid claims at the annual renewal negotiation specified in Section III-A, Section 3.5. For the 2012/13 plan year, the lump sum premium payment is a cost quotation line item for Minimum Premium cost quotation proposals in Section V-B.

D. Claims Administration

The Proposer(s) must accept responsibility for all routine functions associated with claims administration services including, but not limited to, determination of eligible expenses (including allowed charges under participating provider agreements); application of deductibles, copayments, and coinsurance provisions; issuing of benefit payments, explanation of benefit forms, and claim declination letters; and producing utilization reports. All services must be provided in a timely manner, consistent with the highest standards for quality and accuracy for the health insurance field.

The claims administrator must have agreements with external entities to administer prescription drug benefits through a prescription benefit management (PBM) organization and administer in-network claims that are incurred outside of the Amherst area through a national free-standing provider network.

In addition to claims administration services, the Proposer(s) must also issue HIPAA certificates of creditable coverage to students who discontinue participation in the SHBP. These certificates must be issued pursuant to federal law and the laws of the Commonwealth of Massachusetts relative to time requirements and content.

The Proposer(s) must provide all of the standard and custom utilization reports and other reporting promised pursuant to responding to this RFP from the University of Massachusetts Amherst. These reports must be accurate and provided on a timely basis. All reporting data provided by the claims administrator will be the sole property of the University of Massachusetts Amherst. No Proposer(s) that receives an Award under this RFP will be permitted to constrain the University of Massachusetts Amherst's use of any claims reports.

The Proposer(s) must submit all stop-loss claims in a timely manner, submit potential large claim notifications to the stop-loss carrier, and carry out other responsibilities for submission of stop-loss claims.

**E. Provider Networks**

The Proposer(s) must provide and maintain the managed care network for participating providers. The Proposer(s) is responsible for all routine functions associated with credentialing, providing, and maintaining the managed care network, including, but not limited to, credentialing of providers and facilities, establishing liability insurance requirements for providers, negotiating fee schedules, and monitoring contract compliance among providers (e.g., no balance billing).

**F. Plan Document or Policy**

For Minimum Premium proposals, a policy must be provided by the Proposer(s) to UMass.

**G. Program Communication**

The Proposer(s) must develop, publish, and mail a program communication document to all eligible students during the summer, specific dates to be decided by UMass. This document must comply with all of the benefit communication requirements specified in the PPACA. The Proposer(s) must also provide a comprehensive web site for the SHBP, attend health fairs and other events at the Amherst campus, and provide other program communication materials as specified through this RFP process.

**H. Delivery of Annual Renewal Proposals**

Renewal Proposals must be delivered to the University of Massachusetts Amherst within the time parameters established in Section III-A, Section 3.5.

**I. Legal Compliance**

The Proposer(s) must comply with the legal requirements for the operation of the SHBP specified in Section 1.12, and any new legal requirements that become applicable to the SHBP subsequent to the issuance of this RFP.

**J. All Other Services**

The successful Proposer(s) must provide all services or indemnification of risk necessary for the successful operation of the SHBP which are under the purview of the successful Proposer(s) and would customarily be provided by an insurance company/managed care organization under the provisions of this RFP.

**3.5 OPTIONAL COST QUOTATIONS**

Included in Section V-B are options for alternative stop-loss coverage levels.

This Section is devoted to consideration of optional programs and services, although one or more programs or services may be required for the operation of the SHIBP provided by UMass.

The programs and services requested may be offered by either Proposer(s) that are not submitting proposals for any other products or services requested under this RFP or by Proposer(s) responding to one or more of the options requested in Sections III-B and III-C. Note that all of the requirements specified in Section I of this RFP apply to Alternative Programs and Services, particularly Section 1.12, Changes Required by Statute, Regulation, or Court Order.

3.1 **STOP-LOSS COVERAGE**

Organizations that provide free-standing stop-loss quotes are encouraged to submit proposals for this RFP predicated on the assumption that the successful Proposer responding to Section III-B, Partial Self-Funding, will allow stop-loss coverage to be purchased directly by UMass.

3.2 **MEDICAL EVACUATION AND REPATRIATION COVERAGE**

UMass requests proposals for providing medical evacuation and repatriation that replicates the existing coverage provided by Aetna Student Health. Coverage must be provided for both United States citizens and permanent residents traveling outside of the Amherst area, and for medical evacuation and repatriation of international students to their home countries. The cost quotation in Section V-C, Section 5.2, for this additional coverage must be quoted as a per covered student cost for all SHIBP participants.

3.3 **WEB-BASED ENROLLMENT/WAIVER PROCESS**

UMass requests proposals for providing an on-line enrollment/waiver process. Ideally, this system would require specific answers to the coverage tests presently imposed by UMass in order for students to waive enrollment in the SHIBP. The Proposer(s) would provide a complete report with the data for each student's approved waiver.

The University is also interested in a system would also allow students to enroll in the SHIBP online and obtain an insurance identification card via web printout.

3.4 **FULLY INSURED DENTAL BENEFITS PLAN**

UMass requests from insurance companies cost quotations for an included dental plan for all SHIBP enrollees and for an optional dental program that students could individually purchase for themselves and their family members. Proposers are encouraged to offer a range of dental products and services.

**The inquiries in this Section pertain to Proposer(s) responding to the requested products and services specified in Section III-A, Fully Insured Program.**

**4.1. FORMAT FOR RESPONSE TO INQUIRIES AND REQUESTS FOR INFORMATION**

All responses to questions and requests for information should be answered in the order posed in the RFP and should provide the page number and other identification where the response may be found in a component of the Proposer(s)'s response to this RFP labeled PROPOSER(S) RESPONSES. Shown below is an example question and answer from the RFP:

**Sample Question:** Identify the person responsible for preparing this proposal and provide a brief background statement about his or her history with the Proposer(s)'s organization.

**Sample Answer:** The response to this inquiry may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page 10 of the proposal in Section Tab A.

Some questions may not require a response, in which case the Proposer(s) should type N/A in the blank space provided.

**4.2 INQUIRIES AND REQUESTS FOR INFORMATION FROM PROPOSER(S)**

- A. Confirm the Proposer(s) has complied with Section 1.4(E), and that any deviations from the Proposer(s) are shown in a separate section of the offer to UMass in a section entitled DEVIATIONS. Confirm also that the Proposer(s) understands UMass is not bound by any deviations not shown by the Proposer(s) as specified in Section 1.4(E). Also confirm the Proposer(s) accepts all terms and conditions for this RFP and the Agreement that will result from this RFP process.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- B. Confirm the Proposer(s) has the capability to provide all of the services or products specified in this RFP, and the Proposer(s) has the capability to fulfill all of the general deliverables specified in Section III-A, and specified deliverables specified in Section III-B, Section 3.3 of the RFP. Any service or product the Proposer(s) is not capable of providing must be listed as an RFP deviation in the format and location of the proposal in response to this RFP that is specified in Section 1.4(E).

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- C. Provide the Proposer(s)'s financial ratings from any organizations that have given the Proposer(s) ratings for the past five years and published financial assessment for the Proposer(s). Annual financial reports must be provided for the last three years if the Proposer(s) is not subject to independent financial review.

In the case that the Proposer(s) is not a publicly traded company, the University will accept one of the two following options in lieu of the submission of audited financial statements:

**Option One:** Provide a Business Information Report supplied by Dun & Bradstreet of the Proposer(s). To obtain a copy of this report, call (800) 999-3867 or (800) 234-3867.

**Option Two:** Proposer(s) will set up a meeting, at a mutually agreed upon date and time, where the University’s Controller can review a copy of the Proposer(s)’s financial statements. These statements must be for the most recent fiscal year. At the end of the meeting, the Proposer(s) will be allowed to remove its financial statements from the University’s possession, thus preventing the financial statements from becoming a public record.

Option Two is not a requirement of the proposal response, but it will be requested of the top bidder prior to the award of any contract.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- D. Provide a brief history and description of the Proposer(s)’s organization and history of operation in the student health insurance marketplace. Fully explain any services or products that differentiate the Proposer(s) from other vendors that might respond to this RFP. Relative to the regulatory environment, the Proposer(s) should provide its perspective on impact of regulations for SHIBPs under the PPACA.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- E. Identify any entities, either individuals or organizations, which will receive compensation from the Proposer(s) if the Proposer(s) is a recipient of an Award under this RFP. The amount of the compensation must also be identified.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- F. Provide references for two (2) clients who terminated with the Proposer(s)’s organization in the past 24 months (provide: name, title, organization, address, and telephone number for a contact person). Do not respond by providing references for an agent/broker or third party claims administrator.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- G. Confirm receipt of all RFP document pages, including all Attachments listed in the RFP table of contents, and each of the addenda issued under this RFP.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- H. Describe the rationale for the expected paid claims projection shown in Section V-A, Item V-A(1). Provide a line-item cost for each retention expense item charged by the insurance carrier for the total cost shown in Section V-A, Item V-A(3).

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- I. Describe the process the Proposer(s) expects will be used to develop the 2013/14 renewal and subsequent plan years. Explain any cost guarantees the Proposer(s) may be willing to provide for plan administrative fees or other non-claim cost expenditures for the 2013/14 plan year and subsequent plan years.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- J. Identify any proportion of the risk that is indemnified, other than catastrophic claim reinsurance arrangements, by any other entity. Specifically identify the entities that are holding the risk if you do not answer Not Applicable to this question.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- K. Provide a detailed explanation of the Proposer(s)'s capability to administer the benefit design specified in Section III-A, Section 3.3 and the Alternate Benefit Designs in Section III-B, Section 3.5.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- L. Provide a summary description of the computer hardware and software (identifying the version of the software and all component modules that have been installed by the Proposer(s)) that will be used to administer the SHIP for UMass. Are any changes anticipated in either the hardware or software during the next 24 months? If yes, explain the extent of the changes expected.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- M. Provide sample copies of all available standard claims reports providing data pertaining to the overall medical expenses submitted and adjudicated. These reports should be provided on a semi-annual and annual basis. The Proposer(s) should confirm the cost for such reports is included in the fees quoted in Section V-A of this RFP document. Do these reports include utilization data using CPT procedure codes and ICD-9 or ICD-10 diagnosis (including DSM mental health classifications) codes? The Proposer(s) must confirm all reporting is the property of UMass, and that the Proposer(s) will have no restrictions for the University of Massachusetts Amherst's use of any reports provided under the response to this inquiry. Fully describe all *ad-hoc* reporting capabilities and any costs that will be charged to the University of Massachusetts Amherst for custom reports.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- N. Will the Proposer(s) agree to provide contractual assurances for minimum standards on claim turnaround time and accuracy of payments? Provide a detailed description of any promises the Proposer(s)

is willing to contractually establish, including any financial penalties that may be part of an agreement on performance standards.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- O. Provide a complete description of the Proposer(s)'s capability to provide a provider network for the University of Massachusetts Amherst. The Proposer(s) should include documentation showing the Proposer(s) is presently providing a managed care network or similar arrangements for other health plans located in the Amherst/Western Massachusetts area.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- P. Provide a complete description of all cost containment programs and services that are available from the Proposer(s). The cost quotation for all such services is to be included in the fees quoted in Section V-A, Item V-A(3), of this RFP document. Does the Proposer(s) have the capability to provide a wrap-around provider network that would augment a plan sponsor's directly contracted hospitals and physicians?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- Q. What professional and facility liability coverage limits are required of the Proposer(s)'s contracted professionals and health care facilities?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- R. Identify the criteria used in the physician credentialing process and identify what steps the Proposer(s) takes on an ongoing basis to monitor quality of care. Specifically, identify if the Proposer(s) uses board certification, state license, DEA license, verification of training, proof of malpractice insurance, malpractice history, on-site audit/internal audit, references, utilization profiles, or other criteria. Also identify how often physicians are credentialed.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- S. Identify the criteria the Proposer(s) uses to actively monitor hospital credentialing. How often are hospitals credentialed?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- T. Are utilization and cost profiles maintained on each provider in the Proposer(s)'s network? If yes, how are these profiles modified over time? How is the data shared with providers and/or plan sponsors?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- U. What system is used to calculate compensation for contracted health care facilities and physicians in the Proposer(s)'s provider network? For example, are facilities reimbursed based on a simple discount from charges, per diems, DRGs, etc? Are physicians reimbursed based on a RBRVS system, simple discount from charges, capitation, etc? To what extent are practice patterns, member satisfaction survey results, etc., factored into compensation? If DRG or other systems are used that provide lump-sum reimbursements, describe any controls the Proposer(s) has to assure that such reimbursements will not be excessive relative to the typical services that would be reflective for a relatively young group population. More specifically, are there controls in place to assure that reimbursements will not be greater than the amount of charges billed by the provider?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- V. Provide a detailed explanation of the Proposer(s)'s fee schedules and other contract arrangements with hospitals and other health care providers in the Western Massachusetts area. Explain how these provider agreements compare to other vendors that are likely to respond to this RFP. Submit an inquiry pursuant to Section 1.7 if the Proposer(s) requires a non-disclosure agreement with UMass in answering this question.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- W. Provide a directory identifying all Amherst/Western Massachusetts areas health care providers. Provide a directory (or web site) identifying all health care providers available on a national basis.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- X. Identify the number of specialists in the following categories (identify both the total number and the number of physicians that are board certified in each category): allergy, chiropractic, dermatology, ENT, orthopedics, psychiatry, psychology, cardiology, neurology, otolaryngology, oncology, neurosurgery, other medical specialties, and other surgical specialties. Also identify the number of these specialists that are in the Amherst/Western Massachusetts area.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- Y. How do members access medical care while traveling outside of Massachusetts? What is the average turnaround time for payment of claims that originate outside the service area? Does the Proposer(s) agree to replicate the current out-of-area plan of benefits?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- Z. Explain the Proposer(s)'s arrangements for mental health care and substance abuse care, other than those services delivered by the UHS (e.g., direct contract with providers, capitation arrangement with a

separate network of providers, etc.). Describe the Proposer(s)'s philosophy and protocols in detail relative to providing outpatient mental health care services.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

AA. What termination provisions exist in physician contracts?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

BB. What change, if any, does the Proposer(s) anticipate for the provider network membership in the next 12 months?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

CC. Explain the Proposer(s)'s arrangements for prescription drug benefits (e.g., internal pharmacies, direct contract with individual providers, sub-contracting to pharmacy network, etc.). Provide a copy of the prescription drug formulary that is included in the Proposer(s)'s offer to the University of Massachusetts Amherst.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

The inquiries in this Section pertain to insurance organizations offering an Administrative Services Only (ASO) partial self-funding arrangement or a Minimum Premium partial self-funding arrangement.

4.1. FORMAT FOR RESPONSE TO INQUIRIES AND REQUESTS FOR INFORMATION

All responses to questions and requests for information should be answered in the order posed in the RFP and should provide the page number and other identification where the response may be found in a component of the Proposer(s)'s response to this RFP labeled PROPOSER(S) RESPONSES. Shown below is an example question and answer from the RFP:

**Sample Question:** Identify the person responsible for preparing this proposal and provide a brief background statement about his or her history with the Proposer(s)'s organization.

**Sample Answer:** The response to this inquiry may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page 10 of the proposal in Section Tab A.

Some questions may not require a response, in which case the Proposer(s) should type N/A in the blank space provided.

4.2 INQUIRIES AND REQUESTS FOR INFORMATION FROM PROPOSER(S)

- A. Confirm the Proposer(s) has complied with Section 1.4(E), and that any deviations from the Proposer(s) are shown in a separate section of the offer to the University of Massachusetts Amherst in a section entitled DEVIATIONS. Confirm also that the Proposer(s) understands the University of Massachusetts Amherst is not bound by any deviations not shown by the Proposer(s) as specified in Section 1.4(E). Also confirm the Proposer(s) accepts all terms and conditions for this RFP and the Agreement that will result from this RFP process.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- B. Confirm the Proposer(s) has the capability to provide all of the services or products specified in this RFP, and the Proposer(s) has the capability to fulfill all of the general deliverables specified in Section III-A, and specific deliverables specified in Section III-C, Section 3.3 (ASO) or Section 3.4 (Minimum Premium) of the RFP. Any service or product the Proposer(s) is not capable of providing must be listed as an RFP deviation in the format and location of the proposal in response to this RFP that is specified in Section 1.4(E).

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- C. Provide the Proposer(s)'s financial ratings from any organizations that have given the Proposer(s) ratings for the past five years and published financial assessment for the Proposer(s). Annual financial reports must be provided for the last three years if the Proposer(s) is not subject to independent financial review.

In the case that the Proposer(s) is not a publicly traded company, the University will accept one of the two following options in lieu of the submission of audited financial statements:

**Option One:** Provide a Business Information Report supplied by Dun & Bradstreet of the Proposer(s). To obtain a copy of this report, call (800) 999-3867 or (800) 234-3867.

**Option Two:** Proposer(s) will set up a meeting, at a mutually agreed upon date and time, where the University's Controller can review a copy of the Proposer(s)'s financial statements. These statements must be for the most recent fiscal year. At the end of the meeting, the Proposer(s) will be allowed to remove its financial statements from the University's possession, thus preventing the financial statements from becoming a public record.

Option Two is not a requirement of the proposal response, but it will be requested of the top bidder prior to the award of any contract.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- D. Provide a brief history and description of the Proposer(s)'s organization and history of operation in the student health insurance marketplace. Fully explain any services or products that differentiate the Proposer(s) from other vendors that might respond to this RFP.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- E. Identify any entities, either individuals or organizations, which will receive compensation from the Proposer(s) if the Proposer(s) is a recipient of an Award under this RFP. The amount of the compensation must also be identified.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- F. Provide references for two (2) clients who terminated with the Proposer(s)'s organization in the past 24 months (provide: name, title, organization, address, and telephone number for a contact person). Do not respond by providing references for an agent/broker or third party claims administrator.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- G. Confirm receipt of all RFP document pages, including all Attachments listed in the RFP table of contents, and each of the addenda issued under this RFP.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- H. Provide an overview explanation of the Proposer's response to this RFP (either ASO or Minimum Premium) and the rationale for the Proposer's response. This should include a narrative description of the

Proposer(s)'s methods of operation for an ASO or Minimum Premium program for students and the Proposer(s)'s perspective for the SHIBP marketplace and the regulatory environment. Relative to the regulatory environment, the Proposer(s) should provide its perspective on impact of regulations for SHIBPs under the PPACA.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- I. Describe the rationale for the expected paid claims projection shown in Section V-B, Section V-B(1).

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- J. Describe the process the Proposer(s) expects will be used to develop stop-loss renewal premium rates and aggregate attachment points for subsequent plan years. Explain any cost guarantees the Proposer(s) may be willing to provide for plan administrative fees or other non-claim cost expenditures for the 2013/14 plan year and subsequent plan years.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- K. Identify any proportion of the risk that is indemnified, other than catastrophic claim reinsurance arrangements, by any other entity. Specifically identify the entities that are holding the risk if you do not answer Not Applicable to this question.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- L. Provide a detailed explanation of the Proposer(s)'s capability to administer the benefit design specified in Section III-A, Section 3.3 and alternate benefit designs identified in Section III-B, Section 3.5.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- M. Provide a summary description of the computer hardware and software (identifying the version of the software and all component modules that have been installed by the Proposer(s)) that will be used to administer the SHBP for the University of Massachusetts Amherst. Are any changes anticipated in either the hardware or software during the next 24 months? If yes, explain the extent of the changes expected.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- N. Provide sample copies of all available standard claims reports providing data pertaining to the overall medical expenses submitted and adjudicated. These reports should be provided on a semi-annual and annual basis. The Proposer(s) should confirm the cost for such reports is included in the fees quoted in Section V-B of this RFP document. Do these reports include utilization data using CPT procedure codes and ICD-9 or ICD-10 diagnosis (including DSM-IV mental health classifications) codes? Fully de-

scribe all *ad-hoc* reporting capabilities and any costs that will be charged to the University of Massachusetts Amherst for custom reports. The Proposer(s) must confirm all reporting is the property of the University of Massachusetts Amherst, and that the Proposer(s) will have no restrictions for the University of Massachusetts Amherst’s use of any reports provided under the response to this inquiry.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- O. Provide a complete description of the Proposer(s)’s capability to provide a provider network for the University of Massachusetts Amherst. The Proposer(s) should include documentation showing the Proposer(s) is presently providing a managed care network or similar arrangements for other health plans located in the Amherst/Western Massachusetts area.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- P. Provide a complete description of all cost containment programs and services that are available from the Proposer(s). The cost quotation for all such services is to be included in the fees quoted in Section V-B, Item V-B(3), of this RFP document.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- Q. What professional and facility liability coverage limits are required of the Proposer(s)’s contracted professionals and health care facilities?

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- R. Identify the criteria used in the physician credentialing process and identify what steps the Proposer(s) takes on an ongoing basis to monitor quality of care. Specifically, identify if the Proposer(s) uses board certification, state license, DEA license, verification of training, proof of malpractice insurance, malpractice history, on-site audit/internal audit, references, utilization profiles, or other criteria. Also identify how often physicians are credentialed.

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- S. Identify the criteria the Proposer(s) uses to actively monitor hospital credentialing. How often are hospitals credentialed?

The response to this inquiry or request for information may be found in Proposer(s)’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- T. Are utilization and cost profiles maintained on each provider in the Proposer(s)’s network? If yes, how are these profiles modified over time? How is the data shared with providers and/or plan sponsors?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- U. What system is used to calculate compensation for contracted health care facilities and physicians in the Proposer(s)'s provider network? For example, are facilities reimbursed based on a simple discount from charges, per diems, DRGs, etc? Are physicians reimbursed based on a RBRVS system, simple discount from charges, capitation, etc? To what extent are practice patterns, member satisfaction survey results, etc., factored into compensation? If DRG or other systems are used that provide lump-sum reimbursements, describe any controls the Proposer(s) has to assure that such reimbursements will not be excessive relative to the typical services that would be reflective for a relatively young group population. More specifically, are there controls in place to assure that reimbursements will not be greater than the amount of charges billed by the provider?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- V. Provide a detailed explanation of the Proposer(s)'s fee schedules and other contract arrangements with hospitals and other health care providers in the Western Massachusetts area. Explain how these provider agreements compare to other vendors that are likely to respond to this RFP. Submit an inquiry pursuant to Section 1.7 if the Proposer(s) requires a non-disclosure agreement with UMass in answering this question.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- W. Provide a directory identifying all Amherst/Western Massachusetts areas health care providers. Provide a directory (or web site) identifying all health care providers available on a national basis.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- X. Identify the number of specialists in the following categories (identify both the total number and the number of physicians that are board certified in each category): allergy, chiropractic, dermatology, ENT, orthopedics, psychiatry, psychology, cardiology, neurology, otolaryngology, oncology, neurosurgery, other medical specialties, and other surgical specialties. Also identify the number of these specialists that are in the Amherst/Western Massachusetts area.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- Y. How do members access medical care while traveling outside of Massachusetts? What is the average turnaround time for payment of claims that originate outside the service area? Does the Proposer(s) agree to replicate the current out-of-area plan of benefits?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- Z. Explain the Proposer(s)'s arrangements for mental health care and substance abuse care, other than those services delivered by the UHS (e.g., direct contract with providers, capitation arrangement with a separate network of providers, etc.). Describe the Proposer(s)'s philosophy and protocols in detail relative to providing outpatient mental health care services.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- AA. What termination provisions exist in physician contracts?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- BB. Explain the Proposer(s)'s arrangements for prescription drug benefits (e.g., internal pharmacies, direct contract with individual providers, sub-contracting to pharmacy network, etc.). Provide a copy of the prescription drug formulary that is included in the Proposer(s)'s offer to the University of Massachusetts Amherst.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- CC. What change, if any, does the Proposer(s) anticipate for the provider network membership in the next 12 months?

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

The inquiries in this Section pertain to organizations offering one or more of the programs or services requested as optional cost quotations in Section III-D. Proposer(s) that have responded to the requests for ASO/Minimum Premium proposals (Section III-B) or Proposer(s) that have responded to the request for Fully Insured proposals (Section III-C) are not required repeat responses to the inquiries in this Section IV-C if the proposed alternative program or service is being provided by the Proposer and is not sub-contracted to a separate entity. Otherwise, any independent organization that is responding to one or more of the alternative programs or services specified in Section III-C should respond to the Section 4.2, General Inquiries, and the applicable Section 4.3 through 4.6 inquiries that are specific to each alternative program or service.

4.1. FORMAT FOR RESPONSE TO INQUIRIES AND REQUESTS FOR INFORMATION

All responses to questions and requests for information must be answered in the order posed in the RFP and provide the page number and other identification where the response may be found in a component of the Proposer's response to this RFP labeled PROPOSER RESPONSES. The beginning of this section of the Proposer's response must include a reprint of this Section with the answers completed for the page number and section of the response to each inquiry.

**Sample Question:** Identify the person responsible for preparing this proposal and provide a brief background statement about his or her history with the Proposer's organization.

**Sample Answer:** The response to this inquiry may be found in Proposer's offering to the University of Massachusetts Amherst on page 10 of the proposal in Section Tab A.

Some questions may not require a response, in which case the Proposer should type N/A in the blank space provided.

4.2 GENERAL INQUIRIES AND REQUESTS FOR INFORMATION FROM PROPOSER(S)

- A. Confirm the Proposer(s) has complied with Section 1.4(E), and that any deviations from the Proposer(s) are shown in a separate section of the offer to the University of Massachusetts Amherst in a section entitled DEVIATIONS. Confirm also that the Proposer(s) understands the University of Massachusetts Amherst is not bound by any deviations not shown by the Proposer(s) as specified in Section 1.4(E). Also confirm the Proposer(s) accepts all terms and conditions for this RFP and the Agreement that will result from this RFP process.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page     of the proposal in Section       .

- B. Confirm the Proposer(s) has the capability to provide all of the services or products specified in this RFP, and the Proposer(s) has the capability to fulfill all of the general deliverables specified in Section III-A. Any service or product the Proposer(s) is not capable of providing must be listed as an RFP deviation in the format and location of the proposal in response to this RFP that is specified in Section 1.4(E).

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- C. Provide the Proposer(s)'s financial ratings from any organizations that have given the Proposer(s) ratings for the past five years and published financial assessment for the Proposer(s). Annual financial reports must be provided for the last three years if the Proposer(s) is not subject to independent financial review.

In the case that the Proposer(s) is not a publicly traded company, the University will accept one of the two following options in lieu of the submission of audited financial statements:

**Option One:** Provide a Business Information Report supplied by Dun & Bradstreet of the Proposer(s). To obtain a copy of this report, call (800) 999-3867 or (800) 234-3867.

**Option Two:** Proposer(s) will set up a meeting, at a mutually agreed upon date and time, where the University's Controller can review a copy of the Proposer(s)'s financial statements. These statements must be for the most recent fiscal year. At the end of the meeting, the Proposer(s) will be allowed to remove its financial statements from the University's possession, thus preventing the financial statements from becoming a public record.

Option Two is not a requirement of the proposal response, but will be requested of the top bidder prior to the award of any contract.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- D. Provide a brief history and description of the Proposer(s)'s organization and history of operation in the student health insurance marketplace. Fully explain any services or products that differentiate the Proposer(s) from other vendors that might respond to this RFP.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- E. Identify any entities, either individuals or organizations, which will receive compensation from the Proposer(s) if the Proposer(s) is a recipient of an Award under this RFP. The amount of the compensation must also be identified.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- F. Provide references for two (2) clients who terminated with the Proposer(s)'s organization in the past 24 months (provide: name, title, organization, address, and telephone number for a contact person). Do not respond by providing references for an agent/broker or third party claims administrator.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- G. Confirm receipt of all RFP document pages, including all Attachments listed in the RFP table of contents, and each of the addenda issued under this RFP.

The response to this inquiry or request for information may be found in Proposer(s)'s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

**4.3 INQUIRIES FOR INDEPENDENT STOP-LOSS COVERAGE PROPOSER(S)**

- A. Fully explain the process the stop-loss carrier uses to fund specific claims. Does the stop-loss carrier provide immediate funding to the claims administrator once the specific deductible is satisfied? If not, explain the process UMass will have to follow to obtain reimbursement for a specific stop-loss claim.

The response to this inquiry or request for information may be found in Proposer's offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- B. Confirm the Proposer will issue a stop-loss policy that assures exact conformance with the covered expenses, limitations and exclusions, definitions, and special provisions for the coverage specified in Section III-A, Section 3.3, Required Plan Benefits and No Gain/No Loss Provisions.

The response to this inquiry or request for information may be found in Proposer's offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- C. If the stop-loss proposer has quoted on the option for providing aggregate stop-loss coverage, explain in detail the basis for the annual paid claims projection and the calculation of the attachment point.

The response to this inquiry or request for information may be found in Proposer's offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- D. Describe the process the Proposer expects will be used to develop stop-loss renewal premium rates and aggregate attachment points for the 2013-14 plan year and subsequent plan years.

The response to this inquiry or request for information may be found in Proposer's offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

**4.4 INQUIRIES FOR MEDICAL EVACUATION AND REPATRIATION COVERAGE PROPOSER(S)**

- A. Provide an overview explanation of the Proposer's approach to providing medical evacuation and repatriation coverage and key aspects of the Proposer's offer to UMass that differentiate the Proposer from other vendors.

The response to this inquiry or request for information may be found in Proposer's offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- B. Confirm the Proposer has the capability to replicate the medical evacuation and repatriation coverage that is presently provided, specifically covered expenses, services, limitations, exclusions, definitions, special provisions, and all other program components, that are provided for in the document included in Section VI, Attachment C. Any service or product the Proposer is not capable of providing, relative to

the current medical evacuation and repatriation coverage, must be listed as an RFP deviation in the format and location of the proposal in response to this RFP that is specified in Section 1.4(E).

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- C. Provide a listing of any countries or regions that the Proposer cannot serve for medical evacuation or repatriation coverage. Note that this response must listed as a proposal deviation if there is a country that is presently served under the 2012/13 scope of coverage that would be discontinued if UMass adopted the Proposer’s offer.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

4.5 INQUIRIES FOR WEB-BASED ENROLLMENT/WAIVER PROCESS PROPOSER(S)

- A. Provide a complete description of the Proposer’s capabilities to provide a SHIBP enrollment/waiver system for the University of Massachusetts Amherst. Please describe the major features of the system that differentiate it from other offers that UMass might receive in response to this RFP.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- B. Fully describe how the system functions and the options available to UMass. Provide a complete description of how the Proposer can replicate the services that are presently provided by the current vendor as described in Section II, Section 2.6, SHIP 2011/12 Enrollment Policies and Procedures.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- C. Will updates to the eligibility file occur on a daily basis? More specifically, files will be produced by UMass daily with student eligibility changes, and will these changes be uploaded to the Proposer’s system on a daily basis?

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- D. Identify the key staff members who will be responsible for the UMass account and the length of their employment with the Proposer.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- E. Are there any major system changes planned in the next 12 to 24 months?

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

4.6 INQUIRIES FOR DENTAL INSURANCE PROGRAM PROPOSER(S)

- A. Provide an overview explanation of the Proposer’s approach to providing dental insurance coverage and key aspects of the Proposer’s offer to UMass that differentiate the Proposer from other vendors.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- B. Provide complete description of the schedule of benefits, covered expenses, exclusions, limitations, definitions, and special provisions, and all other policy provisions that are offered in a dental insurance program to UMass.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- C. Identify participating dentists, with a notation for any dentists that have closed practices and are not accepting new patients, in the Amherst/Western Massachusetts areas.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- D. Explain the insurance funding system (e.g., discounted fee-for-service, dental maintenance organization with capitation, or other system) and claims reimbursement system for the dental insurance coverage offered to UMass. Describe the process that will be used to determine renewal rates, including whether rates are based on a community rating system or if the dental insurance program for UMass will be experience rated.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- E. Confirm the Proposer requires comprehensive malpractice and liability coverage of its participating dentists. Describe the credentialing process for participating dentist and ongoing review process, including the terms and conditions under which dentists are removed from the provider network.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

- F. Provide a complete description of all utilization reports that will be provided to UMass.

The response to this inquiry or request for information may be found in Proposer’s offering to the University of Massachusetts Amherst on page \_\_\_ of the proposal in Section\_\_\_\_\_.

Proposer(s) must type the responses to each item. Hand written submissions are not acceptable.

**This cost quotation is for Proposer(s) offering a Fully Insured proposal. A single insurance entity would provide risk indemnification, claims administration services, and a provider network as specified in Section III-B (Note that claims for services provided by UHS will be self-funded and not be processed by the Contractor(s)).**

Item	Description	Premium Quotation
V-A(1)	Total projected 2012/13 plan year incurred eligible charges for students and dependents (not including claims incurred at University Health Service)	\$ _____
V-A(2)	Reduction for Negotiated in-network participating provider agreements	-\$ _____
V-A(3)	Reduction for Deductibles, Copayments, Coinsurance and Plan Limits	-\$ _____
V-A(4)	<p><b><u>TOTAL EXPECTED PAID CLAIMS</u></b>  <b>FORMULA: V-A(1) – (V-A(2) +V-A(3))</b></p> <p>Provide of 2012/13 total student and dependent paid claims, including incurred but not reported claims (INBR) as of the end of the 2012/13 plan year.</p> <p>Note this cost quotation <u>must not</u> include catastrophic claim pooling costs or any other non-claim cost retention expenses.</p>	\$ _____
V-A(5)	Identify the total amount of retention expenses required by the Proposer(s) to fund all of the deliverables specified in Section III-B, Section 3.3, including, but not limited to, claims administration costs, provider network access fees, premium taxes, catastrophic claims pooling charges, profit/reserve contributions, legal expenses, and other non-claim claim costs.	\$ _____
V-A(6)	<p><b><u>TOTAL REQUIRED PREMIUM*</u></b>  <b>FORMULA: V-A(4)+ V-A(5)</b></p> <p><b>* UMass will add self-funding for UHS charges and administrative costs to the total premium payable to the Proposer(s).</b></p>	\$ _____
V-A(7)	<p><b><u>TARGET LOSS RATIO</u></b>  <b>FORMULA: V-A(4) ÷ V-A(6)</b></p>	_____ %
V-A(8)	<p><b><u>UNDERGRADUATE COST QUOTATION</u></b></p> <p>Provide a cost quotation for the annual single student premium rate for undergraduates for the 2012/13 plan year.</p> <p style="text-align: right;">Single Student* \$ _____ .00 Family** \$ <u>6.000.00</u></p> <p><b>* UMass will add self-funding for UHS charges and administrative costs to the total premium payable to the Proposer(s).</b>  <b>** Does not include required additional cost for payment of UHS fee.</b></p>	
V-A(9)	<p><b><u>GRADUATE AND GEO BARGAINING UNIT COST QUOTATION</u></b></p> <p>Provide a cost quotation for the annual single student premium rate for graduate students and students covered by the GEO Bargaining Unit for the 2012/13 plan year.</p> <p style="text-align: right;">Single Student* \$ _____ .00 Family** \$ <u>6.000.00</u></p> <p><b>* UMass will add self-funding for UHS charges and administrative costs to the total premium payable to the Proposer(s).</b></p>	

		** Does not include required additional cost for payment of UHS fee.
<b>Item</b>	<b>Description</b>	<b>Cost Quotation Per Student Composite Cost (unless otherwise specified)</b>
V-A(10)	<p>Provide a cost quotation for the annual single student premium rate for continuing a consolidated cost for all eligible students for the 2012/13 plan year.</p> <p style="text-align: right;">Single Student* \$ _____00 Family** \$ <u>6,000.00</u></p> <p><b>* UMass will add self-funding for UHS charges and administrative costs to the total premium payable to the Proposer(s).</b> <b>** Does not include required additional cost for payment of UHS fee.</b></p>	
V-A(11)	<p>Provide a per student composite monthly cost adjustment to premium or administrative fees to change Preferred Care office visit coinsurance to "After \$20 copayment, 100% of negotiated charge."</p>	<p>Undergraduate \$ _____00 Graduate/ GEO \$ _____00</p>
V-A(12)	<p>Change Preferred Care mental health counseling visits (biological and non-biological causes) to "After \$20 copayment, 100% of negotiated charge." Visit limitations and other requirements remain unchanged.</p>	<p>Undergraduate \$ _____00 Graduate/ GEO \$ _____00</p>
V-A(13)	<p>Reduce out-of-pocket maximum from \$5,000 to \$3,000.</p>	<p>Undergraduate \$ _____00 Graduate/ GEO \$ _____00</p>
V-A(14)	<p>Reduce annual deductible from \$250 to \$200.</p>	<p>Undergraduate \$ _____00 Graduate/ GEO \$ _____00</p>
V-A(15)	<p>Add a third tier prescription drug copayment of \$45 for non-preferred brand name drugs.</p>	<p>Undergraduate \$ _____00 Graduate/ GEO \$ _____00</p>
V-A(16)	<p>Alternative copayment design per Section III-E, Section 3.2 These costs replace the cost quotations for items V-A(8) and V-A(9).</p> <p style="text-align: right;"><u>Undergraduate</u> Single Student* \$ _____00 Family** \$ <u>6,000.00</u></p> <p style="text-align: right;"><u>Graduate /GEO</u> Single Student* \$ _____00 Family** \$ <u>6,000.00</u></p> <p><b>* UMass will add self-funding for UHS charges and administrative costs to the total premium payable to the Proposer(s).</b> <b>** Does not include required additional cost for payment of UHS fee.</b></p>	

Proposer(s) must type the responses to each item. Hand written submissions are not acceptable.

**This cost quotation is for Proposer(s) offering an Administrative Services Only (ASO) partial self-funding arrangement or Minimum Premium funding arrangement pursuant to Section III-C. (Note that claims for services provided by UHS will not be processed by Contractor(s).)**

5.1 ADMINISTRATIVE SERVICES ONLY COST QUOTATION

Item	Description	Cost Quotation  Per Student Composite Cost (unless otherwise specified)
V-B(1)	Total projected 2012/13 plan year incurred eligible charges for students and dependents (not including claims incurred at University Health Service)	\$ _____
V-B(2)	Reduction for Negotiated in-network participating provider agreements	-\$ _____
V-B(3)	Reduction for Deductibles, Copayments, Coinsurance and Plan Limits	-\$ _____
V-B(4)	<p><b>TOTAL EXPECTED PAID CLAIMS</b>  <b>FORMULA: V-B(1) – (V-B(2) +V-B(3))</b></p> <p>Projected student and dependent paid claims incurred during 2012/13 plan year and paid through February 28, 2014 (12/18 contract) for the SHIP benefit design specified in Section III, Section 3.3.</p>	\$ _____
V-B(5)	Monthly composite aggregate stop-loss attachment point factor for calculation of paid claims incurred during the 2012/13 plan year and paid through February 28, 2014 (12/18 contract).	\$ _____.00
V-B(6)	<p><b>FORMULA: V-B(5) x 12 x projected insured student population x 1.20</b></p> <p>Projected Aggregate Attachment Point Calculation for Aggregate Stop-loss Coverage at 120% of expected paid claims incurred during the 2012/13 plan year and paid through February 28, 2014 (12/18 contract). Note that aggregate and specific stop-loss coverage does not include liability for claims incurred at University health services.</p>	\$ _____
V-B(7)	<p><b>Monthly Per Student Stop-Loss Premium Rates</b></p> <p>a. Aggregate stop-loss coverage (120% of V-B(1))</p> <p>b. Specific stop-loss coverage @ \$100,000 (12/18 contract)</p>	<p>\$ _____.00</p> <p>\$ _____.00</p>
V-B(8)	<p><b>Monthly Composite Per Student Administration Fee</b></p> <p>The monthly composite per student administration fee includes compensation for claims administration, access to provider networks/prescription benefit management program, and all other Proposer(s) expenses the Proposer(s) would incur under the deliverables specified in Section III-B, Section 3.3.</p>	\$ _____.00
V-B(9)	<p>Revise your cost quotation for V-B(4) assuming an aggregate stop-loss attachment point at 125% of expected paid claims and the specific stop-loss coverage deductible is increased to \$200,000.</p> <p>a. Aggregate stop-loss coverage (125% of V-B(1))</p> <p>b. Specific stop-loss coverage @ \$150,000 (12/18 contract)</p>	<p>\$ _____.00</p> <p>\$ _____.00</p>

5.2 MINIMUM PREMIUM COST QUOTATION

<b>Item</b>	<b>Description</b>	<b>Cost Quotation</b>  <b>Per Student Composite Cost (unless otherwise specified)</b>
V-B(10)	Total projected 2012/13 plan year incurred eligible charges for students and dependents (not including claims incurred at University Health Service)	\$ _____
V-B(11)	Reduction for Negotiated in-network participating provider agreements	-\$ _____
V-B(12)	Reduction for Deductibles, Copayments, Coinsurance and Plan Limits	-\$ _____
<b>V-B(13)</b>	<b>TOTAL EXPECTED PAID CLAIMS</b> <b>FORMULA: V-B(10) – (V-B(11) +V-B(12))</b>  Projected student and dependent paid claims incurred during 2012/13 plan year and paid through February 28, 2014 (12/18 contract) for the SHIP benefit design specified in Section III, Section 3.3.	\$ _____
V-B(14)	<b>MAXIMUM MONTHLY REQUIRED CLAIMS FUNDING</b> <b>FORMULA: V-B(13) ÷ 12</b>  Provide the maximum monthly paid claims funding level that will be charged to UMass. This amount may be reduced for claims paid under specific stop-loss coverage at the (\$100,000) or claims paid under the aggregate stop-loss protection level at 115% of expected paid claims. Note that aggregate and specific stop-loss coverage does not include liability for claims incurred at University health services.	\$ _____
V-B(15)	<b>Premium Quotation</b>  Provide the monthly composite (includes dependents) student-only premium: <ul style="list-style-type: none"> <li>• Specific and Aggregate Stop-Loss Premium</li> <li>• Administrative Costs/Retention Expenses</li> <li>• Total Monthly Per Student Premium</li> </ul> This premium quotation includes funding for administering terminal claims liability for the 2012/13 plan year in the event of plan termination by UMass.	\$ _____.00 \$ _____.00 \$ _____.00
V-B(16)	<b>Terminal Claims Liability Premium</b>  Provide a cost quote for the single, lump sum premium that would be payable by UMass for funding terminal claims liability for the 2012/13 plan year. This premium would be paid by UMass only in the event of termination of the Minimum Premium funding arrangement at the end of the 2012/13 plan year	\$ _____

Proposer(s) must type the responses to each item. Hand written submissions are not acceptable.

**This Section is for cost quotations for optional programs and services requested in Section III-D. Proposer(s) note “included in proposal” for any items that were included in their cost quotations for Sections III-B and III-C. Items are optional and are not required of Proposer(s).**

**5.1 STOP-LOSS COVERAGE**

<b>Item</b>	<b>Description</b>	<b>Cost Quotation</b>  Per Student Composite Cost (unless otherwise specified)
V-C(1)	Provide the monthly composite premium rate for specific stop-loss coverage with a \$100,000 deductible based on a 12 month incurred and 18 month paid contract. The quote a composite rate basis (total cost for student and dependent coverage cost ÷ total expected student enrollment in SHPI enrollment).	\$_____.00
V-C(2)	The stop-loss proposer may offer an alternative quote for aggregate stop-loss protection at 120% of expected paid claims. Provide the premium cost for this coverage on a 12 month incurred and 18 month paid contract basis for the 2012/13 plan year on composite rate basis.	\$_____.00
V-C(3)	Identify the monthly per student composite aggregate attachment point factor for the aggregate stop-loss coverage quoted for Section V-C(2).	\$_____
V-C(4)	Provide an alternative cost quotation for Items V-C(2) and V-C(3) if the aggregate stop-loss coverage is changed to 120% of expected paid claims.	\$_____.00 \$_____.00
V-C(5)	Provide an alternative cost quotation for Item V-C(1) with a change from the specific stop-loss deductible from \$100,000 to \$150,000.	\$_____.00

**5.2 MEDICAL EVACUATION AND REPATRIATION COVERAGE**

<b>Item</b>	<b>Description</b>	<b>Premium Quotation</b>  Per Student Composite Cost (unless otherwise specified)
V-C(6)	Provide a per student composite monthly premium rate to provide medical evacuation and repatriation coverage for SHIBP-covered persons as specified in Section III-D, Section 3.1.	\$_____.00

**5.3 WEB-BASED ENROLLMENT/WAIVER PROCESS**

<b>Item</b>	<b>Description</b>	<b>Cost Quotation</b>  Per Student Composite Cost (unless otherwise specified)
V-C(7)	Provide a per student composite monthly cost to provide a web-based enrollment/waiver process and associated enrollment/waiver services as specified in Section III-D, Section 3.2.	\$_____.00

5.4 FULLY INSURED DENTAL BENEFITS PLAN

<b>Item</b>	<b>Description</b>	<b>Premium Quotation Per SHIBP Member</b>
V-C(8)	Provide a fully insured monthly premium cost quotation for a <u>high benefit</u> design dental plan, to be described in detail in the Proposer(s)'s written submission in response to this RFP, for each SHIBP-covered person (non-optional plan included for all SHIBP-covered persons).	\$_____.00
V-C(9)	Provide a fully insured monthly premium cost quotation for a <u>limited benefit</u> design dental plan, to be described in detail in the Proposer(s)'s written submission in response to this RFP, for each SHIBP-covered person (non-optional plan included for all SHIBP-covered persons).	\$_____.00
V-C(10)	Provide a fully insured monthly premium cost quotation for both high benefit and limited benefit dental plan designs based on these programs being a voluntary purchase available to individual SHIBP-covered students. Coverage for dependents could only be purchased if the SHIBP-covered student is also a subscriber to the optional dental program.	\$_____.00

