



200 E. 18TH STREET, AUSTIN, TEXAS 78701 | P. O. BOX 13207, AUSTIN, TEXAS 78711-3207 | (512) 867-7711 | (877) 275-4377 TOLL-FREE | WWW.ERS.STATE.TX.US

March 10, 2011

Medicare Advantage Carrier

RE: Request for Proposal ("RFP") to provide a Medicare Advantage Preferred Provider Organization Plan under the Texas Employees Group Benefits Program.

To Whom It May Concern:

The Employees Retirement System of Texas ("ERS") in accordance with Texas Insurance Code, Chapter 1551, is issuing a Request for Proposal ("RFP") seeking a qualified Medicare Advantage Carrier ("MA Carrier"), to provide an MA Plan with a statewide Preferred Provider Organization to members and their spouses eligible for Medicare. The MA Plan would provide health care administration (claim processing, network management and utilization review services) benefits and/or services under the Texas Employees Group Benefits Program ("GBP") beginning January 1, 2012 through December 31, 2012.

A Texas Register Notice will be published on or after March 11, 2011 at: <http://www.sos.state.tx.us/texreg/index.shtml> with additional RFP information. Your firm has been identified as offering the services listed above and ERS encourages you to review the posting and request access to the secured bid materials when they become available on the ERS website.

ERS anticipates receiving high quality Proposals for the services listed above and we encourage your organization to give full consideration to the development of a Proposal.

If you have any questions regarding this process, please submit your inquiry directly to the IVendor Mailbox at: ivendorquestions@ers.state.tx.us.

Thank you for your interest in doing business with the GBP.

Sincerely,

A handwritten signature in black ink that reads "Robert P. Kukla". The signature is written in a cursive style.

ROBERT P. KUKLA
Director of Benefit Contracts

Request for Proposal

To Provide a Medicare Advantage Preferred Provider Organization Plan

ERS

EMPLOYEES RETIREMENT
SYSTEM OF TEXAS

March 10, 2011

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Medicare Advantage RFP Deliverables Check List

Order of Return: The MA Carrier(s) is required to submit a total of six (6) sets of the MA Carrier's Proposal in the following formats: One (1) printed "Original" (which shall be labeled as such) and three (3) additional printed copies shall be submitted and include fully executed documents as appropriate, signed in blue ink and without amendment or revision. The remaining two (2) copies shall be submitted via CD-ROMs in Excel or Word format and labeled *MA Carrier RFP Proposal Duplicate*. **No PDF documents may be reflected on the CD-ROMs with the exception of sample GBP-specific marketing and audited financial materials.**

All binders must contain:

PAPER FORMAT	RFP REFERENCE
RFP FEEDBACK FORM	Page vii.
TAB I Instructions	I.
<input type="checkbox"/> Executed RFP Signature Pages signed in <i>blue ink</i> (Appendix A)	I.B.9. - I.9.b.
<input type="checkbox"/> Executed RFP Data Security and Breach Notification, signed in <i>blue ink</i> (Appendix D)	I.B.15.
<input type="checkbox"/> Executed RFP Business Associate Agreement, signed in <i>blue ink</i> (Appendix C)	I.B.16.
<input type="checkbox"/> Executed Contractual Agreement, signed in <i>blue ink</i> (Appendix B)	I.B.17.
<input type="checkbox"/> Confidential and Proprietary schedule	I.B.23.
<input type="checkbox"/> HUB Designation Confirmation	I.B.25.
TAB II Proposal Evaluation Criteria	II.
<input type="checkbox"/> Minimum Requirements (<i>evidence of MA Carrier's satisfaction of Requirements</i>)	II.B.
<input type="checkbox"/> Preferred Criteria (<i>evidence of MA Carrier's satisfaction of Criteria</i>)	II.C.
TAB III Eligibility and Program Information	III.
<input type="checkbox"/> Option 1 Medicare Advantage plan, to include pharmacy option	D.
<input type="checkbox"/> Option 2 Medicare Advantage plan, without a pharmacy breakout	D.
TAB IV Financial Requirements and Rate Proposal	IV.
<input type="checkbox"/> Rate Proposal Responses	IV.F.1. – IV.F.2.
<input type="checkbox"/> MA Carrier Provider Reimbursement Arrangements	IV.G.
TAB V Communication Requirements	V.
<input type="checkbox"/> Provide draft copies of all proposed marketing materials to include, but not be limited to: power point presentations, scripts for presentations, newspaper/press releases, billboard, television, and radio advertisements for MA and GBP Annual Enrollment or for any other GBP-specific purpose	V.A. and V.B.4.
<input type="checkbox"/> Proposed FY 2012 Evidence of Coverage (with tracked-change modifications) submit for initial ERS review	V.C.5.
<input type="checkbox"/> Fact Sheet – Submit as part of Response	V.C.7.
<input type="checkbox"/> ID card – Provide electronic mock-up of GBP-specific ID card on CD-ROM	V.C.8.a.

<input type="checkbox"/> Provide a format of MA Carrier's proposed website to include ALL screen shots on CD-ROM in the GBP website format and an ACTIVE URL address	V.C.12.a.
<input type="checkbox"/> URL address to access proposed GBP-specific FY 2012 TEST website	V.C.12.a
<input type="checkbox"/> Proposed FY 2012 screen shots of ALL web materials in the required GBP website format (<i>draft copies</i>).	V.C.12.a.
TAB VIII Provider Network Requirements	VIII.
<input type="checkbox"/> Provide a copy of GeoNetworks® Provider Network Accessibility Analysis	VIII.
<input type="checkbox"/> A provider network for each service area, containing separate files for each of the following proposed provider networks:	VIII.B.
Hospitals	VIII.D.1.
Physicians	VIII.D.2.
Specialty Care Physicians (including Ancillary Providers)	VIII.D.3.
Behavioral Health	VIII.D.4.
Pharmacies	VIII.D.5.
TAB IX Organizational Information	IX.
<input type="checkbox"/> Organizational Information Responses and Requested Materials	IX.A. – IX.D.7.
TAB X Deviations	X.
<input type="checkbox"/> Deviation Responses	X.A.1. – X.A.12.
TAB XI Interrogatories	XI.
<input type="checkbox"/> Interrogatory Responses and Requested Materials	XI.A.1. – XI.A.10.a.
CD Format	<u>REFERENCE</u>
<input type="checkbox"/> All materials described above shall be received in CD-ROM Format. The two (2) separate Proposal CD-ROMs shall be in either Word or Excel format.	I.B.4.a.
<input type="checkbox"/> Two (2) complete sets of CD-ROMs – Set One (Confidential and Proprietary Information) and Set Two (Public Information).	I.B.24.-I.B.24.b.

NOTE: Keep this Check List for your records. Do not return with your submission.

Request for Feedback

Employees Retirement System of Texas

The Employees Retirement System of Texas, Benefit Contracts Division, periodically publishes requests for proposals, applications or information and is interested in your organization's feedback regarding our request. To assist the Benefit Contracts Division in creating future requests, we would be interested in knowing how we could improve our solicitation process or how we could make our request more user-friendly. Please take a moment to answer the following questions and return it at your earliest convenience.

1. Did your organization submit a bid?

Yes

No

2. If No, why did your organization elect not to bid? (Check all that apply)

Timing, not enough time to complete bid

Contract Provisions/Parts of the Contract

Complexity of RFP

Other:

3. Please elaborate on question #2 or provide other reasons for not submitting a bid.

4. Please provide any suggestions that might improve the bid process.

Additional Comments

About Your Organization

Name _____

Contact

Email _____

Address _____

Phone _____

City, State,

ZIP Code _____

An ERS representative may, if necessary, contact you by email or telephone for further clarification of your responses.

Thank you for your consideration and participation!

I. Instructions

A. Request for Proposal (“RFP”) Summary

A.1. **Introduction.** ERS is soliciting proposals seeking a qualified Medicare Advantage Carrier (“MA Carrier”) to provide a Medicare Advantage Plan (“MA Plan”) with a statewide Preferred Provider Organization (“PPO”) to members and their spouses eligible for Medicare. The MA Plan would provide health care administration (claim processing, network management and utilization review services) for benefits and/or services under the Texas Employees Group Benefits Program (“GBP”) beginning January 1, 2012 through December 31, 2012. The MA Carrier shall provide a level of benefits and services required in the RFP and meet other requirements that are in the best interests of ERS, the GBP, its Participants and the state of Texas, and shall be required to execute a Contractual Agreement (“Contract”) provided by, and satisfactory to, ERS.

A.1.a. An MA Carrier wishing to respond to this request shall meet all of the minimum requirements as referenced in Article II of the RFP. Qualified MA Carriers may submit a proposal (“Proposal”) and bid response materials to provide services for the MA Contract and specified services required and outlined herein.

FAILURE TO PROVIDE PROPOSALS IN THE FORMAT REQUESTED MAY RESULT IN THE MA CARRIER BEING ELIMINATED FROM FURTHER CONSIDERATION. ALL PROPOSALS SHALL BE VALID THROUGHOUT THE ENTIRE RFP PROCESS AND ANY RESULTING CONTRACT TERM.

A.3. **Schedule of RFP Process.** The RFP process and Contract award shall be conducted in accordance with the following schedule, unless otherwise notified by ERS:

On or After March 9, 2011	12:00 p.m. (CT)	RFP is available on ERS' website. To access the RFP, MA Carriers shall email a request to: ivendorquestions@ers.state.tx.us A USERID and Password will be provided only to those qualified bidders requesting access to the secured sections of the RFP. All MA Carriers are prohibited from contacting agency employees or officials throughout the bid process other than as directed by ERS.
March 30, 2011	4:00 p.m. (CT)	Submission deadline for ALL RFP questions. RFP questions should be submitted to: ivendorquestions@ers.state.tx.us
May 4, 2011	12:00 Noon (CT)	MA Carriers are required to submit all bid materials in the formats reflected below in one (1) sealed container: <ul style="list-style-type: none"> • One (1) fully executed and labeled "Original"; • Three (3) identical printed, hard copies; and • Two (2) identical copies provided on CD-ROMs. Two (2) complete sets of CD-ROMs – Set One (<i>Confidential and Proprietary Information</i>) and Set Two (2) (<i>Public Information</i>). No PDF documents may be reflected on the CD-ROMs with the exception of sample GBP-specific marketing and audited financial materials. Submit Bid Materials to: Ann S. Fuelberg, Executive Director Employees Retirement System of Texas 200 E. 18th Street; Post Office Box 13207 Austin, Texas 78711-3207 RE: MA Carrier RFP Proposal
TBD		Bid finalists may be required to participate in a Face-to-Face or teleconferenced interview session that will be announced at an ERS designated time and location. Required participants and interview guidelines will be provided if an interview appointment is extended by ERS.
August 2011		ERS Board selects MA Carrier
October 15 – December 7, 2011		Annual Enrollment Period
January 1, 2012		Contract Begins
January 1, 2012		Calendar Year ("CY") 2012 begins

ERS RESERVES THE RIGHT TO EXTEND ANY AND ALL DEADLINES ABOVE, TO REJECT ANY AND ALL PROPOSALS, TO CONTRACT WITH ONE OR MORE FIRMS, OR TO ISSUE A NEW RFP AT ANY TIME, IN ITS SOLE DISCRETION. ERS WILL NOT

NOTIFY RESPONDENTS UNLESS THEY ARE SELECTED FOR INTERVIEWS OR ENGAGEMENT.

- A.4. The MA Carrier is responsible for reviewing and responding to the RFP materials available on the ERS website http://www.ers.state.tx.us/business/bid_opportunities.aspx. ERS' website provides interested MA Carriers with background information and an electronic version of the RFP. The information contained in this offering provides instructions for the MA Carrier to submit a Proposal to ERS' RFP and specifies a deadline for the submission of questions as reflected in the table provided in Section I.A.3. above and Sections I.B.3. – I.B.4.d. below.

B. General Information

- B.1. **Agent of Record.** ERS shall not designate an Agent of Record or any other such company employee or commissioned representative to act on behalf of either ERS or the MA Carrier. Any requests for ERS to provide such designation shall be rejected.
- B.2. **News Release.** Prior written approval by ERS shall be required for any news releases regarding a Contract awarded to an MA Carrier. Additional requirements regarding the management of News Releases are further outlined in Sections V.A.8. – V.A.8.d.
- B.3. **Inquiries.** Questions regarding ERS and/or the RFP shall be submitted via email no later than 4:00 p.m. CT on March 30, 2011.
- B.3.a. In its sole discretion, ERS shall post the question and response that it deems appropriate on ERS' website in a timely manner. Such inquiries should be directed to:

Robert P. Kukla
Director of Benefit Contracts
Email: ivendorquestions@ers.state.tx.us

- B.4. **Proposal Submission.** All bid materials shall be packaged collectively in one (1) sealed container and submitted to ERS as noted below. ERS may not consider a Proposal unless one (1) "Original" and five (5) copies are received by ERS at the appropriate address no later than 12:00 Noon, CT on May 4, 2011. The mailing label for the Proposal shall be clearly marked as: *MA Carrier RFP Proposal*.
- B.4.a. The one (1) printed "Original" (which shall be labeled as such) and three (3) additional printed copies shall be submitted with all requested supporting documentation, including but not limited to, the executed Contractual Agreement, (see Section I.B.17. below), the Business Associate Agreement ("BAA") (see Section I.B.16. below), the Data Security and Breach Notification (see Section I.B.15. below), and Signature Pages, (see Sections I.B.9 – I.B.9.b. below) fully executed in *blue ink*.
- B.4.b. The remaining two (2) copies shall be submitted via CD-ROMs in Excel and/or Word format and labeled *MA Carrier RFP Proposal Duplicate*. **No PDF documents may be reflected on the CD-ROMs with the exception of sample GBP-specific marketing and audited financial materials.**
- B.4.c. For instructions relating to the submission of Confidential and/or Proprietary Information in response to this RFP, please refer to Sections I.B.24. – I.B.24.a. below.
- B.4.d. ERS is not responsible for receipt of any Proposal that is not labeled, packaged or delivered properly. All bid materials shall include complete, properly executed, and detailed supporting documentation as required.

MA Carrier shall mail or deliver its sealed Proposal to ERS at the following address:

Ann S. Fuelberg
Executive Director
Employees Retirement System of Texas
200 E. 18th Street; Post Office Box 13207
Austin, Texas 78711-3207
RE: MA Carrier RFP Proposal

- B.5. **Retention of Proposal.** All Proposals submitted become the sole property of ERS.
- B.6. **Notification of Withdrawal of Proposal.** A Proposal may be withdrawn prior to the date and time specified for Proposal submission with a formal written notice by an authorized representative of the MA Carrier and accepted by the Executive Director of ERS.
- B.7. **Public Information Act.** As reflected in greater detail in Sections I.B.23. – I.B.23.d. below, ERS is required to provide access to certain records in accordance with the provisions of Chapter 552, Tex. Gov't Code, the Texas Public Information Act ("PIA"), formerly known as the Open Records Act.
- B.7.a. During the evaluation process, ERS shall make reasonable efforts as allowed by law to maintain Proposals in confidence, and shall release Proposals only to personnel involved with the evaluation of the Proposals and implementation of the Contract unless otherwise required by law.
- B.7.b. However, ERS cannot prevent the disclosure of public documents. By execution of the Signature Pages as further referenced in Sections I.B.9. – I.B.9.b. below, MA Carrier's Privacy Officer warrants and represents that all public information in response to this RFP may be fully disclosed by ERS without liability and without prior notice or consent to the MA Carrier or any of the MA Carrier's subcontractors or agents.
- B.8. **Order of Proposal Materials.** The MA Carrier shall submit its executed Contractual Agreement, and Signature Pages, as well as all Proposal materials, in the order prescribed in the *RFP Deliverables Check List* located behind the *Table of Contents* contained in this RFP.
- B.9. **Signature Requirements.** The Chief Executive Officer or other authorized officer who is at a Vice President or higher level of the MA Carrier shall execute, in **blue ink**, the Signature Pages referenced as Appendix A, which is a part of this RFP. The individual executing the Signature Pages should be the same authorized person reflected in Article IX.A.8., and shall have full legal authority, on behalf of the MA Carrier, to execute a Contract that constitutes a valid, binding and legally enforceable agreement.
- B.9.a. MA Carrier's Privacy Officer and Security Compliance Officer shall execute the portion of the Signature Pages, in **blue ink**, that confirms that all information identified in the schedule reflected in Sections I.B.24. – I.B.24.a. below is either *Confidential & Proprietary* or *Public Information*. By executing this portion of the Signature Pages, MA Carrier's Privacy Officer warrants and represents that all such Public Information may be fully disclosed by ERS without liability and without prior notice or consent to the MA Carrier or any of the MA Carrier's subcontractors or agents.
- B.9.b. The person executing this portion of the Signature Pages should be the same authorized entity reflected in Sections IX.C.1. and IX.C.3., and shall have full legal authority on behalf of MA Carrier to execute such document constituting a valid, binding and legally enforceable agreement. Additional requirements regarding the management of MA Carrier's RFP bid materials are outlined in Section I.B.23. below.
- B.10. **Supplements to RFP.** In the event that it becomes necessary, at ERS' discretion*, to revise any part of this RFP, or if ERS determines that any additional information is needed to clarify the provisions of this RFP, supplemental information shall be provided to each MA Carrier that has indicated interest in this RFP. However, ERS shall not be bound by any deviations from or to this RFP unless ERS specifically agrees in writing to the specific deviation.

* All references in this RFP to matters within ERS' discretion mean ERS' sole discretion.

- B.11. **Reserved Rights.** Chapter 1551, Texas Insurance Code (“TIC”), specifies that ERS retains the right to approve the Proposal of the MA Carrier that is in the best interests of the employees, retirees and their dependents covered under the Texas Employees Group Benefits Act (“the Act”), Chapter 1551, TIC, and further that ERS is not required to select the lowest proposed rate, but shall take into consideration other relevant criteria, including the MA Carrier’s ability to service contracts, past experience, quality and accessibility of the provider network, and financial stability. Evaluation criteria are described in Article II, *Proposal Evaluation Criteria*, of the RFP. ERS staff and Board may determine that other factors may be considered important based on their review of an MA Carrier’s response to the RFP and the Interrogatories. ERS and the MA Carrier shall enter into a Contractual Agreement acceptable to ERS and in which shall include, but not be limited to, the Contractual Agreement identified in Appendix B.
- B.11.b. ERS reserves the right to reject any and all Proposals submitted that do not fully comply with the RFP’s instructions and criteria, including minimum requirements as reflected in Sections II.B.1. – II.B.8., and call for new Proposals if deemed by ERS to be in the best interests of ERS, the GBP, its Participants and the state of Texas. ERS is under no legal requirement to execute a Contract on the basis of this RFP.
- B.11.c. ERS specifically reserves the right to revise any or all RFP or Contract provisions set forth at any time prior to ERS’ execution of a Contract where ERS deems it to be in the best interests of ERS, the GBP, its Participants and the state of Texas.
- B.11.d. ERS reserves the right to modify the performance requirements and benefit plans during this RFP process or Contract term.
- B.12. **Costs incurred for Proposal preparation.** ERS will not pay any costs incurred prior to execution of a Contract. Issuance of this RFP in no way obligates ERS to award a Contract or to pay any costs incurred in the preparation of an offer or Proposal.
- ERS specifically reserves the right to vary all provisions set forth at any time prior to execution of a Contract where ERS deems it to be in the best interests of ERS, the GBP, its Participants and the state of Texas. Furthermore, the selected MA Carrier agrees to act in good faith and to cooperate with ERS in the execution of any document necessary to effect a change to the RFP or Contract, following execution of the Contract by ERS, if ERS deems it to be in the best interests of ERS, the GBP, its Participants and the state of Texas.
- B.13. **Prohibited Interest.** Except as a Participant in the GBP, a member, Board member, or employee of ERS may not have a direct interest in the gains or profits of any Contract executed by ERS pursuant to this RFP, and may not receive any payment or emolument for any service performed for the MA Carrier.
- B.13.a. In the case where a Board member or employee of ERS receives any payment from the MA Carrier for any services performed for the MA Carrier or for any gains or profits from any Contract executed by ERS pursuant to this RFP, ERS may terminate its relationship with the MA Carrier immediately, and ERS reserves the right to seek any legal, equitable or contractual relief to which it may be entitled. Under such circumstances, the MA Carrier shall complete any outstanding transactions with ERS as soon as possible. In its discretion, ERS may choose not to consider any future Proposals from the MA Carrier for at least two (2) full years thereafter.
- B.13.b. By submitting its Proposal, MA Carrier warrants and represents that it does not have, nor shall it permit, any conflicts of interest that would impair its ability to perform the services required by the Contract in the best interests of ERS, the GBP, its Participants and the state of Texas. The Contract shall have additional requirements in this regard.
- B.14. **HIPAA.** As a business associate of ERS, MA Carrier shall comply with all privacy protections as provided in Tex. Health & Safety Code Ann. Chapter 181 (Vernon 2010) and in the “Privacy Rule” adopted pursuant to the federal Health Insurance Portability and Accountability Act of 1996 [Pub. L. No. 104-191], amended by the Health Information Technology for Economic and Clinical Health Act, as incorporated in the American Recovery and Reinvestment Act of 2009, and the implementing regulations issued and amended by the U.S. Department of Health and Human Services Secretary (45 C.F.R. Parts 160 and 164) (hereinafter referred to as “HIPAA”).

- B.15. **Information and Data Security.** MA Carrier shall comply with the Privacy Act of 1974, Computer Matching and Privacy Protection Act of 1988, Texas Business and Commerce Code ("TBCC") and information security standards as outlined in Title 1, Texas Administrative Code §202. Further, MA Carrier shall comply with the requirements for handling and use of personal information as more fully outlined in Appendix D, *Data Security and Breach Notification*. The execution of the Data Security and Breach Notification will be required prior to final execution of a Contract.
- B.15.a. MA Carrier shall utilize proven methods of ensuring the control and security of Participant and Program information.
- B.16. **Execution of Business Associate Agreement.** MA Carrier is hereby notified that the execution of the BAA will be required prior to final execution of a Contract. The BAA, as referenced in Appendix C and as part of the Proposal packet, includes additional information, duties and obligations the MA Carrier is required to provide or perform. The BAA shall be signed by a duly authorized officer of the MA Carrier, in *blue ink*, and returned without amendments or revisions. ERS reserves the right to reject any Proposal if the BAA is revised or returned unsigned. Upon approval of the Proposal and notification to the MA Carrier of its selection by ERS including any and all clarifications to be required in the Proposal, and upon ERS' execution of the Contract, it is ERS' intent that the BAA shall be in force.
- B.17. **Execution of Contractual Agreement.** MA Carrier is hereby notified that the execution of the Contractual Agreement ("Contract") attached as Appendix B, is a preferred submission requirement of this RFP. ERS prefers that the Contract be signed and returned without amendments or revisions with the Proposal submission. However, if an MA Carrier in good faith determines that it does not agree with any provisions of the Contract in the form attached as Appendix B, MA Carrier may elect not to return an executed Contract with its Proposal, and may instead submit deviations to the Contract's terms, which must be provided in accordance with Section X.A.10.a. of this RFP. Any such deviations will be considered by ERS; however, ERS will not be obligated to accept or agree to any such deviations, and ERS may determine in its sole discretion not to proceed with further negotiations with an MA Carrier based upon such deviations. To prevent any misunderstanding, while MA Carrier's Proposal may be evaluated if returned with deviations, such deviations may themselves form a basis for ERS to conclude that MA Carrier's Proposal will not be considered further beyond its initial evaluation. Any MA Carrier submitting a signed Contract with the MA Carrier's Proposal shall have the Contract executed, in *blue ink*, by the duly authorized officer of the MA Carrier as reflected in Sections I.B.9 and IX.A.8.
- B.17.a. ERS reserves the right to reject any Proposal if the Contractual Agreement is revised or returned unsigned, and ERS further retains the right to modify the Contractual Agreement terms and to add additional terms at its discretion. Upon approval of the Proposal, notification to the MA Carrier of its selection by the Board and any clarifications to be required in the Application, and upon execution of the Contractual Agreement by ERS, it is ERS' intent that the written Contract shall be in force.
- B.18. **Contract Term and Chronology of Responsibility.** The Contract and all its aspects shall be for a term beginning after the Board has accepted the MA Carrier's Proposal and has notified the MA Carrier of its selection and immediately upon the execution of the Contract by ERS, and extending through the 31st day of December 2012, unless terminated, renewed or extended.
- B.18.a. MA Carrier products and services to be provided under the Contract shall occur between January 1, 2012 and December 31, 2012. ERS and the MA Carrier also agree and acknowledge that there are duties and obligations specified by the Contractual Agreement to be performed prior to January 1, 2012 and following December 31, 2012, and the parties each agree to perform all such duties and obligations, and all damage provisions included herein and in the Contractual Agreement shall thereby be in effect. Such prerequisites, duties and obligations include, but are not limited to the following:
- Selection by the Board of Trustees is anticipated at the August 2011 meeting.
 - Execution of the Contractual Agreement by ERS' Executive Director after all clarifications have been agreed to and accepted or rejected by ERS.
 - The Contract includes the RFP, the MA Carrier's Proposal, the Contractual Agreement including all exhibits, and any other information, duties or obligations the MA Carrier may

be required to provide or perform thereto as accepted by ERS and that does not conflict with terms of the Contractual Agreement executed by the parties. The Contract includes important requirements that may not be expressly referenced in this RFP.

- Any and all activities required by the MA Carrier to effectively implement the requirements of this Contract.
- MA Carrier shall coordinate and work cooperatively with other GBP Vendors.

B.19. **Termination of Contract.** In the event that the MA Carrier fails or refuses to perform any of its duties or obligations as provided by the Contract, which includes this RFP, the MA Carrier's Proposal accepted by ERS and the signed Contractual Agreement, ERS, without limiting any other rights or remedies it may have by law, equity or under Contract, shall have the right to terminate the Contract immediately. The MA Carrier understands and acknowledges that, notwithstanding any termination of the Contract, certain obligations of the MA Carrier shall survive the termination of the Contract. The Contract expands upon this provision.

B.20. **Liquidated Damages.** The MA Carrier acknowledges that it is impossible or impractical to estimate certain damages with any degree of certainty. Therefore, the MA Carrier understands and acknowledges that the Contract includes a liquidated damages provision that is in addition to any other remedies that ERS may have in the event the MA Carrier fails or refuses to perform, or is negligent in performing, any obligation it may have in connection with the Contract to the satisfaction of ERS. The Contract has additional requirements in this regard.

B.21. **Contract Implementation.** To ensure the successful implementation and delivery of the MA benefits, coverages and services to the GBP Program and its Participants, the MA Carrier shall abide by the *Performance Guarantees* standards set forth in Appendix G.

B.21.a. **Implementation Period.** Following selection of an MA Carrier by the Board and upon ERS' execution of the Contract, MA Carrier shall immediately staff an implementation team and name an implementation manager. The names, positions and qualifications of the implementation team shall be communicated to ERS no less than fifteen (15) business days from the award of the Contract. The period of time beginning with the selection of the MA Carrier by the Board and upon ERS' execution of this Contract to the point at which MA Carrier assumes full responsibility for the duties specified hereunder, such date being no later than January 1, 2012, shall be known as the "Implementation Period."

During the Implementation Period, MA Carrier warrants and represents the following:

- MA Carrier acknowledges and agrees that the GBP, its Participants and ERS shall suffer irreparable harm if MA Plan is not fully and completely implemented on or before January 1, 2012;
- It shall maintain appropriate, sufficient and qualified staff, technical capabilities and resources that are fully devoted to the GBP Implementation, (ERS reserves the right to require the MA Carrier to add additional staff or remove staff from the Implementation Team);
- It shall not permit any current or prospective business, projects or other matters to interfere in any manner with the smooth and timely implementation of the MA Plan;
- MA Carrier understands and agrees that time is of the essence in the performance of this Contract and in the implementation for the MA Plan;
- To the extent the Liquidated Damages and/or Performance Guarantee provisions of the Contract requires prior notice, MA Carrier hereby waives such prior notice during the Implementation Period;
- ERS may immediately assess against MA Carrier the agreed upon Liquidated Damages, and/or *Performance Guarantees* as referenced in Appendix G to this RFP, without prior notice, in the event MA Carrier fails, refuses or if it reasonably appears that it will fail or refuse to complete or perform any aspect of the Contract in connection with the timely and smooth implementation of the MA Plan.
- All communication materials dealing with the implementation, including Participant communication materials, call center staff training materials, Interactive Voice System ("IVR") website design are subject to ERS' review and approval before implementation.

B.22. **Finalist Interview.** Following ERS' initial review of the RFP Proposals, if MA Carrier is selected as a finalist in the MA Carrier selection process, ERS may request that personnel from the MA Carrier, at the MA Carrier's expense, attend a meeting at an ERS-designated

location to clarify MA Carrier's Proposal and to answer questions regarding MA Carrier's Proposal. If ERS deems necessary, a site visit to the MA Carrier may be conducted during the RFP review period at ERS' expense.

- B.22.a. If MA Carrier is selected as a Bid finalist and has been requested to participate in a Finalist face-to-face or teleconference interview session, MA Carrier shall prepare and present a Proposed Implementation Plan that will ensure the successful Implementation and delivery of the MA Carrier's benefits, coverages and services to the GBP and its Participants. The Implementation Plan shall include the following:
- A detailed Project Plan that will define the manner in which the implementation project will be managed and guided. The Project Plan will clearly define all actions, activities and objectives that will be coordinated and the owners of said action and activities.
 - A detailed description of all activities MA Carrier expects ERS to perform related to the Implementation Plan.
 - A project schedule that defines the series of tasks, meetings and associated dates for the proposed implementation project to include the time line with start and end dates for tasks to be completed over the life of the project.
 - Schedules of meetings between MA Carrier and ERS to facilitate the transition.
 - Schedules of meetings between other contracted Vendor(s) and ERS to facilitate transition.
 - A Sample Go-Live Contingency Plan as described in Section I.B.22.b. below.
 - A list of sample reports relevant to RFP reporting – specific GBP reports will be determined following Contract award.

ERS recognizes that MA Carrier will have updates and/or amendments to the Implementation Plan to reflect mutually agreed-upon changes as additional work is defined throughout the Implementation Period.

- B.22.b. **Sample Go-Live Contingency Plan.** This document captures the priorities and major milestones of activities that shall occur in order to ensure a successful go-live date on January 1, 2012. In addition to reflecting the steps that shall occur along with their corresponding "drop dead dates," the document outlines the steps that should be taken to avoid and resolve any disruptions or loss of service. This document also identifies the individuals from each functional area and the escalation path of contact. See Appendix F.
- B.23. **Disclosure of Information.** In order to protect and prevent inadvertent access to confidential information submitted in support of its Proposal in accordance with the PIA as reflected in Sections I.B.7. - I.B.7.b. above, the MA Carrier is required to supply a separate schedule of all pages, in good faith and with legally sufficient justification, considered to contain any confidential and/or proprietary information. MA Carrier shall supply its confidential and/or proprietary information to ERS each time it submits information to ERS, whether in its initial Proposal or in any supplemental information submitted to ERS. MA Carrier shall submit its confidential and proprietary information in accordance with the instructions given in Sections I.B.24. – I.B.24.a. below of this RFP.
- B.23.a. By submitting a Proposal, the MA Carrier acknowledges and agrees that ERS shall have no liability to the MA Carrier or to any other person or entity for disclosing information in accordance with the PIA. Furthermore, ERS shall have no obligation or duty to advocate the confidentiality of MA Carrier's material to the Texas Attorney General, to a court, or to any other person or entity.
- B.23.b. MA Carrier further understands and agrees that, upon ERS' receipt of a PIA request for MA Carrier's information, the only information that ERS shall treat as MA Carrier's confidential and proprietary information shall be the documents MA Carrier identifies as required above.
- B.23.c. It is MA Carrier's sole obligation to advocate in good faith and with legally sufficient justification the confidential or proprietary nature of any information it provides to ERS. MA Carrier acknowledges and understands that the Texas Attorney General may nonetheless determine that all or part of the claimed confidential or proprietary information shall be publicly disclosed.
- B.23.d. In addition, MA Carrier specifically agrees that ERS may release MA Carrier's information, including alleged confidential or proprietary information, upon request from individual

members, agencies or committees of the Texas Legislature where needed for legislative purposes, as provided for in the PIA, or to any other person or entity as otherwise required by law.

- B.24. **Confidential and/or Proprietary Schedule – Public Information Submission.** In order to protect and prevent inadvertent access to confidential and/or proprietary information submitted in support of its Proposal, each MA Carrier submitting a Proposal to this RFP is required to supply two (2) sets of CD-ROMs containing full and complete copies of all information that the MA Carrier in good faith, and with sufficient legal justification considers to: (Set One) contain any confidential and/or proprietary information; and (Set Two) contain all public material. MA Carrier shall supply this information in this manner to ERS each time it submits information to ERS, whether in its initial Proposal or in any supplemental information submitted to ERS. The documents reflected on the CD-ROMs shall correlate in order and by title to those reflected on the separate schedule sheet required in Section I.B.23. above.
- B.24.a. Upon ERS' receipt of a PIA request, ERS will provide the requestor the information provided on the MA Carrier's public CD-ROM(s) (Set Two) under the applicable provisions above. If MA Carrier fails to submit its confidential and/or proprietary information as outlined herein, ERS shall consider MA Carrier's information to be public, and it will, therefore, be released without notification to the MA Carrier upon receipt of a PIA request.
- B.25. **Historically Underutilized Businesses (“HUB”).** ERS makes a good faith effort to assist HUBs in receiving agency contract awards. As appropriate, MA Carrier shall provide the following information in the submitted Proposal materials:
- a. If Respondent is certified as a Texas HUB, please provide the TBPC VID/Certification Number.
 - b. If an engagement is awarded and Respondent plans to engage a subcontractor for all or any of the Contract services, MA Carrier shall identify all proposed HUB subcontractors. The required forms with video instructions can be found at the following website:

<http://www.window.state.tx.us/procurement/prog/hub/hub-forms/>
- B.26. **Subcontractors.** Any planned or proposed use of subcontractors by MA Carrier related to the management or access to GBP Participant data shall be clearly disclosed and documented in the MA Carrier's Proposal and shall not be accepted until agreed to in writing prior to bid award by ERS. The MA Carrier shall be completely responsible for all services performed and for fulfillment of its obligations under the Contract, even if such services are delegated to a subcontractor.
- MA Carrier agrees that any and all subcontracts entered into by the MA Carrier for the purpose of meeting the requirements of the Contract are the responsibility of the contractor. ERS will hold MA Carrier responsible for assuring that subcontractors meet all of the requirements of the Contract and all amendments thereto. MA Carrier shall provide complete information regarding each subcontractor used by the MA Carrier to meet the requirements of the Contract.
- B.26.a. MA Carrier shall agree to accept the following administrative requirements:
- A qualified MA Carrier will be required to sign an ERS Contract;
 - MA Carrier shall be solely responsible for all subcontracted activities in support of the benefits and services outlined in any executed agreement with ERS;
 - Any subcontractor utilized to provide the benefits and services as described herein and in support of any subsequent Contract, shall be located within the United States for the duration of the contracted term; and
 - If a MA Carrier subcontracts any part of the outlined benefits and services, the subcontractor(s) are subject to review and acceptance by ERS throughout any contracted term.
- B.27. **The Employee Retirement Income Security Act of 1974 (“ERISA”).** As a state government plan, the GBP is not subject to ERISA; however, the MA Carrier shall assume the fiduciary responsibilities that apply to ERISA plan administrators for all claims processing and payments, adjudication and appeals.

- B.28. **Board Rules.** The Board has sole rulemaking authority in connection with the GBP pursuant to Chapter 1551, TIC, except where the Board Rules may conflict with federal and state laws or administrative rules of the Texas Department of Insurance (“TDI”) or rules and regulations of the Centers for Medicare and Medicaid Services (“CMS”) applicable to MA Carrier. The Board Rules are located at Title 34, Part IV, Tex. Admin. Code. The Board Rules, including any amendments, are a part of any Contract executed in accordance with this RFP process for all purposes as if they were contained verbatim therein. The MA Carrier agrees to comply with all such Board Rules, and all applicable federal and Texas laws and regulations.
- B.29. **No Solicitation.** An approved MA Carrier shall not use, or otherwise disseminate, copy, or make available to any person or entity, lists of GBP Participants or employees, or any other Participant data to solicit any other insurance coverage, annuity products, or any other services or products, unless specifically approved in writing by ERS’ authorized representatives. This requirement shall survive the termination of the Contract. The Contract has additional requirements in this regard.
- B.30. **IRS Withholding.** The parties acknowledge that effective December 31, 2011, Internal Revenue Code subsection 3402(t) requires ERS to withhold three percent (3%) income tax withholding on all payments to persons or entities that have provided goods or services to the government. ERS is required to withhold the three percent (3%) income tax withholding at the time of payment and remit it to the United States Treasury. Both parties agree to cooperate in satisfying the income tax withholding requirements of the federal tax law.

C. General Specifications

- C.1. Changes Required by Statute, Regulation, Court Orders, or Program Funding: ERS acknowledges that certain factors may change conditions with regard to MA Carrier benefits and administration. Some factors that may affect MA Carrier include, but are not limited to:
- Changes in federal and state statutes, regulations, and new court decisions and administrative rulings;
 - Changes in anticipated funding by the Texas Legislature; and
 - Changes in Plan design.

MA Carrier agrees to make a good faith effort to comply with any additional responsibilities or changes to the GBP imposed as a result of the above factors, and other similar factors that may arise, requiring plan design changes and/or an increase or decrease of MA Carrier premiums, to cooperate with ERS to effect any such changes and to execute any agreements that may be required as a result. However, should a mandated change materially affect the MA Carrier’s obligations under the Contract, ERS reserves the right to negotiate with the MA Carrier regarding any premium increase (or decrease) that may be appropriate under the circumstances, as provided in the Contract.

C.2. Alternative Benefit Design or Financial Arrangements

- C.2.a. ERS will evaluate Proposals based on the current benefit design and financial arrangement. However, ERS reserves the right to revise the benefits and/or financial arrangements should that become necessary due to legislative, budgetary, or other factors. The purpose of this RFP and the subsequent review process is to select the MA Carrier that ERS considers to be most qualified to provide the most effective, efficient and high-quality services, supplies and products to the GBP, its Participants, ERS and the state of Texas. ERS views the relationship with the MA Carrier as a cooperative one, and nothing contained in this RFP, nor any action taken in the review and approval process, shall prevent ERS from continuing negotiations with the selected MA Carrier after the selection is made.

- C.2.b. The MA Carrier agrees to act in good faith in connection with all such negotiations and in performing all of its services, duties, and provisions of coverage related to the GBP.

- C.3. The MA Carrier shall maintain fidelity and liability insurance coverage throughout the term of the Contract, and any extension, amendment, or renewal thereof. Evidence that such coverage (declaration page of policy) is being maintained throughout the term of the Contract shall be submitted to ERS no later than fifteen (15) business days following the effective date of such policy.

- C.4. **Materials.** A copy of all materials to be used by the MA Carrier in providing MA coverage shall be provided as requested in Article V., *Communication Requirements*. The MA Carrier is required to submit proposed marketing and other informational materials in ERS' required format according to deadlines to be set by ERS. In addition to the Evidence of Coverage ("EOC") and marketing materials, this also includes, but is not limited to, all scripts to be used by MA Carrier customer service representatives. The cost for preparation of these materials for the term of the Contract should be included in the premium rate quoted by the MA Carrier. ERS shall retain the right to review and approve all such documents before distribution.
- C.5. **Service-Oriented Architecture.** ERS is moving toward a service-oriented architecture ("SOA"), which will combine a number of technologies to provide comprehensive and cost-effective technical solutions that will integrate our front-end information (website) and processes (ERS OnLine) with our back-end information systems. SOA deployment at ERS will be incremental and scaled as business processes, opportunities, and capabilities require. An example of such technology would include ERS' ability to extract XML-tagged content from a GBP Vendor website through the use of "data feeds." Throughout ERS' SOA evolutionary processes, MA Carrier shall provide compliant information in a timely manner and afford all necessary technological support as required by ERS' staff and consultants.
- C.6. **Enrollment and Coverage.** ERS shall provide a 100% weekly enrollment file via **secure file transfer protocol ("SFTP")**. GBP Participants and new hires utilize ERS OnLine through ERS' website (www.ers.state.tx.us) which allows Participants to enroll in or change their coverage during the Annual Enrollment ("AE") period (generally held October through December of each year) and throughout the plan year for new hires or Family Status changes. The GBP AE period is generally held in July of each plan year with coverage changes going into effect on September 1 for each plan year.
- C.6.a. For new enrollments, the weekly 100% Enrollment file will reflect Participants only after they have completed their mandatory 90-day waiting period as ERS only reports enrollments to Carriers after the fact. Participants are not eligible for health coverage during their 90-day period, with the exception of an agency or higher education entity that elects to subsidize the waiting period, so that the employee's health coverage can begin on the date of hire. **Note: ERS OnLine is the system of record for eligibility and enrollment.**
- C.7. **Claims Payments.** The MA Carrier pays all claims based on the enrollment data provided.
- C.8. **Administrative Audit.** As plan administrator for the GBP, ERS may access, request, and audit appropriate MA Carrier documents and Participant records as required for purposes of administering the plan.

MA Carrier support shall include maintaining readily available data that is accessible electronically as well as through hard copy. Neither ERS nor the Auditor shall reimburse or indemnify the MA Carrier for any cost incurred or any claim that may arise in connection with or relating to these audits.

In addition, ERS or any of its duly authorized representatives or designees shall, during the term of the Contract and until the expiration of seven (7) years after the final payment is made under the Contract, have access to and the right to examine any and all pertinent books, documents, papers and records involving transactions relating to the Contract. In the event there arises any claim, dispute or litigation concerning the Contract, the period of access and examination described above shall continue until the disposition of such claim, dispute, or litigation is final. The Contract has additional requirements regarding audits.

- C.9. **Employee Identification Number.** Current employees, retirees, and dependents (collectively referred to as Participants) enrollment reporting is based on their (Participant's) unique employee identification number ("ID"). Texas law mandates the removal of Social Security Numbers from ID cards.

MA Carrier's system shall have the capability to manage an eleven (11) digit number in their reporting system. The MA Carrier shall be required to issue ID cards to Participants within fifteen (15) business days of the transfer of the final enrollment file at the end of AE or by December 31, 2011, whichever is sooner. The MA Carrier shall be capable of identifying Participants based on the enrollment information.

- C.10. **ERS Actuary.** ERS retains a consulting actuary, Rudd & Wisdom, Inc., to advise ERS staff and management on insurance and other financial matters. The consulting actuary also assists and advises the ERS Board on benefit plan designs, application reviews, rating analysis, and certain audit related activities as described herein.
- C.11. **MA Carrier Personnel Changes.** The experience and professional qualifications of the MA Carrier project personnel are critical elements to the awarding of the project; therefore, substitutions of or other changes in assigned personnel shall require the prior approval of ERS' Executive Director. In any event, ERS may, at any time, request the removal or reassignment of MA Carrier's staff, or the staff of any subcontractor, in connection with MA Carrier's performance under this Contract.
- C.13. **Calendar Year.** The Calendar Year ("CY") begins each January 1st, and ends the following December 31st. MA Carrier calendar year shall be determinative for all Contract reporting requirements.
- C.14. **Online Access.** The MA Carrier shall provide to ERS and its designated representatives online access to any information reasonably related to the GBP, its Participants, and the services, coverages, benefits, supplies and products specified hereunder. Such online access, at a minimum, must give ERS the ability to view, download and print such information. Thus, any information regarding the services, coverage, benefits, supplies or products that the MA Carrier is required to perform, deliver or provide in connection with the GBP shall be fully accessible and available to ERS via online access.
- C.15. **Definitions.** A list of definitions applicable to certain terms used in this RFP is referenced in Appendix J, *Glossary of Terms*.

D. GBP Medicare Enrollment and Claims Data

- D.1. Refer to the Experience Data which contains the Historical Enrollment and Claims Premium Information from the GBP's health plans for Medicare-primary Participants as referenced in Appendix E. To assist in the analysis of this information, MA Carrier shall refer to user access email instructions. Within this email are instructions on how to obtain the, supplementary files necessary to download all of the data exhibits from Appendix E.

II. Proposal Evaluation Criteria

A. General Evaluation Information

A.1. **Introduction.** Proposals submitted in response to this RFP shall be evaluated on the basis of the criteria listed below. The criteria are not listed in order of importance. While the criteria provides the basis for an objective evaluation of each Proposal, the experience and judgment of ERS' staff, Board and their advisors shall also be important in the selection process. The criteria include the MA Carrier's response to all items reflected in their Proposal, and any clarifications. The criteria include:

- Compliance with, and adherence to, the RFP and Contractual Agreement;
- Minimum requirements and preferred criteria as reflected below;
- Provider network and service area;
- Experience serving large group programs;
- Experience serving public or governmental health benefit programs;
- Experience in performing, delivering and providing MA Carrier services, coverage, benefits, supplies and products;
- Administrative capability;
- Proposed Premium Rates;
- Financial strength and stability;
- Legal disclosure requirements;
- Technological capabilities;
- Operating requirements;
- References;
- Site Visits; and
- Other factors, as determined during the evaluation review process.

A.2. ERS reserves the right to reject any and/or all Proposals and/or call for new Proposals if ERS deems it to be in the best interests of ERS, the GBP, its Participants and the state of Texas.

A.2.a. The selected MA Carrier shall adhere to these requirements upon Contract award and throughout the term of the Contract. ERS also reserves the right to reject any Proposal submitted that does not fully comply with the RFP's instructions and criteria. ERS is under no legal requirement to execute a Contract on the basis of this notice or upon issuance of the RFP or receipt of a Proposal.

A.2.b. Proposed deviations to the minimum requirements identified below shall not be considered and submission of such may disqualify MA Carrier's Proposal package. Failure to satisfy the mandatory minimum requirements may result in elimination from the evaluation process.

B. Minimum Requirements

Those wishing to respond to the RFP shall demonstrate their competence to perform the services required by ERS, and shall evidence the ability to satisfy each of the following minimum requirements by specifically identifying supporting documentation contained in the MA Carrier's response.

B.1. The MA Carrier shall maintain its principal place of business and provide all products and/or services including but not limited to: call center, billing, eligibility, claims processing and programming, etc. within the United States of America and shall have a Certificate of Authority or license to do business in Texas as an MA Carrier from TDI and CMS.

B.2. MA Carrier shall have been providing administrative, claim processing, network management and utilization review services for organizations with a membership of no less than 50,000 or an aggregate of 1,000,000 covered lives for a minimum of three (3) years.

B.3. The MA Carrier shall have a current net worth of \$100 million as evidenced by a 2010 audited financial statement.

- B.4. MA Carrier shall have the capability to provide all reports and supporting documentation electronically and in CD-ROM format.
- B.5. The MA Carrier shall demonstrate it has a provider network capable of servicing no less than 85% of GBP Participants as of January 31, 2011.
- B.6. The MA Carrier shall be approved by the Centers for Medicare and Medicaid Services to offer Medicare Advantage plans in the state of Texas. The GBP requires that the MA Carrier comply with all state and federal laws, rules and regulations affecting its conduct of business.
- B.7. The MA PPO plan shall meet the minimum CMS requirements for the number of board-certified physicians within its network for a PPO plan.
- B.8. The MA PPO plan shall provide the GBP with uniform utilization, quality assurance, claims, grievance and other data on a regular basis as required by the GBP and/or CMS requirements.

C. Preferred Criteria

Those wishing to respond to the RFP shall demonstrate their competence to perform the services required by ERS, and shall evidence the ability to satisfy (or not), each of the following preferred requirements by specifically identifying supporting documentation contained in the MA Carrier's response.

- C.1. The MA Carrier should have experience working with and/or extensive knowledge of applicable Texas laws and federal regulations affecting the GBP.
- C.2. The MA Carrier shall have experience working with and/or extensive knowledge of public or governmental benefit plans that are not subject to ERISA.

III. Eligibility and Program Information

This Article presents eligibility, plan provisions, and general program requirements for a Medicare Advantage Plan Administrator (“MA Carrier”) to offer MA benefits for Medicare-eligible retirees and their Medicare-eligible dependents. The MA Carrier shall provide a level of benefits and services consistent with those offered to GBP Participants.

The MA Carrier understands and accepts that it is bound by various statutory, regulatory and fiduciary duties and responsibilities and therefore, MA Carrier expressly agrees that it shall accept and abide by such duties and responsibilities when acting on behalf of the GBP pursuant to this engagement. The MA Carrier shall administer the MA program in a manner consistent with applicable state and federal statutory law, regulations and rules of ERS and at the direction of the ERS Board, its Executive Director, and ERS' staff. The MA Carrier shall recover any costs related to the requirements set forth in this Article by ERS only through MA Carrier's *Rate Proposal*, Article IV.

A. Eligibility

The MA Carrier shall comply and agree with the eligibility requirements stated herein.

- A.1. For purposes of this Contract, eligible state of Texas Participants are those Medicare-eligible members and their eligible spouses who are eligible members of the GBP as defined in the statutes, rules and regulations or amendments to such.
- A.1.a. A member who is hospitalized prior to his/her effective date and remains hospitalized at the time of his/her first day of membership is the responsibility of the former plan until discharge.
- A.2. GBP HealthSelect retiree's coverage under this agreement terminates under those conditions specified in the MA EOC, statutes, and rules and regulations.
- A.3. MA Carrier shall not regard a retiree as terminated until the MA Carrier receives an official termination notice directly from ERS. However, the MA Carrier may suspend coverage on a retiree if payment for that Participant is not received.
- A.4. MA Retirees and/or their dependents may voluntarily terminate coverage at any time. If an MA retiree, survivor or vested member terminates coverage with the GBP, he/she is no longer eligible for coverage with the GBP.
- A.5. Since September 1, 2004, employees who retired from state service and returned to work at a state agency or higher education institution that participates in the GBP, have had the option of enrolling in the GBP as an active employee. This group of employees is referred to as return-to-work retirees (“RTWs”). RTWs have the option to enroll in retiree benefits or enroll in active employee benefits.

B. Annual Enrollment Period

- B.1. **HealthSelect Program.** The AE is conducted each plan year during the month of July for Participants to make changes to their Health, Dental, Flexible Spending, and Long Term and Short Term Care Programs. Participants may also add or drop dependents from their HealthSelect coverage. HealthSelect Participants may also apply through the Evidence of Insurability (“EOI”) process to add dependents for which HealthSelect coverage was previously declined. These changes (with the exception of HealthSelect coverage) become effective on September 1 following AE. Changes to HealthSelect coverage become effective following the Plan administrator's approval of the coverage through the EOI process.
- B.2. **Medicare Advantage Program.** The MA Program AE period may or may not coincide with the HealthSelect Program's AE period as referenced in Section III.B.1. above.

C. Funding Sources

The cost for coverage provided under the GBP is funded from two (2) sources: Employer contributions and employee/retiree contributions. The Texas Legislature appropriates monies to fund group insurance benefits for all state and certain higher education employees, retirees and their dependents.

- C.1. The Texas Legislature will set the state contribution for FY 2013. Resulting budgetary constraints could require modifications to any Contract entered into as a result of this RFP. In the event that funding for FY 2013 is projected to be inadequate to support the benefits included in this RFP, ERS shall work with the MA Carrier to administer a benefit plan that matches funding capability. The MA Carrier shall, at the direction of ERS, implement benefit changes for GBP necessitated by budgetary constraints. The MA Carrier shall be expected to negotiate in good faith regarding an adjustment in the MA Carrier's premiums, if any, that may be warranted by required benefit changes.

D. Summary of Plan Provisions

Medicare Advantage Plan Provisions. In response to this RFP, the MA Carrier shall submit a Proposal to administer any or all of the Medicare Advantage Plan options:

Option 1 - Medicare Advantage, to include pharmacy option; and

Option 2 – Medicare Advantage (without a pharmacy breakout).

Once established by ERS, the MA Carrier shall not deviate from the Schedule of Benefits plan design without prior written approval of ERS' authorized representative.

- D.1. **Schedule of Benefits (“SOB”).** The HealthSelect program uses Coordination of Benefits (“COB”) in dealing with Medicare eligible Participants. Due to this, the Participants have very little out-of-pocket health care costs for non-prescription drug care. As a result, the MA Program should mirror a benefit which has a small out-of-pocket cost for medical services to the Participants. As an alternate plan design, MA Carrier should quote a plan design that is an actuarially equivalent plan design based on benefits provided under traditional Medicare and the HealthSelect out-of-area plans for Medicare-eligible retirees/spouses.

An Alternate benefit plan design should quote a recommended plan design with modest copays.

- D.2. **Plan Design.** The plan design included with this RFP is proposed for current Medicare-eligible members. The MA Carrier shall provide supplemental documents describing the benefits in each of the alternative plan designs that are being offered. These supplemental documents shall also include the monthly premium for each of these offerings.

- D.2.a. The MA product may be offered as an optional plan in the GBP benefits offering; therefore, if this occurs, ERS cannot guarantee the degree of participation.

E. General Information

The MA Carrier shall inform ERS, in writing, of any compliance actions imposed by CMS, including sanctions.

IV. Financial Requirements and Rate Proposal

This Article describes the requirements for the submission of premium rates for all proposed service areas. The MA Plan shall be financed on a fully insured basis. MA Carriers wishing to submit a Proposal shall comply with this Section. All MA Carriers shall complete Section IV.F., *Rate Proposal for CY 2012*, and return it with their Proposal.

A. Funding Methodology

- A.1. Each month ERS will collect the member contributions and hold such contributions in a Fund that is designed solely for the payment of expenses incurred by Participants of the GBP's MA Program. Remittance of funds to the MA Carrier will be made in accordance with the following:
- A.2. **Payment Methodology.** MA Carriers shall accept monthly premium payments in accordance with ERS payment procedures. Monthly premium payments may be based on information contained in ERS enrollment records. ERS submits payments to MA Carriers by the first business day following the fourteenth (14th) day of the month following the coverage period (i.e., payment for the month of September shall be made to the MA Carrier by October 15th, if October 15th does not fall on a weekend or a legal holiday. In such case, the payment will be made on the next business day). MA Carriers are not permitted to submit billings to state agencies, institutions or GBP Participants.
- A.2.a. Monthly payments are accompanied by a monthly Carrier Payment Detail file (100% of a month's enrollment) and a monthly Prior Period Termination file via SFTP, as well as premium reports mailed to each MA Carrier. MA Carriers shall reconcile the payment with these enrollment files. Should any discrepancy occur, the MA Carrier shall contact its ERS account liaison to assist in resolving the discrepancy. If payment continues to be unresolved, MA Carrier shall monitor the subsequent month's payment reports for up to ninety (90) days (or three (3) monthly payment reports) to reconcile the discrepancy. Occasionally, adjustments are made in subsequent month payment files.
- A.2.b. If reconciliation cannot be made after ninety (90) days, the MA Carrier account liaison should contact ERS Benefit Contracts via email for further assistance. Should the MA Carrier not notify ERS in writing within ninety (90) days of identification of discrepancies between the billing file compared to the eligibility file, MA Carrier shall be required to bear all costs and all expenses to recover support data and forfeit any rights for appeal.
- A.2.c. ERS shall withhold 5% of premium for each of the most recent three (3) months in order to prevent overpayment. Beginning with the payment for the fourth (4th) month, each month's payment shall include a return of the amount withheld for the third preceding month so long as MA Carrier is in compliance with the Contract. If an MA Carrier does not continue GBP participation, ERS reserves the right to hold the final retention amount until all enrollment reconciliation is resolved.

B. Financial Requirements

An MA Carrier responding to this solicitation is required to provide pricing for options with or without the pharmacy component as reflected in Article IV, Financial Requirements and *Rate Proposal*. ERS will evaluate the proposed rates for the Medicare Advantage plan as a possible benefit offering during AE for CY 2012.

ERS reserves the right to exclude pharmacy services from this award. If pharmacy administration is included in this award, ERS also reserves the right to discontinue this service in subsequent years of the Contract and require the MA Carrier to coordinate with ERS' then current Pharmacy Benefits Manager ("PBM") for pharmacy services. Separate pricing for pharmacy administration is required in the pricing model; further Contract requirements may be outlined post Contract award at ERS' discretion.

- B.1. **Proposed Premium Rates.** The MA Carrier is required to guarantee its premium rates for twelve (12) months, though, at the option of ERS, the parties may negotiate such extension(s) and premium rates occurring beyond the original Contract period.
- B.1.a. ERS intends to compare MA Carrier premium rates versus the cost of providing benefits through its self insured plan. The premium rates proposed by the MA Carrier must provide savings to the state as determined by ERS in order for the MA Carrier to be eligible for consideration. ERS will continue the process of evaluating the MA Carrier's proposed rates using ERS' own geographic, demographic and health status selection assumptions. Based on this analysis, ERS will determine whether in ERS' sole opinion the proposed premium rates provide adequate savings.
- B.1.b. The premium rate proposed by the MA Carrier should be adequate to cover the cost incurred for the performance of all services described herein prior to and during the period of the Contract and during any runoff period following termination of the Contract.
- B.1.c. Tex. Ins. Code, § 1551.012, exempts the GBP from any state tax, regulatory fee, or surcharge including premium or maintenance taxes or fees. The premium rate should not include any provision for such taxes or fees.
- B.1.d. To the extent that the MA Carrier intends to recover start-up costs through the premium rate, such recovery should be amortized over the one-year Contract period.
- B.2. **Payment of Claims is the responsibility of MA Carrier.** MA Carrier shall be liable for adjudicating 100% of the MA claims incurred during the period of the Contract.
- B.3. **Annual Experience Accounting.** Within ninety (90) days after the end of each Contract year, the MA Carrier will provide ERS with an accounting of the MA Carrier financial experience under the Contract. The accounting shall include monthly enrollment, paid claims, and administrative fees. (This accounting is required by TIC, Chapter 1551.) In addition, the MA Carrier shall provide ERS with such other experience data and accounting information as ERS shall reasonably require. Additional information in this regard will be provided post Contract award.

C. **Composite and Rates**

MA Carriers are required to provide composite rates. Rates shall be provided for two (2) coverage categories:

- Member only; and
- Member and spouse.

ERS requires that rates for the coverage categories satisfy the specified rating relationships described herein.

Potential budgetary constraints could require modifications to any Contract entered into as a result of this RFP. The MA Carrier shall cooperate in good faith in the execution of any Contract amendment necessitated by budgetary constraints, and agree to comply with such requirements.

D. **Rating Requirements**

The following rating methods shall be employed and documentation provided as specified. Questions concerning the proper rating methodology for MA Carrier should be provided to ERS in a manner consistent with Section I.B.3.a.

- D.1. **Actuarial/Financial Contact:** The MA Carrier shall provide the name, mailing address, email address, telephone number, and fax number of the actuarial/financial personnel responsible for the preparation of the MA Carrier's rates. The named personnel should be capable of responding to inquiries concerning the rates, and they shall cooperate with requests for information made by ERS or its consulting actuaries. ERS' Benefit Contracts

division shall be copied on all written communications occurring between MA Carrier and ERS' Actuary.

- D.2. MA Carriers shall submit a proposed set of rates for the Benefits as described in Article III, *Eligibility and Program Information*, by completing Section F. of this Article.
- D.3. **HealthSelect and PBM Experience by County:** Appendix M reflects GBP FY 2010 paid claims experience by the member's county of residence which may be used by the MA Carrier to evaluate its service area rates. The claim experience is combined with enrollment by county to provide a cost per employee comparison. The drug claims are those incurred and paid in FY 2010 with dates of service in the period September 1, 2009 through August 31, 2010 and paid through August 31, 2010 (no run-off).
 - D.3.a. The Proposal shall include certification by a member of the American Academy of Actuaries that the rates are appropriate for CY 2012 and are neither excessive nor unfairly discriminatory.
 - D.3.b. The MA Carrier shall provide a complete description of the methods and assumptions and full documentation of the data used in developing the GBP-specific rates. The documentation should include (a) actual GBP utilization data and the historical and projected cost associated with providing services to GBP Participants, (b) information regarding prices and/or capitation arrangements, and (c) any other information that would be required for an independent actuarial confirmation of the GBP-specific rates.
- D.4. **Trend:** The MA Carrier shall provide documentation supporting the appropriateness of all trend assumptions, which have been used in the development of its rates. The trend assumptions may be based on provider negotiations, projections, etc., but the derivation of the assumptions shall be fully described. If the trend assumptions are derived on a component-by-component basis, list the components and allocate the trend to each component. The ERS consulting actuary will carefully scrutinize trend assumptions and will not recommend for approval rates that are based on excessive conservatism.
- D.5. **Administrative Expenses/Profit:** The MA Carrier shall provide an allocation of its administrative expense/profit charge by component, e.g., marketing, claims administration, network management, reinsurance, profit, etc.

In the evaluation of the MA Carrier's Proposal, administrative expense/profit charges shall be carefully evaluated by the ERS consulting actuary and a favorable recommendation concerning the proposed rates shall be in part dependent upon a determination that such charges are reasonable as compared to HealthSelect, the other MA Carriers and MA Carrier's general expense structure as indicated by its NAIC annual financial statement.

- D.6. **Premium and Maintenance Tax Exemption:** The premium rate derivation shall include specific recognition of ERS' premium and maintenance tax/fee exemption.

E. Rate Structure for Proposal

Proposed rates are to be guaranteed for the 12-month period beginning January 1, 2012 through December 31, 2012 (CY 2012) for each of the service areas for which MA Carrier proposes to offer services to GBP Participants. The required rating relationships are described on the Rate Proposal exhibit.

F. Rate Proposal Application CY 2012

F.1.

Proposed GBP Rates
01/01/12 – 12/31/12

(Name of Medicare Advantage PPO)

Using the following rate application chart, provide proposed monthly premium rates with or without Medicare Part D guaranteed for the 12-month period January 1, 2012 through December 31, 2012. All premium rates are derived from the Member Only rate based on the applicable rating formula. Complete separate charts for each separately rated service area. If Medicare Advantage PPO is submitting separately rated service areas, provide a listing of the counties included in each region. In general, ERS will consider only complete counties within a Medicare Advantage service area.

Rating Category	Monthly Rate with Part D	Monthly Rate without Part D
(1) Member Only		
(2) Member & Spouse		

NOTE: MA Carrier shall include one (1) Rate Proposal for each separately rated service area submitted in its response.

NOTE: ERS intends to compare MA Carrier premium rates versus the cost of providing benefits through its self insured plan. The premium rates proposed by the MA Carrier must provide savings to the state in order for the MA Carrier to be eligible for consideration. ERS will continue the process of evaluating the MA Carrier's proposed rates using ERS' own geographic, demographic and health status selection assumptions. Based on this analysis, ERS will determine whether the proposed premium rates provide adequate savings to the state.

NOTE: The premium of the MA should reflect the cost to compete directly with the coverage for Medicare eligible Members in the HealthSelect Plan. For Medicare eligible Members, HealthSelect utilizes a COB approach for non-prescription drug coverage. As a result, the Member has little or no out-of-pocket cost for non-prescription drug expenses. Therefore, the MA Carrier should be priced on a basis so that Members have very limited or no out-of-pocket expense for non-prescription medication.

F.2. Aggregate amount placed at risk for Medicare Advantage Program *performance guarantees* \$_____

Note: The *Performance Guarantees*, as referenced in Appendix G, shall reflect a total annual premium dollar amount the MA Carrier is willing to put at risk as a performance incentive. At ERS' discretion, *Performance Guarantees* will be allocated to the various severity levels based on the total amount at risk. Assessments for any single Calendar Year will not exceed the total amount at risk.

G. MA Carrier Provider Reimbursement Arrangements

Indicate how the following network providers are reimbursed. Indicate with an "X" if the reimbursement mechanism is applicable.

<u>Providers</u>	_____	
Capitation		_____
Discounted Fee-for-Service		_____
Discounted Fee-for-Service with withhold		_____
Fee Schedule ⁽¹⁾		_____
Other ⁽²⁾		_____
<u>Specialty Care Physician</u>		
Capitation		_____
Discounted-Fee-for-Service		_____
Discounted Fee-for-Service with withhold		_____
Fee Schedule ⁽¹⁾		_____
Other ⁽²⁾		_____
<u>Hospital</u>		
Capitation		_____
Fee Schedule ⁽¹⁾		_____
DRG		_____
Per Diem ⁽³⁾		_____
Discounted Fees		_____
Other ⁽²⁾		_____
<u>Behavioral Health Facility</u>		
Capitation		_____
Fee Schedule ⁽¹⁾		_____
DRG		_____
Per Diem ⁽³⁾		_____
Discounted Fees		_____
Other ⁽²⁾		_____
<u>Pharmacy</u>		
Retail Dispensing Fee		_____
Retail Average Wholesale Price ("AWP") Brand Discount		_____
Retail Generic Pricing		_____
Mail Order Dispensing Fee		_____
Mail Order AWP Brand Discount		_____
Mail Order Generic Pricing		_____
Rebates as a % of Total Drug Costs Per Year		_____

Footnotes:

- (1) Provide detailed explanation; e.g., if RBRVS is used, explain derivation and relationship to Medicare RBRVS.
- (2) If "Other" category is used, provide a complete explanation of such reimbursement mechanism.
- (3) If Per Diem is used, list categories of per diem, e.g., normal delivery, medical, surgical, etc.

V. Communication Requirements

This Article describes the MA Carrier's requirements in communicating with Medicare eligible Participants, employers, ERS staff, and other constituents, as further described herein. MA Carrier shall administer its plan in a manner consistent with all applicable state and federal laws, regulations and rules of ERS, and at the direction of the ERS Board, its Executive Director, and ERS staff. The cost of the requirements described herein shall be recovered by the MA Carrier only by making provision for such expenses in the MA Carrier's *Rate Proposal* in Article IV.

The MA Carrier's communication materials designed for GBP Participants cannot, and MA Carrier represents and warrants that it shall not, advertise or promote coverage, services, products or materials, other than those relating to the MA Carrier's participation in the GBP. Prior approval of all communication material's design and content shall follow a formal process that requires ERS' documented authorization. In all cases, the MA Carrier is not allowed to disseminate materials or information relating to the GBP program without prior written ERS approval. The final materials used by the MA Carrier shall not differ in form or utility from those approved by ERS.

CMS rules and regulations may conflict with the rules and guidelines from ERS' communication requirements as stated herein, CMS' rules and regulations will prevail over ERS' communication requirements.

A. General Information

In all cases, MA Carrier communication materials, whether disseminated via the Internet, written, or in oral form shall be approved by ERS prior to dissemination. MA Carrier is required to submit to ERS for prior approval draft copies of all proposed marketing materials to include, but not be limited to: power point presentations, scripts for presentations, newspaper/press releases, billboard, television, and radio advertisements for MA and GBP AE or for any other GBP-specific purpose (as required in the latest version of the *Marketing Guidelines for GBP & ERS Vendors*, Appendix H). The final materials used by the MA Carrier shall not differ in form or utility from those approved by ERS.

- A.1. **Prohibition.** During MA and GBP AE, and ongoing communication process, the MA Carrier shall not discuss, advertise, distribute, or in any manner allude to coverage, products, or materials other than those explicitly relating to the MA Carrier's participation in the GBP. This product marketing prohibition also applies to the GBP-specific website to be used by GBP Participants.
- A.2. ERS shall review and approve all communication materials designed for GBP members and GBP employers or that references the GBP. MA Carrier shall provide this material electronically in a format that allows for online editing. MA Carrier shall have the ability to customize said material to ERS specifications. MA Carrier shall not distribute these communication materials until they have gone through a formal review process at ERS and have received ERS' documented approval authorization. Following this approval, MA Carrier may not alter the materials in any way.
- A.3. In addition to GBP-specific materials, ERS may suggest refinements to other materials and will work with the MA Carrier to modify materials as needed. These include operating documents such as Explanation of Benefits ("EOB"), claim approval and denial letters, other claims processing documents and promotional items.
- A.4. **MA Carrier Training Requirement.** MA Carrier's Account Team shall have designated resources available to provide training as needed to ERS staff, employers and GBP Participants. Training may be conducted in person in individual or group settings or via webcast or conference call. Training related to MA Carrier internal operations shall be provided to ERS Customer Benefits and Benefit Contracts staff upon ERS' request. Staff training shall occur randomly throughout the year based on changes to operations or plan design and as ERS determines to be necessary. MA Carrier should have resources sufficient to provide fifteen (15) full days of training each year. ERS must approve training agenda and materials for external training. Training will be designed to meet specific learning goals. MA Carrier should be able to provide web-based training, in addition to in-person training.

- A.5. **Plain Language Requirement.** MA Carrier is responsible for a wide variety of communication materials explaining the plan to eligible employees, retirees, and their dependents. ERS requires the MA Carrier to comply with TDI's plain language requirements as outlined in the Texas Administrative Code, Title 28, Part I, Chapter 3, subchapter G § 3.602, and as it may be amended in the future for all communication materials related to the health benefit plans, except where TDI rules may conflict with the rules and regulations of CMS applicable to MA Carriers. Material submitted to ERS for approval should be at the 8th grade reading level with limited use of jargon. The material shall conform to ERS branding and communication guidelines. Material shall be subject to editing and customization, including legal disclaimers and other standard language. On occasion, review and approval may be less than fifteen (15) business days. These types of "rush" jobs require prior approval from ERS' Communications and Research ("CAR") divisional designee.
- A.5.a. Communication to Participants in the GBP Programs shall be clear and understandable, using terminology familiar to Participants, customized, as required by ERS, to comport with the GBP health benefit plan design and approved by ERS prior to dissemination. All MA Carrier communication materials shall meet Americans with Disabilities Act ("ADA") requirements for accessibility.
- A.5.b. Communication material shall be available in both print and electronic forms. Certain material, such as provider directories, may be made available electronically, only as long as printed materials can be provided to Participants upon request. Accommodations shall be made for individuals with visual and/or hearing impairments in the development, productions, and deployment of all communication materials to include web information.
- A.6. **MA Carrier Communication Materials.** ERS will assign a communications account manager to MA Carrier to manage communication material review and approval. MA Carrier will assign a communications representative to work with the ERS designee. This representative must be familiar with the applicable GBP program(s). In order to receive document approval, MA Carrier shall provide to the CAR divisional designee all communication material that requires pre-approval fifteen (15) business days to review prior to sending, disseminating or otherwise providing such written or oral communications to any person or entity. On occasion, review and approval may be less than fifteen (15) business days. These types of "rush" jobs require prior approval from ERS' CAR divisional designee. MA Carrier shall regularly review, revise and update, where necessary, all information contained on its website which relates to or may be utilized by any GBP Participants. MA Carrier shall not disseminate material without prior ERS approval or pressure ERS to advance the timeline as provided herein, other than at ERS' discretion.
- A.6.a. **Communication/Marketing Material Review Process.** Communication materials are considered "approved" when a final "printer's proof" or "test email" is delivered to ERS and subsequently approved by the CAR divisional designee, in writing. MA Carrier may not alter printer's proof in any way without ERS' permission.
- A.7. **Advertising and other communications.** MA Carrier is required to acquire ERS approval for all proposed newspaper, web, social media, billboard, television, and radio advertisements used to promote GBP benefit programs.
- A.7.a. MA Carrier's failure to receive ERS' approval for the use of GBP-specific communication materials prior to dissemination may result in a monetary assessment as referenced in the *Performance Guarantees* in Appendix G.
- A.8. **Media Relations, Public Information and Outreach.** As an MA Carrier for the GBP, MA Carrier may receive inquiries from interested third-parties relating to the MA Carrier's program administration, benefits and/or services. Although information about and generated under this Contract may fall within the public domain, MA Carrier shall not release information about or related to this Contract to the general public or media verbally, in writing, or by any electronic means without prior approval from the ERS Assistant Director ("AD") of Benefit Contracts, or designee, unless MA Carrier is required to release requested information by law.

ERS reserves the right to announce to the general public and media:

- award of the Contract;
- Contract terms and conditions;

- scope of work under the Contract;
- deliverables and results obtained under the Contract;
- impact of Contract activities; and
- assessment of MA Carrier's performance under the Contract.

Except where ERS approval has been granted in advance, the MA Carrier shall not seek to publicize and shall not respond to unsolicited media queries requesting announcement of Contract award, Contract terms and conditions, Contract scope of work, government-furnished documents ERS may provide to MA Carrier to fulfill the Contract scope of work, deliverables required under the Contract, results obtained under the Contract, and impact of Contract activities. If contacted by the media about this Contract, MA Carrier agrees to notify the ERS AD of Benefit Contracts, or designee, in lieu of responding immediately to such media queries.

- A.8.a. **Media Inquiry Process.** The MA Carrier shall verbally respond immediately to any media inquiries acknowledging receipt of query and provide the media with an expected timeframe for MA Carrier response based upon MA Carrier's understanding of the media request and an estimate of time required to respond.
- A.8.b. If an MA Carrier identifies that an inquiry is directly related to a GBP program and/or GBP program Participant, the MA Carrier shall immediately provide a high priority written notification to the AD of Benefit Contracts, or designee, outlining all details related to the media's inquiry and all known facts of the related circumstances.
- A.8.c. If the case is GBP related, ERS will provide MA Carrier with:
- a. specific instructions on how to manage the media inquiry moving forward;
 - b. direction regarding the handling of the member related issue(s) and/or complaint(s); and
 - c. if appropriate, provide MA Carrier with an ERS directive on Operational or CSR internal control modifications necessary to avoid problem recurrence.
- A.8.d. If the MA Carrier determines that neither a GBP program nor GBP program Participant is impacted, MA Carrier may respond as appropriate and agrees to provide ERS' AD of Benefit Contracts with a copy of the response information no less than 48 hours from dissemination.
- A.9. **Quality Control.** MA Carrier shall ensure that all communication materials submitted to ERS will reflect quality production, accuracy, timeliness, and thorough review. All GBP-approved benefit and legal documents, website, GBP-specific media responses, required reports (to include *ad hoc* reports), and dated materials shall at the minimum, but not be limited to, reflect the following criteria:
- Appropriate Calendar Year;
 - Accurate data related exclusively to the GBP, unless otherwise specified by ERS; and
 - Contain GBP-specific language.
- A.9.a. All such materials shall be provided within the required timelines as directed by ERS staff and/or its consultants and may not be released to outside sources without prior ERS consent.
- A.9.b. An MA Carrier's failure to provide accurate, timely and GBP-specific communication materials may result in a monetary assessment as reflected in the *Performance Guarantees*, Appendix G.
- A.9.c. Following ERS review and once edited materials have been provided to the MA Carrier, the MA Carrier shall conform all documents as reflected by the ERS designated deliverable dates. If the edits, or other mutually agreed upon resolution of those edits, have not been completed by the ERS designated due date, the MA Carrier may risk a monetary assessment as required in the *Performance Guarantees*, Appendix G.
- A.10. **Participant Requests for Communication Materials.** The MA Carrier shall, at its expense, respond to all Participant requests for mailed materials no later than three (3) business days following a Participant's request.

B. Agency/Higher Education Institution Communications

- B.1. MA Carrier approved by the Board for CY 2012 should be prepared to attend a meeting following Board approval to discuss MA Carrier's customer service, communications requirements, and MA AE meeting responsibilities. The MA Carrier may be required to attend a meeting scheduled by CAR at a later date and time regarding the GBP AE meeting responsibilities.
- B.2. **Agency/Institution Contacts.** There are approximately two hundred seventy-five (275) agencies of the state and higher education institutions that employ GBP members. Many agencies/institutions have staff dedicated to benefits enrollment and education, called a benefits coordinator ("BC"). MA Carrier shall have resources dedicated to responding to BCs and other agency/higher education institution contacts. MA Carrier shall provide escalated customer service, as well as training and educational presentations/materials, to agencies/higher education institutions throughout the year.
- B.2.a. MA Carrier shall process requests from agencies/higher education institutions for communication materials for their employees. MA Carrier shall also process requests from individual retirees for printed communication materials upon request. In addition, MA Carrier may be asked to provide materials to employee and retiree associations, such as the Retired State Employees Association, Executive Women in Texas Government, the Texas Association of State Human Resource Managers, the Texas Public Employees Association and the Texas State Employees Union at MA Carrier's expense.
- B.3. **Presentations and Events.** MA Carrier shall have a GBP-knowledgeable representative available to attend numerous ERS-sponsored events throughout the year to include:
- MA AE(Additional resources will be needed during this timeframe and will be determined by ERS;
 - GBP AE fairs (Additional resources will be needed during this 30-day period);
 - Wellness fairs;
 - Benefit seminars hosted by ERS throughout Texas;
 - Annual retiree conference;
 - Various association events and conferences; and
 - Benefit Webinars.
- B.3.a. In addition to ERS-sponsored events, MA Carrier shall provide at least one (1) GBP knowledgeable representative to attend the following employer sponsored and miscellaneous events to include, but not be limited to:
- Benefits fairs;
 - New employee orientations hosted by employers; and
 - Annual employer conference.
- B.3.b. MA Carrier shall provide no fewer than one (1) GBP knowledgeable representative at each fair who is well versed in the products and services to be offered to GBP Participants.
- B.3.c. The dedicated resource must be an experienced presenter able to communicate effectively to large groups. Some events will require the representative to set up and staff an information table to offer GBP-approved communication materials and individualized customer service.
- B.3.d. ERS' CAR divisional designee will designate those events for which MA Carrier's attendance is required. MA Carrier acknowledges and accepts that additional obligations and enhancements to these requirements may become necessary should benefit plan changes warrant.
- B.4 **Enrollment Campaign.** MA Carrier shall create custom communication materials for each enrollment campaign. This material includes, but is not limited to:
- An enrollment presentation to be recorded and posted on the ERS website and delivered upon request at enrollment events;
 - Targeted enrollment communication brochures;
 - Welcome letter to new Participants;
 - Brochures explaining plan changes and updates; and
 - General plan information.

C. MA Carrier Communication Materials

- C.1. All of the following information shall be included with the materials submitted for application in the format required in the latest version of the *Marketing Guidelines for GBP & ERS Vendors*, Appendix H, and in the latest version of the *ERS Brand Guidelines*, Appendix K, and accessible on the CD-ROM in Word or Excel format (no PDF documents will be accepted, with the exception of sample marketing and audited financial materials).
- C.2. MA Carrier shall have the ability to provide customizable communication materials listed below. Communication materials include, but are not limited to:
- Evidence of Coverage;
 - Benefits Book, if applicable;
 - Welcome packet;
 - Brochures and newsletters;
 - MA Carrier GBP-specific website;
 - Presentations Scripted responses used by customer service representatives;
 - IVR scripting;
 - Member communication and general information pieces;
 - AE and Welcome Letters;
 - Provider directory, including a specific disclaimer stating that the list of providers is subject to change;
 - Fact Sheet with MA Carrier Schedule of Benefits;
 - News releases/Contract signing announcements;
 - Annual HIPAA exemption notice and benefit changes summary;
 - Articles for ERS newsletters;
 - News updates for ERS website;
 - Wellness, disease management, and cost-management pieces;
 - Value-add benefits pieces;
 - Publications listing with audience and publish target dates;
 - Token giveaways for enrollment fairs, events; and
 - Other related statements.

The MA Carrier shall disseminate only GBP-specific approved materials at all events. Disseminating unapproved material, or material that is not customized for GBP Participants, could result in the levying of *Performance Guarantees* as referenced in Appendix G.

Any cost for these forms should be included as a part of the MA Carrier's proposed fees. ERS shall retain the right to change or modify such material to accommodate ERS' specific needs.

- C.3. MA Carrier shall design and/or print certain ERS communication materials on behalf of ERS. These materials are in addition to the communication materials that the MA Carrier must produce as part of the contract. Each year, MA Carrier will secure a print/fulfillment vendor on ERS' behalf and invoice ERS when the printing job is completed.
- C.3.a. These tasks include, but are not limited to:
- Setting print/fulfillment bid specifications with assistance from ERS staff;
 - Sending print/fulfillment bid specifications to prospective vendors;
 - Receiving bids from prospective vendors on printing/fulfillment;
 - Answering questions (with assistance from ERS staff) from prospective vendors on print/fulfillment bid specifications;
 - Selecting an economical print/fulfillment vendor based on bid specifications;
 - Conducting or attending periodic meetings on ERS print job with ERS staff and vendor;
 - Serving as intermediary between ERS staff and vendor;
 - Communicating with ERS staff and vendor in a timely fashion about printing and distribution specifications and deadlines;
 - Comparing vendor invoices with the original bid, providing sign off, and obtaining sign off from ERS staff;
 - Obtaining clarification (if needed) on vendor invoices;
 - Submitting selected printing invoice to ERS staff for final approval;
 - Paying printing vendor after invoices are approved by ERS; and

- Submitting MA Carrier invoice to ERS for reimbursement.
- C.4. **Confidential Information.** Materials that contain protected health information or other confidential information such as the member ID number must be mailed in an envelope or other mailing service device designed to secure the confidential information from casual viewers.
- C.5. **Evidence of Coverage.** MA Carrier understands, agrees and acknowledges that the Contract between ERS and MA Carrier shall control over the EOC in connection with the contractual relationship between ERS and the MA Carrier.
- MA Carrier is required to produce a printed EOC for CY 2012, as well as to publish it on its GBP-specific website. MA Carriers shall submit a proposed EOC on a separate CD-ROM (in Word or Excel document, no PDF documents will be accepted) and include a sample ID card in its Proposal materials. MA Carrier's currently participating in the GBP shall submit a version with tracked changes of their proposed EOC with the RFP response using their current GBP EOC as the starting point. The tracked change version shall indicate ALL proposed revisions.
- C.5.a.i. An MA Carrier's must provide a tracked change version of their proposed EOC for the upcoming Plan year. Once the EOC has been reviewed by ERS and all edits made, the EOC shall be submitted to CMS for approval. All EOC modifications required by CMS shall be provided to ERS, as well as any subsequent EOC revisions occurring during the calendar year. MA Carrier shall inform ERS in writing once the EOC has received CMS approval. ERS requires that printed copies of the CMS-approved EOC be immediately available to requesting Participants within three (3) business days of CMS approving the document, but no later than forty-five (45) calendar days following the start of the Plan year. The final published EOC posted on the MA Carrier's GBP-specific website shall not differ from that which was approved by CMS and provided to Participants in printed form.
- C.5.a.ii. The EOC shall include an identical copy of the MA Schedule of Benefits, a complete list of limitations and exclusions, including all plan provisions and the CMS-approved member complaint and appeal process. MA Carriers are required to include the GBP-specific eligibility rules as found in the Board of Trustee Rules, Title 34, § 81.5.
- C.5.a.iii. **EOC Approval/Delivery Requirements.** A proposed, final draft of the MA Carrier's EOC for CY 2012 shall be published and reflected in the MA Carrier's test website available on the last Thursday in November 2011. CMS approved EOC shall be complete and all information reflected on the live MA Carrier website within three (3) business days of CMS approving the document, but no later than forty-five (45) calendar days following the start of the Plan year or the MA Carrier risks a monetary assessment as reflected in the *Performance Guarantees*, Appendix G.
- C.5.a.iv. The MA Carrier shall submit its finalized EOC to CMS so that one (1) CD-ROM version (in Word or Excel format, PDF documents will not be accepted) of the MA Carrier's CY 2012 EOC shall be received by ERS' Benefit Contracts no later than forty-five (45) calendar days following the start of the Plan year.
- **New Enrollees.** The EOC shall be mailed to all new enrollees who request a printed copy within five (5) business days after the MA Carrier receives the Participant's request. For all other purposes, the EOC's publication on the MA Carrier's website shall be provided as required in this section.
 - **Current MA Membership.** Within thirty (30) days following CMS approval, the EOC and applicable amendments shall be published on the MA Carrier's website and shall be mailed within five (5) business days to all currently enrolled Participants if a printed copy is requested.
- C.6. **Annual Enrollment or Welcome Letter.** The Welcome Letter should contain information about the MA Carrier. For currently participating MA Carriers, an AE letter announcing any benefit changes from the previous year, including any formulary changes, shall be mailed to the current membership one (1) week prior to the start of the new calendar year. The communication piece shall contain instructions on how to access information and forms using the web and include the customer service address, phone numbers, and hours of operation.

MA Carriers shall not utilize a postcard or flyer format for this communication piece. For new GBP MA Carriers, the Welcome letter should provide Participants with general information about the MA Carrier's health and pharmacy benefit designs, including customer service address, phone numbers, and hours of operation. A new MA Carrier's The Welcome Letter should be available at the same time the two-page Fact Sheets are available to BCs.

C.7. **Welcome Packets.** MA Carrier Welcome Packets shall be produced for CY 2012 by the selected MA Carrier(s) and mailed to approximately 64,912 Medicare eligible Participants during MA and GBP AE at ERS' direction. The MA Carrier shall coordinate with other appropriate GBP Vendors as appropriate to provide supplementary program information to be included in the Welcome Packets. New enrollment packets shall be mailed by MA Carrier throughout the calendar year. A proposed sample of a MA Carrier Welcome Packet shall be included in MA Carrier's response to this RFP. This packet should contain, but not be limited to, the following materials:

- Welcome Letter;
- Fact Sheet;
- Benefits Summary;
- Information on disease management and cost management features;
- Information on value added benefits;
- MA Carrier customer service contact information;
- HIPAA Exemptions; and
- Sample EOB.

C.8. **Fact Sheet.** The Fact Sheet shall consist of no more than two (2), front and back, 8.5 x 11 size pages. Sample Fact Sheets shall be included with MA Carrier's response. Once the Fact Sheet contents are approved by the CAR divisional designee, the MA Carrier shall distribute to employees through BCs (date to be announced) and shall be mailed directly to Medicare eligible Participants and other direct pay Participants by MA Carrier within five (5) business days upon request. MA Carrier agrees to reflect all Fact Sheet information on the GBP-specific website and as further outlined herein.

C.8.a. The Fact Sheet shall include, but not be limited to, the following information:

- The MA Carrier's Customer Service contact information, including the phone number, email and physical address, hours of operation, and ERS' website address.
- An EXACT replication of the Schedule of Benefits.
- Reflect the GBP Privacy Policy.

C.9. **Identification ("ID") Cards.** MA Carrier shall issue ID cards to all eligible Participants, including eligible spouses, who enrolled during MA AE. and subsequent to MA AE, when a change is reported. Reference Sections VI.G.2. – VI.G.2.a., *Operational Specifications*, for further requirements.

C.9.a. MA Carrier shall submit an electronic mock-up of a proposed GBP-specific ID card with MA Carrier's Proposal on CD-ROM. Failure to produce GBP-specific ID Cards as outlined herein may result in a monetary assessment as reflected in the *Performance Guarantees*, Appendix G.

C.9.b. ID card delivery requirements are further discussed in Sections VI.G. – VI.G.2.a, *Operational Specifications*.

C.9.c. Pursuant to H.B. 1138 of the 81st Legislature § 1369.153, MA Carrier shall issue a separate pharmacy benefit ID card to each Participant that shall include on the front of the card:

- The name of the entity administering the pharmacy benefits if the entity is different from the MA Carrier issuer;
- The group number applicable to the Participant;
- The identification number of the Participant, which may not be the Participant's social security number;
- The effective date of the coverage evidenced on the card; and
- The copayment information for generic and brand-name prescription drugs.

In addition to the above referenced information, the issuer of the MA Carrier shall include:

- The logo of the entity administering the pharmacy benefits if the entity is different from the MA Carrier issuer; and
- The telephone number for contacting an appropriate person to obtain information relating to the pharmacy benefits provided by the plan.

C.9.d. The MA Carrier is not required to issue a separate pharmacy benefits ID card if the MA Carrier administers its own pharmacy benefits; however, the health benefits ID card shall contain the information required in Section V.C.9.c. above.

C.9.e. The MA Carrier is responsible for the production and any mailing costs associated with the delivery of ID cards to Participants. Additional ID card requirements are located in Sections VI.G.2. – VI.G.2.b. The cost of the requirements described herein shall be recovered by the MA Carrier only by making provisions for such expenses in the MA Carrier's Financial Requirements and *Rate Proposal* in Article IV.

C.10. **Provider Information.** No provider may be listed on the MA Carrier's website or distributed to the program Participants through the health plan's customer service unless a signed Contract is in place. In the event the MA Carrier provides incorrect information and a Participant seeks medical treatment based on that information, the MA Carrier agrees to recognize and be financially responsible for any services rendered by that provider, under the terms of the Contract, as if the provider had been under Contract.

C.11. **Provider Directories.** MA Carrier shall not be required to provide printed versions of its Provider Directories, but copies (or materials which become stale dated at the time of printing) shall be provided to the GBP Participant upon request and such hard copy material(s) shall be received by the Participant no later than seven (7) business days from the date of request. Also, a published Directory shall be accessible at all times online.

C.12. **Member and Consumer Information Sources.** The MA Carrier shall have a variety of tools and information sources for GBP Participants. This includes, but is not limited to, the following:

- New Participant and MA and GBP AE information;
- Examples of cost scenarios to help members understand how MA works; and
- Non-web information similar to web tools for those without web access.

C.13. **GBP Custom Website.** MA Carrier shall publish and maintain a custom website for GBP Participants and prospective Participants in a format prescribed by ERS. Neither MA Carrier nor its subcontractors can advertise or link to products or services without the express prior written permission of the CAR divisional designee.

The GBP website shall be directly linked to the ERS homepage. The GBP website shall be in final form and linked as required by ERS no later than the first business day of December of each year. An MA Carrier's failure to provide the GBP-specific website as outlined below may result in a monetary assessment as reflected in the *Performance Guarantees*, Appendix G.

C.13.a. **Proposed website materials.** The MA Carrier shall provide ERS with a test site for review sixty (60) days prior to the go-live date. The URL address, all screen shots, and instructions on how to access the MA Carrier's test website are required for submission with MA Carrier's bid response materials. All links and web pages shall clearly identify the plan year for which the information applies.

C.13.b. **All MA Carrier "Test" websites.** MA Carrier shall provide a fully developed GBP-specific test website, capable of being linked to the ERS Internet home page. Following ERS' approval of test websites and prior to being linked to the ERS website, MA Carrier shall provide documentation of a test plan, test scripts (e.g., to ensure all links are working), completion of testing, and final sign off. The MA Carrier's test website shall transition from a test phase to fully operational and be linked to the ERS website with all information and components as reflected below no later than thirty (30) business days prior to the go-live date or risk a monetary assessment as required in the *Performance Guarantees*, Appendix G.

C.13.c. The MA Carrier's home page shall include the following primary access links:

- MA Carrier's Privacy Plan;

- Customer Service contact information;
 - Benefits summary;
 - Account specific information with PIN access;
 - On demand real time provider information and search capabilities;
 - Disease Management Services;
 - Wellness Services; and
 - Search function.
- C.13.d. The MA Carrier's home page shall include both the GBP health plans logo and the ERS logo as required by the latest version of the *Marketing Guidelines for GBP & ERS Vendors*, Appendix H, and the *ERS Brand Guidelines*, Appendix K, and specified below:
- C.13.e. The final approved MA Carrier website shall provide real-time data related to the provider network. Participants shall be capable of obtaining the same information using the website as they would if they were to contact an MA Carrier customer service representative.
- C.14. **MA Carrier Access Portal.** MA Carrier shall provide an easy to use member portal that provides access to a secure website that allows Participants to:
- View medical coverage;
 - View and print EOB for claims;
 - Locate a provider using specified search criteria, including location, specialization and the acceptance of new patients;
 - Take a health risk assessment;
 - Download forms;
 - Acquire a temporary ID card;
 - Stop paper statements;
 - Compare treatment costs;
 - Provide information on any value-added products offered; and
 - Provide health and wellness information.

D. MA Carrier Website Content

- All content for the GBP website shall be approved by ERS prior to publication. The final materials used by the MA Carrier shall not differ in form or utility from those approved by ERS. The MA Carrier GBP-specific website shall include the following information.
- D.1. The website shall provide self-service transactions for Participants to:
- View the PCP selection and an 18-month history of claims;
 - View a deductible and coinsurance maximum total paid to date;
 - View and print a claims EOB;
 - Print a temporary ID card and claim form;
 - Compare treatment costs;
 - Complete and submit a Health Risk Assessment;
 - Locate a PCP based on specific geographic requirements;
 - Lodge a service complaint, and escalate unresolved complaints and to request a telephone call back within one (1) business day;
 - See and print an annual summary of out-of-pocket expenses for GBP Health services, suitable for submission to the Internal Revenue Service for income tax purposes and to the flexible benefits administrator for Section 125 claims;
 - Communicate with customer service representatives using live chat;
 - Search the full website using a key word and/or phrase; and
 - Provide a "return to home" button, which returns the viewer to the ERS CY 2012 home page.
- D.2. **Calendar Year Information.** The GBP home page shall include the following information:
- Information that welcomes new Participants and introduces the Participant to the MA Carrier and summarizes the basic coverage benefits;
 - Direct link to ERS' website. MA Carrier shall indicate the current dates for MA and GBP AE and remove all references to MA and GBP AE no later than January 1 of that calendar year;
 - Accessing Emergency Care;
 - Helpful Phone Numbers and Websites; and

- Transitional benefits guidelines.

D.2.a. **Link to MA Carrier's Privacy Plan**

D.2.b. **Link to Customer Service Page** to include the following information:

- Phone numbers and hours of operation;
- Physical address of plan site;
- Link to MA Carrier's Complaint Process;
- An email address or a link to a mailbox for Participants to send customer complaints and questions directly to the MA Carrier. MA Carrier should respond to email complaints/inquiries with no more than a 24 hour (business days) turnaround. A tracking system for email complaints shall be in place similar to the tracking of telephone complaints to provide to ERS;
- Any applicable interactive forms; i.e., Claims, or PCP selection form;
- Member Handbook is preferred, but not required if not applicable to MA Carrier's delivery of care; and
- Link to MA Carrier's Appeals/Grievance Process.

D.2.c. **Link to Benefits** to include the following information:

- AE or Welcome Letter;
- Fact Sheet;
- Schedule of Benefits; and
- EOC, including any necessary riders to comply with the Schedule of Benefits. The EOC shall contain the Schedule of Benefits and all exclusions as required by CMS. The current calendar year website, including the EOC, shall be available until December 31, 2011. Following CMS' approval, the EOC for CY 2012 shall be published on the website within thirty (30) business days and a copy shall be provided to ERS on CD-ROM no later than February 1, 2012.

D.2.d. **Link to Prescription Drug Information** as determined by ERS and provided by the PBM.

D.2.e. **Link to Provider Look-Up and/or Provider Directory** to include following information:

- Instructions on selecting a network provider.
- Provider Look-up shall be updated real-time. Users should be able to search by ZIP code and get a map and directions to the provider's office. It should indicate that the provider is: a general physician, specialist, or ancillary provider, e.g., physical therapist and indicate provider number, network affiliation; i.e., independent vs. group practice and if he or she is accepting new patients. MA Carrier shall include a disclaimer that providers are subject to change.

D.2.f. **Link to Disease Management Services** to include the following information:

- List those Disease Management programs currently provided;
- Provide a description for each Disease Management program referenced;
- Indicate how GBP Participant may get more information on any offered program(s); and
- Provide enrollment information/form.

D.2.g. **Link to Wellness Services** to include the following information:

- List those Wellness programs currently provided;
- Provide a description for each Wellness program referenced;
- Provide a Health Risk Assessment form;
- Indicate how GBP Participant may get more information on any offered program(s);
- Provide enrollment information/form; and
- Provide separate section for Wellness coordinators at GBP employing agencies and institutions.

VI. Operational Specifications

This Article describes MA Carrier's operational specifications. The MA Carrier shall administer the Plan in a manner consistent with all applicable state and federal laws and regulations, as well as ERS' administrative rules and at the direction of the ERS Board, its Executive Director, and ERS staff. The cost of the requirements described herein shall be recovered by the MA Carrier only by making provisions for such expenses in any proposed premium rates in the MA Carrier's *Rate Proposal* in Article IV.

MA Carrier shall submit its "group number" and provide a list of lead contacts to both ERS Communications & Research and Benefit Contracts Divisions by the first working day of the month following Board selection. The MA Carrier agrees that it shall cooperate with ERS and be flexible in its efforts to ensure a smooth program implementation.

The MA Carrier must provide a technical contact that will provide support to ERS' Information Systems Division for Electronic Data Interchange issues. ERS will work with the MA Carrier on these requirements following Contract award.

A. Operational Requirements

- A.1. The MA Carrier shall provide all services specified in this RFP, including, but not limited to the following:
 - A.1.a. **Enrollment Verification.** To assist in verifying enrollment, ERS may provide online access to its enrollment system, PeopleSoft. Online access shall be operational one week prior to the start of MA AE. Staff trained on ERS' enrollment system shall be available during all customer service open hours.
- A.2. **Audit.**
 - A.2.a. ERS may contract with an auditing firm to conduct periodic audits of MA Carrier. MA Carrier shall be required to cooperate with and support the efforts of the auditors. Neither ERS nor the auditors will be required to indemnify the MA Carrier for any costs incurred in connection with these audits.
 - A.2.b. ERS or any of its duly authorized representatives shall have access to any GBP-related information during the term of the Contract and until the expiration of seven (7) years after the final payment is made under the Contract, and have access to and the right to examine any pertinent books, documents, papers, and records of the MA Carrier involving transactions relating to the Contract. In the event there arises any claim, dispute, or litigation concerning the Contract, the period of access and examination described above may continue until the disposition of such claim, dispute, or litigation has been deemed final.
- A.3. **Network.** The selected MA Carrier(s) shall have in place a statewide preferred provider organization network which will offer access to all GBP Medicare eligible Participants.
 - A.3.a. MA Carrier is responsible for having a network available that can provide access to all covered services under the Contract.
 - A.3.b. MA Carrier shall include a broad pharmacy network for all GBP Participants.
 - A.3.c. ERS requires that network providers be responsible for obtaining all necessary re-certifications and prior authorizations and for paying any assessed penalties for not obtaining necessary authorizations.
- A.4. **Reporting.** ERS will coordinate with the MA Carrier in the development of a comprehensive reporting package as further described in Section VI.E.
 - A.4.a. At the request of ERS, the MA Carrier shall submit additional *ad hoc* reports on information and data readily available to the MA Carrier at no additional expense to ERS or the GBP.
- A.5. **Subrogation and Reimbursement.** Subrogation and Reimbursement may apply when another party (person or organization) is or may be considered responsible for payment

resulting from a Participant's injury or sickness for which benefits under the GBP shall be or have been provided. The MA Carrier shall provide subrogation services, which will include, but not be limited to, investigating claims to determine potential third-party liability, contacting Participants to obtain information related to third-party liability, initiating demands and assessments to protect the GBP's interests, supporting intervention in litigation when necessary, enforcing remedies for violation by Participants of their subrogation and reimbursement obligations.

MA Carrier shall be responsible for all costs associated with subrogation activities and litigation. MA Carrier's provision for such costs should be included in its premium.

- A.6. **Fraud and Abuse.** The MA Carrier shall use automated systems to detect fraud and misuse of the program, overpayments, wrongful or incorrect payments, unusual or extraordinary charges, verification of enrollment and unnecessary medical treatment. The MA Carrier shall also conduct thorough, diligent, and timely investigations with regard to fraudulent and suspicious claims and report monthly all such suspicious claims to ERS' Benefit Contracts division. The MA Carrier understands that ERS may develop further policies in connection with the detection and prevention of fraud or abuse of the GBP. The MA Carrier shall comply with all applicable laws and regulations and shall also comply with all ERS and CMS policies and is encouraged to develop additional safeguards as allowed by law. The Contract has additional requirements in this regard. Examples of standards for detecting fraud and abuse are as follows:
- MA Carrier shall provide a toll-free number and an Internet link for Participants to report fraud and abuse.
 - MA Carrier shall utilize EOBs for the tracking of phantom billing.
 - MA Carrier shall monitor the licensure of providers to ensure claims of non-licensed providers are denied.
- A.6.a. The MA Carrier must coordinate with the PBM to exchange patient health care information and to educate network providers and pharmacies regarding any requirements related to prescription drug dispensing and usage.
- A.6.b. The MA Carrier's utilization review unit shall provide authorization of medically necessary services.
- A.6.c. The MA Carrier shall provide certain reports that are required to administer a fully-insured plan.
- A.6.d. The MA Carrier shall provide legal and technical assistance as it relates to the operation and administration of the GBP.
- A.7. **Provider Network Management Requirements.** The MA Carrier shall provide all services specified in this RFP, including, but not limited to the following:
- A.7.a. The MA Carrier shall provide initial and ongoing recruitment, credentialing and contracting with a sufficient number of qualified and duly licensed Health Care Providers, as defined herein, in good standing with the state of Texas, to provide the full range of covered benefits and services in the network service areas. The MA Carrier shall provide ongoing management of network providers in accordance with applicable laws, regulations, credentialing criteria, and provider contracting provisions.
- A.7.b. The MA Carrier shall provide initial and ongoing provider education to ensure that network providers are familiar with and knowledgeable of the benefits (including any benefit design changes) and other plan provisions.
- A.7.c. The MA Carrier shall provide ongoing review of the fees paid to network providers and recommend adjustments as appropriate, subject to consultation with and approval by ERS.
- A.7.d. The MA Carrier shall provide ongoing review and reports as requested regarding network provider accessibility with respect to driving time and appointment waiting time.
- A.7.e. The MA Carrier shall conduct an ongoing provider quality assurance review to be monitored via periodic Participant surveys and other reporting mechanisms.

- A.7.f. The MA Carrier shall provide ongoing utilization management, including preauthorization of services and monitoring, and enforcement of compliance with medical protocol.
 - A.7.g. The MA Carrier shall provide ongoing review of complaints received from Participants and providers and respond as necessary and appropriate; monitor the denials of benefits made under the utilization management program to maintain the appropriateness of the medical protocol; and provide information to ERS about the utilization management program as requested.
 - A.7.h. When requested by ERS, the MA Carrier shall recruit additional providers for the network on a general, regional or specific basis.
 - A.7.i. MA Carrier shall provide to an authorized representative of ERS, for ERS' approval, a template or form letter or other means of standardized communication prior to sending, disseminating or otherwise providing such written or oral communications to any person or entity reasonably connected to or involved in the GBP. MA Carrier shall regularly review, revise and update where necessary, all information contained on its website that relates to or may be utilized by the GBP and any of its Participants.
- A.8 **Grievance and Appeals.**
- A.8.a. The MA Carrier shall perform a complete investigation of all complaints, grievances and appeals and make decisions regarding medical necessity and the provision of health services or benefits under the Plan's medical policy.
 - A.8.b. The MA Carrier shall agree to establish, as necessary, mutually acceptable appeal and grievance procedures that comply in all respects to relevant state and federal law for any supplemental benefits not covered under CMS' required appeal/grievance procedures. The MA Carrier's grievance procedure shall be in compliance with all applicable state and federal statutes and federal regulations, including, but not limited to, rules and regulations of CMS.

B. Implementation Operational Requirements

- B.1. **Account and Implementation Teams.** No later than the fifteenth (15th) business r days following Board selection, MA Carrier shall provide to the Benefit Contracts AD or designee, a thorough listing of MA Carrier Account and Implementation Team contacts assigned to support the MA Carrier's Contract. The list shall identify an account "key point of contact" responsible for the implementation, coordination, and maintenance of the business relationship and continuity pertaining to all business matters in support of the Contractual Agreement.

The MA Carrier's Implementation and Post-Implementation Account Management Teams contact list should reflect key contact information (resume, office, fax, and cell phone numbers, email and physical addresses) for each MA Carrier Account and Implementation Team representative. MA Carrier shall ensure a smooth transition in the event of a change in MA Carrier for complete continuity, without exception, of all ERS communication processes and requirements as follows:

- MA Carrier shall inform, via email notification, the AD or designee of Benefit Contracts, in advance of any planned periods of unavailability by the Team's key point of contact.
- In any instance where a Team "key point of contact" is not available to ERS, MA Carrier shall immediately secure, and provide details of alternate coverage sufficient to meet ERS expectations.
- All Account Team appointments require ERS' pre-approval in writing. Any modification to team membership also requires the prior approval of ERS.

- B.2. **Implementation Team.** MA Carrier shall provide an Implementation Team to coordinate and expedite all Contract requirements as outlined and prioritized by the AD or designee of Benefit Contracts, to ensure complete continuity, without exception, of all interactive MA Carrier functions, deliverables, and objectives prior to and during the Contract's onset. At minimum, the Implementation Team shall have a dedicated Team Lead and back-up Team Lead with availability to ERS staff throughout the Implementation Period. Should additional team members become necessary to support implementation functions, MA Carrier shall

dedicate such appropriate staff at ERS' direction. MA Carrier shall provide brief summary resumes with this RFP response of the proposed Account and Implementation Team's points of contact for ERS' consideration and approval. ERS will approve proposed Implementation Team members on the fifteenth (15th) business days following Board selection via email notification from the AD or designee. At this time, MA Carrier shall provide the AD or designee, with contact information (resume, office, fax and cell phone numbers, email, and physical mailing addresses) for each MA Carrier Implementation Team representative.

- B.3. **Implementation Team Manager.** The implementation manager shall serve as ERS' primary contact throughout the Implementation Period, and shall have the legal authority to make binding decisions for the MA Carrier, and be accessible to ERS seven (7) days a week and twenty-four (24) hours per day during the Implementation Period. The Implementation Plan shall be attached to the Contract as an exhibit in the form most up-to-date at the time of Contract execution and may be modified thereafter by agreement of the parties.
- B.4. The MA Carrier acknowledges that it is impossible or impractical to estimate with any degree of certainty, the impact or damage that the failure of particular Implementation activities may have on the GBP and/or its Participants. Therefore, the MA Carrier agrees that Implementation failures, judged by ERS to have adversely harmed the GBP and/or its Participants may immediately subject the MA Carrier to the Liquidated Damages and *Performance Guarantees* provisions as reflected in Appendix G.

C. Post-Implementation Operational Requirements

C.1. Account Management

The MA Carrier shall establish and maintain throughout the term of the Contract an account management team that will work directly with ERS staff. This team shall include, but is not limited to, a designated account executive, a customer service manager, medical director, a clinical contact, a person responsible for preparing reports, and a management information system representative. Approval of the account management team rests with ERS. The MA Carrier's account management team shall provide all services specified in this RFP, including, but not limited to the following:

- C.1.a. The MA Carrier shall provide an Account Executive Team and make staffing adjustments, as required by, and acceptable to ERS. The results from the formal performance evaluation of the assigned account management team may be used in this determination. An ERS Account Executive Team shall be established no later than thirty (30) calendar days, following Board selection, and be available Monday through Friday from 8:00 a.m. to 5:00 p.m., central time, excluding national holidays.
- C.1.b. The MA Carrier shall provide a minimum of two (2) per calendar year face-to-face Account Executive reviews to ERS on the utilization and performance of the GBP Plan. The reviews shall include, but not be limited to, a presentation of the following information:
- Health program statistical outcomes;
 - Industry trends and best practices;
 - Plan recommendations; and
 - Other cost saving recommendations.
- C.1.c. **Meetings.** MA Carrier shall develop meeting agendas, coordinate meetings and provide documentation of actions in the form of meeting minutes for designated meetings with ERS at a scheduled time agreed upon by ERS and MA Carrier to include, but not be limited to:
- Implementation, if applicable;
 - Operational;
 - Analytical; and
 - Communications, etc.
- C.1.c.a. MA Carrier shall utilize ERS' meeting agenda template and provide meeting agendas one (1) day prior to scheduled meetings.
- C.1.c.b. MA Carrier shall provide the meeting minutes within four (4) business days after the day of the scheduled meeting for ERS' review and approval.

- C.1.d. ERS strongly believes that the account service relationship is the critical link in developing and maintaining a strong working relationship dedicated toward the achievement of plan objectives. As such, the MA Carrier shall be committed to providing ERS with service attention that is at the highest levels in the industry, and fully consistent with ERS' expectations. ERS shall define the criteria for measurement and evaluation of service performance.
- C.1.e. The MA Carrier shall notify the Director of Benefit Contracts, in writing, no less than ninety (90) calendar days prior to anticipated major changes to its network(s), provider reimbursement or other areas likely to impact the GBP Program. MA Carrier shall receive prior written approval from ERS' authorized representative prior to making any changes as addressed in this section.
- C.1.f. The MA Carrier shall notify ERS' Benefit Contracts Division, in writing, thirty (30) business days prior to implementing material changes in policies, business, and key personnel connected with the ERS account.
- C.1.g. The MA Carrier shall provide general administrative, legal and statistical support to assist ERS in the operation of the GBP Program and shall recover any associated costs by making provision for such expenses in the MA Carrier's *Financial Requirements and Rate Proposal*, Article IV.
- C.1.h. The MA Carrier shall provide ERS with priority positioning for delivery of *ad hoc* system service requests and/or issue resolutions. As reflected in Article IX, *Organizational Information* Section IX.C.7., the MA Carrier shall designate a Technical Consultant ("TC") to lead the management of all technical issues, including, but not limited to system service requests. The TC shall ensure that all ERS system requests and issues are thoroughly analyzed and given priority positioning to ensure prompt resolution. The MA Carrier shall provide competent, focused attention to ERS' system requests/issues. The MA Carrier shall use its best efforts to implement all ERS system requests and to correct all ERS system issues within thirty (30) calendar days or sooner from receipt of ERS' written notification to the MA Carrier of the request/issue. ERS shall fully supply any and all information reasonably necessary for the MA Carrier to complete the requested services as outlined herein. If a thirty (30) calendar day resolution is not reasonably possible, then the MA Carrier shall provide ERS with a written plan for implementation, to include a timeline for resolution, within five (5) business days from receipt of the MA Carrier's written notification as noted above. This section does not apply to disaster recovery matters, which are covered specifically in the Contract.

An example of a system issue includes, but is not limited to:

Eligibility and/or Benefit modifications shall be reviewed, responded to, and approved by the MA Carrier within fifteen (15) business days of such request. If changes to the modifications are required, the MA Carrier shall notify ERS and set up weekly updates until ERS agrees that the modifications meet ERS' operating requirements. After eligibility and/or benefit modifications have been mutually agreed upon, the MA Carrier shall complete the eligibility and/or benefit project, including required testing, within forty-five (45) calendar days from ERS' approval.

- C.1.i. In addition to the TC, the MA Carrier shall provide ERS with access to a designated Clinical Consultant and/or Medical Consultant to advise and support ERS on analyzing emerging clinical and utilization trends within the scope of reviewing both standard and *ad hoc* reports.
- C.1.j. The account management team shall be thoroughly familiar with virtually all of the MA Carrier's functions that relate directly or indirectly to the GBP account.
- C.1.k. The MA Carrier shall provide GBP with priority placement in all aspects of Contract performance provided by the MA Carrier.
- C.1.l. The MA Carrier agrees to provide ERS with advance notice of any material change to its account management and servicing methodology or to a personnel change in the MA Carrier's account management team.

- C.1.m. MA Carrier agrees to allow ERS to complete a formal performance evaluation of the assigned account management team annually as deemed appropriate by ERS.
- C.1.n. ERS requires the MA Carrier to meet with ERS staff and/or Board of Trustees as requested to discuss the status of the GBP account in terms of utilization patterns and costs, as well as propose new ideas that may benefit the GBP and its members.
- C.1.o. The MA Carrier is expected to present actual GBP claims experience and offer suggestions as to ways the benefit could be modified in order to reduce costs or improve the health of GBP members. Suggestions must be modeled against actual GBP membership and claims experience to determine the financial impact as well as the number of members impacted.
- C.1.p. The MA Carrier shall also present benchmark data by using the health plan's entire book of business, a comparable client to the GBP, and/or some other industry norm.
- C.1.q. The MA Carrier shall provide a high quality and experienced customer service unit. The health plan staff members shall be fully trained in the GBP health benefit designs, and the MA Carrier shall have the ability to track and report performance of call center matrices.
- C.1.r. MA Carrier shall provide ERS access to a dedicated/designated Reporting and Analytical team to advise and support ERS to include, but not be limited to:
 - Create statistical reports;
 - Develop templates for ERS data;
 - Benchmarking analysis;
 - Provide data for regional map on website; and
 - Develop, review and fact check ERS publications, (i.e., Cost Containment and Fraud Report.) A sample of the Cost Containment and Fraud Report is located at <http://www.ers.state.tx.us/news/reports/default.aspx>).

D. MA Carrier Customer Service Call Center

- D.1. **Call Center/Customer Service Unit.** The MA Carrier shall establish and provide for staffing of one (1) customer service unit designated exclusively to ERS' GBP Program. The unit shall be adequately staffed to manage GBP-related questions and provide for resolution of complaints, clarifications, and escalated issues.
 - D.1.a. The hours of operation for MA Carrier's customer service unit shall be, at a minimum, Monday through Friday from 8:00 a.m. to 7:00 p.m., central time. MA Carrier shall also provide Saturday coverage from 7:00 a.m. to 3:00 p.m., central time, and emergency service coverage outside of the required business hours, excluding national holidays.
 - D.1.a.1. **Call Center Specialists.** MA Carrier shall designate as many Call Center Specialists as necessary whose sole responsibility shall be to respond to and resolve, within a reasonable timeframe as determined by ERS, plan-related customer service needs. ERS and the MA Carrier shall jointly monitor and adjust staffing levels to ERS' sole satisfaction as work and service requirements demand. MA Carrier warrants and represents that it shall provide thorough training of additional team members in support of the ERS program. Any training deficiencies noted by ERS shall be immediately rectified by MA Carrier to ERS' satisfaction.
 - D.1.a.2. **Back-up Staffing.** MA Carrier shall designate additional staff, as needed or at ERS' request, to update and maintain GBP-related records and accounts. This staff will also provide additional support for the MA Carrier's customer service team.
 - D.1.a.3. **Call Center Management Criteria.** MA Carrier shall establish toll free lines (telephone and facsimile) and appropriate customer service staff shall be adequate, at a minimum, for average speed to answer, abandonment rate and blockage rate to comply with TDI and CMS standards. MA Carrier shall provide in its Proposal the methodology and sample source documents utilized by the MA Carrier to arrive at the reporting requirements for the call center metrics referenced in Appendix L. All MA Carrier Customer Service Call Centers shall be located within the United States, and preferably in the state of Texas.

- D.1.a.4. **Access for Hearing Impaired.** The MA Carrier's Call Center shall be equipped with Telephone Device for the Deaf ("TDD") or Teletype ("TTY") in order to serve the hearing impaired population.
- D.1.a.5. **Language Accessibility.** The MA Carrier's Call Center shall have at least two (2) member service representatives who are bilingual in English and Spanish and provide Limited English Proficiency ("LEP") support or have a language translation organization available for such support.
- D.1.a.6. **Benefits Coordinator ("BC") Access.** The MA Carrier shall provide BCs with a special number or access code that permits them to have priority access to MA Carrier's Call Center supervisors. The MA Carrier can satisfy this "hotline" requirement by expediting calls to this special number in front of the general queue. Additionally, BCs and dedicated ERS staff shall be provided with a web portal to electronically access Participant eligibility status and through which they may escalate GBP requests to a Call Center supervisor.

E. MA Carrier Program Reporting

E.1. Actuarial Reporting

- E.1.a. As previously noted, ERS retains a consulting actuary on insurance matters. The consulting actuary assists and advises the ERS staff on benefit plan design, Proposal review, and MA Carrier Price Proposal analysis. ERS staff or the consulting actuary may, from time to time, request the MA Carrier to provide additional information specific to the GBP Program. The MA Carrier shall cooperate with and act in good faith in working with ERS and/or the consulting actuary and shall be prepared to respond to these requests promptly. In that regard, or for other GBP Program purposes, from time to time ERS may, on an *ad hoc* basis, request that the MA Carrier prepare customized reports on a timely basis at no additional cost to ERS.
- E.1.b. The MA Carrier shall notify ERS' Benefit Contracts Division of all identified issues in connection with reports and/or audit findings, and provide supporting documentation for all such reports.

E.2. **Annual Reporting Requirements.** MA Carrier shall be required to submit GBP utilization and cost data on an annual basis using ERS-prescribed format within seventy-five (75) business days following the end of the calendar year. The MA Carrier is required to provide the required experience information for the previous calendar year regardless of whether or not the MA Carrier continues as a participating MA Carrier under the GBP. ERS' Vendor website contains an example of the required information and data formats along with instructions for completing the tables.

E.2.a. Participating MA Carrier shall also be required to provide an annual report via CD-ROM that shows the number of GBP Participants assigned to each of the MA network Providers. The report shall include the network Provider's last name, first name, license number (issued by the Texas Medical Board), office, ZIP Code and the number of GBP Participants assigned. For example:

Table 2 – Report Layout Example

Last Name	First Name	License Number	ZIP Code	# of GBP Participants
Brown	John	A7777	78701	5
Doe	Jane	B8888	75238	20
Smith	Joe	C9999	77041	10

E.3. **Quarterly Reporting Requirements - Disease Management:** The MA Carrier shall be in compliance with Section 1551.219, TIC, as it relates to Disease Management. Further, MA Carrier shall report to ERS on at least a quarterly basis, administration adherence and related expenses/savings to the GBP as applicable to the statute. The data shall include the entire previous quarter and shall be received, via email, by the 20th of the following month after quarter end. ERS does not require a specific format for this report.

- E.4. **Monthly Reporting Requirements.** ERS requires MA Carrier to provide three (3) reports using either GBP-specific or book of business statistics. The data shall include the entire previous month, and shall be received in the ERS-prescribed format via email by the 20th of the following month. Failure to provide the required data may result in a monetary assessment as required in the *Performance Guarantees*, Appendix G.

F. Coordination with Other GBP Vendors

The MA Carrier shall coordinate payment with all other GBP Vendors, except with another GBP plan, as required by ERS.

- F.1. **HealthSelect TPA.** The HealthSelect TPA is administered through a TPA selected by ERS through a separate RFP process. ERS currently utilizes BlueCross and BlueShield of Texas as its TPA for all GBP Participants. Regardless of the HealthSelect health plan TPA utilized, MA Carrier shall be required to coordinate with the HealthSelect health plan TPA to exchange patient health care information.
- F.2. **TexFlex.** TexFlex is an Internal Revenue Code Section 125 cafeteria plan that allows Participants to establish health care reimbursement accounts and to pay certain unreimbursed charges with pre-tax funds.
- F.3. **Pharmacy Benefit Manager.** The HealthSelect PDP is administered through a PBM selected by ERS through a separate RFP process. ERS currently utilizes Caremark, L.L.C. as its PBM for all GBP Participants. Regardless of the PBM utilized to administer the PDP, the MA Carrier shall be required to coordinate with the designated PBM to include the appropriate pharmacy copayments and PBM logos on the ID cards prior to mailing to program Participants, as required in Section V.C.8.c., *Communication Requirements*.
- F.4. **Life and Disability Provider.** Fort Dearborn Life Insurance Company (“FDL”) currently underwrites and administers Group Term Life Insurance and Accidental Death and Dismemberment Insurance (“AD&D”) and Group Disability Income coverages for Participants covered in the Texas Employees Group Benefits Program. MA Carrier may be required to coordinate basic life participation with FDL.
- F.5. MA Carrier shall have the capability to coordinate with the Dental program Vendor to exchange patient dental care information only as necessary to administer dental benefits pertaining to maxillofacial surgical procedures for the correction of damage caused by unexpected injury to healthy natural teeth. The dental program is currently administered by HumanaDental.

G. Other Administrative Requirements

G.1. Site Visits

At ERS’ discretion, agency personnel may conduct site visits at ERS’ sole expense. The MA Carrier may be asked to assist ERS staff with arranging and identifying travel and lodging arrangements that shall be in compliance with state of Texas travel guidelines.

G.2. Identification (“ID”) Cards

MA Carrier shall send an ID card to all eligible Participants, including eligible spouses, who enrolled during MA AE within five (5) business days of the transfer of the final enrollment file at the end of MA AE. A draft copy of the ID card shall be included in MA Carrier’s response.

- G.2.a. Subsequent to MA AE, the MA Carrier shall issue ID cards within five (5) business days of the successful transfer of the enrollment file to the MA Carrier. For on-going ID cards, MA Carrier shall send a new ID card to all eligible Participants when a change is reported, within five (5) business days following MA Carrier’s receipt of the enrollment information. Once initially distributed, ID cards do not need to be replaced unless changes are made to Participant’s name or covered dependents or PCP information.

- G.2.b. In order to facilitate the issuance of the ID cards, MA Carrier shall use the same Office Code/Provider ID number in its printed material and website. MA Carrier shall use the Office Code/Provider ID number layout below.

Table 5 – Office Code/Provider ID Number Record Layout (218 bytes)

Column	Field Name	Format	Length
1	XBA_EMPLID_NBR	X	11
10	XBA_HLTH_CAR_CD	X	2
12	XBA_PTCPT_LAST_NM	X	40
52	XBA_PTCPT_FIRST_NM	X	20
72	XBA_PTCPT_MID_NM	X	20
92	XBA_PCP_NBR	X	15
107	XBA_DPEN_ID_NBR	X	9
116	XBA_DPEN_LAST_NM	X	40
156	XBA_DPEN_FIRST_NM	X	20
176	XBA_DPEN_MID_NM	X	20
196	XBA_DPEN_BIRTH_DT	X	8
204	XBA_DPEN_PCP_NBR	X	15

VII. Information Systems Requirements

This Article describes system requirements including data processing interface requirements, enrollment and eligibility, security breach, fraud, and web specifications, as mandated by ERS. The MA Carrier shall administer the Plan in a manner consistent with all applicable state and federal laws and regulations, as well as ERS' administrative rules and at the direction of the ERS Board, its Executive Director, and ERS staff. The cost of the requirements described herein shall be recovered by the MA Carrier only by making provisions for such expenses in the MA Carrier's *Financial Requirements and Rate Proposal* in Article IV.

A. Systems Requirements

A.1. **File Layouts.** The file layouts that ERS uses to report GBP enrollment data on a weekly and monthly basis are included as Appendix I.

A.1.a. **ERS OnLine.** ERS provides MA Carrier with the opportunity to view ERS' enrollment system through web access. MA Carrier shall be prepared to access ERS OnLine via web access no less than thirty (30) business days from the go-live date. MA Carrier shall utilize the enrollment information to assist in the verification and reconciliation of eligibility. MA Carrier shall provide Customer Service staff proficient with the ERS OnLine system during all ERS designated customer service hours. MA Carrier shall expend the necessary funds to provide electronic access to ERS' enrollment system by all departments involved in customer service, eligibility, and enrollment administration.

For the purpose of responding to this RFP, the MA Carrier shall recover any costs involved in the adaptation of its system requirements to those set forth by ERS only through Article IV, *Financial Requirements and Rate Proposal*.

A.1.b. **File Interface.** MA Carrier shall be fully capable of accepting and processing all File Interfaces forty-five (45) business days before the go-live date. ERS will define the file layouts as specified in Appendix I.

A.1.c. **Information Security.** MA Carrier shall comply with the Privacy Act of 1974, Computer Matching and Privacy Protection Act of 1988, TBCC and information security standards as outlined in Title 1, Texas Administrative Code §202. Further, MA Carrier shall comply with the requirements for handling and use of personal information as more fully outlined in Appendix D, Data Security and Breach Notification. The execution of the Data Security and Breach Notification will be required prior to final execution of a Contract.

A.1.c.1. MA Carrier shall ensure the confidentiality, integrity, and availability of Participant and Program information through the utilization of mutually agreed upon industry best practices coordinated with the Information Security Officer of ERS.

A.1.c.2. MA Carrier shall establish a Secure Sockets Layer ("SSL") and/or Transport Layer Security ("TLS") layer below the standard SFTP protocol to encrypt the control and/or data channels. SSL/TLS protocols are to be utilized to prevent unauthorized disclosure of personal identifying information. MA Carrier shall be fully capable of accepting and implementing all Program information via SFTP.

A.1.d. **Encrypted Data Files.** MA Carrier shall maintain duplicate or back-up computer encrypted data files maintained in connection with all GBP Programs in a secure, hardened facility which provides environmental and access controls. MA Carrier shall utilize 256Bit AES encryption standard for tapes or equivalent backup medium. Decryption keys shall be access controlled and provided to ERS upon demand.

A.1.d.1. All computer data files of the Plans, as maintained by the MA Carrier, shall at all times remain the property of ERS notwithstanding the fact that such records may be stored upon or within one or more computer or data retention systems owned, operated, or leased by the MA Carrier.

A.1.d.2. Electronic communications, to include, but not be limited to, email and file transfers, between MA Carrier and ERS shall be encrypted to protect Participant's confidential information.

- A.1.e. **Multi-Factor Authentication.** MA Carriers shall provide non-repudiation services up to and including second factor authentication on all transactions.
- A.1.f. **Security Breach.** MA Carrier shall comply with the Data Security and Breach Notification as attached hereto as Appendix D with regard to Security Breaches. In addition, MA Carrier shall comply with the BAA as attached hereto as Appendix C.
- A.1.g. **Data Files.** MA Carrier shall maintain a complete and accurate reporting system, and provide for the retention, maintenance, and storage of all Program and Participant records for appropriate reporting to ERS. MA Carrier shall maintain all such records throughout the term of the Contract, and for at least seven (7) years or as dictated by statute following the end of the Contract, and shall make such records accessible and available to ERS for inspection and audit upon ERS' request.
- A.1.h. **Data/Records Availability.** At all reasonable times, ERS or its representatives shall have access to ERS and GBP records. To the extent that any such records are to be maintained upon a computer system or any other data retention system which is not owned by the MA Carrier, the MA Carrier shall provide ERS with assurances from the owner of such computer facilities, satisfactory to ERS, of continued availability and security of such records at all times.
- A.1.i. **Data/Records Retention.** MA Carrier shall maintain records in accordance with the Contract. In the event the MA Carrier is scheduled to destroy records, the MA Carrier shall contact ERS for approval prior to the destruction of the payment records. If ERS approves destruction, verification of the destroyed records shall be required at ERS' direction.
- A.1.j. **Fraud Detection.** The MA Carrier shall use a comprehensive plan, including automated systems, to prevent and detect fraud and misuse of the program, overpayments, wrongful or incorrect payments, and falsification of eligibility, verification of enrollment and unnecessary and/or wrongful medical practices and abuses. The MA Carrier shall comply with all applicable state and federal laws and regulations and shall also comply with all ERS policies, and is encouraged to develop additional safeguards as allowed by law. The MA Carrier understands that ERS may develop further policies in connection with the detection and prevention of fraud or abuse. The MA Carrier shall also conduct thorough, diligent, and timely investigations with regard to fraudulent and suspicious claims, and report all such suspicious claims to ERS' Benefit Contracts division. The Contract contains additional anti-fraud and abuse requirements. Examples of practices for preventing and detecting health care provider fraud and abuse include, but are not limited to:
- Enhancing prospective medical services utilization review to prevent waste;
 - Using technology at the point of service to prevent abuse and errors;
 - Using data and education to change provider behavior; and
 - Auditing claims data to profile both providers and clients.
- A.1.k. **IVR System.** The MA Carrier shall coordinate with ERS to provide all annual updates and/or equipment re-configurations in anticipation for each AE period.
- A.2. **Web Specifications**
- A.2.a. **MA Carrier Website Technical Specifications.** ERS' primary focus in its web page design is to provide information to state and higher education employees, retirees and their dependents. MA Carrier shall adhere to all website access, format, content, and technical requirements outlined in both the ADA and Section 508 of the Rehabilitation Act in order to accommodate the needs of all individuals accessing information.
- A.2.b. **Section 508 Requirement.** MA Carrier shall comply with Section 508 accessibility standards. Section 508 requires that when state agencies develop, procure, maintain, or use electronic and information technology, they shall ensure that its information technology allows state employees and members of the public with disabilities to have access to and use of information and data that is comparable to the access to and use of information and data by state employees and members of the public who are not individuals with disabilities, unless an undue burden would be imposed on the state agency. In other words, all visitors to the ERS website should get a full and complete understanding of the information contained on the site, as well as the full and complete ability to interact with the site. Exceptions to this rule are only acceptable on a case-by-case basis and shall require prior approval by ERS.

- A.2.c. To validate MA Carrier's Section 508 compliance, MA Carrier shall provide a report in responding to this RFP evidencing its organization's Section 508, Level 1, compliance.
- A.2.d. **MA Carrier's Internet Availability.** MA Carriers providing Internet access to GBP Participants shall ensure that the Internet Availability Rate for each Calendar Year shall be 99.5% or greater. "Internet Availability Rate" means the percentage of available hours that MA Carrier's GBP-specific Internet site, as linked from ERS' website (www.ers.state.tx.us) is operational, excluding scheduled and pre-approved maintenance time, as measured on a Calendar Year basis.
- A.2.e. **ERS Internet Specification.** In addition to ADA and Section 508 requirements, the MA Carrier shall adhere to the following website guidelines:
- MA Carrier's web page shall be compatible with a wide spectrum of web browsers, including, but not limited to:
 - Microsoft Internet Explorer IE v6 or newer SP 1 ("Service Pack");
 - Netscape 7.0;
 - Mozilla Firefox 3.5 or newer;
 - Apple Safari 4.0 or newer;
 - If providing a PDF document, assure ADA and Section 508 compliance;
 - Warn user if "cookies" are used; however, do not use permanent "cookies";
 - When linking to an external file (i.e., PDF, Word, etc.), reflect the file size and type;
 - List security and privacy policies on the MA Carrier's GBP-specific Home page;
 - Reflect the ERS logo or appropriate branding on the MA Carrier's GBP-specific Home page as specified by ERS for each calendar year;
 - Create text for all links used that makes sense when read out of context. For example, avoid "click here";
 - MA Carrier shall maintain Single Sign-On ("SSO") capabilities for security access;
 - Each page of the MA Carrier's website shall have a link back to the GBP-specific Home page; and
 - MA Carrier's website shall use SSL wherever Participants Personally Identifiable Information is presented.
- A.2.f. **Testing prior to Rolling Out Program Changes.** MA Carrier shall provide testing environments for all circumstances utilized prior to rolling out program changes that run the logic to achieve predicted outcomes of programming prior to pushing-out a new process or enhancement/modification of an existing program.
- A.2.g. **XML.** Standardized method of extracting content on MA Carrier websites, through "feeds." MA Carrier shall be prepared to provide ERS with XML-tagged content.
- A.2.h. **Single-Sign-On.** ERS expects that the selected MA Carrier shall cooperate with ERS in the implementation of single sign-on environment with respect to ERS' external website and MA Carrier's website. As further described in the Contractual Agreement, ERS member records are confidential by law, and ERS maintains other records and information that MA Carrier shall have access to and which MA Carrier must keep confidential. Additionally, the Contractual Agreement contains prohibitions on using GBP Participant information for marketing purposes. MA Carrier must cooperate with ERS in implementing a single sign-on environment that complies with these provisions of the Contract.

VIII. Provider Network Requirements

A. Network Requirements

ERS requires that the MA network area be subject to stringent requirements of provider accessibility, credentialing and contracting, local medical management and utilization management, and quality assurance.

- A.1. **Provider Accessibility and Availability.** The MA Carrier must provide documentation on CD-ROM using ERS required format (included in this Article) to describe its existing provider network. Separate documentation must be provided for each of the following: (i) hospitals, (ii) physicians, (iii) specialty care physicians, (iv) behavioral health providers, and (v) pharmacies.

ERS shall utilize GeoAccess software to evaluate provider network availability and accessibility using ERS access requirements standards. ERS shall also conduct a disruption analysis to determine the number of Participants who shall have to change physicians as a result of current network physicians not included in the MA Carrier's provider network.

ERS requires MA Carrier to provide a GeoAccess report for the proposed provider network. The access standard to be used is two (2) medical providers within fifteen (15) miles of an employee's residence (or zip code). The analysis should be submitted by general practitioners, which include family practice, general practice, internal medicine, pediatrician and OB/GYN if used as a Provider. Hospitals should be provided on the basis of one (1) facility within fifteen (15) miles of an employee's residence. In addition, submit the listing of zip codes where the desired access is not met for each of the outlined provider types. If submission includes PBM, pharmacies should be provided on the basis of two (2) pharmacies within five (5) and ten (10) miles of an employee's residence.

- A.2. **Provider Contracts.** The MA Carrier must have a valid contract with each provider submitted in its Proposal. The Contract shall include, but not be limited to agreements regarding accessibility, adherence to medical protocols, utilization management and quality assurance standards, reporting requirements, claims procedures and fee arrangements. The following requirements apply to network provider Contracts:

- A.2.a. If any network provider initiates any actions whatsoever, including correspondence, telephone calls or personal visits, to collect from ERS, or any Participants or the state of Texas, amounts over and above allowable copayments or coinsurance amounts, for services rendered, excluding services not covered under the Plan, the MA Carrier shall initiate and maintain such necessary action to stop the provider or employee, agent, assign, trustee, or successor in interest from maintaining that action against ERS, any Participant or the state of Texas.

- A.2.b. Unless prohibited or limited by applicable law, at least forty-five (45) days prior to the effective date of the MA Carrier's termination of any provider's contract without cause, the MA Carrier shall notify ERS and shall make reasonable efforts to notify affected current Participants in writing. The written notice shall include the name of the terminated provider, the names of other providers available to the Participants, and the effective dates of the changes. Upon any such termination with cause, the MA Carrier shall notify ERS as soon as possible upon determining to terminate the provider, but in no event later than the next business day. Following termination, MA Carrier must also use reasonable efforts to notify affected Participants in writing of such termination. If the provider initiates termination of its contract with MA Carrier, the MA Carrier will immediately notify ERS and make reasonable efforts to notify affected current Participants in writing.

- A.2.c. The MA Carrier must require all Network Providers to carry sufficient professional and general liability coverage.

- A.3. **Provider Credentialing/Recredentialing.** The network shall be comprised of providers who have been subjected to a rigorous credentialing process conducted by MA Carrier. The MA Carrier is required to describe and discuss its credentialing/recredentialing process in the *Interrogatories*, Article XI. The MA Carrier acknowledges it has sole responsibility for

credentialing, recredentialing and contracting with all network providers. The MA Carrier warrants it has acted and shall continue to act in good faith and has used its best efforts to diligently screen and investigate the credentials of all health care providers prior to allowing same to participate in the MA Carrier's network. This includes, but is not limited to all health care providers participating in the network, continuing throughout the entire term of the Contract. The MA Carrier will contract only with licensed health care providers in good standing in their profession and with the appropriate state and/or federal licensing and regulatory agencies.

A.4. **Local Medical Management.** MA Carrier shall have a medical director (a physician licensed in the state of Texas and in good standing) with final authority on medical necessity decisions. Further, the MA Carrier must provide evidence of interaction between the medical director and network providers via such arrangements as medical protocol committees and utilization review groups.

A.5. **Utilization Review.** The MA Carrier shall be responsible for cost containment procedures, which will include, but not be limited to preauthorization and utilization review activities. Its network providers will be responsible for all preauthorization activities such as:

- Inpatient hospital admission;
- Skilled nursing care in a skilled nursing facility;
- Private-duty nursing;
- Home health care;
- Hospice care; and
- Home infusion therapy.

All preauthorization activities specified in Section VIII.A.5. above, shall be initiated by and be the responsibility of the network providers. The Participant shall not be responsible for satisfaction of these requirements if care is obtained through a network provider.

A.6. **Quality Assurance.** The MA Carrier shall have in place processes to monitor the provider network, the quality of patient care and Participant satisfaction.

B. Provider Accessibility & Availability Format

The MA Carrier must provide one (1) file for each of the following proposed provider networks: (i) hospitals, (ii) general physicians, (iii) specialty care physicians, (iv) behavioral health providers and (v) pharmacies.

Failure to properly identify the data may result in a delay in the review of the MA Carrier's response. **NOTE:** The documentation required is more detailed than what is generally listed in the MA Carrier's provider directory.

Should the MA Carrier have any questions regarding formatting requirements, send inquiries to the ivendorquestions@ers.state.tx.us.

C. Formatting Requirements

C.1. The format may not be altered. **No other format will be accepted. The required format is a fixed-length Excel spreadsheet.**

C.1.a All required data fields must be completed. If not, the application will **not** be considered complete. **Blank records, abbreviated names or extra fields are not acceptable.**

C.1.b. Only those specialty codes provided by ERS are valid, as listed in this section.

C.1.c. Format Examples – (fixed length Excel spreadsheet)

D. Reporting of Providers

D.1. The following format **must** be used to create the hospital network. The hospital network must be submitted in a separate file on a CD-ROM.

Table 1 - Hospital Reporting Format

ITEM NO.	FIELD NAME	FORMAT	LENGTH	FIELD DESCRIPTION
1	TAX ID #	Numeric	9	
2	NAME	Character	50	Hospital Name
3	ADDRESS1	Character	30	Hospital Street Name
4	ADDRESS2	Character	30	Additional Street Information
5	CITY	Character	25	Hospital City Location
6	ZIP	Numeric	5	Hospital STREET Address ZIP Code

D.2. **Physicians.** The following format **must** be used to create the physician network. The physician network must be submitted in a separate file on a CD-ROM.

Table 2 Physicians Reporting Format

ITEM NO.	FIELD NAME	FORMAT	LENGTH	FIELD DESCRIPTION
1	LICENSE #	Character	5	Physician's Medical License
2	LAST NAME	Character	50	Physician's Last Name
3	FIRST NAME	Character	30	Physician's First Name
4	MI	Character	2	Physician's Middle Initial
5	ADDRESS1	Character	30	Primary Street Address of Physician's Office (NO P. O. Boxes)
6	ADDRESS2	Character	30	Additional Address Information (Suite #, Floor, etc.)
7	CITY	Character	25	Physician's City Location
8	ZIP	Numeric	5	Physician's STREET Address ZIP code
9	SPEC	Character	4	Use the values for Specialty type: FP =Family Practice GP =General Practice IM =Internal Medicine PD =Pediatrician OBG =OB/GYN if used as a PCP
10	STATUS	Character	3	O =Open Practice C =Closed Practice
11	AFF	Character	3	Affiliated with a group: Y=Yes or N=No
12	GROUP	Character	30	Name of group practice

- D.3. **Specialty Care Physicians, including Ancillary Providers.** The following format **must** be used to create the specialty care physician network. The specialty care physician/ancillary provider network must be submitted in a separate file on a CD-ROM.

Table 3 - Specialty Care Physicians Reporting Format

ITEM NO.	FIELD NAME	FORMAT	LENGTH	FIELD DESCRIPTION
1	LICENSE #	Character	5	Physician's Medical License
2	LAST NAME	Character	50	Physician's Last Name
3	FIRST NAME	Character	30	Physician's First Name
4	MI	Character	2	Physician's Middle Initial
5	ADDRESS1	Character	30	Primary Street Address of Physician's Office (NO P. O. Boxes)
6	ADDRESS2	Character	30	Additional Address Information (Suite #, Floor, etc.)
7	CITY	Character	25	Physician's City Location
8	ZIP	Numeric	5	Physician's STREET Address ZIP code
9	SPEC	Character	4	See Table 4 below.
10	AFF	Character	3	Affiliated with a group: Y=Yes or N=No
11	GROUP	Character	30	Name of group practice

Table 4 - Specialty Values List

Two-Digit Code	Specialty
AI	Allergy and Immunology
AN	Anesthesiology
CD	Cardiovascular Disease
D	Dermatology
EM	Emergency Medicine
GE	Gastroenterology
GS	General Surgery
GYN	Gynecology
N	Neurology
NEP	Nephrology
NP	Neuropathology
NPM	Neonatal-Perinatal Medicine
NTR	Nutrition
OBG	Obstetrics & Gynecology (Not a PCP)
ON	Oncology
OPH	Ophthalmology
ORS	Orthopedic Surgery
ENT	Otolaryngology
PSY	Psychiatry
PM	Physical Medicine & Rehab
PUD	Pulmonary Diseases
RHU	Rheumatology Urology
OTH	All Other Specialties
ANCIL	Ancillary Provider

D.4. **Behavioral Health Providers.** The following format **must** be used to create the behavior health provider network on a CD-ROM.

Table 5 – Behavioral Health Providers Reporting Format

ITEM NO.	FIELD NAME	FORMAT	LENGTH	FIELD DESCRIPTION
1	LICENSE #	Character	5	Physician's Medical License
2	LAST NAME	Character	50	Physician's Last Name
3	FIRST NAME	Character	30	Physician's First Name
4	MI	Character	2	Physician's Middle Initial
5	ADDRESS1	Character	30	Primary Street Address of Physician's Office (NO P. O. Boxes)
6	ADDRESS2	Character	30	Additional Address Information (Suite #, Floor, etc.)
7	CITY	Character	25	Physician's City Location
8	ZIP	Numeric	5	Physician's STREET Address ZIP code
9	SPEC	Character	4	Use the values for Specialty type: LCSW = – Licensed Clinical Social Worker LCDC = Licensed Chemical Dependency Counselor LPA = Licensed Psychological Associate LPC = Licensed Professional Counselor LMFT = Licensed Marriage & Family Therapist PSY = Psychiatry PSYD = Doctor of Psychology (certified as a health service provider) SLP = Licensed Speech Language Pathologist
10	AFF	Character	3	Affiliated with a group: Y=Yes or N=No
11	GROUP	Character	30	Name of group practice

D.5. **Pharmacies**

The following format **shall** be used to create the pharmacy network CD-ROM(s). The pharmacy network shall be submitted in a separate file on a separate CD-ROM.

Table 6 - Pharmacy Network (8 Fields - Fixed Length)

ITEM NO.	FIELD NAME	START POSITION	FORMAT	LENGTH	FIELD DESCRIPTION
1	NCPDP#	1	Character	5	The unique number assigned to each pharmacy
2	NAME	6	Character	50	Pharmacy Name
3	ADDRESS 1	56	Character	30	Pharmacy street address
4	ADDRESS 2	86	Character	30	Building name, Suite# or Floor
5	CITY	116	Character	25	City where pharmacy is located
6	ZIP Code	141	Character	7	Street address ZIP Code of pharmacy
7	AFF	148	Character	1	Affiliated with a major chain: Y = Yes N = No
8	AFF NAME	149	Numeric	30	Group Name

IX. Organizational Information

A. Provide the following information regarding the Organization responding to this RFP:

A.1. MA Carrier's full legal name, physical/email address(es), and telephone/facsimile numbers.

Full legal name: [REDACTED]
Physical address: [REDACTED]
Email address: [REDACTED]
Telephone number: [REDACTED]
Facsimile number: [REDACTED]

A.2. Identify the MA Carrier's type of incorporation:

Publicly owned Privately owned
 For Profit Not-for-Profit / Non-Profit

A.3. In which state was the MA Carrier's incorporation or formation? [REDACTED]

A.4. Describe all licensure requirements MA Carrier shall have from TDI to be able to contract with CMS. [REDACTED]

A.4.a. Date of state of Texas license or Certificate of Authority from TDI or CMS. [REDACTED]

A.4.b. Date of license issuance from CMS. [REDACTED]

A.4.c. If MA Carrier is licensed through TDI or CMS, as an MA Carrier include a copy of MA Carrier's current license(s) from these entities. [REDACTED]

A.5. Is the MA Carrier required to maintain any other license(s)? If so, describe and confirm the validity of any valid license(s). [REDACTED]

A.6. Has the MA Carrier ever had its certificate of authority or license to conduct business in Texas revoked? Yes No

If yes, explain. [REDACTED]

A.7. Provide the date that MA services were first provided by MA Carrier. [REDACTED]

A.7.a. Type of MA plan services provided, i.e., PPO, POS, HMO, etc. [REDACTED]

A.8. Provide the name, title, mailing/email address(es), telephone/facsimile number(s) and biographical summary for **the person authorized to execute this Proposal** and any subsequent contract that may be awarded. **This person shall be a company vice president or higher level in authority.**

Name: [REDACTED]
Title: [REDACTED]
Mailing address: [REDACTED]
Email address: [REDACTED]
Telephone number: [REDACTED]
Facsimile number: [REDACTED]
Biographical summary: [REDACTED]

A.9. Provide the name(s), title(s), mailing/email address(es), and telephone/facsimile number(s) and biographical summary for **the individual(s)** responsible for the preparation of all materials contained in MA Carrier's Proposal (other than the *Rate Proposal*).

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]
Biographical summary: [Redacted]

A.10. Provide the firm/attorney names, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the person who shall serve as the **MA Carrier's Legal Counsel** and/or all such information as it relates to any outside law firm retained by the MA Carrier for purposes of the MA Carrier's RFP Proposal or Contract performance.

Firm name: [Redacted]
Attorney name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]
Biographical summary: [Redacted]

A.11. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the person who shall serve as the **MA Carrier's Account Management Team Lead**.

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]
Biographical summary: [Redacted]

A.12. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the person who shall serve as the **MA Carrier's Account Implementation Team Lead**.

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]
Biographical summary: [Redacted]

A.13. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **individual** responsible for preparation of the **MA Carrier's Rate Proposal** submitted in Article IV.

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]
Biographical summary: [Redacted]

A.14. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **MA Carrier's Account Liaison**.

Name: [Redacted]
Title: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]
Biographical summary: [Redacted]

A.15. Provide the name(s), title(s), and corporate affiliation to the MA Carrier's firm of **ALL officers and ALL directors or principals, as applicable**. List each in the following format:

Name: [Redacted]
Title: [Redacted]
Corporate affiliation: [Redacted]

A.16. Does the MA Carrier propose to utilize subcontractors in the performance, delivery and provision of services and products requested hereunder? Yes No

If yes, provide the information requested in Section IX.A.17. below for each subcontractor and specify what services may be performed by each subcontractor. [Redacted]

A.17. If applicable, provide the information below for each subcontractor and specify what services may be performed by each subcontractor. List each in the following format:

Name: [Redacted]
Mailing address: [Redacted]
Email address: [Redacted]
Telephone number: [Redacted]
Facsimile number: [Redacted]
Services performed: [Redacted]

A.18. Confirm MA Carrier's understanding, acknowledgement and agreement that MA Carrier shall be fully liable and responsible for the performance of any subcontractor that MA Carrier utilizes to perform any of the services, coverages, etc. required under the RFP and Contractual Agreement, and that all services performed in support of the RFP and Contractual Agreement be solely executed in the United States. Confirm

A.19. Provide a company-wide organizational chart reflecting employee name(s) and title(s) for the MA Carrier and any subcontractor(s) (if applicable) to be utilized in support of this Contract. Chart should also identify those positions open but not yet filled.

MA Carrier organizational chart: [Redacted]
Subcontractor organizational chart: [Redacted]

A.20. Describe the staff (including numbers of full-time equivalent employees) that the MA Carrier and any subcontractor shall utilize to perform, deliver and provide the services, coverages, benefits, equipment, supplies and products requested herein.

MA Carrier staff description: [Redacted]
Subcontractor staff description: [Redacted]

A.21. How many of these employees are located in Texas? Describe the functions these employees perform.

Number of MA Carrier staff in Texas: [Redacted]
Description of MA Carrier staff functions: [Redacted]
If applicable, number of Subcontractor staff in Texas: [Redacted]
If applicable, description of Subcontractor staff functions: [Redacted]

- A.22. Provide a list of individuals who shall comprise the MA Carrier's proposed Account Management Team and submit brief resumes, as applicable, for each team member. [REDACTED]
- A.23. Provide a list of individuals who shall comprise the MA Carrier's proposed Implementation Team and submit brief resumes, as applicable, for each team member. [REDACTED]
- A.24. Provide brief resume(s) identifying key personnel for the MA Carrier's subcontractor who shall be responsible for any administrative and/or managerial functions of the Contract which shall include a listing of the MA Carrier-related duties and length of time contracted with the MA Carrier.

Subcontractor personnel resumes: [REDACTED]

- A.25. Confirm that ALL relevant personnel's licensure(s), including subcontractors if applicable, shall be validated and current throughout the entire term of the Contract. Confirm
- A.26. Provide the name, mailing/email addresses, telephone/facsimile numbers and contact person for the professional associations to which MA Carrier belongs.

Name: [REDACTED]
 Mailing address: [REDACTED]
 Email address: [REDACTED]
 Telephone number: [REDACTED]
 Facsimile number: [REDACTED]
 Contact person: [REDACTED]

- A.27. MA Carrier shall identify five (5) major employers or carriers for which the MA Carrier currently provides MA Carrier benefits and/or managed care services. For these five (5) employers or carriers, MA Carrier shall provide the company name, the MA Carrier's primary contact, title, and telephone and facsimile numbers of representatives who are familiar with the MA Carrier and/or managed care services MA Carrier provides for the services previously identified, the number of employees and dependents for whom health care benefits are administered and the annual health claims paid. Indicate the types of health care benefits services provided to each client.

Note: MA Carrier's Response to this request officially authorizes ERS to contact these organizations or any other entity to discuss the services that MA Carrier has provided and authorizes the employers to provide such information to ERS, and shall release and hold harmless ERS and the employer of any and all liability whatsoever, in connection with providing and receiving all such information. **MA Carrier may not provide sponsoring, or parent organizations, subsidiaries, or subcontractors as references.**

Company name: [REDACTED]
 Account primary contact: [REDACTED]
 Title: [REDACTED]
 Email address: [REDACTED]
 Telephone number: [REDACTED]
 Facsimile number: [REDACTED]
 Type of relationship: [REDACTED]
 Number of employees and dependents benefits administered: [REDACTED]
 Annual health claims paid: [REDACTED]
 Type of benefits provided: [REDACTED]

- A.28. Provide the names of **ANY** organizations that have **non-renewed** the MA Carrier's services, other than because of mergers and acquisitions, within the last five (5) years. What is the name, title and telephone number of the representative of the entity who is familiar with the services and other consideration the MA Carrier provided? Indicate the types of health care benefits that were provided to each client.

Note: The MA Carrier's Response to this request officially authorizes ERS to contact these employers to discuss the services and other considerations that the MA Carrier has provided for its employees and dependents, and authorizes the organizations or any other entities to provide such information to ERS, and shall release and hold harmless ERS and the

employers of any and all liability whatsoever, in connection with providing and receiving all such information. **MA Carrier may not provide sponsoring, or parent organizations, subsidiaries, or subcontractors as references.**

Company name: [REDACTED]
Account primary contact: [REDACTED]
Title: [REDACTED]
Email address: [REDACTED]
Telephone number: [REDACTED]
Facsimile number: [REDACTED]
Type of relationship: [REDACTED]
Number of employees and dependents benefits administered: [REDACTED]
Type of benefits provided: [REDACTED]

- A.29. Provide the names of **ANY** organizations that have **terminated** the MA Carrier's services, other than because of mergers and acquisitions, within the last five (5) years. What is the name, title and telephone number of the representative of the entity who is familiar with the services and other consideration the MA Carrier provided? Indicate the types of health care benefits that were provided to each client.

Note: The MA Carrier's Response to this request officially authorizes ERS to contact these employers to discuss the services and other considerations that the MA Carrier has provided for its employees and dependents, and authorizes the organizations or any other entities to provide such information to ERS, and shall release and hold harmless ERS and the employee of any and all liability whatsoever, in connection with providing and receiving all such information. **MA Carrier may not provide sponsoring, or parent organizations, subsidiaries, or subcontractors as references.**

Company name: [REDACTED]
Account primary contact: [REDACTED]
Title: [REDACTED]
Email address: [REDACTED]
Telephone number: [REDACTED]
Facsimile number: [REDACTED]
Type of relationship: [REDACTED]
Number of employees and dependents benefits administered: [REDACTED]
Type of benefits provided: [REDACTED]

- A.30. Does MA Carrier currently offer MA services in the state of Texas? Yes No

If so, identify all of the MA Carrier's current clients, the service types provided, and their relative plan size.

B. Legal Disclosure Requirements

- B.1. For the past ten (10) year period, describe any litigation, regulatory proceedings, investigations, and/or inquiries completed, pending or threatened against the MA Carrier and/or any of its related affiliates, officers, directors, parent companies, subcontractors and any individuals identified by MA Carrier who will be performing any services and providing coverages required under the RFP and Contractual Agreement. Identify the case number, date filed, full style of each suit, proceeding or investigation, including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any. **MA Carrier shall not refer ERS to any third party websites or other sources in order for ERS to obtain this information. MA Carrier must address each aspect of the above paragraph in its Proposal to this question.**

Case Number: [REDACTED]
Date filed: [REDACTED]
County and State: [REDACTED]
Regulatory Body: [REDACTED]
Brief summary: [REDACTED]

Current status: [REDACTED]
Resolution: [REDACTED]

- B.2. Provide a schedule and describe in detail previous contract implementation breakdowns, performance assessments, and/or contract breaches for the **past ten (10) years** (if any) by the MA Carrier, and discuss all measures the MA Carrier took to rectify the situation or remedy the breach. Please separate by governmental and non-governmental clients indicating the reason for the assessment and the amount paid. **List in most recent chronological order.**

Governmental: [REDACTED]
Non-governmental: [REDACTED]
Action taken to resolve issue: [REDACTED]
Assessment amount paid: [REDACTED]

- B.3. Confirm that neither MA Carrier nor any of its affiliates, subsidiaries, employees, principals, directors, or officers, nor, to its knowledge, MA Carrier's agents, assigns, representatives, independent contractors, and/or subcontractors, who are involved, either directly or indirectly, in MA Carrier's performance of the Contract, are or may, in the time such parties become involved, be the subjects of any inquiry, investigation, or prosecution by any state or federal regulatory or law enforcement authority, including but not limited to such actions by the U.S. Department of Justice or the offices of any states' attorney general, the U.S. Department of Labor, Department of Health & Human Services, CMS or any self-regulatory organization with oversight authorization over MA Carrier or such parties concerning any violation of state and federal statutes, rules, regulations, or other laws. Confirm

- B.3.a. During the past five (5) years, describe any investigations, proceedings or disciplinary actions by any state regulatory agency, states' attorney general or any other law enforcement or applicable oversight body against the MA Carrier and/or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services or providing any of the coverages or supplies in connection with the Contract. Identify the full style of each disciplinary action, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any. **MA Carrier shall not refer ERS to any third-party websites or other sources in order for ERS to obtain this information. MA Carrier must address each aspect of the above paragraph in its Proposal to this question.**

Case Number: [REDACTED]
Date filed: [REDACTED]
County and State: [REDACTED]
Regulatory Body: [REDACTED]
Brief summary: [REDACTED]
Current status: [REDACTED]
Resolution: [REDACTED]

- B.4. Describe any pending agreements, negotiations, and/or offers to merge or sell MA Carrier's organization. This should include any joint ventures or other financial arrangements regarding a pending change in ownership of MA Carrier's organization. [REDACTED]
- B.4.a. Disclose any obligation or arrangement to purchase another firm that would involve substantial commitment of assets or capital. [REDACTED]
- B.4.b. If applicable, outline the anticipated timelines for the actions reflected in MA Carrier's responses to Sections IX.B.4. and IX.B.4.a. above [REDACTED]
- B.4.c. Confirm that the MA Carrier shall notify ERS' Executive Director immediately upon reaching any form of binding agreement in connection with any merger, acquisition or reorganization of the MA Carrier's management as permitted by applicable law. Confirm
- B.5. Confirm that the MA Carrier shall notify the Director of Benefit Contracts or designee with any anticipated changes to the ERS' Account Management and/or Implementation Team(s) structure and MA Carrier's Senior Officers. Confirm

- B.6. Does the MA Carrier sell or report any data from its clients, either specifically or in aggregate, to any organizations? Yes No
- B.6.a. If yes, disclose these arrangements and information shared in detail. [REDACTED]
- B.7. Provide a copy of the MA Carrier's current fidelity and liability insurance declarations page reflecting the required coverage limits as specified in the Contractual Agreement. [REDACTED]
- B.7.a. Describe the various types of insurance coverage and indemnification provided to protect clients, including for each insurance type: risks covered, carriers, levels, limits, and deductibles. [REDACTED]
- B.8. Describe the errors and omissions coverage to be provided by the MA Carrier. [REDACTED]

C. Data and Information Services

- C.1. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **MA Carrier's Privacy Officer**.

Name: [REDACTED]
 Title: [REDACTED]
 Mailing address: [REDACTED]
 Email address: [REDACTED]
 Telephone number: [REDACTED]
 Facsimile number: [REDACTED]
 Biographical summary: [REDACTED]

- C.1.a. Is the MA Carrier currently in compliance with all HIPAA requirements? Yes No
- C.1.b. Please provide a brief description of any HIPAA violations alleged against the MA Carrier.
- C.1.c. Confirm that the MA Carrier has the ability to transmit HIPAA-related data from and to its site via secured direct transmission line or other federally approved means of data transmission. Confirm
- C.2. Confirm the MA Carrier's ability to accept data via SFTP. Confirm

- C.3. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **MA Carrier's Security Compliance Officer**.

Name: [REDACTED]
 Title: [REDACTED]
 Mailing address: [REDACTED]
 Email address: [REDACTED]
 Telephone number: [REDACTED]
 Facsimile number: [REDACTED]
 Biographical summary: [REDACTED]

- C.4. Confirm that the MA Carrier has the ability to transmit encrypted data from and to its site via secured direct transmission line or other federally approved means of data transmission. Confirm
- C.5. Confirm that the MA Carrier is currently in compliance with requirements of the Privacy Act of 1974, Computer Matching and Privacy Protection Act of 1988, Texas Business and Commerce Code Chapter 48: Unauthorized Use of Identifying Information or the information security standards as specified in Texas Administrative Code §§ 202.20 – 202.25 & § 202.27. Confirm
- C.6. Provide a brief description of any violations alleged against the MA Carrier with regard to the Privacy Act of 1974, Computer Matching and Privacy Protection Act of 1988, Texas Business and Commerce Code Chapter 48: Unauthorized Use of Identifying Information or the

information security standards as specified in Texas Administrative Code §§ 202.20 – 202.25 & § 202.27. [REDACTED]

- C.7. Provide the name, title, mailing/email address(es), and telephone/facsimile number(s) and biographical summary for the **MA Carrier's Technical Consultant** contact for SFTP file management and system service concerns.

Name: [REDACTED]
Title: [REDACTED]
Mailing address: [REDACTED]
Email address: [REDACTED]
Telephone number: [REDACTED]
Facsimile number: [REDACTED]
Biographical summary: [REDACTED]

- C.8. Related to MA Carrier's administrative and customer service support functions, what are the MA Carrier's contingency plans and procedures for providing back-up service in the event of strike, natural disaster, act of God, backlog, or other events that might interrupt, delay or shut-down service? [REDACTED]

- C.9. Provide a copy of the MA Carrier's disaster recovery plan and/or business resumption plan including the results of the MA Carrier's most recent test of the plan. [REDACTED]

D. Financial Reporting Requirements

- D.1. MA Carrier shall provide copies of the MA Carrier's 2009 and 2010, or most current NAIC annual statement and a copy of MA Carrier's most recent audited financial statement. [REDACTED]

- D.2. For each year contracted, the MA Carrier shall submit a copy of its annual audited financial statement by the last business day of June. Affirm that the MA Carrier will provide financial statements as required. [REDACTED]

- D.3. Is MA Carrier's company a subsidiary or affiliate of another company? Yes No

If yes, provide full disclosure of all direct or indirect ownership and include an organization chart depicting the parent company, other companies owned by the parent company, and any subsidiary relationships. [REDACTED]

- D.4. Does the MA Carrier have a sponsoring or parent company? Yes No

- D.4.a. Does the MA Carrier have any understandings, legal relationships or financial agreements with any other entity? Yes No

- D.4.b. If yes, state the name and address of any sponsoring or parent organization, others who provide financial support to the MA Carrier and please describe.

Full Legal Name: [REDACTED]
Mailing Address: [REDACTED]
Type of Support: [REDACTED]
Type of Relationship: [REDACTED]

- D.4.c. Provide an indication of the type of support, i.e., guarantees, letters of credit, etc., if applicable. [REDACTED]

- D.4.d. Provide the maximum limits of additional financial support from other entities or persons, if applicable. [REDACTED]

- D.4.e. Provide a copy of the sponsoring or parent organization's most current audited financial statement, if applicable. [REDACTED]

- D.5. Provide a copy of the MA Carrier's current SAS 70, Level 2, report, if applicable. [REDACTED]

- D.5.a. Provide a copy of the MA Carrier's sponsoring or parent company's current SAS 70, Level 2, report, if applicable. [REDACTED]
- D.6. MA Carrier shall confirm compliance with the Sarbanes-Oxley Act of 2002, if applicable. Confirm [REDACTED]
- D.7. Provide copies of ratings and reports on MA Carrier issued by independent insurance rating organizations or similar entities, e.g., A.M. Best's, Moody's, NCQA, and Standard & Poor's, etc.

X. Deviations

ERS shall interpret any lack of deviation as the MA Carrier's full agreement to the provisions of the Contractual Agreement and RFP requirements unless specifically noted. ERS shall interpret the MA Carrier's Proposal to match the specifications herein except for deviations specifically noted and described in response to this item. Deviations will not become a part of the final Contract unless expressly accepted by ERS and agreed to by ERS in writing. In all cases, the RFP and all Contractual Agreement terms shall control. In the event of any conflict between the two, the terms of the Contractual Agreement shall prevail.

Deviations, which are strongly discouraged, must be specifically identified below in order to be considered. General references to or comparisons with a different standard shall not be considered as satisfactory identification of a deviation and shall be deemed void. MA Carrier understands and agrees that ERS is relying on the truth and accuracy of MA Carrier's Proposal, that MA Carrier shall comply with all requirements set forth throughout the entire RFP, and that ERS shall interpret MA Carrier's Proposal to match the RFP specifications, except for deviations specifically noted and described below.

- A.1. Affirm that the MA Carrier shall comply with all of the **Instructions** described in **Article I** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail:

- A.2. Affirm that the MA Carrier shall comply with all of the **Eligibility and Program Information Requirements** described in **Article III** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail:

- A.3. Affirm that the MA Carrier shall comply with all of the **Financial Requirements and Rate Proposal** described in **Article IV**, and bound to the rates the MA Carrier provides in Proposal to the Rate Proposal Section of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail:

- A.4. Affirm that the MA Carrier shall comply with all of the **Communication Requirements** described in **Article V** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail:

- A.5. Affirm that the MA Carrier shall comply with all of the **Operational Specifications Requirements** described in **Article VI** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail:

- A.6. Affirm that the MA Carrier shall comply with all of the **Provider Network Requirements** described in **Article VII** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail: [REDACTED]

- A.7. Affirm that the MA Carrier shall comply with all of the **Information Systems Requirements** described in **Article VIII** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail: [REDACTED]

- A.8. Affirm that the MA Carrier shall comply with all of the **Organizational Information** described in **Article IX** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail: [REDACTED]

- A.9. Affirm that the MA Carrier shall comply with all of the **Interrogatories** described in **Article XI** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each deviation between the MA Carrier's Proposal and these specifications.
MA Carrier's Requested Deviation Detail: [REDACTED]

- A.10. While deviations to the Contractual Agreement are strongly discouraged, clearly identify any provisions found in the Contractual Agreement, referenced as Appendix B, to which MA Carrier is unable to agree. ERS is seeking an MA Carrier that will agree to, and comply with, all provisions of the Contractual Agreement. ERS shall presume MA Carrier's agreement to the Contractual Agreement except for deviations specifically noted and described in the MA Carrier's Proposal. In any event, ERS shall not be required to accept any deviations to the Contractual Agreement or to the terms of this RFP. Any such deviations must be specifically agreed to in writing by ERS before they shall form a part of the final agreement between ERS and the chosen MA Carrier(s).

- A.10.a. Affirm that the MA Carrier shall comply with all of the provisions in the **Contractual Agreement** provided in **Appendix B** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each Contractual Agreement, Appendix B deviation.
MA Carrier's Requested Deviation Detail: [REDACTED]

- A.11. Affirm that the MA Carrier shall comply with all of the provisions provided in **Appendix D, Data Security and Breach Notification** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each Appendix D, Data Security and Breach Notification deviation.
MA Carrier's Requested Deviation Detail: [REDACTED]

- A.12. Affirm that the MA Carrier shall comply with all of the provisions provided in **Appendix C, Business Associate Agreement** of this RFP.
 Affirm Affirm with the proposed Deviation

If applicable, enumerate and provide a detailed description of each Appendix C, Business Associate Agreement deviation.
MA Carrier's Requested Deviation Detail: [REDACTED]

XI. Interrogatories

In order for MA Carrier's Proposal to be considered and accepted, the MA Carrier must provide answers to all of the questions presented herein. Each question must be answered specifically and in detail. Reference should not be made to a prior response, or to another document, unless the question involved specifically provides such an option. Be sure to refer to the earlier articles of this RFP and the Contract before responding to any of the questions, so that MA Carrier has a complete understanding of all of ERS' requirements with respect to the bid. For purposes of the Contract and the RFP, "MA Carrier" necessarily includes the MA Carrier, its officers, directors, employees, representatives, agents, subsidiaries, affiliates and any subcontractors and independent contractors.

Answers to the questions included in this Article should be detailed enough to satisfactorily explain MA Carrier's position on each particular issue. It is MA Carrier's responsibility to respond to these questions in such a way that ERS has a full and complete understanding of its intent. **It is important that MA Carrier carefully defines any key words or phrases used in answering these questions that are not otherwise defined in the Contract or the RFP. MA Carrier's Proposal shall use the terms defined in the Contract and the RFP only as they are so defined.**

A. General Information

- A.1. In light of the recent health care reform legislation, discuss MA Carrier's position regarding the future of the Medicare Advantage product.
- A.1.a. Discuss how the MA Carrier views the future stability of premiums for Medicare Advantage products.
- A.1.b. For how many employer groups does MA Carrier currently provide Medicare Advantage plans?
- A.1.c. Provide the total number of employers, number of members, and number of non-employer members covered by MA Carrier in 2010 in the following Medicare Advantage products:

	# of Employers	# of Employer Members	# of Non-Employer Members
Local HMO			
Local PPO			
Regional PPO			
Private Fee-for-Service			

- A.1.d. Has MA Carrier ever been listed by CMS as a probationary vendor? Yes No
If yes, explain.
- A.1.e. Has MA Carrier ever been sanctioned by CMS? Yes No
- A.1.f. Provide an explanation, i.e., corrective action plan for civil monetary penalties and suspension of marketing and enrollment, etc.
- A.1.g. Provide details regarding MA Carrier's CMS star ratings relative to the service areas in Texas as well as other areas of the USA where GBP retirees might reside.
- A.1.g.1. Provide copies of MA Carrier's CMS Performance Reporting for 2009 and 2010.
- A.1.h. Discuss any plan accreditation and/or certifications that MA Carrier has received (e.g. NCQA, URAC, etc.).

A.1.i. What has been MA Carrier's "typical" annual increase in Medicare Advantage premiums for MA Carrier's employer clients for 2009 and 2010?

	2009	2010
HMO	%	%
PPO	%	%
PFFS	%	%

A.1.j. Does MA Carrier subcontract any services to an outside organization? Yes No

A.1.i.1. If yes, identify each subcontractor and thoroughly outline all services provided.

A.1.j. Discuss MA Carrier's intent to expand or reduce the number of MA plans offered and include in the discussion the rationale for either decision?

A.1.k. Does MA Carrier expect its MA enrollment to increase or decrease over the next five (5) years and explain why?

A.1.l. Does the MA Carrier have the ability to offer coverage matching ERS' plan year of September 1 through August 31st? Yes No

If yes, please provide any special requirements.

If no, explain.

A.1.m. Describe any situations which could occur where MA coverage offered through the state plan to an individual is terminated requiring some form of coverage extension when a member is no longer in the group.

A.1.n. Does MA Carrier provide a set standard within a provider contract on appointment waiting time and driving time/distances? Yes No

If yes, describe MA Carrier's standards.

A.2. Plan Design

A.2.a. Discuss ability to modify the plan to suit the GBP's needs on a customized basis.

A.2.b. Provide a summary of ALL standard plan designs available, (i.e., medical, pharmacy, etc.)

A.3. Eligibility

A.3.a. Describe MA Carrier's recommendation for handling coverage for GBP non-Medicare eligible dependents of GBP Medicare-eligible retirees.

A.3.b. How are retirees who move from cold to warm places in the winter covered under the MA Carrier's network arrangement?

A.3.c. As described in Section III.A.5., RTWs can enroll in either retiree benefits or active employee benefits. Discuss how the MA Carrier would treat Medicare-eligible Participants that are actively employed with the state of Texas and have elected retiree benefits.

A.3.d. Discuss how the MA Carrier would treat Medicare-eligible Participants that are actively employed with the state of Texas or through any other employer and have elected active employee benefits.

A.3.e. Fully describe the enrollment verification process that MA Carrier coordinates with CMS, including the delivery of enrollment eligibility files from ERS via SFTP.

A.3.f. Provide MA Carrier's operation procedures relating to the processing and handling of eligibility for an MA Program.

A.3.g. Does MA Carrier cover disabled dependents?

A.4. Account Management and Implementation

- A.4.a. Given MA Carrier's current contractual obligations, what additional staff is expected to be hired in order to provide the GBP account with priority positioning if MA Carrier is selected? Identify the number of additional staff and discuss their varied responsibilities relative to the support of the GBP account.
- A.4.b. Provide an organizational chart for the proposed team, showing lines of authority up to and including the executive management level. Include all functions such as claims, member services, billing, etc.
- A.4.c. What specific services, support, and information are required from ERS in order to expedite MA Carrier's implementation?

A.5. Customer Service and Plan Administration

- A.5.a. Provide the following information about MA Carrier's proposed Customer Services Department(s) that would be responsible for managing the GBP account:

Location(s);
Hours of operation;
Number of customer/member services representatives assigned to GBP;
Number of other clients assigned customer/member service representatives are responsible for (average # per rep);
Experience level of staff (average # of yrs); and
Turnover rate for the past two (2) years.
- A.5.b. Discuss how the proposed GBP member services team would be kept apprised of any changes to GBP's benefit design.
- A.5.c. Discuss if MA Carrier can provide the GBP with a dedicated Customer Services team.
- A.5.d. Discuss the training MA Carrier's proposed customer services representatives will receive specific to the GBP's plan.
- A.5.e. What type of information about physicians is readily available to members (list all that apply) (i.e. member services department website, board certification, specialties list, medical school granting degree, member feedback about the provider, residency information, whether practice is accepting new patients, consumer satisfaction survey, clinical outcomes, number of procedures performed, where appropriate: hospital affiliations or non-surgical facility affiliations.)
- A.5.f. Fully describe the types of screens and online information that are made available to member services representatives, i.e. Eligibility, Benefits, Pre-certification, Claims, Network providers or Other).
- A.5.g. Provide a list of features that are available to the member via MA Carrier's website.
- A.5.h. Of those identified above, outline the website security provided to ensure confidentiality of PHI, including what information is requested to confirm the identity of the user.
- A.5.i. Can MA Carrier provide member support services via a GBP dedicated national toll-free telephone number? Yes No
 - A.5.i.1. If no, explain.
- A.5.j. Discuss MA Carrier's correspondence tracking.
- A.5.k. Discuss how MA Carrier's calls are documented.
- A.5.l. Describe how overflow calls are handled during busy call times (i.e. transferred to another call center, voice mail, IVR, etc.).
- A.5.m. What is the most recent annual turnover rate for MA Carrier's member services staff?

- A.5.n. What percentages of calls to MA Carrier's member services department are resolved on the first call?
- A.5.o. What is the call abandonment rate for the most recent twelve (12) months reported for the member services call center?
- A.5.p. Can member services process a claim? Yes No
- A.5.p.1. If yes, explain.
- A.5.q. Describe MA Carrier's call center standards and provide last year's results.
- A.5.q.1. Does MA Carrier conduct annual member satisfaction surveys? Yes No
If no, explain.
If yes, provide a copy of the most recent member satisfaction survey.
- A.5.r. What is the ID card turnaround time (defined as the average number of business days between enrolling a new group/member and mailing ID cards to members)?
- A.5.r.1. Can ID cards be customized for the GBP? Yes No
- A.5.r.2. If no, explain (i.e. additional cost).
- A.5.s. Provide samples of the communications materials included in MA Carrier's Proposal that MA Carrier uses to communicate with members.
- A.5.t. Are there any parts of the GBP program that MA Carrier believes MA Carrier will not be able to administer? Yes No
- A.5.t.1. If yes, explain.
- A.5.u. Does MA Carrier provide assistance to enrollees who may qualify for Medicaid or Low Income Subsidy assistance? Yes No
- A.5.u.1. If yes, explain.
- A.5.u.2. Discuss how MA Carrier proposes to manage state and federal contractors providing benefits to the GBP's dual-eligible population.
- A.6. Claims Administration and Audits**
- A.6.a. Identify the claim office location proposed to service the GBP account. List all locations if more than one location will service the GBP account.
- A.6.b. Provide the following information for the primary claim office facility that will service the GBP account:
- A.6.b.1. Number of years in operation:
- A.6.b.2. Number of claims processed during the last calendar year:
- A.6.b.3. Average number of claims per processor per day:
- A.6.b.4. Number of plans MA Carrier is presently administering:
- A.6.c. Will all medical claims be handled out of this facility? Yes No
- A.6.c.2. Explain response above (i.e., includes/excludes mental health claims).

- A.6.d. What is the capacity of the primary claims processing facility MA Carrier is proposing for GBP, and at what percent of capacity is this facility currently operating (i.e. current capacity, percent of total capacity)?
- A.6.e. Does MA Carrier provide EOBs for supplemental benefits to members? If so, provide a sample.
- A.6.f. Discuss MA Carrier's process for reconciling enrollment with CMS, and include results of the most recent reconciliation.
- A.6.g. Discuss MA Carrier's prescription drug event ("PDE") reconciliation process with CMS.
- A.6.h. Discuss the results of MA Carrier's PDE reconciliation process with CMS for each of the last two (2) years.
- A.6.i. When and under what circumstances are claims "pending"?
Is there an automatic follow-up generated by the system for pending claims? Yes No
- A.6.j. Discuss the follow-up frequency for a pending claim and how many follow-ups are performed.
- A.6.k. Discuss MA Carrier's recovery procedures should duplicate payments or overpayments occur.
- A.6.l. Discuss in detail any policies/procedures that prevent fraud and fraudulent claim submissions.
- A.6.m. Does MA Carrier have medical professionals (MD/RN) physically housed in the primary claim office proposed for GBP? If so, how many?
- A.6.n. Does MA Carrier's member services and claims processing units have access to the same claims system and level of information? Yes No
- A.6.n.1. If no, explain.
- A.6.o. Does MA Carrier provide an annual statement of medical claims to members?
 Yes No
- A.6.o.1. If no, explain.
- A.6.p. Discuss MA Carrier's internal audit procedures, including areas audited and frequency of audits. Provide 2010 results (or last audit).
- A.7. Prescription Drugs**
- A.7.a. Who administers MA Carrier's pharmacy benefit?
- A.7.b. Provide the number of independent, chain and total pharmacies MA Carrier currently has under contract in Texas and nationwide in the network MA Carrier is proposing for the GBP.
- A.7.c. Using the demographic file available, provide the number and percent of GBP retirees meeting the GeoAccess study of one (1) pharmacy within five (5) miles and ten (10) miles.
- A.7.c.1. Provide the GeoAccess reports to support MA Carrier's response to Section XI.A.7.c. above.
- A.7.d. Provide a listing of the CMS' defined top 100 drugs that are on MA Carrier's' formulary.
- A.7.e. Provide a copy of MA Carrier's Medication Therapy Management Programs.
- A.7.f. Provide a listing of medications that require prior authorization.

- A.7.g. Provide a listing of any medications that have quantity level limits.
- A.7.h. Provide a listing of MA Carrier's step therapy programs, including the steps required for each medication.
- A.7.i. Does MA Carrier offer medications through home delivery (i.e. through a PBM owned by organization, a subcontractor relationship, etc.)?
- A.7.j. Provide a copy of the proposed formulary.
- A.7.k. How often and in what manner will the formulary be communicated to members?
- A.7.l. Is there flexibility to customize the formulary at GBP's request?
- A.7.m. Discuss the steps MA Carrier will take to ensure that the member will always pay the lesser of the prescription cost or copayment.
- A.7.n. Discuss how MA Carrier's PDP pharmacy benefit will accommodate ongoing pharmacy-specific pricing offers (e.g. \$4 prescriptions, \$0 generic antibiotics, etc.).
- A.8. Wellness, Prevention and Consumer Support**
- A.8.a. Describe any educational materials MA Carrier provides to members to assist them in being better consumers. Identify if the materials are web-based, hard copy, or both.
- A.8.b. Describe any programs dealing with wellness or consumerism MA Carrier is currently developing that will be operational by 2012.
- A.9. Provider Network**
- A.9.a. Provide MA Carrier's provider network files and a list of hospitals and health care facilities under contract in MA Carrier's proposed network for the state of Texas in the format as more fully outlined in Article VIII, *Provider Network Requirements*.
- A.9.b. Provide a complete GeoAccess study that demonstrates MA Carrier's ability to provide access to all members in proposed service area. As a reminder, a national offering is preferred.
- A.9.c. Is MA Carrier anticipating any material changes in network size (for either hospitals or physicians) in the proposed network area during the next 18-24 months?
If yes, explain.
- A.9.d. Has MA Carrier obtained the necessary waivers to provide access outside the established service area?
- A.9.e. Discuss MA Carrier's experience in administering an employer group program under an expanded service area waiver in order to provide national coverage.
- A.9.f. How has MA Carrier met the requirements for the extended service area waiver for other employer clients?
- A.9.g. Provide the percentage of MA Carrier's MA plan providers that voluntarily resigned from the plan in each of the last two (2) years. List the top three reasons for their departure.
- A.9.h. What percentages of MA Carrier's MA physicians have been terminated from the MA Carrier's plan in each of the last two (2) years due to quality of care problems or over/under utilization?
- A.9.i. What percentage of MA Carrier's MA plan physicians that are practicing in Texas are accepting new Medicare Advantage patients?

- A.9.j. How often does MA Carrier update provider listings on its website (i.e. weekly, monthly, quarterly, semi-annually, etc.)?
- A.9.k. Discuss MA Carrier's member notification procedure if a network provider terminates its Contract during the plan year. Include a description of the assistance offered to plan members.
- A.9.l. Fully describe the process utilized by the MA Carrier to ensure that referrals from MA provider for Participants are being made to specialists/physicians/providers who are within the MA network.
- A.9.l.1. How are these referrals communicated to Participant(s)?
- A.9.l.2. If there are no MA Providers available, how does MA Carrier manage the Participants care under the proposed MA Plan?
- A.9.m. If any part of MA Carrier network is not wholly owned, provide the following:
 Network name:
 Owner/part owner:
 Length of relationship/contract:
 Description of relationship/contract:
- A.9.n. In the event a member seeks inpatient services at a network hospital, whose responsibility is it to ensure all services (e.g., lab/x-ray services) are provided at the network level (i.e. members, provider's, etc.)?
- A.9.o. Discuss if MA Carrier monitors patient access to network providers (e.g. office waiting time, appointment delays or cancellations).
- A.9.p. Does MA Carrier have a Centers of Excellence Program?
- A.9.q. What percent of physician credentialing is completed by each of the following (i.e. health plan, medical group, or third-party subcontractor)?
- A.9.r. Discuss how often MA Carrier re-credentials network physicians (i.e. annually, once every two years, three years, etc.).
- A.9.s. How often are network hospitals re-credentialed (i.e. annually, once every two years, three years, etc.)?
- A.9.t. What plans, if any, does MA Carrier have for growth in the number of general practitioners, specialists and network facilities if awarded this Contract? Please include target dates for any expansion in the number of network providers.
- A.9.u. What percentage of the general practitioners in MA Carrier proposed provider network currently has closed practices (i.e., not accepting new patients)?
- A.9.v. Describe any risk sharing arrangements between MA Carrier and providers relative to in-network providers and use of out-of-network providers.
- A.10. Denials/Appeals/Grievance Procedures**
- Medicare Advantage plans have their own grievance and appeals requirements. Therefore, responses to Interrogatories within this section should be based on MA Carrier's ability to handle grievances/appeals for GBP administration and service grievances/appeals that are not included in CMS requirements.
- A.10.a. Describe in full detail MA Carrier's procedures for denials, appeals and grievance procedures.

XII. Appendices

- A. Signature Pages
- B. Contractual Agreement
- C. Business Associate Agreement
- D. Data Security and Breach Notification
- E. Experience Data:
 - A. Monthly GBP Enrollment History for Medicare-primary Participants
 - B. GBP Enrollment by County for Medicare-primary Participants
 - C. GBP Enrollment by Age for Medicare-primary Participants
 - D. HealthSelect Claims by Type of Service for Medicare-primary Participants
 - E. Data Instructions
- F. Sample Go-Live Contingency Plan
- G. Performance Guarantees
- H. Marketing Guidelines for GBP & ERS Vendors
- I. Weekly/Monthly Carrier File Layouts
- J. Glossary of Terms
- K. ERS Brand Guidelines
- L. Call Center Metrics
- M. HealthSelect and PBM Claims Experience and Enrollment by County