REQUEST FOR PROPOSALS
GROUP MEDICAL PROGRAM

RFP # AA16-JM-5068

August 2015

SUBMITTED BY THE AMHERST PROCUREMENT DEPARTMENT
SPONSORED BY THE UMASS AMHERST OFFICE OF ADMINISTRATION AND FINANCE
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SECTION I: PURPOSE:
The purpose of this RFP is to solicit competitive proposals for a group medical plan offered to all UMass AFSCME Unit B employees (UMass Unit B) and their family members. This group represents temporary, non-benefited employees performing non-clerical duties for auxiliary services, physical plant, housing services and parking services – and who have worked at least 10 hours per week for at least 6 workweeks. In responding to this RFP, please follow the instructions outlined in this section.

- The proposed effective date is January 1, 2016.
- Proposals should reflect duplications of proposed plans as well as the proposed alternatives.
- Proposals should include a fully insured, non-participating funding option.
- Your company’s Proposal must remain in effect for a minimum period of one hundred and twenty (120) days following the RFP opening date in order to allow for sufficient time for evaluation, approval, and issuance of award notice. The successful contractor’s offer will remain firm for the duration of any resulting award and extensions.
- Vendors must reference each section of this RFP in their proposals in the sequence they appear in this RFB so that they are easy to review.
- UMass Amherst reserves the right to reject any or all Proposals and to request any additional information it deems necessary to supplement the Proposals and/or to reach agreement.
- Public Information. All Proposals and related documents submitted in response to this RFP are subject to the Massachusetts Public Records Law, M.G.L. Chapter 66, Section 10 and to M.G.L. Chapter 4, Section 7, Subsection 26, regarding public access to such documents. Statements in the Proposal response that are inconsistent with those statutes will be disregarded.
- Minority-Owned Business Enterprises (MBE) or Woman-Owned Business Enterprises (WBE) are strongly encouraged to submit Proposals in response to the RFP. For the purposes of this RFP the term MBE or WBE shall mean a contractor who is certified as a Minority-Owned Business Enterprise and/or Women-Owned Business Enterprise by the Massachusetts Supplier Diversity Office (SDO) or similar Federal database and who is still certified at the time the respondent’s qualifications are submitted.
- The University reserves the right to schedule face-to-face meetings with any or all contractors in order to determine their eligibility, discuss qualifications or to seek clarification of their Proposals. After review of the Proposals, if deemed required by the University, qualified prospective contractors may be invited to make oral presentations during August/September 2014 (date TBD).
**Questions And Requests For Additional Information**

Questions regarding the RFP will be accepted, in writing by e-mail only, from the time of RFP release until 5:00 p.m. (EDST) August 26, 2015.

All inquiries MUST be made in writing via e-mail to:

<table>
<thead>
<tr>
<th>John O. Martin</th>
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<tbody>
<tr>
<td>Director of Procurement &amp; Campus Services,</td>
</tr>
<tr>
<td>University of Massachusetts Amherst</td>
</tr>
<tr>
<td>Email: <a href="mailto:jomartin@admin.umass.edu">jomartin@admin.umass.edu</a></td>
</tr>
</tbody>
</table>

The University will post its responses to all written questions received by the deadline by formal addendum by 5 p.m. (EDST) on August 31, 2015 on the UMass Amherst Procurement webpage at:

http://www.umass.edu/procurement/bidsopen.htm

**Proposal Submittal & Receipt**

Bidders shall submit their bid response electronically via Bid Express: www.bidexpress.com (see info below) or deliver One original hardcopy and two electronic copies of their proposal on flash drives in its entirety including all requested supporting documentation as required in the bid specifications by Friday, September 11th at 2:00pm EDST to the following address at which time the bids will be opened and publicly read. Bids shall be clearly marked and addressed to:

| University of Massachusetts |
| Procurement Department |
| 407 Goodell Building; 140 Hicks Way |
| Amherst, MA 01003 |
| Attn: RFP AA16-JM-5068 |

Only Proposals received by Friday, September 11th at 2:00pm EDST will be considered. Proposals must be executed by an authorized officer of the prospective vendor. All Proposals received after the date and time listed will be filed unopened in the RFP file and will not be considered.

UMass’s expectation is to have a final decision no later than mid-October to provide time for employee communications and open enrollment planning for the January 1, 2016 effective date. The contract situs should be the Commonwealth of Massachusetts.

**Bid Express**

The University of Massachusetts Amherst will now be accepting electronic bids via www.bidexpress.com website. All electronic bidders must first register on the bidexpress.com website and create an Info Tech Digital ID. Registration and Digital ID creation are free. It can take up to five business days to process your Digital ID and it is highly recommended that a Digital ID be enabled 48 hours in advance of submitting an electronic bid. Please plan accordingly. A fee of $25 will be incurred for those who wish to bid electronically on a pay-per solicitation basis; alternatively, you may subscribe for
$50 per month to have access to all solicitations and email notifications. Submitting bids via the Bid Express website will become mandatory for any bid advertised on or after October 1, 2015.

Learn more in this vendor overview For additional guidance, please contact the Bid Express team at toll free (888) 352-2439 (select option 1) or at support@bidexpress.com

SECTION II: BACKGROUND

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

This RFP will request proposals to insure UMass Unit B under a group medical plan. All UMass Unit B and eligible Dependents are eligible to enroll in this insurance plan.

Currently, UMass does not offer a medical plan to this group of employees.

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

Proposals will be evaluated using the following criteria:

- Proposed premium rates
- Proposed services
- Ability to duplicate the proposed plans
- Demonstrated ability to administer the plan effectively
- Response to this RFP
SECTION III: CURRENT AND PROPOSED PLAN DESIGNS

Proposed Plans

UMass’s intention is to offer only one plan to this group; exact plan design undetermined.

The following charts summarizes two proposed PPO plan designs and an HMO design UMass would like quoted for an effective date of 1/1/2016:

<table>
<thead>
<tr>
<th>2016 Proposed Plan Design 1</th>
<th>PPO 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Deductible</td>
<td>$250 individual</td>
<td>$1,000 individual</td>
</tr>
<tr>
<td></td>
<td>$500 family</td>
<td>$2,000 family</td>
</tr>
<tr>
<td>Out-of Pocket Maximum</td>
<td>$2,500 individual</td>
<td>$3,500 individual</td>
</tr>
<tr>
<td></td>
<td>$5,000 family</td>
<td>$7,000 family</td>
</tr>
<tr>
<td>Hospital Inpatient</td>
<td>Covered in full after deductible</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>Covered in full after deductible</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>High Tech Imaging</td>
<td>$75 copay after deductible</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>$75 copay</td>
<td></td>
</tr>
<tr>
<td>PCP Office Visits</td>
<td>$10 copay</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>Specialist Office Visits</td>
<td>$10 copay</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>Preventive Care</td>
<td>Covered in full</td>
<td>80% after deductible</td>
</tr>
<tr>
<td>Retail Prescription Drugs</td>
<td>$10 / $20 / $40 copays</td>
<td></td>
</tr>
<tr>
<td>Mail Order Prescription Drugs</td>
<td>$20 / $40 / $80 copays</td>
<td></td>
</tr>
</tbody>
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<thead>
<tr>
<th>2016 Proposed Plan Design 2</th>
<th>PPO 2</th>
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<tbody>
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<td>$1,500 individual</td>
</tr>
<tr>
<td></td>
<td>$1,000 family</td>
<td>$3,000 family</td>
</tr>
<tr>
<td>Out-of Pocket Maximum</td>
<td>$2,500 individual</td>
<td>$3,500 individual</td>
</tr>
<tr>
<td></td>
<td>$5,000 family</td>
<td>$7,000 family</td>
</tr>
<tr>
<td>Hospital Inpatient</td>
<td>90% after deductible</td>
<td>70% after deductible</td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>90% after deductible</td>
<td>70% after deductible</td>
</tr>
<tr>
<td>High Tech Imaging</td>
<td>90% after deductible</td>
<td>70% after deductible</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>$100 copay</td>
<td></td>
</tr>
<tr>
<td>PCP Office Visits</td>
<td>$20 copay</td>
<td>70% after deductible</td>
</tr>
<tr>
<td>Specialist Office Visits</td>
<td>$20 copay</td>
<td>70% after deductible</td>
</tr>
<tr>
<td>Preventive Care</td>
<td>Covered in full</td>
<td>70% after deductible</td>
</tr>
<tr>
<td>Retail Prescription Drugs</td>
<td>$10 / $25 / $50 copays</td>
<td></td>
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<tr>
<td>Mail Order Prescription Drugs</td>
<td>$20 / $50 / $100 copays</td>
<td></td>
</tr>
<tr>
<td>2016 Proposed Plan Design 3</td>
<td>HMO 1</td>
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<tr>
<td></td>
<td>In-Network</td>
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<td>$1,000 family</td>
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<tr>
<td>Out-of Pocket Maximum</td>
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<tr>
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<td>Mail Order Prescription Drugs</td>
<td>$20 / $50 / $100 copays</td>
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**Proposed Funding Arrangement**

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

**Employee Contributions**

UMass intends to fund 75% of the individual tier premium rates for all tiers. Employees would buy-up to cover dependents.

**Summer Eligibility**

All employees in this group will be terminated (laid off) during the summer months (Mid-May-August). It is the intention of UMass to offer Cobra coverage to these individuals with the expectation that 75% will be hired back in September.

UMass is still looking for the best way to administer COBRA premium billing and collections during this time period, specifically for those who will be hired back. Direct bill and other administrative options are being explored. At this time, UMass intends to issue the COBRA notices with the selected vendor’s return address; it will be the responsibility of the selected vendor for all billing and collections.
SECTION IV: BID FORMS

See the RFP attachments spreadsheet for the entire Bid Forms section of this RFP. We request that you complete the Bid Forms outlined below in Excel format and return them with your electronic submission to this RFP.

- Attachment A – SBA Insurance File
- Attachment B – Proposed Fully Insured Rates – Proposed Plans

SECTION V: CONFIRMATION OF PROPOSAL

Please confirm each item listed below in your proposal. If you are able to affirm an item, simply list the item and state “confirmed.” If you are not able to confirm list the item and provide an explanation. Please reference this section and keep all items in the order listed below so that they can be easily reviewed.

1. Confirm that your proposal complies with the bidding instructions and assumptions identified in this RFP and that any deviations have been noted where appropriate.

2. Confirm that your proposal assumes a January 1, 2016 effective date and that rates/fees are unconditionally firm and guaranteed for a minimum of twelve months.

3. Confirm that all renewals will be guaranteed for a minimum of 12 months.

4. Confirm that your proposal does not include any minimum participation requirements and that changes in participation will not impact rates/fees during rate/fee guarantee periods.

5. Confirm that you will provide at least a 180-day notification of renewal rate/fee changes.

6. Confirm your company will insure/process all claims with dates of service on or after the effective date (January 1, 2016). All claims with dates of service prior to January 1, 2016 are the responsibility of the current insurers.

7. Confirm that your proposal includes standard commissions. Please illustrate standard amount.

8. Confirm that your quoted rates/fees include a standard management reporting package and that you have provided a sample with your proposal.

9. Confirm your willingness to attend multiple open enrollment sessions/Q/A sessions during fall 2015 open enrollment in conjunction with UMA and allowing employees from three work shifts to attend. This could be as many as 15 separate sessions.

10. Confirm your willingness to accept eligibility information on paper or electronically. UMass would prefer on-line, electronic eligibility transfer and updates.
11. Confirm that all non-assigned claim payments and all Explanation of Benefits (EOB) forms are to be mailed directly to the claimant.

12. Confirm that your proposal includes a standard 30-day grace period for premium/fee payment.

13. Confirm that your proposal includes a toll-free number for employees to access your customer service operation and for UMass to access account-level service personnel.

14. Confirm that your proposal assumes UMass’s compliance with state and federal legislation and regulations pertaining to employer-sponsored group medical plans.

15. Confirm that your response to this confirmation of proposal supercedes all other proposal pages, including boilerplate proposal language.

16. Confirm that your quoted rates include SPD draft, including TWO rounds of review by UMass.

17. Confirm that your proposal includes a specimen contract/agreement for the services you are proposing.

18. Confirm that you have duplicated the proposed plans and have provided detailed descriptions of all proposed plans.

19. Confirm that you have clearly outlined any restrictions and conditions for all alternatives for which you have provided a proposal.

20. Confirm that your proposed plan meets the Massachusetts minimum credible coverage level and is compliant under Federal Health Care Reform.

SECTION VI: QUESTIONNAIRE

1. Please identify your proposed service locations for account service, claim processing and management and customer service. Please indicate hours of operations. Have you included in your proposal a toll-free telephone number for employees’ use to ensure access to your claim office during standard business hours?

2. Please provide a sample of your various standard management reports available to UMass and indicate their frequency.

3. Electronic invoicing via comma delimited file is required and that the invoice must contain an ID# assigned UMass? These will be critical to ease administration of this plan. Please confirm your ability and willingness to comply.

4. Please provide client references for three similarly sized accounts, including client name, contact’s name, address and telephone number. Please describe your specific
relationship with the client, including the type of program and the length of time that your program has been offered.

5. Please give an overview of your HMO, POS and PPO networks, including information such as the number of participating providers, negotiated discounts, balance billing practices, and care management.

6. What communication services would you provide for the implementation process? Be specific in terms of the subject matter, media, etc., that you are capable of providing. Identify any associated costs. Please indicate your willingness to participate in benefit fairs held annually at UMass in connection with its open enrollment.

7. Are you willing to offer any performance guarantees? If so, please provide details.

8. Please indicate how you intend to calculate fully-insured renewal rates.

9. Please identify the source of reasonable and customary fee information for the out-of-network component of the POS and PPO plans, including frequency of updates.

10. Please provide your proposed claim office performance results with regard to claim payment accuracy, processing accuracy and turnaround.

11. What percentage of claims are submitted electronically? What is your auto-adjudication rate?

12. Please describe your network contracting strategy, including provider credentialing.

13. Please provide a list of all of the disease management programs included under your fully insured programs.

14. Please provide a detailed explanation of your disease management member intervention techniques. What percentage of target members participate in your disease management programs? Do you offer incentives for program participation? What percentage of targeted members receive outbound phone calls?

15. Please describe your predictive modeling capabilities. At what frequency do you run the application for a group of UMass’s size? Please explain the member intervention process you apply once an “at risk” member is identified. Please confirm that your predictive modeling program is included in your proposed fully insured and self insured proposal for UMass.

16. Please describe the web-based tools you make available for member self-service. In addition, please identify any that tools are currently under development and their target release date. Do you offer a web-based health risk appraisal tool?

17. What differentiates your organization from your peers? Describe any cost/utilization management strategies that you believe set you apart from your peers?
18. Please provide a description of how you will partner with UMass to help control costs.

19. Are you willing to participate and invest resources in a regularly scheduled (e.g., monthly or quarterly) wellness initiative at UMass? What programs would you recommend for UMass?

20. Please describe how you would partner with UMass to improve and further develop the wellness/health and disease management programs.

21. Please provide any additional plan alternatives, other than those specifically requested within the RFP, that you think would provide the most beneficial options to UMass Unit B. Please include all rate details and/or benefit decrement factors for such plans. Please also provide the rationale to support why you have chosen those selected plan design alternatives.

SECTION VII: ADDITIONAL TERMS AND CONDITIONS

Termination

The University may terminate the contract at any time by providing the contractor with one hundred-twenty (120) days written notice. This clause replaces Section 11A of the standard University contract for services (see RFP Section 8.4d).

The University may terminate the contract immediately upon written notice to the contractor if the contractor becomes (i) insolvent; (ii) seeks protection under any bankruptcy, receivership, trust deed, creditors arrangement, composition or comparable proceeding; or (iii) proceedings in bankruptcy or insolvency are instituted against the contractor, a receiver is appointed, or if any substantial part of the contractor's assets is the object of attachment, sequestration or other type of comparable proceeding, and such proceeding is not vacated or terminated within thirty (30) days after its commencement or institution. This clause replaces Section 11B of the standard University contract for services.

In the event the successful contractor fails to comply with any other obligation under the Agreement resulting from this RFP and is so notified in writing of such failure, the successful contractor shall correct such failure within fourteen (14) business days of such notice. If the failure to comply is of such a nature that it cannot be cured within said fourteen (14) day period, then the successful contractor shall not be deemed in default if it takes reasonable steps to cure the failure within said fourteen (14) day period and if said failure is cured within thirty (30) days after said notice. If the successful contractor does not cure the failure with said thirty (30) days, the University may terminate any contract resulting from this RFP with an additional thirty (30) days written notice and the contract shall thereupon terminate without further action by the successful contractor. The University shall be obligated only for those customary and usual services rendered and accepted prior to the effective date of termination, less any liquidated damages that may be assessed against the
successful contractor for nonperformance. This clause replaces Section 11B of the standard University contract for services.

In the event of any termination of any contract resulting from this RFP, for any reason whatsoever, the rights of the parties to a financial accounting shall survive such termination.

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 God 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.

**Contract Administrator**

The University’s Benefits Supervisor, or designee, will be the Contract Administrator for any Agreement that results from this Request for Proposals. This individual will be the point of contact at UMass Amherst for day-to-day operations.

**Assignment And Amendment Of Contract**

The response to this RFP will be considered as the vendor’s offer to contract. Final negotiations on the offer that receives the highest evaluation by the University of Massachusetts Amherst will be conducted to resolve any minor differences and informalities that do not materially alter the offer. If the University cannot finalize acceptable terms with the highest ranked contractor they may discontinue negotiations and start new negotiations with the next highest ranked contractor and so on until a satisfactory agreement is reached.

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

No amendment to this contract shall be effective unless it is signed by authorized representatives of both parties and complies with all other regulations and requirements of law.

The resulting University of Massachusetts Amherst Award will incorporate the University of Massachusetts standard Contract Terms and Conditions, a sample copy of which can be viewed at:
The University’s contract for services, this RFP, any addendum, the contractor’s response thereto, all additional agreements and stipulations, and the results of any final negotiations will constitute the final contract.

**Governing Laws**

The successful contractor shall observe and obey all laws, ordinances, regulations, and rules of the Federal Government, the Commonwealth of Massachusetts, local municipalities, and the University of Massachusetts Amherst which may be applicable to its operation herein, and shall, at its own cost, obtain and maintain all permits and licenses necessary of and to its operation. The successful contractor confirms that it complies with the laws of the countries in which they do business.

The contract resulting from this RFP shall be construed under and governed by the laws of the Commonwealth of Massachusetts. The successful contractor agrees to bring any federal or state legal proceedings arising under this contract in which the Commonwealth or the University is a party, in a court of competent jurisdiction within the Commonwealth of Massachusetts. This paragraph shall not be construed to limit any rights a party may have to intervene in any action, wherever pending, in which the other is a party.

In accordance with Commonwealth of Massachusetts Executive Order No. 130 Anti-Boycott Covenant dated December 6, 1976, the successful contractor warrants, represents and agrees that during the time this contract is in effect, neither it nor any affiliated company, participates in or cooperates with an international boycott, as defined in Section 999(b)(3) and (4) of the Internal Revenue Code of 1986, as amended, or engages in conduct declared to be unlawful by Section 2 of Chapter 151E, Massachusetts General Laws.

The successful contractor must comply with provisions of Executive Order 11246 as amended by Executive Order 11375 as supplemented by Department of Labor Regulation 41 CFR Part 60, the Copeland Anti-Kickback Act (18 USC 874) as supplemented in Department of Labor Regulation 29 CFR Part 3, the Bacon-Davis Act (40 USC 276a et. seq.), Sections 103 and 107 of the Contract Work Hours and Safety Standard Act (40 USC 327-330) as supplemented by Department of Labor Regulation 29 CFR Part 5, and the Clean Air Act of 1970 (42 USC 1857, et. seq.) to the extent that they are applicable.

The successful contractor certifies that this Proposal is in full compliance with all applicable regulations and requirements of law, as set forth herein. The successful contractor further certifies under the pains and penalties of perjury that pursuant to M.G.L. c.62C s.49A the company has filed all state tax returns, paid all taxes, and complied with all laws of the Commonwealth relating to taxes; and that pursuant to M.G.L. c.151A, s.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 with all laws of the Commonwealth relating to Worker's Compensation, c. 152. The successful contractor also represents that (s)he/it is qualified to perform the described service(s) and has obtained all requisite licenses and permits, as may be required, to perform those services.

The successful contractor shall comply with all laws and regulations relating to confidentiality and privacy as defined by M.G.L. c. 66A, including but not limited to any rules or regulations of the University.

SECTION VIII: APPENDIX

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

- Insurance File for SBA

END OF RFP AA16-JM-5068