**Request for Proposal (RFP) ETG0003  
Administrative Services for the State of Wisconsin Health Benefit Program**

****

**Issued by the**

**State of Wisconsin**

**Department of Employee Trust Funds**

**On behalf of the Group Insurance Board**

Release Date: July 22, 2016

Table of Contents

[Table of Contents 2](#_Toc455754589)

[Exhibits and Appendices 2](#_Toc455754590)

[Forms 3](#_Toc455754591)

[Section 8 Attachments 3](#_Toc455754592)

[1 General Information 4](#_Toc455754593)

[2 Preparing and Submitting a Proposal 13](#_Toc455754594)

[3 Proposal Selection and Award Process 18](#_Toc455754595)

[4 Mandatory Proposer Qualifications 21](#_Toc455754596)

[5 Program Specifications 22](#_Toc455754597)

[6 General Questionnaire 22](#_Toc455754598)

[7 Technical Questionnaire 29](#_Toc455754599)

[8 Cost, Data, and Network Submission Requirements 37](#_Toc455754600)

[9 Contract Terms and Conditions 46](#_Toc455754601)

Exhibits and Appendices

* Exhibit 1 – Pro Forma State of Wisconsin Contract
* Exhibit 2 - Standard Terms and Conditions (DOA-3054)
* Exhibit 3 - Supplemental Standard Terms and Conditions for Procurement for Services (DOA-3681)
* Exhibit 4 – Department Terms and Conditions
* Exhibit 5 – State of Wisconsin Department of Employee Trust Funds Regional Map
* Appendix 1 – 834 Companion Guide
* Appendix 2 – Pharmacy Data Specifications
* Appendix 3 – Wellness Data Specifications
* Appendix 4a - Claims Data Specifications – Medical
* Appendix 4b - Claims Data Specifications - Dental
* Appendix 5 – Provider Data Specifications
* Appendix 6 – Guidance for Department Initiatives
* Appendix 7 – State Employer Group Roster (ET-1404)
* Appendix 8 – Local Employer Group Roster (ET-1407)
* Appendix 9 – Health Insurance Fact Sheet (ET-8902)
* Appendix 10 – Financial and Utilization Data
* Appendix 11 – Health Care Performance Metrics
* Appendix 12 – Data Warehouse and Business Intelligence Data Flow

Forms

* FORM A – Proposal Checklist
* FORM B – Mandatory Proposer Qualifications
* FORM C – Subcontractor Information
* FORM D – Proposer Verification of Data Submission to Board Actuary
* FORM E – ETG0003 Designation of Confidential and Proprietary Information
* FORM F – ETG0003 Non-Disclosure Agreement (NDA)
* FORM G – DOA-3261 Request for Proposal
* FORM H – DOA-3477 Vendor Information
* FORM I – DOA-3478 Vendor References

Section 8 Attachments

* Attachment A – Regional Bid Designation
* Attachment B – Network Access
* Attachment C – Repricing Layout
* Attachment D – Repricing – Service Category
* Attachment E – Repricing - Providers
* Attachment F – Repricing – Contract Types
* Attachment G – Contract Improvements
* Attachment H – Market Pricing
* Attachment I – ASO Fees
* Attachment J – Capitation
* Attachment K – Self Insured Projection
* Attachment L – Actuarial Certification

# 1 General Information

## Introduction

The purpose of this Request for Proposal (RFP) is to provide interested and qualified health benefits plan administrative Vendors with information to prepare and submit competitive Proposals to provide third party administrative services for the State of Wisconsin Group Health Insurance Program (GHIP) and the Wisconsin Public Employer (WPE) program for local government employees, managed by the Wisconsin Department of Employee Trust Funds (Department). This RFP details the procedures the Proposer must follow to submit a Proposal.

The Contract will be administered and managed by the Department, with oversight by the State of Wisconsin Group Insurance Board (the “Board”). This RFP document and the awarded Proposer’s (Contractor’s) Proposal response shall be incorporated into the Contract by reference.

## Current State and Background

The Department administers retirement, health, life, long-term disability, income continuation, and long-term care insurance programs for over 570,000 State and local government employees and annuitants.

### Health Insurance Program

The GHIP/WPE programs, primarily fully-insured health plans administered by the Department and 18 contracted health plans, are for the employees of 58 State agencies, the State of Wisconsin Legislature, the University of Wisconsin (UW) System, the University of Wisconsin Hospital and Clinics, 368 local government employers’ employees, retirees, and dependents. The GHIP/WPE programs make up one of the largest health plan groups in Wisconsin, spending $1.4 billion in health insurance premiums annually.

Currently, most health insurance benefits (98%) are administered through 17 competing, fully insured health plans that offer a prescribed, “uniform benefit” package called the “It’s Your Choice (IYC) Health Plan”, as well as a high-deductible health plan (HDHP) option, called the IYC HDHP. The health plans follow the Board’s guidelines for eligibility and program requirements and participate in an annual competitive premium rate bid process. Most health plans are health maintenance organizations (HMOs) and one is a preferred provider organization (PPO).

The State also administers a small self-insured offering through both the “IYC Access Health Plan” and “State Maintenance Plan” that are administered through a single administrator. The IYC Access Health Plan provides freedom of provider choice and also has an HDHP option. The State Maintenance Plan offers the IYC Health Plan benefit design, including a HDHP option, and is available in counties in Wisconsin where there is not reasonable access to providers through a qualified fully-insured health plan.

The pharmacy benefit program is self-insured and has been administered through a Pharmacy Benefit Manager (PBM) since 2004. This includes providing Medicare Part D benefits through an Employer Group Waiver Plan (EGWP) since 2012.

The uniform dental benefit program is also self-insured as of 2016. Participants of the GHIP may opt out of dental coverage during the annual open enrollment period. Local employers that participate in the WPE program chose whether or not to offer the uniform dental benefit program to their group.

Table 1 lists the number of individuals enrolled in the GHIP/WPE programs for 2016.

Table 1 2016 Enrollment Data (as of January 2016)



**Open Enrollment**: Dates for the annual open enrollment period, known as “It’s Your Choice” (IYC), are set by the Board each year. The 2016 open enrollment period will begin October 17 and end November 11. Program and benefit changes are primarily disseminated via employer groups and the ETF website.

**Benefit Consultant**: In November of 2015, the Board’s benefit consultant, Segal Consulting (Segal), presented a report containing analysis of the current GHIP/WPE programs and recommended strategies for program design that would contain future cost increases and improve health outcomes while increasing the efficient delivery of quality health care to Participants. A significant component of the report is a recommendation for a Total Health Management model that includes driving engagement in wellness and disease management programming. As a result of this recommendation, the Board has approved 2016 solicitations for a third party administrator of wellness and disease management programs, the development of a data warehouse, and proposals to evaluate self-insurance and regionalizing the health insurance program. A link to Segal’s report and a link to the implementation memo can be found in Table 2 Background Information.

**Data Warehousing / Business Intelligence Vendor**: As stated above, the Board approved the procurement for a Data Warehousing / Business Intelligence (DW/BI) vendor. The RFP for these services will be issued in mid-2016, with a contract start date target of early 2017. Section 5 of this RFP details requirements associated with this new DW/BI vendor. See Appendix 12 for a diagram of the anticipated data flow.

**Wellness & Disease Management Vendor**: As stated above, the Board approved the procurement for a Wellness and Disease Management vendor. The RFP for these services was issued in April 2016, with a contract start date target of August 2016. Section 5 of this RFP details requirements associated with the new Wellness vendor.

**Employer Groups**: There are 58 different State agencies in the GHIP program, which operate under eight (8) different payroll processing centers. There are currently 368 local government employers offering health benefits to employees through the WPE program. This participation varies slightly, each year, due to an annual opt-in and opt-out provision for any local government employer in Wisconsin. The UW System Administration manages payroll functions for the 13 four-year campuses and the 13 two-year campuses with locations throughout the State. See Appendix 2 GHIP/WPE Employer Group Detail for a complete list of employer groups. Also, see Appendix 3 Department of Corrections (DOC) Work Locations, and Appendix 4 State Work Locations (non-DOC) for physical locations of employer groups.

### Additional Background Information

Table 2 (below) provides links to additional background information. This information is provided to assist the Proposer in completing a RFP response.

Table 2 Background Information

|  |  |
| --- | --- |
| Title | Web Address |
| Information about the GHIP/WPE programs | <http://etf.wi.gov/publications/et8902.pdf> |
| It’s Your Choice Open Enrollment Material | <http://etf.wi.gov/members/IYC2016/IYC_home.asp> |
| Benefit Consultant November 10, 2015 Report to the Board (Second Report) | <http://etf.wi.gov/boards/agenda-items-2015/gib1117/item3ar.pdf> |
| Office of Strategic Health Policy February 9, 2016 Memo to the Board for Implementation of Benefit Consultant Recommendations | <http://etf.wi.gov/boards/agenda-items-2016/gib0217/item5c.pdf> |
| Wisconsin Administrative Code: Chapter ETF 11 Appeals | <http://docs.legis.wisconsin.gov/code/admin_code/etf/11> |
| Wisconsin State Statutes Chapter 40 | <http://www.legis.state.wi.us/statutes/Stat0040.pdf> |
| ETF Insurance Complaint Information | <http://etf.wi.gov/publications/et2405.pdf> |

## Future State: Project Scope and Objectives

Proposals are being requested for the following:

1. Statewide/Nationwide, Self-Funded
2. Multiple Regional, Self-Funded

The intention is to obtain services, as specified in this RFP, with Contracts between the selected Proposers and the Board.

The Board may award multiple Contracts for each region as a result of this RFP. Refer to Exhibit 5 – State of Wisconsin Department of Employee Trust Funds Regional Map for the listing of the specific regions. Proposers may submit a Proposal for multiple regions as well as statewide/nationwide. An award in each region is not guaranteed.

At this time it is undetermined whether the Contract(s) awarded as a result of this RFP will include the requirement to provide services to Medicare annuitants. The Board may choose to carve out coverage for this population. Refer to the Table 1 in Section 1.2.1 for enrollment data. The cost proposal delineates per Participant per month administrative costs for this population.

Also included in the population in Table 1 of Section 1.2.1 are Participants of the Local Annuitant Health Program (LAHP). Within this program there are non-Medicare and Medicare Participants. The Proposer must include costs for covering these LAHP Participants. Determination about whether this small population (approximately 235) will be covered under this contract has not been made, as the Board may choose to carve out coverage for this population as well.

Proposers must be able to provide all services and meet all of the requirements requested in this RFP and shall remain responsible for Contract performance regardless of any subcontractor’s work.

Selected Proposals will become part of the Contract. Information described in the Proposal response regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in the Proposal. For example, a small pilot program shall be clearly described as such.

The objective of this RFP is to acquire health benefits administrators that will be strategic partners in providing Services that will accommodate the current Uniform Benefit plan design and enhancing the value of the plan through the following changes:

* Transition to a self-insured health benefit program;
* Regional, statewide, and nationwide networks;
* Consistent administration of health benefits;
* Value based plan design; and,
* Data sharing and strategic coordination with other Contractors and/or third party administrators, such as the Department’s data warehouse, PBM, Board’s consulting actuary, and wellness and disease management Contractor.

The Proposer may offer regional and/or one statewide/nationwide provider network to accommodate all eligible State and WPE Participants. Many of these Participants are located in rural areas of Wisconsin, or are out-of-state.

The Proposer must administer the Uniform Benefits, as written in Section 400 of the Pro Forma State of Wisconsin Contract in Exhibit 1, or as approved by the Board prior to January 1, 2018.

The Board will only consider proposals to operate the group health plan on a self-insured (administrative services only) arrangement. Prescription drug coverage is not provided through this program.

## Procuring and Contracting Agency

This RFP is issued for the State of Wisconsin by the Department of Employee Trust Funds on behalf of the State of Wisconsin Group Insurance Board. The Department is the sole point of contact for the State of Wisconsin in the selection process. The terms “State,” “ETF,” and “Department” may be used interchangeably in this RFP and its attachments.

Prospective Proposers are prohibited from contacting any person other than the individual listed below regarding this RFP. Violation of this requirement may result in the Proposer being disqualified from further consideration.

Express delivery: USPS Mail delivery:

Michael D. McNally, Jr. Michael D. McNally, Jr.

**RFP ETG0003** **RFP ETG0003**

Dept. of Employee Trust Funds Dept. of Employee Trust Funds

801 West Badger Road PO Box 7931

Madison, WI 53713-2526 Madison, WI 53707-7931

Telephone: 608-261-9032

E-mail: [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov)

## Definitions and Acronyms

Words and terms shall be given their ordinary and usual meanings. Where capitalized in this RFP, the following definitions and acronyms shall have the meanings indicated unless otherwise noted. The meanings shall be applicable to the singular, plural, masculine, feminine, and neuter forms of the words and terms.

**Business Day** means each Calendar Day except Saturday, Sunday, and official State of Wisconsin holidays (see also: Calendar Day, Day).

**Calendar Day** refers to a period of twenty-four (24) hours starting at midnight.

**Calendar of Events** means the schedule of events in RFP Section 1.9.

**Confidential Information** means all tangible and intangible information and materials being disclosed in connection with the Contract, in any form or medium without regard to whether the information is owned by the State of Wisconsin or by a third party, which satisfies at least one of the following criteria: (i) Personally Identifiable Information; (ii) Protected Health Information under HIPAA, 45 CFR 160.103; (iii) Proprietary Information; (iv) non-public information related to the State of Wisconsin’s employees, customers, technology (including data bases, data processing and communications networking systems), schematics, specifications, and all information or materials derived therefrom or based thereon; (v) information expressly designated as confidential in writing by the State of Wisconsin; (vi) all information that is restricted or prohibited from disclosure by State or federal law, including Individual Personal Information and Medical Records as governed by Wis. Stat. § 40.07, Wis. Admin. Code ETF 10.70(1) and 10.01(3m); (vii) any material submitted by the Proposer in response to this RFP that the Proposer designates confidential and proprietary information and which qualifies as a trade secret, as provided in Wis. Stat. § 19.36 (5) or material which can be kept confidential under the Wisconsin public records law, and identified on a Designation of Confidential and Proprietary Information form (DOA-3027). Pricing information cannot be held confidential.

**Contract** means the written agreement resulting from the successful Proposal and subsequent negotiations that shall incorporate, among other things, this RFP and the successful Proposer's Proposal, and all modifications to this agreement, and in addition shall contain such other terms and conditions as may be required by the State of Wisconsin.

**Contractor** means the Proposer that is awarded the Contract.

**CDT** means Central Daylight Time covering a time period of mid-March to early November each calendar year.

**CST** means Central Standard Time covering all time periods not CDT.

**Day** means Calendar Day unless otherwise indicated.

**Department** or **ETF** means the Wisconsin Department of Employee Trust Funds.

**ETF Program Manager** means the primary contact established by ETF for the Contract.

**GHIP** means the State of Wisconsin Group Health Insurance Program.

**GIB** means the State of Wisconsin Group Insurance Board.

**HIPAA** means the Health Insurance Portability and Accountability Act of 1996.

**Individual Personal Information** or **IPI** is defined in Wisconsin Administrative Code § ETF 10.70(1), and means all information in any individual record of the Department, including the date of birth, earnings, contributions, interest credits, beneficiary designations, creditable service, marital or domestic partnership status, address, and social security number, but does not include information in any statistical report, other report or summary in which individual identification is not possible.

**Mandatory** means the least possible threshold, functionality, degree, performance, etc. needed to meet the mandatory requirement.

**Member** or **Participant** means the subscriber or any of the subscriber’s dependents who have been specified by the Department for enrollment and are entitled to benefits.

**Proposal** means the complete response of a Proposer submitted on the approved forms and setting forth the Proposer’s pricing for providing the Services described in this RFP, which includes all attachments, exhibits, appendices and all other documents referenced herein.

**Proposer** means any individual, company, corporation, or other entity that responds to this RFP. Used interchangeably with “Vendor,” Proposer means a firm or individual submitting a Proposal in response to this RFP.

**Protected Health Information** or **PHI** is health information protected under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Title 45 of the Code of Federal Regulations, Section 160.103.

**RFP** means Request for Proposal.

**Services** means all work performed, and labor, actions, recommendations, plans, research, and documentation provided by the Contractor necessary to fulfill that which the Contractor is obligated to provide under the Contract.

**State** means the State of Wisconsin.

**State Statutes** or **ss** or **Wisconsin Statutes** or **Wis. Stat.** means Wisconsin State Statutes referenced in this RFP, viewable at: <http://www.legis.state.wi.us/rsb/stats.html>.

**Subcontractor** means a person or company hired by the Contractor to perform a specific task or provide program content as part of the Contract.

**USPS** means the United States Postal Service.

**UW** means the University of Wisconsin System with 13 four-year campuses and 13 two-year campuses with locations throughout the State.

**Vendor** means a person or company that sells goods or provides services. Used interchangeably with “Proposer,” Vendor means a firm or individual submitting a Proposal in response to this RFP.

**WPE** means Wisconsin Public Employer as defined under Wis. Stat. § 40.02 (28), other than the State, which has acted under Wis. Stat. § 40.51 (7), to make health care coverage available to its Employees.

Please see ETF’s glossary at: <http://etf.wi.gov/glossary.htm> for additional definitions.

In addition, see all definitions located in Exhibit 1 – Pro Forma State of Wisconsin Contract.

## Clarification of the Specifications and Requirements

Proposers must submit any questions concerning this RFP via e-mail (no phone calls) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The subject line of the e-mail must state “**ETG0003 RFP**” and the e-mail must be received on or before the dates identified in Section 1.9 Calendar of Events for “Proposer Questions and Letter of Intent Due Date” and “Additional Proposer Questions.” Proposers are expected to raise any questions they have concerning this RFP at this point in the process. It is encouraged that Proposers submit any assumptions or exceptions during this process. Any assumption or exception listed must contain a rationale as to the basis. The Department will inform the Proposers what assumptions or exceptions would be acceptable.

Questions must be submitted as a Microsoft Word document using the format specified below:

Table 3 Format for Submission of Clarification Questions

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| No. | RFP Section | RFP Page | Question | Rationale |
| Q1 |  |  |  |  |
| Q2 |  |  |  |  |

Proposer’s e-mail must include the name of the Proposer’s company and the person submitting the question(s). A compilation of all questions and answers, along with any RFP updates, will be posted to the **ETF Extranet** (<https://etfonline.wi.gov/etf/internet/RFP/rfp.html>) no later than the date indicated in Section 1.9.

If a Proposer discovers any significant ambiguity, error, conflict, discrepancy, omission, or other deficiency in this RFP, the Proposer should immediately notify the individual identified in Section 1.4 of such error and request modification or clarification of this RFP document.

If it becomes necessary to update any part of this RFP, updates will be published on ETF’s Extranet listed above, which is part of ETF’s website, and will not be mailed. Electronic versions of this RFP and all appendices and exhibits are available on ETF’s Extranet.

## Proposer Conference

There is no scheduled Proposer conference. A Proposer conference is an opportunity for Proposers to ask questions. If ETF decides to hold a Proposer conference, a notice will be posted on ETFs Extranet at <http://etfextranet.it.state.wi.us/etf/internet/RFP/rfp.html>. Note, unless this notice is posted, no conference will be held.

## Reasonable Accommodations

ETF will provide reasonable accommodations, including the provision of informational material in an alternative format, for qualified individuals with disabilities, upon request.

## Calendar of Events

Listed below are the important dates by which actions related to this RFP must be completed. If the Department finds it necessary to change any of the specific dates and times in the Calendar of Events listed below, it will do so by issuing a supplement to this RFP via the ETF Extranet listed in Section 1.6. No other formal notification will be issued for changes in the estimated dates. Note the Contract start date is July 1, 2017, while the benefit period will begin January 1, 2018. This is intentional, as the Contractor will assist with the implementation, transition, and Member communication involved with any program structure change.

Table 4 Calendar of Events\*

|  |  |
| --- | --- |
| Date | Event |
| Friday, July 22, 2016 | ETF Issues RFP |
| Friday, August 5, 2016 | Proposer Questions, Letter of Intent and FORM F – ETG0003 Non-Disclosure Agreement (NDA) Due Date |
| Friday, August 19, 2016 | ETF Posts Addendum #1 (Responses to Proposer Questions) |
| Friday, August 26, 2016 | Additional Proposer Questions Due Date |
| Friday, September 2, 2016 | ETF Posts Addendum #2 (Additional Responses to Proposer Questions, if necessary) |
| **Friday, September 9, 2016 2:00 PM CDT** | **Proposals Due Date and Time** |
| Tuesday, November 15, 2016 | Group Insurance Board meeting |
| Saturday, July 1, 2017 | Contract Start Date |

***\*All dates are estimated except the submission of Proposer Questions and Proposal Due Dates.***

## Contract Term

The Contract term for providing administrative services for group health coverage will commence on the Contract start date and shall extend through December 31, 2022. The Board retains the option, by mutual agreement of the Board and the successful Proposer, to renew the Contract for two (2) additional two (2) year periods extending the Contract through December 31, 2026, subject to the satisfactory negotiation of terms, including pricing.

Cost increases for any Contract renewals shall be negotiated in good faith and mutually agreed upon by both the parties.

## Letter of Intent

**A letter of intent indicating that a Proposer intends to submit a response to this RFP must be submitted to ETF by the date indicated in Section 1.9 Calendar of Events.** In the letter, the Proposer shall identify the Proposer's company and give the name, location, telephone number, and e-mail address of one or more persons authorized to act on the Proposer's behalf. Proposers shall submit the letter of intent via e-mail to the address in Section 1.4. The RFP number and title must be referenced in the Proposer’s contact e-mail. The letter of intent does not obligate the Proposer to submit a Proposal.

## No Obligation to Contract

The Board reserves the right to cancel this RFP for any reason prior to the issuance of a notice of intent to award. The Board does not guarantee to purchase any specific dollar amount. Proposals that stipulate that the Board shall guarantee a specific quantity or dollar amount will be disqualified.

## VendorNet Registration

Only Proposers registered with the State of Wisconsin’s VendorNet will receive automatic future official notice for bid opportunities for Services. VendorNet, the State of Wisconsin’s purchasing information and vendor notification service, is available to all businesses and organizations that want to sell to the State. Anyone may access VendorNet on the Internet at <http://vendornet.state.wi.us> to get information on State purchasing practices and policies, goods and services that the State buys, and tips on selling to the State.

## Retention of Rights

All Proposals become the property of ETF upon receipt. All rights, title and interest in all materials and ideas prepared by the Proposer for the Proposal to ETF shall be the exclusive property of ETF and may be used by the State of Wisconsin at its discretion.

# Preparing and Submitting a Proposal

## General Instructions

The evaluation and selection of a Proposer will be based on the information submitted in Proposer’s Proposal plus references, any presentations (if requested), interviews, demonstrations, responses to requests for additional information or clarification, any on-site visits or best and final offers (BAFOs), where requested.

Failure to respond to each of the requirements in this RFP may be the basis for rejecting a Proposal. Failure to provide a complete response to Section 8 in this RFP will result in rejection of a Proposal.

Elaborate Proposals (e.g., expensive artwork), beyond that sufficient to present a complete and effective Proposal, are neither necessary nor desired.

## Incurring Costs

The State of Wisconsin and ETF are not liable for any costs incurred by Proposers in replying to this RFP, making requested oral presentations, or demonstrations.

## Submitting the Proposal

**Proposers must submit the following, including all materials required for acceptance of their Proposal:**

* **One (1) original hard copy Proposal, clearly labeled “ORIGINAL”;**
* **Ten (10) identical hard copy paper copies of the original paper Proposal, marked as “COPY.” Indicate the copy number (for example: 1 of 10, 2 of 10, etc.); and**
* **One (1) USB flash drive, which includes the following:**
  + **One (1) file folder** of **all un-locked and non-password protected electronic Proposal files in Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 format. The Department requires all files have optical character recognition (OCR) capability. OCR is the conversion of all images typed, handwritten or printed text into machine-encoded text. The file folder must be labeled “[Proposer Name] PROPOSAL”. Exclude all Section 8 attachments from this file folder.**
  + **One (1) file folder** of **all electronic Proposal files EXCLUDING or REDACTING all confidential and proprietary information in the format of Microsoft Word/Microsoft Excel, and/or Adobe Acrobat 9.0 format. This file folder must be labeled “[Proposer Name] REDACTED PROPOSAL”. This is the file that will be submitted to requestors for open records requests. Note that no matter what method the Proposer uses to redact, ETF is not responsible for checking that the redactions match the Proposer’s FORM E – ETG0003 Designation of Confidential and Proprietary Information. Proposer should be aware that ETF may need to electronically send the redacted materials to members of the public and other Proposers when responding appropriately to open records requests. ETF is not responsible for checking that redactions, when viewed on-screen via electronic file, cannot be thwarted. ETF is not responsible for responding to open records requests via printed hard copy, even if redactions are only effective on printed hard copy. ETF may post redacted Proposals on ETF’s public website in exactly the same file format the Proposer provides, and ETF is not responsible if the redacted file the Proposer provides does not adequately protect the information when the redacted file is copied and pasted, uploaded, e-mailed, or transferred via any electronic means. Exclude all Section 8 attachments from this file folder.**
  + **The exterior of the USB flash drive shall clearly be labeled with the Proposer Name and the RFP number.**

**Proposers must submit the Proposal to the address listed in Section 1.4 Procuring and Contracting Agency by the due date and time listed in Section 1.9 Calendar of Events. Refer to Section 8 for instructions on submittal of the cost proposal and additional financial data. Do not submit Section 8 attachments in the written proposal.**

**All Proposals must be time-stamped as accepted by Employee Trust Funds by the stated time. Proposals not so stamped in by Employee Trust Funds on or prior to the stated due date and time will not be accepted and shall be considered late. Receipt of a Proposal by the State** of Wisconsin **mail system does not constitute receipt of a Proposal by Employee Trust Funds, for the purposes of this RFP.**

**Proposals submitted via fax or e-mail will not be accepted.**

The Proposer’s Proposal must be packaged, sealed and show the following information on the outside of the package:

* “[Proposer's Company Name and Address]”;
* Title: ETG0003 Administrative Services for the State of Wisconsin Health Benefit Program; and
* Proposal Date: September 9, 2016 2:00 PM CDT.

**Refer to Section 8 for specific instructions for submitting the cost proposal, financial data documents and subsequent forms.**

## Proposal Organization and Format

Proposers responding to this RFP must comply with the following format requirements. ETF reserves the right to exclude any Proposals from consideration that do not follow the required format as instructed below.

Proposals must be typed and submitted on 8.5 by 11-inch paper and bound securely.

Only provide promotional materials if they are relevant to a specific requirement of this RFP. If provided, all materials must be included with the response to the relevant requirement and clearly identified as “promotional materials.” Electronic access to such materials is preferred, which includes flash drives and web links.

**Proposers responding to this RFP must comply with the following format requirements:**

|  |  |
| --- | --- |
| **Front Cover** | **Front Cover Requirements**  Include at a minimum the following information:   * **Proposer's Company Name;** * **Title of the following:**   ***Proposal Response for the Wisconsin Department of Employee Trust Funds RFP ETG0003 Administrative Services for the State of Wisconsin Health Benefit Program***   * **Proposal Date**. |
| **TABLE OF CONTENTS** | **Table of Contents Requirements**  Include at a minimum the following information:   * **Listing of each TAB number;** * **Listing of each TAB description;** * **Listing of each TAB page number.** |
| **TAB 1** | **General Information and Forms\***  Provide the following in the following order:   * TRANSMITTAL LETTER: A signed transmittal letter must accompany the Proposal. The transmittal letter must be written on the Proposer’s official business stationery and signed by an official that is authorized to legally bind the Proposer. Include in the letter:  1. Name, signature and title of Proposer’s authorized representative; 2. Name and address of firm; 3. Telephone number, and e-mail address of representatives who will be providing Services under this RFP; 4. RFP number and title: ETG0003 Administrative Services for the State of Wisconsin Health Benefit Program; and, 5. Executive Summary.  * FORM A – Proposal Checklist * FORM B – Mandatory Proposer Qualifications * FORM C – Subcontractor Information * FORM E – ETG0003 Designation of Confidential and Proprietary Information * FORM G – DOA-3261 Request for Proposal * FORM H – DOA-3477 Vendor Information * FORM I – DOA-3478 Vendor References * Current Form W-9 Request for Taxpayer Identification Number and Certification (from the Department of the Treasury, Internal Revenue Service: <https://www.irs.gov/pub/irs-pdf/fw9.pdf>   *\* Forms D and F are not to be provided in the Proposer’s Proposal. Forms D and F are to be submitted to* [*ETFSMBProcurement@etf.wi.gov*](mailto:ETFSMBProcurement@etf.wi.gov) *as instructed in Section 8.* |

|  |  |
| --- | --- |
| **TAB 2** | **Response to Sections 6 (GENERAL QUESTIONNARE) and 7 (TECHNICAL QUESTIONNAIRE)**  Provide a point-by-point response to each and every statement in Section 6 and Section 7. The response must follow the same numbering system, use the same headings, and address each point or sub-point.  After the responses, provide the following in the following order:   * **Two (2) Audited Financial Statements (see 6.1.3)** * **Account Manager Resume (see 6.2.1)** * **Sample of Provider Contract (see 7.1.2)** * Appendix 11 Health Care Performance Metrics (see 7.4.4) |
| **TAB 3** | **Assumptions and Exceptions**  If the Proposer has no assumptions or exceptions to any term, condition, RFP exhibit, appendix, form or attachment, provide a statement in Tab 3 to that effect. Instructions:  * Regardless of any proposed assumption or exception, the Proposal as presented must reflect all Services under the Contract. * If the Proposer cannot agree to a term or condition as written, the Proposer must make its specific required revision to the language of the provision by striking out words or inserting required language to the text of the provision. Any new text and deletions of original text must be clearly color coded or highlighted, which requires the Proposer’s response be printed in color. Proposers shall avoid complete deletion and substitution of entire provisions, unless the deleted provision is rejected in its entirety and substituted with substantively changed provisions. Wholesale substitutions of provisions shall not be made in lieu of strategic edits required to reflect Proposer-required modifications. * Immediately after a proposed revision, the Proposer shall add a concise explanation concerning the reason or rationale for the required revision. Such explanations shall be separate and distinct from the marked-up text and shall be bracketed, formatted in italics and preceded with the term “[Explanation:].” * All provisions on which no changes are noted shall be assumed accepted by the Proposer as written and shall not be subject to further negotiation or change of any kind unless otherwise proposed by the Department. * Submission of any standard Proposer contracts as a substitute for language in the terms and conditions is not a sufficient response to this requirement and may result in rejection of the Proposal. An objection to terms or conditions without including proposed alternative language will be deemed to be an acceptance of the language as applicable. * The Department reserves the right to negotiate contractual terms and conditions other than those in the Contract when it is in the best interest of the State of Wisconsin to do so. * Exceptions to the contract terms and conditions may be considered during Contract negotiations if it is beneficial to the Department. * The Department may or may not consider any of the Proposer’s suggested revisions. The Department reserves the right to reject any proposed assumptions or exceptions. * Clearly label each assumption and exception with one of the following labels: * Standard Terms and Conditions Assumptions and Exceptions * RFP (Excluding Section 8) Assumptions and Exceptions * Section 8 Assumptions and Exceptions  Supplemental Information – IMPORTANT The Department will not allow any assumptions or exceptions by the Proposer to any of the following items listed in Table 5. Any Proposal with an assumption or exception to any of the items listed in Table 5 will be rejected.  Table 5 No Assumptions or Exceptions Allowed   |  |  |  |  | | --- | --- | --- | --- | | No. | Document | Item/Section | Page(s) | | 1 | Exhibit 1 | 135D Recovery of Overpayments | 24 - 26 | | 2 | Exhibit 1 | 135E Amounts Owed by Contractor | 26 | | 3 | Exhibit 1 | 155B Performance Standards and Penalties | 34 | | 4 | Exhibit 1 | 155G Privacy Breach Notification | 37 - 38 | | 5 | Exhibit 1 | 155I Contract Termination | 38 - 39 | | 6 | Exhibit 1 | 220 Benefits | 46 - 50 | | 7 | Exhibit 1 | 245 Grievances | 54 - 57 | | 8 | Exhibit 1 | 400 Uniform Benefits | 87 - 153 | | 9 | Exhibit 2 | 15.0 Applicable Law and Compliance | 2 | | 10 | Exhibit 2 | 17.0 Assignment | 2 | | 11 | Exhibit 2 | 32.0 Hold Harmless | 3 | | 12 | Exhibit 4 | 6.0 Audit Provision | 2 | | 13 | Exhibit 4 | 13.0 Contract Dispute Resolution | 3 - 4 | | 14 | Exhibit 4 | 14.0 Controlling Law | 4 | | 15 | Exhibit 4 | 16.0 Termination of this Contract | 4 | | 16 | Exhibit 4 | 17.0 Termination for Cause | 4 | | 17 | Exhibit 4 | 18.0 Remedies of the State | 5 | | 18 | Exhibit 4 | 22.0 Confidential Information and HIPPA Business Associate Agreement | 5 - 8 | | 19 | Exhibit 4 | 23.0 Indemnification | 8 - 9 | |

## Multiple Proposals

Proposers will submit one (1) Proposal that may include bids for multiple regions as well as statewide/nationwide options as indicated in the submission of the Section 8 Attachments.

## Withdrawal of Proposals

Proposals shall be irrevocable until the Contract is awarded unless the Proposal is withdrawn. Proposers may withdraw a Proposal in writing at any time up to the date and time listed in Section 1.9 Calendar of Events on the Proposal closing date or upon expiration of three (3) Calendar Days after the Proposal Due Date and time, if received by ETF. To accomplish this, the written request must be signed by an authorized representative of the Proposer and submitted to the contact listed in Section 1.4 Procuring and Contracting Agency. If a previously submitted Proposal is withdrawn before the Proposal Due Date, the Proposer may submit another Proposal at any time up to the Proposal Due Date and time.

# Proposal Selection and Award Process

## Preliminary Evaluation

Proposals will initially be reviewed to determine if Mandatory requirements are met. Failure to meet Mandatory requirements as stated in FORM B - Mandatory Proposer Qualifications, or failure to follow the required instructions for completing the Proposal as specifically outlined in this RFP may result in rejection of the Proposal. Failure to provide a complete response to Section 8 in this RFP will result in rejection of a Proposal.

## Clarification Process

Clarifications from Proposers may be requested by ETF for the purpose of clarifying ambiguities or questioning information presented in the Proposal. Clarifications may occur throughout the Proposal evaluation process. Clarification requests will include appropriate references to this RFP or the Proposal. Clarification responses shall be in writing and shall address only the information requested. Responses shall be submitted to ETF within the time required.

## Proposal Scoring

Proposals that pass the preliminary evaluation may be reviewed by an evaluation committee and scored against predetermined criteria. The committee may review written Proposals, references, additional clarifications, oral presentations, site visits and other information to score Proposals. ETF may request reports on a Proposer's financial stability, and if financial stability is not substantiated, may reject a Proposer's Proposal. ETF may request demonstrations of the Proposer's proposed products(s) and/or service(s), and review results of past awards to the Proposer by the State of Wisconsin.

A Proposer may not contact any member of the RFP evaluation committee.

The evaluation committee's scoring will be tabulated and Proposals will be ranked based on the numerical scores received.

The evaluation committee reserves the right to stop scoring a Proposal at any point during the evaluation. If the committee chooses to do this, the committee would compare each Proposer’s score to the highest score. If a Proposer’s score is not reasonably apt to exceed the highest score during the rest of the scoring process, no matter how well the Proposer scores, either via that Proposer moving up in the ranking, or the highest scorer moving down in the ranking, the committee may remove the Proposal from further consideration.

## Evaluation Criteria

Proposals will be evaluated based upon the proven ability of the Proposer to satisfy the requirements in an efficient, cost-effective manner, taking into account quality of service. Proposals will be scored using the following criteria:

Table 6 Evaluation Criteria

| **RFP Section** | **Description** | **Total Points** | **percentage of total score** |
| --- | --- | --- | --- |
| 6 | General Questionnaire | 200 | 20% |
| 7 | Technical Questionnaire | 400 | 40% |
| 8 | Cost, Data, Utilization and Network Submission Requirements | 400 | 40% |
|  | **Proposal Total** | **1,000** | **100%** |

Results of reference checks will be used to clarify and substantiate information in the written Proposals. The reference checks may be considered when scoring the responses to the general and technical questionnaires in this RFP.

The points stated above are the maximum amount awarded for each RFP section listed above.

## Method to Score the Cost

The lowest Cost Proposal will receive the maximum number of points available for the cost category. Other Cost Proposals will receive prorated scores based on the proportion that the costs of the Proposals vary from the lowest Cost Proposal. The scores for the cost category will be calculated with a mathematical formula.

The method to score Section 8 will be performed by the Board’s consulting actuary.

## Oral Presentations, Demonstrations, and/or Site Visits

The top scoring Proposers, based on the evaluation of their written Proposal in the general and technical questions of this RFP only, may be required to participate in oral presentations, interviews and/or site visits to supplement the Proposals, if requested by ETF. This may include demonstrations of Proposer’s technological solutions, data management and reporting capabilities and interviews with key staff who may interact with ETF program staff, Board members, and Members.

Not all Proposers may be invited for oral presentations, demonstrations, and/or site visits. ETF will make every reasonable attempt to schedule each oral presentation or demonstration at a time and location that is agreeable to the Proposer. Failure of a Proposer to interview or permit a site visit on the date scheduled may result in rejection of the Proposer's Proposal.

By submitting a Proposal in response to this RFP, the Proposer grants rights to ETF to contact or arrange a visit with any or all of the Proposer’s clients and/or references.

## Contract Award

Proposals will be presented to the Board for award based on the results of the evaluation and actuarial analysis. The Proposal(s) determined to be most advantageous to the health benefit program will be selected by the Board for further action. The Board reserves the right not to award a Contract. If contract negotiations cannot be concluded successfully with the awarded Proposer(s), the Board may negotiate a Contract with the next highest scoring Proposer(s).

## Best and Final Offer (BAFO)

ETF reserves the right to solicit a BAFO and conduct Proposer discussions, request more competitive pricing, clarify Proposals, and contact references from the finalists, should it be in the State of Wisconsin’s best interest to do so. ETF is the sole determinant of its best interests.

If a BAFO is solicited, it will contain the specific information on what is being requested, as well as submission requirements, evaluation criteria as composed by the Committee, and a timeline with due date for submission. Any BAFO responses received by ETF after the stated due date will not be accepted. Proposers that are asked to submit a BAFO may refuse to do so by submitting a written response, indicating their response remains as originally submitted. Refusing to submit a BAFO will not disqualify the Proposer from further consideration.

## Right to Reject Proposals and Negotiate Contract Terms

This RFP does not commit the Board to awarding one or multiple contracts, or paying any cost incurred in the preparation of a Proposal in response to this RFP. The Board retains the right to accept or reject any or all Proposals, or accept or reject any part of a Proposal deemed to be in the best interest of the Board. The Board shall be the sole judge as to compliance with the instructions contained in this RFP.

The Board may negotiate the terms of the Contract, including the award amount and the Contract length, with the selected Proposer prior to entering into a Contract. The Board reserves the right to add contract terms and conditions to the Contract during contract negotiations and subsequent renewals.

## Notification of Intent to Award

All Proposers who respond to this RFP will be notified in writing of the Board’s intent to award the Contract as a result of this RFP. All decisions and actions under this RFP are solely under the authority of the Board. This procurement is authorized under Chapter 40 of the Wisconsin State Statutes. Procurement statutes and rules that govern other State agencies may not be applicable.

## Appeals Process

The appeals procedure applies to only those requests for bids/proposals for Services that are over $50,000. Notices of intent to protest and protests must be made in writing. The appeal must state the contract number, detailed factual grounds for the objection to the contract award, and must identify any Wisconsin Statutes and/or Wisconsin Administrative Codes that are alleged to have been violated. Protestors can only submit one appeal per award.

The written notice of intent to protest the Notice of Intent to Award of a Contract must be filed with:

|  |  |
| --- | --- |
| **Express/Common Carrier Delivery:** | **USPS Delivery** |
| Group Insurance Board | Group Insurance Board |
| c/o Robert J. Conlin, Secretary | c/o Robert J. Conlin, Secretary |
| Wisconsin Department of Employee Trust Funds | Wisconsin Department of Employee Trust Funds |
| 801 West Badger Road | PO Box 7931 |
| Madison, WI 53713-2526 | Madison WI 53707-7931 |

This notice must be received in the ETF office no later than five (5) Business Days after the Notice of Intent to Award is issued. Fax and e-mail documents will not be accepted. The written protest must be received within ten (10) Business Days after the Notice of Intent to Award is issued.

The decision of the Group Insurance Board is final and subjective judgment of evaluators is not appealable.

# Mandatory Proposer Qualifications

**This section is pass/fail. (0 points)**

**Use FORM B – Mandatory Proposer Qualifications to respond.**

The following requirements are Mandatory for any Proposer who submits a Proposal. Failure to comply with one or more of the Mandatory qualifications may disqualify the Proposer. A response to each item in FORM B – Mandatory Proposer Qualifications is a Mandatory qualification.

Conditions of the Proposal that have the word “must” or “shall” describe a Mandatory qualification.

**If the Proposer cannot agree to each item listed, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions – of the Proposer’s response.**

|  |  |
| --- | --- |
| **4.1** | Pursuant to Wis. Stat. § 16.705 (1r), the Services must be performed within the United States. |
| **4.2** | Proposer agrees that any work products developed by Proposer as part of the project described in this RFP (e.g. all written reports, drafts, presentation and meeting materials, etc.) shall become the property of ETF. |
| **4.3** | The Proposer shall have no conflict of interest with regard to any other work performed by Proposer for the State of Wisconsin. |
| **4.4** | The Proposer shall not be suspended or debarred from performing federal or State government work. |
| **4.5** | During the past five (5) years, the Proposer must not have been in bankruptcy or receivership or been involved in any litigation alleging breach of contract, fraud, breach of fiduciary duty or other willful or negligent misconduct. If the Proposer provides a response of “DISAGREE”, provide details of any pertinent judgment, criminal conviction, investigation or litigation pending against the Proposer. |

# Program Specifications

**This section is NOT scored. (0 points)**

The Department will execute the State of Wisconsin Contract located in Exhibit 1 with awarded Contractor.

All terms, standards, specifications and conditions listed in the Contract are **Mandatory** requirements.

Failure to comply with any term, standard, specification or condition within the Contract may disqualify the Proposer.

**If the Proposer cannot agree to each item listed, the Proposer must so specify and provide the reason for the disagreement in Tab 3 – Assumptions and Exceptions – of the Proposer’s response.**

# General Questionnaire

**This section is scored. (200 total points)**

The purpose of this section is to provide ETF and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

All Proposers must respond to the following by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 2.4 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP.

Information described in the Proposal response regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the Board and ETF to understand how the Proposer will comply with each requirement. If the Proposer believes that the Proposer’s qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in each section.

**Fees related to any services in your proposal should not be noted in this section but must be included in the cost proposal.**

## Experience

The Proposer’s Proposal package, at a minimum, must address the following items, organized as indicated below:

|  |  |
| --- | --- |
| **6.1.1** | Provide a general description of your organization/company, including:   1. Primary line of business. 2. Description of experience in primary line(s) of business. 3. Number of employees. 4. City and state locations of the following: headquarters, account manager, customer service, claims processing, IT support, implementation team, and other key staff. 5. Description of experience with public and private large group accounts (>10,000 covered lives), including complex groups and/or groups with multiple locations/subgroups. 6. Description of experience in administering self-insured benefits. |
| **6.1.2** | Describe any acquisitions, and/or mergers or other material developments (e.g., changes in ownership, personnel, business, etc.) pending now or that occurred in the past five (5) years with your organization/company. Disclose any potential mergers or acquisitions that have been recently discussed by senior officials, and could potentially take place within the next three (3) years after the Contract start date. |
| **6.1.3** | Submit your company’s audited financial statements for the two (2) most recent fiscal years including the audit opinion, balance sheet, statement of operations, and notes to the financial statements. Provide as described in Section 2.4. |
| **6.1.4** | 1. Provide the names of your two largest public and two largest private employer groups and indicate whether they are self- or fully-insured. If your two largest public and private employer groups are fully-insured, also provide the name of your largest self-insured employer group. 2. Complete the tables below illustrating your organization’s enrollment and clients as of July 1, 2016. For clients that are comprised of multiple employer groups, count them as one employer in your response.   **Self-Insured Book of Business:**   |  |  |  | | --- | --- | --- | | **Total # of Covered Lives** | **# of Public Sector Employers** | **# of Private Sector Employers** | | Less than 500 |  |  | | > 500, < 2000 |  |  | | > 2000, < 10,000 |  |  | | > 10,000 |  |  |   **Fully-Insured Book of Business:**   |  |  |  | | --- | --- | --- | | **Total # of Covered Lives** | **# of Public Sector Employers** | **# of Private Sector Employers** | | Less than 500 |  |  | | > 500, < 2000 |  |  | | > 2000, < 10,000 |  |  | | > 10,000 |  |  | |  |  |  | |

## Staff Qualifications

|  |  |
| --- | --- |
| **6.2.1** | Describe the qualifications of the dedicated Account Manager who will be assigned to the Contract and provide his/her resume as described in Section 2.4. In your description, include:   1. The skills and attributes that will ensure that the requirements of this Contract are met. 2. Information about his/her professional qualifications. 3. A detailed description of the types of large (>10,000 covered lives) and/or complex employer groups that the Account Manager has been, or currently is, managing. Include the total number of large/complex employer groups along with the number of years of experience in managing these types of accounts. 4. Number of other accounts, and their size, for which the dedicated Account Manager will be overseeing when also assigned to managing the GHIP/WPE program. 5. A specific example of how the dedicated Account Manager has resolved a general administrative problem identified by a client. |
| **6.2.2** | 1. Provide a list of the key, qualified staff who will assist in fulfilling the requirements of the Contract. At a minimum, include the back-up to the Account Manager and at least one staff person in enrollment, customer service, claims, medical management, provider relations, and other key areas. For each staff person, list the following:    1. Name, job title, and location (city, state)    2. Primary responsibilities    3. Years of related experience    4. Top two (2) strengths 2. Provide an organizational chart that shows the reporting structure for the key staff. |

## Customer Service

|  |  |
| --- | --- |
| **6.3.1** | Explain how your company plans to meet the customer service requirements as specified in Sections 265C and 315E of the Pro Forma State of Wisconsin Contract in Exhibit 1. Provide examples of reports or materials related to meeting these requirements. |
| **6.3.2** | Describe your organization’s policies and procedures for handling member contacts (e.g., calls, emails, etc.) during times of peak volume (e.g., open enrollment, new plan year). |
| **6.3.3** | Patients demonstrate a wide range of understanding and ability with regard to selecting and using their health coverage, choosing providers, and engaging with care. Describe your organization’s efforts to address health literacy issues and promote informed decision‐making skills and active patient participation in their health care. Responses should address the following topics:   1. Health literacy policies and practices 2. Evaluation of effectiveness of oral, printed, and web communications (including billing statements, benefit and enrollment materials, and information on provider network) 3. Initiatives to increase patient engagement. Provide at least one (1) example. |

## Implementation

|  |  |
| --- | --- |
| **6.4.1** | Submit a detailed implementation plan identifying the tasks necessary to fulfill the requirements of the Contract, such as staff roles, programming changes, subcontractors involved, timeline, etc. Refer to Sections 265 and 315A of the Pro Forma State of Wisconsin Contract in Exhibit 1. |

## Data Security

|  |  |
| --- | --- |
| **6.5.1** | **Hosting Environment**  Provide a detailed description of the hardware, software, communication mediums, and other infrastructure necessary to support the information technology requirements for the Contract, excluding any features not included in the cost proposal.  Provide a description of the physical security controls, such as, but not limited to, cameras, guards, doors, locks, authentication types, procedures, etc., that are enforced at the privately hosted datacenter(s) or the datacenter(s) hosted by a third party cloud provider.  Describe in detail how your network is architected to secure the data and thwart unwanted/unknown access to your applications or systems. At a minimum, cover:  Overview of network access controls such as, Virtual Local Area Networks (VLANs), subnets, and firewall controls;  Security devices used to protect the infrastructure;  Change control processes for all systems;  Security updates and patch management for all systems;  Explanation of how much of the infrastructure/systems is owned and managed by the Proposer and if it is hosted, how much control the Proposer has or does not have to change the configuration on each system (servers, switches, routers, firewalls, Security Information Event Management (SIEM), Intrusion Protection Systems (IPS), Intrusion Detection System (IDS), etc.); and  Encryption between systems and any Public Key Infrastructure (PKI). |
| **6.5.2** | **Application Architecture**  Provide a description of the high level architecture for the solution, supported with diagrams depicting the interactions among the system components. The purpose of these diagrams is to ensure that ETF understands the essential design of the proposed solution and can determine that the design is generally consistent with the budget, scope, and capabilities represented in this RFP. Diagrams should include architectural views that reflect the application architecture, information architecture and related data models, and corresponding software and hardware architectures.  Include a discussion of the particular industry standards that are incorporated in the application architecture. If proprietary standards or interfaces are used, please include the rationale and describe the advantage over current industry standards.  Include a discussion of the standard web technologies, frameworks and software platforms adopted in the development of the web user interface (e.g. JQuery, JavaScript, Hypertext Preprocessor (PHP), Ajax, Python, C#, Java, .Net).  Include a discussion of the Software Development Life Cycle (SDLC) process for the system. Identify methodologies that you employ and tools you use for operations in your software development processes, including, but not limited to, the following:  Unit testing;  Code coverage;  Static code analysis;  Code reviews;  Development standards;  Continuous integration;  Build and deployment strategies;  Integration testing;  Stress testing; and,  Performance testing.  Include a discussion of the how the SDLC incorporates the application security principles outlined by Open Web Application Security Project (OWASP) (<http://www.owasp.org>) to protect against common web application vulnerabilities which include, but are not limited to:  Cross-Site Scripting (XSS);  Cross-Site Request Forgery (CSRF);  Remote Code Execution; and  Structured Query Language (SQL) Injection. |
| **6.5.3** | **User Cyber Security Awareness Training**  Provide details to explain your policies and procedures for user cyber security awareness training for all your staff. This is a separate question from HIPAA training policies and procedures. At a minimum, cover:  Programs used to train employees and content of the programs;  How often trainings occur; and,  Any processes used to validate that employees are retaining what they learned. |
| **6.5.4** | **Account/Identity Management**  Describe how the solution will provide for secure access for Participants in the system. Describe the user registration process, the association of user accounts to Participant information provided by ETF. Describe how you would prevent users from intentionally or unintentionally accessing other Participants’ information. Describe how the solution is designed to prevent accidental or incidental access.  Describe the account management and account recovery process.  Provide details to explain how passwords and user accounts are managed to protect against unauthorized access to any systems or applications. At a minimum, cover:  Password complexity requirements for all accounts (web-portal administrator accounts, Proposer employee accounts, administrator accounts and service/shared accounts);  Onboarding process for employees and contractors;  Off boarding process for employees and contractors; and,  Describe the technical solution and the authentication standards that will be implemented to integrate with other third party providers.  Describe the technical solution and the authentication standards that will be implemented to integrate with other third party providers. |
| **6.5.5** | **Auditing and Logging**  Describe in detail your logging and auditing policies and procedures. At a minimum, cover:  What fields are recorded;  Log retention;  Logging practices;  Syslog or SIEM;  Auditing practices and procedures in each area of technology (web, application, operating system, database);  User and administrator auditing;  Service or shared account auditing;  Audit history reporting practices to clients, such as ETF; and,  Cooperation practices with clients to do forensics for security incident response situations. |
| **6.5.6** | **Vulnerability Management and Penetration Testing**  Provide details on your vulnerability management program and penetration testing practices and procedures. At a minimum, cover:  Vulnerability scanning practices;  Vulnerability scanner tools;  Remediation practices;  Vulnerability reporting policy and practices to clients, such as ETF;  Penetration testing practices;  Depth of the penetrating tests, such as, how much is done (social engineering, password cracking, Denial of Service (DOS), etc.); and,  Penetration testing reporting policy and practices to clients, such as ETF. |
| **6.5.7** | **HIPAA Security**   1. Describe how your company will maintain confidentiality and comply with HIPAA security, privacy, and electronic data interchange requirements. Address the data security of data centers, networks, the web-portal, vendor to vendor transfers, and at onsite events. 2. Describe any incidents of a breach of personal identifiable and/or health information in the past three years that impacted at least twenty-five (25) Participants. For each incident, list a summary of the incident, the root cause, action taken to rectify, and steps taken to prevent future occurrences. Describe the applicable communication policies and procedures and to what degree they were followed. |
| **6.5.8** | **Corporate and Remote Networks**   1. It is as important to secure the corporate networks or remote networks that have direct access to the datacenter infrastructure as it is the datacenter(s) itself. Describe how the Proposer has implemented security practices for its corporate or remote networks that have direct access to the datacenter(s). At a minimum, cover:    1. Network segregation controls (VLANs, subnets, firewalls) for all users (business, administrators, contractors, and guests);    2. Host-based firewall protection for employee workstations;    3. Anti-malware protection for employee workstations;    4. Bring your own device (BYOD) or any non-Proposer owned and managed devices;    5. Email security protecting PII/PHI;    6. Type of wireless networks (Line of Business (LOB), administrators, guests, etc.) and wireless security; and,    7. Network access controls (NAC), 802.1x authentication, etc. |

# Technical Questionnaire

**This section is scored. (400 total points)**

The purpose of this section is to provide ETF and the Board with a basis for determining the Proposer’s capability to undertake the Contract.

All Proposers must respond to the following by restating each question or statement and providing a detailed written response. Instructions for formatting the written response to this section are found in Section 2.4 Proposal Organization and Format.

The Proposer must be able to perform Services according to the requirements contained in this RFP.

Information described in the Proposal response regarding programming and capabilities must be available to all eligible Participants unless otherwise noted in the Proposal.

The Proposer must provide sufficient detail for the Board and ETF to understand how the Proposer will comply with each requirement. If the Proposer believes that the Proposer’s qualifications go beyond the minimum requirements or add value, the Proposer should indicate those capabilities in each section.

**Fees related to any services in your proposal should not be noted in this section but must be included in the cost proposal.**

## Provider Management

The Proposer must provide strong network management that not only provides the necessary network oversight, but that also demonstrates leadership in network development, innovation, collaboration, and overall patient quality of care.

|  |  |
| --- | --- |
| **7.1.1** | Explain the approach for determining the breadth of the provider network to be offered so that provider access standards in Section 230A of the Pro Forma State of Wisconsin Contract in Exhibit 1 are met. Describe the current approach to developing high quality, cost-competitive provider networks, including a description of the specific quality and cost criteria used and plans to expand or enhance. |
| **7.1.2** | 1. Explain the contract arrangements and the duration of existing contracts with any major providers, provider groups, and facilities in your network. Provide a sample of your provider contract as described in Section 2.4. 2. If any of the existing contracts do not extend through December 31, 2022, describe your strategy to ensure access to these providers for the duration of this contract. |
| **7.1.3** | Describe efforts to leverage data and technology and/or collaborate with providers on initiatives and pilot programs to address current population health issues.   1. Include in the description any collaboration and data sharing with external vendors (e.g., pharmacy benefit manager(s), data warehouse vendor(s), etc.), 2. Include how you track and evaluate the success of the programs, and 3. Provide a specific example in which a troubling trend was identified, the action taken, and the results of the action taken. |
| **7.1.4** | Describe the methods (e.g., benefit design, data and technology, communications, etc.) to steer care toward providers that achieve the best outcomes in terms of quality and cost. |
| **7.1.5** | Provide a detailed explanation of the process to track, compare, and give feedback to providers regarding practice patterns relative to their peers and best practices for the categories listed below. Include frequency, communication method(s), and the types of providers (e.g., specialty, certain provider groups versus all providers, etc.) to which the process applies.   1. Prescription drug prescribing patterns. 2. Rates of diagnostic procedures ordered (e.g., lab, imaging, etc.). 3. Rates of high cost procedures. 4. Repeat procedures within given timeframes. |
| **7.1.6** | 1. Provide a detailed description of your model for engaging primary care providers to improve patients’ quality of care. 2. Include specific outcomes associated with your model (e.g., increase in appropriate preventive screenings/vaccinations/visits, patient satisfaction, etc.). |
| **7.1.7** | 1. Provide a detailed description of your model for ensuring adequate access to behavioral health services (e.g., real-time interventions, care coordination, screening tool, medication management, etc.). 2. How do you measure success with your model? 3. Describe any planned initiatives to improve your model. |
| **7.1.8** | Describe any innovative approaches to Network Management that you have implemented that were not yet addressed in this Section 7.1, and specifically describe how those efforts have improved the quality of care and/or reduced costs. |

## Provider Reimbursement

|  |  |
| --- | --- |
| **7.2.1** | Describe your current provider contracts that include the reimbursement methods listed below. Describe the reimbursement method in detail, the length of time the reimbursement method has been in force, the number of providers with the applicable contract arrangement, the impact on the quality and efficiency of care delivered, how it is anticipated to impact self-funded plan costs, and the criteria to determine payment and/or evaluate success. Specify any that are not currently in place, but are planned for implementation prior to January 1, 2018.   1. Tiered/narrow provider networks 2. Bundled payments 3. Reference value/pricing 4. Pay for performance (describe specific performance measure(s) used) 5. Patient Centered Medical Homes (PCMH) 6. Risk sharing 7. Capitation (partial or global) 8. Centers of Excellence (COE) 9. Retrospective episode-based reimbursement 10. Shared savings/incentives for health outcomes 11. Other |
| **7.2.2** | Describe your ability to incorporate each of the reimbursement methods described above in 7.2.1 that are not currently in place within the first year of the contract. Include a detailed description of any barriers or timing issues and how you will overcome them. |
| **7.2.3** | 1. Describe your out-of-network reimbursement methodology (e.g., percentile of Medicare, Usual and Customary)    1. For the methodology used, provide the basis for the rates. 2. For urgent and emergent out-of-network claims, respond to the following:    1. Describe how and when you negotiate the fee structure and payment for out-of-network claims, such as in emergent and urgent situations. Include specific thresholds or criteria used.    2. Provide an estimated percentage of the number of out-of-network claims you attempted to negotiate in 2015.    3. Of those attempted, what percentage were you able to negotiate a discount?    4. For all 2015 out-of-network claims where a discount was negotiated, what was the average percentage of discount? |
| **7.2.4** | Describe any innovative approaches to Provider Reimbursement that you have implemented that were not yet addressed in this Section 7.2 and specifically describe how those efforts have improved the quality of care and/or reduced costs. |

## Medical Management

The Board is committed to the concept of effective cost containment for which documented savings can be provided. Each Proposal must contain a detailed description of the medical management programs, which include case management, complex case management, disease management, and utilization management.

|  |  |
| --- | --- |
| **7.3.1** | 1. Describe all currently administered case, complex case, and disease management programs, including: 2. How long the programs have been operating. 3. The elements or triggers to identify and screen potential candidates (e.g., predictive modeling, risk stratification, etc.). 4. The enrollment and/or outreach process for potential candidates. 5. The activities and interventions provided to enrollees. 6. How the program is integrated with behavioral health management. 7. List the criteria used for discharging/graduating an enrollee from the program. 8. For each program described above, provide the following outcomes:    1. Percent of enrollment of those targeted for participation    2. Percent of completion    3. Impact on health status    4. Return on investment (ROI) and how it was calculated 9. Describe whether any of your programs are accredited by a nationally recognized body, such as Utilization Review Accreditation Commission (URAC) or the National Committee for Quality Assurance (NCQA). If accreditation is currently being sought, provide the status. 10. Provide one specific de-identified actual example for complex case management and one for disease management. |
| **7.3.2** | A vendor will be required to integrate data from the Department’s wellness and disease management vendor, and use the data for its medical management program.   1. Describe your experience with this type of data integration and collaboration for medical management and/or population health issues. 2. Provide a specific description of how you will utilize results from biometric screenings, health risk assessments, and enrollment in wellness health coaching and/or disease management programs as provided by the wellness and disease management vendor. |
| **7.3.3** | 1. Provide a detailed description of any arrangement(s) in your current contracts with your employer groups/clients in which you receive financial rewards based on the success of your medical management programs or other efforts to improve the quality of care delivered. Include the outcomes of the arrangement(s). 2. Provide a detailed description of any financial rewards/shared savings arrangement(s) you would like the Board to consider in a future contracting arrangement. List any changes needed to implement the arrangement(s) (e.g., provider contracts, systems, benefit structure, etc.) and their timing. |
| **7.3.4** | Describe any innovative approaches to Medical Management that you have implemented that were not yet addressed in this Section 7.3 and specifically describe how those efforts have improved the quality of care and/or reduced costs. |

## Total Health Management

The Board seeks Vendors to assist in further engaging Participants in the management of their health. This includes education and outreach by the Proposer, with transparency tools to help Participants select quality, efficient care.

|  |  |
| --- | --- |
| **7.4.1** | Describe the tools available to Participants to support health care decisions, such as self-management, cost estimators, provider selection, quality comparisons, and shared decision making tools. If you work with a subcontractor to provide these tools, include subcontractor information in your response. For each tool, provide the following information:   1. What percentage of Participants that have access to the tools currently use them? 2. How is the effectiveness of the tool evaluated? 3. For any comparison tool, provide the methodology used. 4. Describe how such tools are enabled for mobile devices and integrated with your other platforms (e.g., web-portal, provider locator, etc.). 5. Explain how the tools are promoted to Participants. |
| **7.4.2** | Describe any participant cost-sharing incentives (e.g., lower rates of coinsurance, copayment in lieu of coinsurance, waiver of or provision of lower deductible amounts, etc.) or other incentives to encourage Participants to get appropriate and timely care, steer patients to certain providers, or other desired behavior. Describe how these efforts improved health outcomes. |
| **7.4.3** | Provide a detailed description of your ability to administer benefits that include Participant cost-sharing variation based upon, for example, Participants choosing more cost effective providers for selected procedures, participation in wellness, disease management, or other incentives. List any barriers and how you would overcome them within the first year of the contract. |
| **7.4.4** | 1. See Appendix 11, Health Care Performance Metrics. Provide your results on Appendix 11 for the HEDIS measures shown and submit it as described in Section 2.4. Results should be for the measures collected in 2016 per NCQA guidelines for your commercial book of business. Specify whether the results were audited, and if so, by whom. 2. Describe any concerns you may have with implementing a shared savings program similar to the sample in Appendix 11. Explain and be specific. Include the rationale for your concern. |
| **7.4.5** | Describe any innovative approaches to Total Health Management that you have implemented that were not yet addressed in this Section 7.4 and specifically describe how those efforts have improved the quality of care and/or reduced costs. |

## Data Integration and Technology

|  |  |
| --- | --- |
| **7.5.1** | Describe the telehealth services currently provided.   1. If you subcontract, who is your subcontractor and is there a plan to continue to use this subcontractor for the duration of this contract? 2. If telehealth services are offered to your membership, but not directly by your organization, provide a detailed description of the services offered and to what percentage of the membership they are available. 3. What types of services, conditions, or specialty consults are available? 4. Indicate those services available via mobile device (e.g., questionnaire, video session, etc.). How do these services conform with HIPAA guidance? 5. Indicate the cost to Participants in comparison to an in-person visit. 6. Indicate the percentage of your membership that currently utilizes the telehealth services. 7. Describe any plans to expand your telehealth services prior to January 1, 2018, and provide details. 8. Describe the evaluation process to assess the value and effectiveness of telehealth services offered. 9. Describe how telehealth services have improved access to care and the impact on the cost of care, utilization, and Participant experience. |
| **7.5.2** | Describe the ability to integrate information from electronic medical records (EMR) and electronic health records (EHR) into the data used for predictive modeling, risk stratification, and identification for medical management services.   1. Include the percentage of your providers’ EMRs/EHRs that are currently integrated into your data analytics systems. 2. Include a description to any barriers to integration and how your organization will overcome them within the first year of the contract. 3. How is the integrated information used? Describe how it has improved the quality of care and the impact on costs. |
| **7.5.3** | Describe the accessibility and compatibility of EMRs/EHRs across providers in your network and providers referred to, in order to coordinate care for Participants. Describe any barriers and how your organization will overcome them within the first year of the contract. |
| **7.5.4** | Describe the accessibility to EMRs/EHRs outside your network in order to coordinate care for Participants (e.g. via partnerships such as the Wisconsin Statewide Health Information Network). Describe any barriers and how your organization will overcome them within the first year of the contract. |
| **7.5.5** | Describe any innovative approaches to data integration and technology that you have implemented that were not yet addressed in this Section 7.5, and specifically describe how those efforts have improved the quality of care and/or reduced costs. |

# Cost, Data, Utilization and Network Submission Requirements

**This section is scored. (400 total points)**

This section contains the submission requirements, worksheets and data files required to be submitted by the Proposer.

***Submission of Signed Non-Disclosure Agreement Required for Access to Section 8 Attachments and Data Instructions***

Each Proposer must submit a signed **FORM F - ETG0003 Non-Disclosure Agreement (NDA)** to ETF in order to gain access to Section 8 attachments and data files of the RFP. The form must be sent via electronic mail (e-mail) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The e-mail subject line shall be in the following format: *RFP ETG0003 - NDA: [Vendor’s name]*. The e-mail must contain the name and e-mail address of the individual designated to receive the Section 8 attachments and data.

The NDA must be received by ETF up to and by the due date listed in Section 1.9 Calendar of Events as “FORM F – ETG0003 Non-Disclosure Agreement Due Date.”

ETF will inform the Board’s actuary, Segal, of NDA receipt. Segal will issue to the Proposer’s designated recipient, a secure link to Segal’s Secure File Transfer system. The designated recipient may access the secure site and download Section 8 attachments and data. Segal will not release any worksheets or data files to the Proposer without a signed FORM F - ETG0003 Non-Disclosure Agreement.

For informational purposes, the Segal point of contact is as follows:

Gina Sander, FMLI

[GSander@SegalCo.com](mailto:GSander@SegalCo.com)

678-306-3158

***Submission of Section 8 Attachments and Proposer Verification Submission Form Instructions***

Each Proposer must submit all Section 8.8 Attachments through Segal’s Secure File Transfer system up to and by the due date and time listed in Section 1.9 Calendar of Events as “Proposals Due Date and Time.”

Upon submission of Section 8.8 Attachments, each Proposer must submit **FORM D – Proposer Verification of Data Submission to the Board’s Consulting Actuary.** The form must be sent via electronic mail (e-mail) to [ETFSMBProcurement@etf.wi.gov](mailto:ETFSMBProcurement@etf.wi.gov). The e-mail subject line shall be in the following format: *RFP ETG0003 – FORM D: [Vendor’s name]*. The form must be received by ETF up to and by the due date listed in Section 1.9 Calendar of Events as “Proposals Due Date and Time.”

## Region Designation (Attachment A)

The Department has reviewed the service areas of plans in the Wisconsin health insurance market and is developing analysis and recommendations based on four regions: Southern, Eastern, Western, and Northern. Data will be collected for each county to allow the Board flexibility in approving the final region designations.

The regions are listed below with the included counties:

| [Southern](https://www.dhs.wisconsin.gov/R_Counties/RegionalStaffListings/SR_DPH_staff.htm) | Eastern | [Western](https://www.dhs.wisconsin.gov/R_Counties/RegionalStaffListings/WR_DPH_staff.htm) | [Northern](https://www.dhs.wisconsin.gov/R_Counties/RegionalStaffListings/NR_DPH_staff.htm) |
| --- | --- | --- | --- |
| Adams | Brown | Barron | Ashland |
| Columbia | Calumet | Buffalo | Bayfield |
| Crawford | Door | Burnett | Florence |
| Dane | Fond du Lac | Chippewa | Forest |
| Dodge | Green Lake | Clark | Iron |
| Grant | Kenosha | Douglas | Langlade |
| Green | Kewaunee | Dunn | Lincoln |
| Iowa | Manitowoc | Eau Claire | Marathon |
| Jefferson | Marinette | Jackson | Oneida |
| Juneau | Marquette | La Crosse | Portage |
| Lafayette | Menominee | Monroe | Price |
| Richland | Milwaukee | Pepin | Sawyer |
| Rock | Oconto | Pierce | Taylor |
| Sauk | Outagamie | Polk | Vilas |
| Vernon | Ozaukee | Rusk | Wood |
| Walworth | Racine | St. Croix |  |
|  | Shawano | Trempealeau |  |
|  | Sheboygan | Washburn |  |
|  | Washington |  |  |
|  | Waukesha |  |  |
|  | Waupaca |  |  |
|  | Waushara |  |  |
|  | Winnebago |  |  |

Note that data will be requested with this regional strategy in mind; however, the Board may combine regions if it determines that consolidation will improve value. Your organization may propose to cover one or more regions and/or a statewide/nationwide region. If your organization is proposing a statewide option, you must also provide nationwide in-network coverage.

In Attachment A, designate the region(s) you are proposing to cover. For any region you are proposing, you must provide services/access in all counties listed in the table above for that region. You are also given the flexibility to select additional border counties beyond the region for which you are proposing.

For each region you are proposing to cover, you may also propose multiple provider networks (broad versus narrow provider network). To propose multiple provider networks, you must complete the attachments for each provider network clearly identifying the provider network on the attachments.

## Network Access (Attachment B)

The Board is looking to have a provider network in place that best meets the program’s long-term needs. This includes a broad provider network with the least disruption and competitive pricing. It is also encouraged that Proposers include an additional option for a narrower, high quality provider network. This section will address how well the proposed provider network offers access to healthcare providers.

### Access Reports

Proposers are required to submit an accessibility report (OptumTM, GeoAccess®, GeoNetworks or comparable software) for each region and provider network being proposed. The report must be submitted by county within the proposed region, as defined in Section 8.1.

For each region, including statewide/nationwide, the Proposer will be required to provide a summary of Participants with and without access to network providers/facilities within the established mileage parameters listed below:

|  |  |  |
| --- | --- | --- |
| **Provider Type** | **Urban** | **Non-Urban** |
| **Facilities** |  |  |
| *Hospitals* | *1 within 20-mile radius* | *1 within 35-mile radius* |
| *Ambulatory Surgical Centers* | *1 within 20-mile radius* | *1 within 35-mile radius* |
| *Urgent Care facilities* | *1 within 20-mile radius* | *1 within 35-mile radius* |
| *Imaging Centers* | *1 within 20-mile radius* | *1 within 35-mile radius* |
| *Inpatient Behavioral Health Facilities* | *1 within 20-mile radius* | *1 within 35-mile radius* |

|  |  |  |
| --- | --- | --- |
| **Professional Services** |  |  |
| ***Primary Care*** |  |  |
| *General/Family Practitioner (includes Internal Medicine, Family Medicine, and General Medicine)* | *2 within 10-mile radius* | *2 within 20-mile radius* |
| *OB/GYN (female members, age 12 and older)* | *2 within 10-mile radius* | *2 within 20-mile radius* |
| *Pediatrician (birth through age 18)* | *2 within 10-mile radius* | *2 within 20-mile radius* |
| ***Specialists*** |  |  |
| *Endocrinologist* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *Urologist* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *Cardiologist* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *Dermatologist* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *Allergist* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *Psychologist/Psychiatrist* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *General Surgeon* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *Hematologist/Oncologist* | *2 within 20-mile radius* | *2 within 35-mile radius* |
| *Chiropractor* | *2 within 20-mile radius* | *2 within 35-mile radius* |

The submitted access reports (mapping and accessibility analysis) must demonstrate provider availability for EACH provider group type listed above in the provider network access standard table. In the production of the reports, please note the following:

Proposer must utilize OptumTM, GeoAccess®, GeoNetworks or comparable software.

* The access report must indicate those Participants with access and those without access according to provider network access standards above, by county.
* The access reports should include providers under contract as of July 1, 2016, and may also include providers that have entered a legally binding letter of intent or letter of agreement with the Proposer.
* Provide separate reporting for each provider network proposed.

Proposer must submit the summary grids, included in Attachment B, for each proposed provider network, along with the actual access report(s). The summaries are separate for counties defined as Urban or Non-Urban.

### Providers by County

Proposers are required to submit a summary of the number of providers (under contract or with signed letter of intent) by county and category, consistent with the accessibility reports from 8.2.1 in Attachment B. Proposers also need to provide the number of Participants who meet access criteria by county.

### Provider Listing

Proposers are required to submit a listing of the entire proposed provider network in Attachment B. The file should contain information on each provider network proposed, identifying whether each provider is currently under contract or has entered a legally binding letter of intent with the Proposer.

## Network Pricing

The Board is looking to contract with an organization(s) that has proven success in managing provider costs and can submit data timely in the required formats. The RFP submission was designed with knowledge of the capabilities of the market, and it is expected that each Proposer will comply with these requirements. If any issues or complications are expected, Proposers should submit questions as directed in Section 1.6.

### Repricing File (Attachments C to G)

Once the Proposer’s letter of intent, Non-Disclosure Agreement and Designation of Confidential and Proprietary Information forms are signed and submitted by the Proposer, a repricing file containing participant claims experience for the most recent twelve (12)-month period will be made available through a secure file transfer protocol. No data will be made available prior to these forms being signed and submitted, and no modifications will be accepted.

The layout of the fields that will be included in the repricing file are detailed in Attachment C. This attachment also contains supporting descriptions of the Service Category Codes contained in the file (see tab in Attachment C) that are consistent with currently reported financial and utilization data shown in Appendix 10 (now called Addendum 1) renewal submissions.

Using the repricing file referenced above, **Proposers are to provide the contracted allowed amount for each service in the file**. Proposers are expected to reprice these files to most accurately represent the contractual arrangement in place.

The file contains three fields to populate:

* Network Status – Y/ L/N
  + Y – Currently under contract
  + L – Letter of intent
  + N – Not under contract or Out-Of-Network provider
* Contract Amount
* Type of Contract – (F, D, B, O)
  + F – Fee schedule
  + D – Discount off submitted charges
  + B – Bundled payment
  + O – Other contract arrangement

The file should be repriced for each provider network by region being offered by the vendor, including narrow provider network alternatives.

Proposers are required to complete and submit summary results of the repricing file in the exact formats requested. The tabs have been pre-populated with the repricing data provided and will require proposers to supplement the fields identified. Proposers should complete the following:

* **Repricing by Service Category Summary – Attachment D**: Proposers should provide aggregate information on the contractual amounts for each county and detailed service category, identified by the Service Category Codes in the repricing file.
* **Repricing by Provider Summary – Attachment E**: Proposers should provide aggregate allowed information for each provider listed. No provider-specific line item data will be required for submission during the initial evaluation.
* **Repricing by Type of Contract – Attachment F**: Proposers should provide aggregate information on provider contracting arrangement types for each county and major service category.
* **Contract Improvements – Attachment G**: A worksheet is available for Proposers to provide any known contract improvements.

It is imperative the Proposers return data in the exact formats prescribed. Failure to do so may cause the bid to be rejected.

If Proposers are selected as finalists, a validation process of the submitted summary data will be initiated. At that time, the Proposer may be required to submit the entire repricing file along with any requested supporting documentation. Failure to comply will cause the Proposal to be rejected.

### Market Pricing (Attachment H)

The Uniform Data Specifications workgroup, facilitated by Milliman and Red Quill Consulting, is a collaborative effort between many major insurance carriers and consulting firms. The intent is to discuss and reach consensus on the definition of financial terms, claims categories, and general methodology of data files provided to consulting firms for discount comparison.

Segal will utilize this approach as an additional comparative point to analyze the cost proposal for this procurement. The process has been streamlined in order to simplify reporting requirements. The data is to be aggregated by county for the three (3) main service categories:

* **Inpatient Facility**: by diagnosis related groups (DRGs)
* **Outpatient (OP) Facility**: by encounter categories – Emergency Room (ER), OP Surgery, Observation Unit, Pathology, Radiology and All Other
* **Professional**: by procedure codes

Detailed instructions and the required formats are included in Attachment H. The data should represent the provider network being proposed and be reported separately for each provider network alternative.

Two additional tabs require input from the Proposer. The first requires the Proposer to input their membership numbers for the provider network submitted. This will provide support on the credibility of the information and any necessary adjustments while normalizing the data. The second requests that a Proposer provide their level of physician reimbursement as compared to Medicare levels.

## Administrative Fees (Attachment I)

For the current combined contracts of approximately 111,000 (246,000 total Participants), provide the monthly administrative fee per contract, broken out by service item. The total should include all costs except actual claim payments to covered Participants.

Below is a listing of the required inputs for the first year of the contract:

|  |  |
| --- | --- |
| **Administration Fee Per Participant Per Month (PPPM)** | |
| **Administrative Component** | **1/1/18 – 12/31/18** |
| Non-Medicare Medical Claims Administration |  |
| Non-Medicare Mental Health Substance Abuse (MHSA) Claims Administration |  |
| Medicare Claims Administration |  |
| Utilization Review Fees |  |
| Network Access Fees |  |
| Medical Management |  |
| Disease Management (by condition) |  |
| Customer service |  |
| Participant Communication Material |  |
| Routine ID Cards |  |
| Non-Routine ID Cards (cost per card) |  |
| Claims Data Submissions specified in Section 150 of Exhibit 1 |  |
| Provider Data Submissions specified in Section 150 of Exhibit 1 |  |
| All other reports as specified in Section 305 of the Exhibit 1 |  |
| Deliverables to the Department specified in Section 310A of Exhibit 1 |  |
| IT services (including hardware and software) |  |
| Telecom (other program resource links, reporting, special usage or access requirements) |  |
| Required reviews specified in Section 155 of Exhibit 1 |  |
| Assume Claims Fiduciary Liability |  |
| Grievance resolution |  |
| Nondiscrimination Testing |  |
| Issuance of Form 1095C to Participants (see Section 205C in Exhibit 1) |  |
| Various required filings (including New York and Massachusetts surcharge filing, and Michigan Public Act 142 filing) |  |
| Telehealth services |  |
| 24-hour nurse line services |  |
| Underwriting services (applies only to those proposing a statewide/nationwide network) |  |
| Other Administration Cost\* |  |
| Total (PPPM) |  |

Proposers are required to provide an administrative fee for each of the years in the initial five (5)-year contract period. An exhibit with detailed instructions is in Attachment I.

An additional section allows Proposers to bid fees based on participation levels. The participation ranges are under 5,000, 5,000–10,000, 10,001–20,000 and over 20,000. There is no requirement that the fees vary; however, this section must be populated in the response.

If there are additional fees to be charged based on per service costs, list them under other costs and provide an explanation. This would include items that are not predictable and may be variable.

The last required component of this attachment includes questions allowing the Proposer to provide provider fee guarantees. This worksheet should be completed and should provide details on recommended levels and amount of fees at risk.

## Capitation (Attachment J)

There may be capitation arrangements that could be in the best interest of the Board to maintain, such as primary care services or labs. The Proposer is required to identify which services would be capitated, and provide the proposed capitation rate to be charged for those services.

Proposers offering capitation arrangements should fill out Attachment J.

## Self-Insured Projection (Attachment K)

This section allows the Proposer to estimate the expected cost for a region with their proposed provider network. Based on the specific claims experience provided in the repricing file, the proposers are asked to estimate the expected costs under their medical management and pricing arrangements with providers. It is expected that the Proposer will spend time mapping the repricing data to the network being proposed. This is to be the Proposer’s best estimate and should be performed as accurately as possible, in good faith.

The summary projection requires thoughtful inputs at a very high level, recognizing that a detailed projection would be performed differently for each Proposer. There are two main inputs required of the proposers within each region:

* **Utilization Adjustment:** If the Proposer feels that their medical management will alter the current regional utilization, an input is allowed to show their expectation. Explanation of anticipated changes are required. The vendor should note that the vast majority of the data is currently with the HMOs operating in that region, so a standard managed care factor is probably not appropriate.
* **Allowed Adjustment:** The submitted charge per service is included in the summary and it required of the proposer to provide an adjustment to get to their allowable charge per service. It is understood that this is not discounts alone, and will represent movement between provider charges. The goal is to get to what the proposer believes to be their per service cost in the region being proposed.

This section provides an opportunity for the proposer to demonstrate the strengths of their network. The worksheet will need to be populated for each network being proposed.

## Data Certification (Attachment L)

There is a required certification of all information submitted, including data, guarantees, pricing worksheets, etc. The Proposer’s actuary should sign the certification, but signature by either the Proposer’s CFO or CEO will also be accepted.

## Attachments for Section 8

The following attachments are specifically for Section 8.

* Attachment A – Regional Bid Designation
* Attachment B – Network Access
* Attachment C – Repricing Layout
* Attachment D – Repricing – Service Category
* Attachment E – Repricing - Providers
* Attachment F – Repricing – Contract Types
* Attachment G – Contract Improvements
* Attachment H – Market Pricing
* Attachment I – ASO Fees
* Attachment J – Capitation
* Attachment K – Self Insured Projection
* Attachment L – Actuarial Certification

# Contract Terms and Conditions

**This section is NOT scored. (0 points)**

The Department will execute a State of Wisconsin contract with awarded Contractor. A Pro Forma State of Wisconsin Contract is located in Exhibit 1 (155 Pages).

The Contract and any subsequent renewal(s) will incorporate all terms and conditions in this Section 9 including the following documents:

* Exhibit 2 - Standard Terms and Conditions (DOA-3054) (3 Pages);
* Exhibit 3 - Supplemental Standard Terms and Conditions for Procurement for Services (DOA-3681) (1 Page); and
* Exhibit 4 – Department Terms and Conditions (10 Pages).

## Board and Department Authority

The Department is acting as an agent of the Board in carrying out any directives or decisions relating to this RFP, Contract and subsequent awards. All references to the “Department”, “ETF”, “State of Wisconsin”, “State” or “Board” in any term, condition, or specification shall have the same authority as one entity.

The Department is the sole point of contact for Board contracting.

## Payment Terms

* Invoices must be itemized by cost categories of expenses actually incurred.
* Invoices shall include the purchase order number when issued.
* Invoices will be submitted in accordance with ETF direction.
* ETF anticipates invoices will be received monthly.