

# Amendment 1



STATE OF WASHINGTON  
HEALTH CARE AUTHORITY

## REQUEST FOR PROPOSALS (RFP)

RFP NO. 2619

**PROJECT TITLE:** SEBB Short and/ or Long Term Disability Insurance

**PROPOSAL DUE DATE:** June 13, 2018 by 2:00 p.m. *Pacific Time*, Olympia, Washington, USA.

E-mailed bids will be accepted. Faxed bids will not.

**ESTIMATED TIME PERIOD FOR CONTRACT:** October 1, 2018 to December 31, 2024

The implementation and administrative duties will begin October 1, 2018, the Subscriber coverage will begin in 2020.

The Health Care Authority reserves the right to extend the contract for up to fifteen (15) additional one (1) year periods at the sole discretion of the Health Care Authority.

**BIDDER ELIGIBILITY:** This procurement is open to those Bidders that satisfy the minimum qualifications stated herein and that are available for work in Washington State.

# Amendment 1



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# 1. INTRODUCTION

## 1.1. PURPOSE AND BACKGROUND

The Washington State Health Care Authority, hereafter called “HCA,” is initiating this Request for Proposals (RFP) to solicit proposals from firms interested in providing and administering Short Term Disability (STD) and/or Long Term Disability (LTD) benefits to Subscribers of programs administered by the HCA’s Employees and Retirees Benefits (ERB) Division, at this time specifically for the new School Employees Benefits Board (SEBB) program.

HCA’s intent is to award one or more contracts, as necessary, to provide the services described in this RFP. HCA reserves the right to the following contract options: (1) enter into separate contracts for short term and long term disability benefits; (2) enter into one contract for both benefits; (3) enter into one contract for short term disability benefits only; or (4) enter into one contract for long term disability benefits only.

### Overview

HCA is a cabinet-level agency within the Washington State executive branch and governed by chapter 41.05 of the Revised Code of Washington (RCW). HCA is the largest purchaser of health care services in Washington through its management of the Public Employees Benefits Board (PEBB) and Apple Health (Medicaid) programs. This purchasing influence will grow even larger with the implementation of the School Employees Benefits Board (SEBB) program. The ERB division of HCA will administer benefits designed for both the SEBB and PEBB programs. Today, the PEBB program covers all eligible Washington State employees and their dependents, which includes school employee retirees. The PEBB program also covers employees and dependents across Washington state counties, municipalities, political subdivisions, tribal governments, and even some school districts and Educational Service Districts (ESD) that contract with HCA for PEBB program benefits.

The SEBB program was created within HCA pursuant to the passage of Engrossed House Bill (EHB) 2242 (Laws of 2017, 3<sup>rd</sup> sp.s., Part VIII<sup>1</sup>) in July 2017. EHB 2242 directs the SEBB and HCA to develop and administer a suite of benefits for eligible Washington State school employees and their dependents. During the 2018 Legislative session, SEBB program statutes were amended by Engrossed Substitute Senate Bill 6241.<sup>2</sup>

Starting January 1, 2020, all Washington State school districts, ESDs, and charter schools (approximately 314 separate entities) will be required to participate in benefits offered through the SEBB program. School districts, ESDs, and charter schools accessing PEBB program benefits prior to January 1, 2020 will transition to SEBB program benefits starting January 1, 2020. SEBB will design and approve insurance benefit plans and establish eligibility criteria for participation in these plans. HCA will conduct the procurement of these benefit plans for SEBB approval. SEBB may or may not choose to adopt some or all of the benefit plans that PEBB currently offers, and may choose to direct HCA to procure some or all of its own benefit plans independent of the PEBB program. Under EHB 2242, SEBB benefit plans and rules must be in place and fully effective on January 1, 2020, and HCA must follow the state procurement process to put the benefit plans in place. EHB 2242 requires state consolidation of benefits purchasing, benefits administration, and collective bargaining.

On March 15, 2018, SEBB adopted resolutions that, among other things, requires HCA to perform procurements for short and long term disability insurance.

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<sup>1</sup> [http://lawfilesexternal.leg.wa.gov/biennium/2017-18/Pdf/Bills/Session%20Laws/House/2242.SL.pdf?cite=2017 3rd sp.s. c 13 § 801.](http://lawfilesexternal.leg.wa.gov/biennium/2017-18/Pdf/Bills/Session%20Laws/House/2242.SL.pdf?cite=2017%203rd%20sp.s.%20c%2013%20%24%20%24)

<sup>2</sup> <http://lawfilesexternal.leg.wa.gov/biennium/2017-18/Pdf/Bills/Senate%20Passed%20Legislature/6241-S.PL.pdf>

For the purposes of submitting a Proposal, the current PEBB program Members (to include all retirees) are outside the scope of this RFP. However, HCA reserves the right to amend and extend any resulting contracts to PEBB program Members, during the life of the resulting contracts, in the event HCA is directed to add any plans resulting from this RFP to the PEBB program portfolio.

## **SEBB Program Population**

The SEBB program will offer benefits to Washington State school employees who meet the eligibility criteria defined by the SEBB and codified in the Washington Administrative Code (WAC), which are currently in the process of being developed. In state law (RCW 41.05.740(6)(d)), the primary SEBB benefits eligibility criteria is set as any employee anticipated to work at least six hundred and thirty (630) hours during the school year. Currently, when a Washington State school employee retires and meets eligibility requirements, they become eligible for benefits under the PEBB program. Therefore, the SEBB program population does not include retirees at this time.

Based on Washington State school employee data received from the Office of Financial Management (OFM) for the 2015-16 school year, there were approximately 134,000 school employees statewide who worked at least six hundred and thirty (630) hours and at least ten thousand five hundred (10,500) additional employees who worked less than six hundred and thirty (630) hours. The number of dependents covered through school employee groups will likely increase from current levels as the employee premium contribution methodology will change under the SEBB program to be relatively more favorable to employees with dependents. While the exact number of members will not be known until the end of Open Enrollment in late fall of 2019, it is known that the Subscriber population is largely female (roughly 75%), and the median age is approximately thirty-seven (37). HCA estimates that total SEBB enrollment (eligible Subscribers and dependents) is between two hundred thousand and three hundred thousand (200,000 and 300,000).

While all school districts, ESDs, and charter schools may *currently* contract with HCA for PEBB benefits, currently seventy-two (72) school districts and five (5) ESDs participate in these benefits. This is approximately three to five percent (3-5%) of all Washington school employees. Beginning January 1, 2020 the school employees currently participating in the PEBB program's LTD product must be moved and risk-pooled with all other school employees in the SEBB program LTD benefit. Currently, most active school employees have benefits arranged by their individual employing districts and local collective bargaining units.

## **1.2. OBJECTIVES AND SCOPE OF WORK**

### **1.2.1 SEBB Responsibilities and the HCA's Final Authority**

While determination of eligibility criteria is the statutory responsibility of SEBB, the HCA retains administrative responsibility for individual eligibility determinations for SEBB benefits (which are delegated to the employer to perform with support and training from HCA), and handles individual benefits eligibility appeals. In addition, HCA reserves the right to authorize audits by third parties.

### **1.2.2 Eligibility Administration of Plan**

Determination of eligibility criteria for disability plan coverage is the statutory responsibility of SEBB and will likely be finalized between December 2018 and January 2019; eligibility criteria are not open for suggestion in the Bidder's submitted Proposal under this RFP. However, it is likely that benefits officers employed by individual school districts, ESD, or charter schools will make eligibility decisions for their employees.

### **1.2.3 Plan Funding**

Plan funding structure has not yet been decided. In order for proposals to be considered complete, Bidders must provide both Participating and Non-Participating options with their

proposals. Bidders will be expected to provide with their proposals separate rates for each of the following options.

- 1.2.3.1 A group STD Insurance product to SEBB eligible Subscribers, paid by the Subscriber with and without HCA Participating in the risk of the plan. Premiums will be collected from Subscribers through a payroll deduction or other method to be mutually determined.
- 1.2.3.2 A group LTD Insurance product to SEBB eligible Subscribers, paid by the Subscriber with and without HCA Participating in the risk of the plan. Premiums will be collected from Subscribers through a payroll deduction or other payment method to be mutually determined.
- 1.2.3.3 A group basic LTD Insurance product to SEBB eligible Subscribers, paid by the employer with and without HCA Participating in the risk of the plan. Premiums will be collected from the Employer through a mutually determined method, if funding is made available to the program in the future.

During contract negotiations, HCA will decide whether the final plan design will be participating or non-participating.

**1.2.4 Plan Design**

1.2.4.1 Short Term Disability.

If the Bidder intends on submitting a proposal and bid rate for the STD, they will need to provide two (2) plan designs, one (1) for Option 1 and one (1) for Option 2 from Table A below.

**Table A**

<b>Short Term Disability Insurance Program</b>		
	Option 1	Option 2
STD Weekly Benefit % of Annual Gross Base Salary	60% paid weekly	60% paid weekly
STD Maximum per Week	\$2,500	\$2,500
STD Minimum per Week	\$100	\$100
Elimination Period (does not include personal leave)	14 calendar days	30 calendar days
Definition of Disability	Own Job	Own Job
Duration of Benefit	26 weeks	26 weeks
Pre-Existing Conditions Limitation	None	None
Evidence of Insurability (EOI)	Guaranteed Issue for Subscribers who enroll within 31 days of eligibility date; EOI for Late Enrollees	Guaranteed Issue for Subscribers who enroll within 31 days of eligibility date; EOI for Late Enrollees
Waiver of Premium	Included once the elimination period has been satisfied	Included once the elimination period has been satisfied
Integration	Primary Subscriber only	Primary Subscriber only

### 1.2.4.2 Long Term Disability

If the Bidder intends on submitting a proposal and bid rate for LTD, they will need to provide four (4) plan designs, one (1) for Option 1, one (1) for Option 2, one (1) for Option 3, and one (1) for Option 4 from Table B below.

**Table B**

Long Term Disability Insurance Program				
	Option 1	Option 2	Option 3	Option 4
LTD Benefit % of Gross Annual Base Salary	65% paid monthly	65% paid monthly	67% paid monthly	67% paid monthly
LTD Maximum per Month	\$10,000 per month. (Insures an annual salary of approximately \$185K)	\$10,000 per month. (Insures an annual salary of approximately \$185K)	\$10,000 per month. (Insures an annual salary of approximately \$223K)	\$10,000 per month. (Insures an annual salary of approximately \$223K)
LTD Minimum per Month	Greater of 10% of benefit or \$100 per month	Greater of 10% of benefit or \$100 per month	Greater of 10% of benefit or \$100 per month	Greater of 10% of benefit or \$100 per month
Elimination Period (does not include personal leave)	60 calendar days	90 calendar days	60 calendar days	90 calendar days
Definition of Disability	24 month own occupation followed by any occupation	24 month own occupation followed by any occupation	24 month own occupation followed by any occupation	24 month own occupation followed by any occupation
Duration of Benefit	Social Security Normal Retirement Age	Social Security Normal Retirement Age	Social Security Normal Retirement Age	Social Security Normal Retirement Age
Annual Cost of Living Adjustment	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Mental Nervous & Substance Abuse Limitations	24 months	24 months	24 months	24 months
Pre-Existing Conditions Limitation	3 months prior to effective date and 12 months from effective date	3 months prior to effective date and 12 months from effective date	3 months prior to effective date and 12 months from effective date	3 months prior to effective date and 12 months from effective date
Evidence of Insurability (EOI)	Guaranteed Issue for Subscribers who enroll within 31 days of eligibility date; EOI for Late Enrollees.	Guaranteed Issue for Subscribers who enroll within 31 days of eligibility date; EOI for Late Enrollees.	Guaranteed Issue for Subscribers who enroll within 31 days of eligibility date; EOI for Late Enrollees.	Guaranteed Issue for Subscribers who enroll within 31 days of eligibility date; EOI for Late Enrollees.
Waiver of Premium	Included once the elimination period has been satisfied	Included once the elimination period has been satisfied	Included once the elimination period has been satisfied	Included once the elimination period has been satisfied
Integration	Primary Subscriber only	Primary Subscriber only	Primary Subscriber only	Primary Subscriber only

### 1.2.5 Required Plan Provisions

All Plans proposed by Bidders need to include the following terms listed in Table C for STD, and/ or Table D for LTD depending upon the type of coverage the Bidder is providing.

**Table C**

STD Plan Provision	Terms
Elimination Period	The period of time that a Subscriber must be disabled to be eligible for benefits under the policy, includes Zero Day Residual.
Definition of Disability	A Subscriber is considered disabled if due to an injury or illness he or she is unable to perform the duties of his or her own job and unable to earn 80% or more of his pre-disability earnings.
Required Definitions	<p>Definition of Earning: Monthly earnings should be based on annual pay rate for all employees, regardless of whether the pay period differs (e.g. 10 month pay versus 12 month)</p> <p>Benefit Payment Begins: If the benefit effective date is during a non-work period in which the employee is getting paid, the benefit effective date will be the first normally scheduled workday (i.e. the elimination period will be extended to the first day after the non-pay period).</p> <p>Actively at Work: If school is not in session due to normal vacation or school breaks, actively at work means that the employee would be able to report to work performing regular duties as if school was in session.</p> <p>Maximum Duration of Benefits: Unpaid weeks during the non-work period will be counted toward the maximum duration of benefits.</p> <p>Plan Limitation: Begins during the benefit payment effective date defined above and counts the non-working months.</p>
Return to Work Incentive	A Subscriber may work while disabled. If a Subscriber is able to work, they may earn up to 100% of his or her pre-disability earnings when combining his or her disability payments and earnings. If the sum of the disability payment and earnings exceeds 100%, the earnings will be considered an offset so that the Subscriber receives 100% of his or her pre-disability earnings.
Termination of Coverage	<p>Coverage will end on the earliest of the following:</p> <ul style="list-style-type: none"> <li>• The date the policy is terminated,</li> <li>• The date the Subscriber is no longer eligible,</li> <li>• The date that premiums are no longer paid,</li> <li>• Disability benefits will continue to be paid for claimants who are disabled prior to the termination date of the contract and are entitled to receive benefits.</li> </ul>
Continuation of Insurance	<p>If a Subscriber is no longer actively at work due to Family Medical Leave coverage may continue for up to 12 weeks.</p> <p>A Subscriber who has been enrolled in optional (aka employee-paid) disability insurance program for at least 12 calendar months and whose active employment ends due to a reason other than disability may convert within 31 days of termination of enrollment to an individual disability insurance policy.</p>
Successive Period of Disability	If a Subscriber returns back to work for a period of less than fourteen (14) days and goes back out on disability due to same injury or illness, the Subscriber will not be required to satisfy a new elimination period.



Deductible sources of Income	Subscriber's benefit will be reduced if the Subscriber receives another source of income due to his or her disability by the following: <ol style="list-style-type: none"> <li>Any amounts received (or assumed to be received) by the Subscriber under: <ul style="list-style-type: none"> <li>the Canada and Quebec Pension Plans;</li> <li>the Railroad Retirement Act;</li> <li>any local, state, provincial or federal government disability or retirement plan or law including a motor vehicle law or similar law.</li> </ul> </li> <li>Any Social Security disability or retirement benefits the Subscriber (not including Subscriber's dependents) receives (or is assumed to receive) on his or her own behalf.</li> <li>Any Retirement Plan benefits sponsored by the Employer. "Retirement Plan" means any defined benefit or defined contribution plan sponsored or funded by the Employer.</li> <li>Any proceeds payable under any franchise or group insurance or similar plan.</li> <li>Any amounts paid because of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.</li> </ol>
Exclusions	<ul style="list-style-type: none"> <li>Act of war,</li> <li>participation in a riot,</li> <li>commission of a felony,</li> <li>cosmetic or elective surgery.</li> </ul>
Annual Gross Base Earnings	Subscriber's gross annual base salary as of December 1 of each year to be effective on January 1 of each year.

**Table D**

LTD Plan Provision	Terms
Elimination Period	If the disability stops for 60 consecutive days or less during the elimination period, it will be treated as a continuous period of disability, including Zero Day Residual.
Definition of Disability	A Subscriber is considered Disabled if due to injury or illness he or she is unable to perform his or her Own Occupation or have a loss of 20% or more of his or her pre-disability earnings (unable to earn 80% or more of his pre-disability earnings) by working in his or her regular occupation. After 24 months of disability payments a Subscriber is considered Disabled if due to injury or illness he or she is unable to perform the duties of Any Occupation or unable to earn 60% or more of his or her pre-disability earnings by working in any occupation.
Required Definitions	<p>Definition of Earning: Monthly earnings should be based on annual pay rate for all employees, regardless of whether the pay period differs (e.g. 10 month pay versus 12 month)</p> <p>Benefit Payment Begins: If the benefit effective date is during a non-work period in which the employee is getting paid, the benefit effective date will be the first normally scheduled workday (i.e. the elimination period will be extended to the first day after the non-pay period).</p> <p>Actively at Work: If school is not in session due to normal vacation or school breaks, actively at work often means that the employee would be able to report to work performing regular duties as if school was in session.</p> <p>Maximum Duration of Benefits: Unpaid weeks during the non-work period will be counted toward the maximum duration of benefits.</p> <p>Plan Limitation: Begins during the benefit payment effective date defined above and counts the non-working months.</p>
Return to Work Incentive	During the first 24 months of disability benefits, earnings from working while disabled will not be considered an offset unless the sum of the Disability benefit and the earnings exceed 100% of pre-disability earnings.
Continuation of Insurance	Disability Insurance continues if a Subscriber's Active Pay Status ends due to a Disability for which benefits under the Policy are or may become payable. Premiums for the Subscriber will be waived while Disability Benefits are payable. If the Subscriber does not return to Active

	<p>Service, this insurance ends when the Disability ends or when benefits are no longer payable, whichever occurs first.</p> <p>If a Subscriber's Active Service ends due to personal or family medical leave insurance will continue for a Subscriber for up to 12 weeks, if the required premium is paid when due.</p> <p>A Subscriber who has been enrolled in optional, or employee-paid, disability insurance program for at least 12 calendar months and whose active employment ends due to a reason other than disability may convert within 31 days of termination of enrollment to an individual disability insurance policy.</p>
Successive Period of Disability	A separate period of Disability will be considered continuous if it is due to a related disability and occurs within 60 days of the Subscriber returning to work for the initial period of disability.
Mental Nervous/Substance Abuse Limitations	Benefits will be payable for a maximum of 24 months during a Subscriber's lifetime for a disability due to Mental Nervous conditions or Substance abuse. If confined in a hospital for treatment upon exhaustion of the 24 months, benefits will continue as long the Subscriber remains confined.
Pre-Existing Condition	If within the first year of being a covered Subscriber, a Subscriber files a disability claim, a pre-existing investigation will be performed to determine whether the Subscriber received care or treatment for this condition during the three (3) months prior to his or her coverage effective date. Benefits will not be payable if the disability was caused by a pre-existing condition.
Duration	<p>Under Age 65 - To Subscriber's normal retirement age</p> <p>Age 65 - 24 months</p> <p>Age 66 - 21 months</p> <p>Age 67 - 18 months</p> <p>Age 68 - 15 months</p> <p>Age 69 and over - 12 months</p>
Annual Gross Base Salary	Subscriber's gross annual base salary as of December 1 of each year to be effective on January 1 of each year.
Deductible sources of Income	<p>Subscriber's benefit will be reduced if the Subscriber receives another source of income due to his or her disability by the following:</p> <ol style="list-style-type: none"> <li>Any amounts received (or assumed to be received*) by the Subscriber under: <ul style="list-style-type: none"> <li>the Canada and Quebec Pension Plans;</li> <li>the Railroad Retirement Act;</li> <li>any local, state, provincial or federal government disability or retirement plan or law including a motor vehicle law or similar law.</li> </ul> </li> <li>Any Social Security disability or retirement benefits the Subscriber (not including Subscriber's dependents) receives (or is assumed to receive) on his or her own behalf.</li> <li>Any Retirement Plan benefits sponsored by the Employer. "Retirement Plan" means any defined benefit or defined contribution plan sponsored or funded by the Employer.</li> <li>Any proceeds payable under any franchise or group insurance or similar plan.</li> <li>Any amounts paid because of loss of earnings or earning capacity through settlement, judgement, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.</li> </ol>
Exclusions	<ul style="list-style-type: none"> <li>Act of war,</li> <li>participation in a riot,</li> <li>commission of a felony,</li> <li>cosmetic or elective surgery.</li> </ul>
Survivor Benefit	If the Subscriber received disability benefits under the plan and had been disabled for 180 or more days, a survivor benefit will be paid upon the Subscriber's death. The survivor will receive a benefit equal to 3 months of the Subscriber's gross disability benefit paid in a lump sum.

### 1.2.6 Plan Administration

Bidders should assume the plans will begin implementation around October 1, 2018, some administrative services beginning January 1, 2019 and the go-live date for the benefit will be

January 1, 2020. The system of record for employee benefits has not been established at this time but school districts and/ or HCA will assume the responsibility of being the record keeper for the plan(s). Although HCA anticipates the ASB will not need to provide any record keeping responsibilities in regards to the system of record, the ASB should anticipate the need to start record keeping if requested by HCA. HCA establishes and administers all eligibility rules for all Subscribers.

The key administrative functions HCA expects the ASB to perform include, but are not limited to:

- Designate contract specific administrative management team including an account executive, claims coordinator, and information systems manager.
- Electronic Beneficiary designation as an option to Subscribers.
- Online evidence of insurability as an option to Subscribers.
- Web-based electronic claims forms as an option to Participating Subscribers.
- Annual experience reviews with HCA.
- Provide billing options to Subscribers.
- Premium Stabilization Reserve (PSR) accounting and reporting (if Participating funding is chosen).

The key services HCA expects the ASB to provide include, but are not limited to:

- Medical underwriting of Subscribers outside of their initial 31 day Guaranteed Issue enrollment period.
- Disability determination.
- Claims processing including offsets with other benefits.
- Return to work programs.
- Case management.
- Maintain a customer call center with some dedicated account customer service staff.
- Administrative management team specific to the resulting contract of this RFP, including an account executive, claims coordinator, information systems manager, and a dedicated local representative.
- Subscriber outreach and communication.
- Online services for Subscribers and employers.
- Enrollment file processing.
- Managing benefits claims and appeals.
- Completion of all required state insurance filings.
- Reporting, which includes but is not limited to, all reporting required by state or federal law, and any and all reporting required by HCA.

Prior to launching a new SEBB plan on January 1, 2020, an ASB will be expected to perform the following implementation services at no cost to HCA:

- Begin a structured Contract implementation plan beginning as early as October 1, 2018 or contract execution date, whichever is later.
- Support the HCA's annual Open Enrollment activities in fall 2019 for the 2020 plan year as specified by HCA.
- Provide all contracted responsibilities, including all administrative and disability services, beginning January 1, 2020.

### **1.2.7 Other Contractors and Partners**

An ASB may be required to work with a number of other third party contractors providing services to HCA. This work may involve sharing eligibility, claims data, or other activities as directed by HCA. HCA may require the ASB and other contractors to complete any appropriate data sharing agreement or security review for these file transfers.

## 1.2.8 Data Transmissions

### 1.2.8.1 Background and Administration

Under the current administration process, eligible employees complete paper forms for disability insurance coverage and personnel and payroll staff key the coverage choices into several separate payroll systems that do not presently interface with HCA's current system of record, PAY1. Each employer retains the paper records of enrollment and Beneficiary designation. Schools have their own systems of record and HCA is presently exploring data transmission options with school employers.

The ASB will be expected to be prepared to accept multiple eligibility files and/ or maintain paper files as they will be provided from multiple employers.

### 1.2.8.2 Future Data-System Improvements

HCA may opt to modify their system of record data system resulting in the need for at least one additional computer integration with the ASB in order to support an employer-paid basic benefit or replace the current system of record. The first additional computer integration will be provided to HCA by the ASB at no additional cost.

HCA expects to change its eligibility information system in the coming years. The details of the new system are under development and are not available at this time. The ASB should expect that some aspects of the electronic data interface may change as a result. For example, the interface may be with an application service provider instead of HCA, and the new system may add unique identifiers instead of requiring the ASB to generate them (in this scenario, ASB would be required to use the HCA-generated unique identifier).

## 1.2.9 Plan Enrollment and Implementation

The ASB will:

- 1.2.9.1 Provide a full Open Enrollment offered during the SEBB program's initial 2019 Open Enrollment, currently assumed to be scheduled in the fall of 2019. This first Open Enrollment will be a complete Open Enrollment with no evidence of insurability for any eligible employee.
- 1.2.9.2 After January 1, 2020, honor the plan's requirements for undergoing evidence of insurability for those Subscribers enrolling as a late entrant to the plan, except as provided in Section 1.2.9.6.
- 1.2.9.3 After January 1, 2020, honor Subscribers the ability to increase supplemental coverage amounts at any time during the year as long as the Subscriber complies with the ASB's rules about Evidence of Insurability (EOI).
- 1.2.9.4 After January 1, 2020, allow Subscribers the ability to lower supplemental coverage amounts at any time during the year without an EOI.
- 1.2.9.5 Mail a coverage confirmation letter to every eligible Subscriber before January 10, 2020. The confirmation letter must also include information necessary to administer section 1.2.9.6.
- 1.2.9.6 Allow any eligible Subscriber who had STD and/ or LTD coverage on the first day of Open Enrollment held in 2019, but who failed to enroll in benefits during the Open Enrollment held in 2019, to enroll in the plan effective January 1, 2020 if the following conditions are met:

- 1.2.9.6.1 The Subscriber is able to provide proof of coverage that ~~existed~~ existed with another carrier on the first day of the Open Enrollment held in 2019; and
- 1.2.9.6.2 The Subscriber submits the proof of coverage to the ASB no later than March 31, 2020; and
- 1.2.9.6.3 The Subscriber pays all necessary back-premiums owed for the coverage effective date of January 1, 2020.

The amount of coverage allowed under this situation will be the lesser of (i) the amount of coverage that existed on the first day of Open Enrollment held in 2019 or (ii) the new plan's maximum benefit.

- 1.2.9.7 Allow for interaction with HCA's Wellness programs. At some point in the future, HCA may require ASB to provide materials and / or data files that support ERB wellness programs which Subscribers may earn points on a web portal. The ASB will perform this work cooperatively with HCA when or if this occurs without further charges or costs.
- 1.2.9.8 Accommodate HCA's goal for final plan operations for HCA to provide an eligibility file to the ASB naming employees eligible to participate and for the carrier to provide post-tax premium deduction information to each payroll system for each Participating Subscriber. The ASB shall also offer payment methods other than payroll deduction to Subscribers. For example, we currently provide IRS 834 compliant files in both a standard and customized format depending on the vendor.
- 1.2.9.9 Note that all necessary implementation operations must be finalized in time for SEBB's 2019 Annual Open Enrollment, currently assumed to be scheduled, October 1 through November 15, 2019. Within three (3) weeks of signing the contract, ASB must provide a detailed work plan with milestone dates to accomplish this requirement.

### 1.2.10 Subscriber Communications

The following requirements are a high-level overview of the ASB's communication deliverables. For detailed information on communication deliverables see the Statement of Work in Exhibit A, Sample Contract (attached).

HCA communicates with its Subscribers in a number of different ways, including, but not limited to:

- Benefit Fairs
- Newsletters
- Email
- Robo-calls
- Direct mail with SEBB logo
- FUZE, a proprietary web-based inquiry system
- Employee Guide
- Listservs
- Forms from carriers
- Websites Forms from carriers
- Certificates of Coverage

In addition to providing a communications team that will work directly with HCA staff, the ASB will be expected to perform the following communication activities:

- 1.2.10.1 To support the initial Open Enrollment process, the ASB must develop and deploy a multi-channel enrollment and ongoing education campaign utilizing HCA intranet site, print materials, emails, robo-phone calls, direct mail, digital tools, videos,

educational presentation materials, social media, and onsite support through collaboration with and approval by the HCA.

1.2.10.2 The ASB must draft booklets/forms/ collateral communications. HCA must review and has final approval of all materials relating to this plan.

1.2.10.2.1 Certificate of Coverage must be completed annually, usually no later than October 1 of each year.

1.2.10.2.2 HCA does not need to approve invoices or generic Book of Business (BoB) documents.

### **1.3. MINIMUM QUALIFICATIONS**

The following are the minimum qualifications for Bidders:

1.3.1 Licensed to do business in the state of Washington or provide a commitment that it will become licensed in Washington within thirty (30) calendar days of being selected as the ASB.

1.3.2 Minimum of ten (10) years of experience providing STD and / or LTD insurance, whichever product the Bidder is providing a Proposal.

1.3.3 Experience providing disability insurance to large groups with a minimum of 75,000 Subscribers.

1.3.4 Experience working with government entities.

1.3.5 Confirm that Bidder, and any subcontractors, will comply with an OCIO (Exhibit F) review prior to interacting with HCA data.

### **1.4. FUNDING**

Any contract awarded as a result of this procurement is contingent upon the availability of funding and approval and adoption by the SEB Board.

### **1.5. PERIOD OF PERFORMANCE**

The period of performance of any contract resulting from this RFP is scheduled to begin on or about October 1, 2018 for implementation and administrative purposes only and to end on December 31, 2024. The actual benefit start date will begin on January 1, 2020. Amendments extending the period of performance, if any, will be at the sole discretion of HCA.

In its sole discretion, HCA reserves the right to extend the contract for up to fifteen (15) additional years in whatever time increments HCA deems appropriate. HCA may exercise its option to extend the contract by providing written notice to the Contractor within ninety (90) calendar days of the end of the current term of the contract.

### **1.6. CONTRACTING WITH CURRENT OR FORMER STATE EMPLOYEES**

Specific restrictions apply to contracting with current or former state employees pursuant to chapter 42.52 of the Revised Code of Washington. Bidders should familiarize themselves with the requirements prior to submitting a Proposal that includes current or former state employees.

## 1.7. DEFINITIONS

Definitions for the purposes of this RFP include:

**Apparently Successful Bidder (ASB)** – The bidder selected as the entity to perform the anticipated services, subject to completion of contract negotiations and execution of a written contract.

**Beneficiary** – Individual or entity the Subscriber chooses to receive the benefits after he or she dies.

**Bidder** – Individual or company interested in the RFP that submits a Proposal in order to attain a contract with the Health Care Authority.

**Business Day** – Monday through Friday, except for holidays observed by the state of Washington.

**Calendar Day** – Any day of the week, month or year. Includes weekends and holidays. When “days” are not specified, Calendar Days shall prevail.

**Employees and Retirees Benefits Division (ERB)** – HCA division which administers insurance coverage and other benefits for eligible employees, their families, retirees, eligible school employees, and their families. Oversees the design, procurement, and delivery of plans as well as communication and marketing related to the programs. Promotes wellness programs and activities to make healthy choices easier for employees.

**Health Care Authority (HCA)** – the Washington State Health Care Authority, any division, section, office, unit or entity of HCA, or any of the officers or other officials lawfully representing HCA.

**Non-Participating** - Non-Participating insurance does not pay policy-holders dividends that depend on insurance company performance. This is opposite to Participating insurance where policy owners could get some dividends based on company performance.

**Open Enrollment** – Annual period during with a Subscriber can change plan details, and take certain other actions affecting plan details.

**Participating** - A Participating policy is an insurance contract that pays dividends to the policy holder. Dividends are generated from the profits of the insurance company that sold the policy and are typically paid out on an annual basis over the life of the policy.

**Plan Year** – Starts on January 1 and ends December 31 of each year.

**Proposal** – A formal offer submitted in response to this solicitation.

**Public Employees Benefits Board (PEBB)** – Authorized to design benefits and determine the terms and conditions for participation in health insurance benefits for eligible public employees and retirees under RCW 41.05.065.

**Request for Proposals (RFP)** – Formal procurement document in which a service or need is identified but no specific method to achieve it has been chosen. The purpose of an RFP is to permit the bidder community to suggest various approaches to meet the need at a given price.

**Response** – A bid or Proposal that meets all material terms of the Solicitation document.

**Revised Code of Washington (RCW)** – Any references to specific titles, chapters, or sections of the RCW includes any substitute, successor, or replacement title, chapter, or section.

**School Employees Benefits Board (SEBB)** – Authorized to design benefits and determine the number of contracts necessary in order to provide an adequate network and coverage of health care services for school employees, and their dependents, who work in the Washington State K-12 education system. The SEBB program is administered by HCA in compliance with Engrossed House

Bill (EHB) 2242 enacted as RCW 41.05.740 and will provide insurance benefit plans to eligible K-12 school employees effective January 1, 2020.

**Subcontractor** – A person, partnership, or entity not in the employ of or owned by the Bidder, who is performing all or part of those services under a separate contract with or on behalf of the Bidder. The term “Subcontractor” means Subcontractors in any tier.

**Subscriber** – The eligible employee, or former employee, who has signed up to participate in the Disability plan(s), and is the main account holder.

**Washington Administrative Code (WAC)** – Any references to specific titles, chapters, or sections of the WAC includes any substitute, successor, or replacement title, chapter, or section.

## 1.8. ADA

HCA complies with the Americans with Disabilities Act (ADA). Bidders may contact the RFP Coordinator to receive this Request for Proposals in Braille or on tape.



## 2. GENERAL INFORMATION FOR BIDDERS

### 2.1. RFP COORDINATOR

The RFP Coordinator is the sole point of contact in HCA for this procurement. All communication between the Bidder and HCA upon release of this RFP must be with the RFP Coordinator, as follows:

Name	Laura Shayder
E-Mail Address	<a href="mailto:contracts@hca.wa.gov">contracts@hca.wa.gov</a>
Phone Number	(360) 725-0882

Any other communication will be considered unofficial and non-binding on HCA. Bidders are to rely on written statements issued by the RFP Coordinator. Communication directed to parties other than the RFP Coordinator may result in disqualification of the Bidder.

### 2.2. ESTIMATED SCHEDULE OF PROCUREMENT ACTIVITIES

Issue Request for Proposals	5/7/2018
Questions Due	5/17/2018 – 2:00 p.m. (PT)
Letter of Intent to Propose Due	5/18/2018
Answers Posted	5/23/2018
Proposals Due	6/13/2018 – 2:00 p.m. (PT)
Evaluate Proposals	6/15/2018 – 6/22/2018
Announce “Apparently Successful Bidder” and send notification via e-mail to unsuccessful Bidders	6/25/2018
Debrief Request Deadline (if requested)	6/28/2018
Contract Negotiations	7/2/2018 – 8/15/2018
Administrative Contract Start Date	10/1/2018
Contract Subscriber Coverage Start Date	1/1/2020

HCA reserves the right to revise the above schedule.

### 2.3. LETTER OF INTENT TO PROPOSE (MANDATORY)

Bidders must submit a Letter of Intent (LOI), and a signed Non-Disclosure Agreement (NDA) found in Exhibit B of this RFP, to be eligible to submit a Proposal in response to this RFP. A signed NDA is required in order to receive the Demographic Data, Exhibit H C.

Bidders who do not submit an LOI and NDA will be disqualified from further consideration. The sooner the Bidder returns the LOI and NDA the sooner they will receive data.

The LOI and NDA must be emailed to the RFP Coordinator, listed in Section 2.1 *RFP Coordinator*, and must be received by the RFP Coordinator no later than the date and time stated in the Procurement Schedule, Section 2.2 *Estimated Schedule of Procurement Activities*. The subject line of the email must include the following: Procurement #2619 – Letter of Intent to Propose – [Your entity’s name]. The LOI may be attached to the email as a separate document, in Word or PDF, or the information may be contained in the body of the email, if preferred.

Information in the LOI should be placed in the following order and using the same format/ headings:

- 2.3.1 Company Information
- 2.3.2 Bidder's Organization Name
- 2.3.3 Proposal Contact name and title
- 2.3.4 Address
- 2.3.5 Telephone Number
- 2.3.6 Email Address
- 2.3.7 Proof Bidder is licensed to do business in the state of Washington
- 2.3.8 Authorized Representative. Bidder will appoint an Authorized Representative to speak on behalf of the Bidder for all matters relating to this procurement. HCA will not recognize any other persons as representing the Bidder during the procurement process unless written designation is received in advance.
- 2.3.9 Authorized Signor. Bidder will identify by name, which individuals have the authority to sign contracts/ amendments on behalf of the organization.
- 2.3.10 Subcontractors. The identification of anticipated Subcontractors in the LOI is information only for the purpose of identifying potential conflicts of interest. Identifying potential Subcontractors does not obligate the Bidder to include those Subcontractors in the final Proposal. Any Subcontractor who may be privy to HCA's data during the Proposal process will be required to sign an NDA.
- 2.3.11 Minimum Qualifications. Bidder will explain how they meet all minimum qualifications and specified in Section 1.3, *Minimum Qualifications*.
- 2.3.12 Statement of intent to propose.

## **2.4. POSTING ON WEBS**

The HCA will use one official means to communicate with Bidders regarding activities related to this RFP. As required by RCW 39.26.150, the HCA will post this RFP and all amendments hereto to the Washington Electronic Business Solutions (WEBS) website located at <https://fortress.wa.gov/ga/webs/>. Bidders should visit the website and download the procurement documents. The HCA is not responsible for technical difficulties associated with accessing WEBS or downloading documentation therefrom.

The HCA will also maintain, for convenience purposes only, an unofficial repository for this RFP and all attachments and amendments on its internet site at the following address:  
<http://www.hca.wa.gov/about-hca/bids-and-contracts>.

## **2.5. SUBMISSION OF PROPOSALS**

The Proposal must be received by the RFP Coordinator no later than the Proposal Due deadline in Section 2.2, *Estimated Schedule of Procurement*.

Proposals must be submitted electronically as an attachment to an e-mail to the RFP Coordinator at the e-mail address listed in Section 0.1 *RFP Coordinator*. Attachments to e-mail should be in

Microsoft Word or PDF format. Zipped files cannot be received by HCA and cannot be used for submission of Proposals. The cover submittal letter and the Certifications and Assurances form, Exhibit D, must have a scanned signature of the individual within the organization authorized to bind the Bidder to the offer. HCA does not assume responsibility for problems with Bidder's e-mail. If HCA e-mail is not working, appropriate allowances will be made.

Proposals may not be transmitted using facsimile transmission.

Bidders should allow sufficient time to ensure timely receipt of the Proposal by the RFP Coordinator. Late Proposals will not be accepted and will be automatically disqualified from further consideration, unless HCA e-mail is found to be at fault. All Proposals and any accompanying documentation become the property of HCA and will not be returned.

## **2.6. PROPRIETARY INFORMATION / PUBLIC DISCLOSURE**

Proposals submitted in response to this competitive procurement will become the property of HCA. All Proposals received will remain confidential until the Apparently Successful Bidder is announced; thereafter, the Proposals will be deemed public records as defined in chapter 42.56 of the Revised Code of Washington (RCW).

Any information in the Proposal that the Bidder desires to claim as proprietary and exempt from disclosure under the provisions of chapter 42.56 RCW, or other state or federal law that provides for the nondisclosure of your document, must be clearly designated. The information must be clearly identified in a separate document and the particular exemption from disclosure upon which the Bidder is making the claim must be cited. Also, each page containing the information claimed to be exempt from disclosure must be clearly identified by the words "Proprietary Information" or "Confidential" printed on the page. Marking the entire Proposal exempt from disclosure or as Proprietary Information will not be honored.

If a public records request is made for the information that the Bidder has marked as "Proprietary Information," HCA will notify the Bidder of the request and of the date that the records will be released to the requester unless the Bidder obtains a court order enjoining that disclosure. If the Bidder fails to obtain the court order enjoining disclosure, HCA will release the requested information on the date specified. If a Bidder obtains a court order from a court of competent jurisdiction enjoining disclosure pursuant to chapter 42.56 RCW, or other state or federal law that provides for nondisclosure, HCA will maintain the confidentiality of the Bidder's information per the court order.

A charge will be made for copying and shipping, as outlined in RCW 42.56. No fee will be charged for inspection of contract files, but twenty-four (24) hours' notice to HCA is required. All requests for records should be directed to the [publicdisclosure@hca.wa.gov](mailto:publicdisclosure@hca.wa.gov).

The submission of any public records request to HCA pertaining in any way to this RFP will not affect the procurement schedule, as outlined in Section 2.2 *Estimated Schedule of Procurement Activities*, unless HCA, in its sole discretion, determines that altering the schedule would be in HCA's best interest.

## **2.7. REVISIONS TO THE RFP**

In the event it becomes necessary to revise any part of this RFP, addenda will be provided via e-mail to all individuals who have submitted a Letter of Intent. Addenda will also be published on Washington's Electronic Bid System (WEBS). The website can be located at <https://fortress.wa.gov/ga/webs/>. For this purpose, the published questions and answers and any other pertinent information will be provided as an addendum to the RFP and will be placed on the website.

HCA also reserves the right to cancel or to reissue the RFP in whole or in part, prior to execution of a contract.

## **2.8. DIVERSE BUSINESS INCLUSION PLAN**

Bidders will be required to submit a Diverse Business Inclusion Plan with their Proposal. In accordance with legislative findings and policies set forth in RCW 39.19, the state of Washington encourages participation in all contracts by firms certified by the Office of Minority and Women's Business Enterprises (OMWBE), set forth in RCW 43.60A.200 for firms certified by the Washington State Department of Veterans Affairs, and set forth in RCW 39.26.005 for firms that are Washington Small Businesses. Participation may be either on a direct basis or on a subcontractor basis. However, no preference on the basis of participation is included in the evaluation of Diverse Business Inclusion Plans submitted, and no minimum level of minority- and women-owned business enterprise, Washington Small Business, or Washington State certified Veteran Business participation is required as a condition for receiving an award. Any affirmative action requirements set forth in any federal Governmental Rules included or referenced in the contract documents will apply.

## **2.9. ACCEPTANCE PERIOD**

Proposals must provide one hundred eighty (180) calendar days for acceptance by HCA from the due date for receipt of Proposals.

## **2.10. COMPLAINT PROCESS**

- 2.10.1 Bidders may submit a complaint to HCA based on any of the following:
  - 2.10.1.1 The solicitation unnecessarily restricts competition;
  - 2.10.1.2 The solicitation evaluation or scoring process is unfair; or
  - 2.10.1.3 The solicitation requirements are inadequate or insufficient to prepare a Response.
- 2.10.2 A complaint may be submitted to HCA at any time prior to five (5) business days before the bid Response deadline. The complaint must meet the following requirements:
  - 2.10.2.1 The complaint must be in writing;
  - 2.10.2.2 The complaint must be sent to the RFP Coordinator in a timely manner;
  - 2.10.2.3 The complaint must clearly articulate the basis for the complaint; and
  - 2.10.2.4 The complaint must include a proposed remedy.

The RFP Coordinator will respond to the complaint in writing. The response to the complaint and any changes to the solicitation will be posted on WEBS. The Director of HCA will be notified of all complaints and will be provided a copy of HCA's Response. The complaint may not be raised again during the protest period. HCA's action or inaction in Response to the complaint will be final. There will be no appeal process.

## **2.11. RESPONSIVENESS**

All Proposals will be reviewed by the RFP Coordinator to determine compliance with administrative requirements and instructions specified in this RFP. The Bidder is specifically notified that failure to comply with any part of the RFP may result in rejection of the Proposal as non-responsive. HCA also reserves the right at its sole discretion to waive minor administrative irregularities.

## **2.12. MOST FAVORABLE TERMS**

HCA reserves the right to make an award without further discussion of the Proposal submitted. Therefore, the Proposal should be submitted initially on the most favorable terms which the Bidder can propose. HCA does reserve the right to contact a Bidder for clarification of its Proposal.

HCA also reserves the right to use a Best and Final Offer (BAFO) before awarding any contract to further assist in determining the ASB.

The ASB should be prepared to accept this RFP for incorporation into a contract resulting from this RFP. The contract resulting from this RFP will incorporate some, or all, of the ASB's Proposal. The Proposal will become a part of the official procurement file on this matter without obligation to HCA.

## **2.13. CONTRACT AND GENERAL TERMS & CONDITIONS**

The ASB will be expected to enter into a contract which is substantially the same as the sample contract and its general terms and conditions attached as Exhibit A. In no event is a Bidder to submit its own standard contract terms and conditions in Response to this solicitation. The Bidder may submit exceptions as allowed in the Certifications and Assurances form, Exhibit D to this solicitation. All exceptions to the contract terms and conditions must be submitted as an attachment to Exhibit D, Certifications and Assurances form. If the Bidder fails to identify or object to any particular term or condition, that term or condition will be deemed agreed to by the Bidder, and will not be further discussed by HCA. HCA reserves the right to discuss any Bidder proposed change to terms or conditions and to clarify and supplement such Proposal.

If, after the announcement of the ASB, and after a reasonable period of time, as determined by HCA in its sole discretion, the ASB and HCA cannot reach agreement on acceptable terms for the Contract, the HCA may cancel the selection and Award the Contract to the next most qualified Bidder.

## **2.14. COSTS TO PROPOSE**

HCA will not be liable for any costs incurred by the Bidder in preparation of a Proposal submitted in Response to this RFP, in conduct of a presentation, or any other activities related to responding to this RFP.

## **2.15. RECEIPT OF INSUFFICIENT NUMBER OF PROPOSALS**

If HCA receives only one responsive Proposal as a result of this PROCUREMENT, HCA reserves the right to either: 1) directly negotiate and contract with the Bidder; or 2) not award any contract at all. HCA may continue to have the Bidder complete the entire PROCUREMENT. HCA is under no obligation to tell the Bidder if it is the only Bidder.

## **2.16. NO OBLIGATION TO CONTRACT**

This RFP does not obligate the state of Washington or HCA to contract for services specified herein.

## **2.17. REJECTION OF PROPOSALS**

HCA reserves the right, at its sole discretion, to reject any and all Proposals received without penalty and not to issue a contract as a result of this RFP.

## **2.18. COMMITMENT OF FUNDS**

The Director of HCA or his/her delegate is the only individual who may legally commit HCA to the expenditures of funds for a contract resulting from this RFP. No cost chargeable to the proposed contract may be incurred before receipt of a fully executed contract.

## **2.19. ELECTRONIC PAYMENT**

The state of Washington prefers to utilize electronic payment in its transactions. The ASB will be provided a form to complete with the contract to authorize such payment method.

## **2.20. INSURANCE COVERAGE**

As a requirement of the resultant contract, the ASB is to furnish HCA with a certificate(s) of insurance executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below.

The ASB must, at its own expense, obtain and keep in force insurance coverage which will be maintained in full force and effect during the term of the contract. The ASB must furnish evidence in the form of a Certificate of Insurance that insurance will be provided, and a copy must be forwarded to HCA within 15 days of the contract effective date.

### **2.20.1 Liability Insurance**

2.20.1.1 Commercial General Liability Insurance: ASB shall maintain commercial general liability (CGL) insurance and, if necessary, commercial umbrella insurance, with a limit of not less than \$1,000,000 per each occurrence. If CGL insurance contains aggregate limits, the General Aggregate limit must be at least twice the "each occurrence" limit. CGL insurance must have products-completed operations aggregate limit of at least two (2) times the "each occurrence" limit. CGL insurance must be written on ISO occurrence from CG 00 01 (or a substitute form providing equivalent coverage). All insurance must cover liability assumed under an insured contract (including the tort liability of another assumed in a business contract), and contain separation of insureds (cross liability) condition.

2.20.1.2 Additionally, the ASB is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

2.20.1.3 Business Auto Policy: As applicable, the ASB shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than \$1,000,000 per accident. Such insurance must cover liability arising out of "Any Auto." Business auto coverage must be written on ISO form CA 00 01, 1990 or later edition, or substitute liability form providing equivalent coverage.

### **2.20.2 Employers Liability ("Stop Gap") Insurance**

In addition, the ASB shall buy employers liability insurance and, if necessary, commercial umbrella liability insurance with limits not less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

2.20.3 Cyber-Liability Insurance / Privacy Breach Coverage. For the purposes of this section the following definitions apply:

**Breach** – means the unauthorized acquisition, access, use, or disclosure of Data shared under any resulting Contract that compromises the security, confidentiality, or integrity of the Data.

**Confidential Information** – is information that is exempt from disclosure to public or other unauthorized persons under 42.56 RCW or other federal or state laws. Confidential Information includes, but is not limited to, Personal Information and Protected Health Information.

**Data** – means information that is disclosed or exchanged between HCA and Apparently Successful Bidder. Data includes Confidential Information.

**Personal Information** – means information identifiable to any person, including but not limited to, information that relates to a person’s name, health, finances, education, business, use, or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver’s license numbers, credit card numbers, any other identifying numbers, and any financial identifiers.

**Protected Health Information (PHI)** – means information that relates to the provision of health care to an individual, the past, present, or future physical or mental health or condition of an individual, the past, present, or future payment for provision of health care to an individual. PHI includes demographic information that identifies the individual or about which there is reasonable basis to believe, can be used to identify the individual. PHI is information transmitted, maintained, or stored in any form or medium. PHI does not include education records covered by the Family Educational Right and Privacy Act (FERPA), as amended.

**For the term of any resulting Contract and three (3) years following its termination or expiration, The ASB must maintain insurance to cover costs incurred in connection with a security incident, privacy Breach, or potential compromise of Data, including:**

- 2.20.3.1 Computer forensics assistance to assess the impact of a Data Breach, determine root cause, and help determine whether and the extent to which notification must be provided to comply with Breach notification laws.
- 2.20.3.2 Notification and call center services for individuals affected by a security incident, or privacy Breach.
- 2.20.3.3 Breach resolution and mitigation services for individuals affected by a security incident or privacy Breach, including fraud prevention, credit monitoring, and identity theft assistance.
- 2.20.3.4 Regulatory defense, fines, and penalties from any claim in the form of a regulatory proceeding resulting from a violation of any applicable privacy or security law(s) or regulation(s).

#### 2.20.4 Additional Provisions

Above insurance policy must include the following provisions:

- 2.20.4.1 Additional Insured. The state of Washington, HCA, its elected and appointed officials, agents and employees must be named as an additional insured on all general liability, excess, umbrella and property insurance policies. All insurance provided in compliance with this contract must be primary as to any other insurance or self-insurance programs afforded to or maintained by the state.
- 2.20.4.2 Cancellation. State of Washington, HCA, must be provided written notice before cancellation or non-renewal of any insurance referred to therein, in accord with the following specifications. Insurers subject to 48.18 RCW

(Admitted and Regulation by the Insurance Commissioner): The insurer must give the state 45 days advance notice of cancellation or non-renewal. If cancellation is due to non-payment of premium, the state must be given ten (10) days advance notice of cancellation. Insurers subject to 48.15 RCW (Surplus lines): The state must be given twenty (20) days advance notice of cancellation. If cancellation is due to non-payment of premium, the state must be given ten (10) days advance notice of cancellation.

- 2.20.4.3 Identification. Policy must reference the state's contract number and the Health Care Authority.
- 2.20.4.4 Insurance Carrier Rating. All insurance and bonds should be issued by companies admitted to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports. Any exception must be reviewed and approved by the Health Care Authority Risk Manager, or the Risk Manager for the state of Washington, before the contract is accepted or work may begin. If an insurer is not admitted, all insurance policies and procedures for issuing the insurance policies must comply with chapter 48.15 RCW and 284-15 WAC.
- 2.20.4.5 Excess Coverage. By requiring insurance herein, the state does not represent that coverage and limits will be adequate to protect ASB, and such coverage and limits will not limit ASB's liability under the indemnities and reimbursements granted to the state in this Contract.

#### 2.20.5 Workers' Compensation Coverage

The ASB will at all times comply with all applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations to the full extent applicable. The state will not be held responsive in any way for claims filed by the ASB or their employees for services performed under the terms of this contract.



### 3. PROPOSAL CONTENTS

Proposals must be written in English and submitted electronically to the RFP Coordinator in the order noted below:

- A. Letter of Submittal, including signed Certifications and Assurances (Exhibit D to this RFP)
- B. Confirmation of Minimum Qualifications
- C. Technical Proposal
- D. Management Proposal
- E. HCA Short and Long Term Disability Bid Template (Exhibit G to this RFP)
- F. Diverse Business Inclusion Plan (Exhibit E to this RFP)

Each item listed above must be submitted as a separate file. Within each file, Proposals must provide information in the same order as presented in this document and with the same headings.

Items marked “mandatory” must be included as part of the Proposal for the Proposal to be considered responsive; however, these items are not scored. Items marked “scored” are those that are awarded points as part of the evaluation conducted by the evaluation team.

#### **3.1. LETTER OF SUBMITTAL (MANDATORY)**

The Letter of Submittal and the attached Certifications and Assurances form (Exhibit D to this RFP) must be signed and dated by a person authorized to legally bind the Bidder to a contractual relationship, e.g., the President or Executive Director if a corporation, the managing partner if a partnership, or the proprietor if a sole proprietorship. Along with introductory remarks, the Letter of Submittal is to include by attachment the following information about the Bidder and any proposed subcontractors:

- 3.1.1 Name, address, principal place of business, telephone number, and fax number/e-mail address of legal entity or individual with whom contract would be written.
- 3.1.2 Name, address, and telephone number of each principal officer (President, Vice President, Treasurer, Chairperson of the Board of Directors, etc.).
- 3.1.3 Legal status of the Bidder (sole proprietorship, partnership, corporation, etc.) and the year the entity was organized to do business as the entity now substantially exists.
- 3.1.4 Federal Employer Tax Identification number or Social Security number and the Washington Uniform Business Identification (UBI) number issued by the state of Washington Department of Revenue. If the Bidder does not have a UBI number, the Bidder must state that it will become licensed in Washington within thirty (30) calendar days of being selected as the Apparently Successful Bidder.
- 3.1.5 Location of the facility from which the Bidder would operate.
- 3.1.6 Name of any state employees or former state employees employed or on the firm’s governing board as of the date of the Proposal. Include their position and responsibilities within the Bidder’s organization. If following a review of this information, it is determined by HCA that a conflict of interest exists, the Bidder may be disqualified from further consideration for the award of a contract.
- 3.1.7 Any information in the Proposal that the Bidder desires to claim as proprietary and exempt from disclosure under the provisions of RCW 42.56 must be clearly designated. The page must be identified and the particular exemption from disclosure upon which the Bidder is making the claim must be listed. Each page claimed to be exempt from

disclosure must be clearly identified by the word "Proprietary" printed on the lower right hand corner of the page. In your Letter of Submittal, please list which pages and sections that have been marked "Proprietary" and the particular exemption from disclosure upon which the Bidder is making the claim.

- 3.1.8 If the Bidder or any subcontractor contracted with the state of Washington during the past twenty-four (24) months, indicate the name of the agency, the contract number, and project description and/or other information available to identify the contract.
- 3.1.9 If the Bidder's staff or subcontractor's staff was an employee of the state of Washington during the past twenty-four (24) months, or is currently a Washington State employee, identify the individual by name, the agency previously or currently employed by, job title or position held, and separation date.
- 3.1.10 If the Bidder has had a contract terminated for default in the last five (5) years, describe such incident. Termination for default is defined as notice to stop performance due to the Bidder's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of the Bidder, or (b) litigated and such litigation determined that the Bidder was in default.
  - 3.1.10.1 Submit full details of the terms for default including the other party's name, address, and phone number. Present the Bidder's position on the matter. HCA will evaluate the facts and may, at its sole discretion, reject the Proposal on the grounds of the past experience. If no such termination for default has been experienced by the Bidder in the past five (5) years, so indicate.

### **3.2. CONFIRMATION OF MINIMUM QUALIFICATIONS (MANDATORY)**

Bidder must confirm and provide an explanation in detail on how they meet the minimum qualifications outlined previously in Section 1.3 *Minimum Qualifications*.

### **3.3. TECHNICAL PROPOSAL (MANDATORY and SCORED)**

Bidders must respond and provide detailed information for all items and provide all information in the exact order specified below. The section numbers and titles must be restated in the Bidder's Proposal. Page limits for each question are noted. Please do not cut and paste responses into the Proposal. Instead, provide a response as a separate document using the same numbering as below.

Failure to meet an individual requirement will not be the sole basis for disqualification; however, failure to provide a response to any scored requirements may be considered non-responsive and be the basis for disqualification of the application.

The Technical Proposal must contain a comprehensive description of services including the following elements:

#### 3.3.1 Communication

*Maximum points: 80.*

*Page limit six (6) single-sided pages, excluding any requested flow charts, examples, etc.*

- 3.3.1.1 (15 points) Describe the Bidder's ability and resources to write, design, print and distribute the following materials for plans. Please provide an example of each:

- 3.3.1.1.1 Coverage documents that are readable and comprehensible to include, but not limited to: informational materials, postcards, welcome packets, etc.
- 3.3.1.1.2 Web services promotional page.
- 3.3.1.1.3 Appeal pending, approval, and denial letters.
- 3.3.1.1.4 Claim denial letters.
- 3.3.1.2 (7 points) Describe the Bidder's ability to write the Certificates of Coverage (COC) for their contracted SEBB Plan(s) annually, in collaboration with HCA, so that they are compatible with the Bidder's administration of the plan and HCA's responsibility for defining eligibility.
- 3.3.1.3 (20 points) Describe a recent example of the Bidder's communication process alerting new and existing Subscribers to the Open Enrollment for an organization of a comparable size to this RFP. Please provide details of marketing tools, timelines, roles and responsibilities.
- 3.3.1.4 (8 points) Describe any of the Bidder's other clients or customers who have discontinued or significantly decreased the amount of printing and mailing of materials to their members. Include how this was achieved, and the associated cost savings to the client or customer.
- 3.3.1.5 (12 points) Describe Bidder's current methods of communicating with Subscribers electronically, including but not limited to email, mobile applications, and other methods.
- 3.3.1.6 (10 points) Describe the information shared with Subscribers upon enrollment and annually thereafter.
- 3.3.1.7 (8 points) Describe the business processes, policies and procedures used by the Bidder to ensure safeguards are in place for PHI.

3.3.2 Customer Service

*Maximum points: 90.*

*Page limit: six (6) single-sided pages, excluding any requested flow charts, examples, etc.*

- 3.3.2.1 (10 points) Describe the Bidder's current customer service center and staff. Include the proposed staff dedicated to answering HCA disability claims questions via a toll-free customer service line, size of proposed ERB Plan support staff, and whether customer service staff would perform other roles, such as processing Claims.
- 3.3.2.2 (10 points) Describe how the Bidder will ensure:
  - 3.3.2.2.1 The toll-free line will be accessible from 7am to 6pm standard business days, PST;
  - 3.3.2.2.2 Answering calls on a once-and-done basis; and
  - 3.3.2.2.3 Ensuring escalated situations receive a call back within twenty-four (24) hours
- 3.3.2.3 (1 point) Describe the Bidder's use of innovations, including Interactive Voice Response (IVR) and/or other technology strategies that address

specific customer- or client-related issues (such as eligibility and/or benefits questions). Describe how the Bidder has implemented improvements within customer service in the last two (2) years.

- 3.3.2.4 (10 points) Describe the Customer service phone system, including:
  - 3.3.2.4.1 A call triage process (i.e. a phone tree)?
  - 3.3.2.4.2 Call back feature so Subscribers do not have to wait on hold
  - 3.3.2.4.3 Are Subscribers queued based on the order in which they call?
  - 3.3.2.4.4 How do Subscribers access customer service after hours for questions or issues?
  - 3.3.2.4.5 Confirm the geographic location of your existing call center(s) and how you communicate to your clients when a call center location is changed.
- 3.3.2.5 (1 point) Describe the Bidder's available language translation services.
- 3.3.2.6 (1 point) Describe the Bidder's ability and resources to write, design, print, and provide an internet-ready and ADA-compliant electronic documents for clients who are blind, or hearing and/ or speech impaired.
- 3.3.2.7 (1 point) Describe how the Bidder will perform the following duties:
  - 3.3.2.7.1 Distributing electronic and hardcopy documentation;
  - 3.3.2.7.2 Providing a customized Employer Administrative Manual;
  - 3.3.2.7.3 Assisting the Subscribers in preparing forms for claims, reporting and disclosure;
  - 3.3.2.7.4 Confirming changes in coverage amounts with a confirmation letter; and
  - 3.3.2.7.5 Allowing Subscribers to opt out of receiving marketing materials.
- 3.3.2.8 (27 points) Online Services
  - 3.3.2.8.1 Describe the Bidder's capability to provide secure access online service page.
  - 3.3.2.8.2 Provide screen shot examples of the Bidder's website services, capabilities and management for a similar demographic and size as this RFP.
  - 3.3.2.8.3 Describe whether or not the Bidder will have a dedicated SEBB Plan online services page, or if Subscribers will access plan information through the ASB's Book-of-Business online services page.
  - 3.3.2.8.4 Describe whether or not Subscriber can access public information regarding the Bidder's contracted SEBB plan(s) through an online service page. If yes, describe the kinds of information that would be publically available.

- 3.3.2.8.5 Describe the Bidder's capability to meet the following:
  - 3.3.2.8.5.1 Sign-in security approach that achieves the Office of the Chief Information Officer (OCIO) security standards (see, Exhibit F) and in coordination with other HCA third party contractors that provide Subscriber online service ensuring a single sign-on across sites.
  - 3.3.2.8.5.2 Ability for Subscribers to login from the Bidder's SEBB-specific website.
  - 3.3.2.8.5.3 Claims history that complies with HIPPA privacy requirements.
  - 3.3.2.8.5.4 Secure email to and from customer services.
- 3.3.2.8.6 Describe the Bidder's method of accepting enrollment records, including an electronic submission option.
- 3.3.2.8.7 Describe the Bidder's method of accepting evidence of insurability, including an electronic submission option.
- 3.3.2.8.8 Describe the Bidder's method of accepting disability claims, including an electronic submission option.
- 3.3.2.9 (2 points) Describe the Bidder's ability to participate in-person in annual Open Enrollment benefit fairs, covering topics such as the importance of disability insurance, claim procedures, member services, and informational tools and resources.
- 3.3.2.10 (1 point) Describe the Bidder's customer service training program, quality control monitoring, and auditing processes. Describe the customer service representative account onboarding process. Include additional proposed annual customer service training on Open Enrollment.
- 3.3.2.11 (6 points) Describe the Bidder's online EOI process.
- 3.3.2.12 (8 points) Describe the Bidder's existing claims customer service department. Include information detailing the number of customer service representatives dedicated to an organization with a similar size and scope to this RFP. Include what services the representatives respond to other than disability claims, and where Subscribers obtain information regarding how to submit a proper claim.
- 3.3.2.13 (2 points) Describe the Bidder's current claims call center, including: total volume of calls, staffing ratio (number of staff to number of Subscribers), call abandonment rates, and the top five (5) issues prompting the volume of calls on a quarterly basis.
- 3.3.2.14 (3 points) Describe the Bidder's existing claims preparation process.
- 3.3.2.15 (7 points) Describe the Bidder's appeal process, including information about the annual volume of appeals as a percentage of your population, the top three (3) reasons for appeals, and the number of appeals per thousand (1000) of your population that are upheld or overturned annually.

### 3.3.3 Account management

*Maximum points: 60.*

*Page limit: four (4) single-sided pages, excluding any requested flow charts, examples, etc.*

- 3.3.3.1 (5 points) Describe any subcontractor relationships and the scope of services they will provide for the Bidder to fulfill the requirements of this RFP. Preference will be given to Proposals that offer services and deliverables through direct contracting between HCA and the Bidder. NOTE: all subcontractors will be required to comply with all the same data and security standards applied to the ASB.
- 3.3.3.2 (15 points) Describe the Bidder's existing billing and processing system that includes, at minimum, the following capabilities: payroll deductions, alternative billing solutions for non-active employees, two-way data stream, timely billing and remittance of premiums, bill/ remit file transfer schedule.
- 3.3.3.3 (10 points) Describe the standard reporting that will be provided to HCA to monitor the performance of the plan(s).
- 3.3.3.4 (5 points) Describe the Bidder's capabilities for ad hoc reporting. What data elements are available?
- 3.3.3.5 (5 points) Describe Bidder's abilities to analyze plan performance, identify improvement opportunities, design innovations, and coordinate implementation with the HCA.
- 3.3.3.6 (5 points) Describe the Bidder's approach to ensure the account management team is responsive to the HCA's inquires, contacts and requests, and keeps the HCA informed of new and outstanding issues.
- 3.3.3.7 (10 points) Describe the Bidder's performance guarantees, including:
  - 3.3.3.7.1 Percentage at risk,
  - 3.3.3.7.2 Method of measurements,
  - 3.3.3.7.3 Frequency of measurements,
  - 3.3.3.7.4 Communication of results and
  - 3.3.3.7.5 Associated penalties in the case a performance guarantee is not achieved.
  - 3.3.3.7.6 Provide the most recent example of an annual performance guarantee report for a comparable customer whose account is served by your proposed team.
- 3.3.3.8 (3 points) Describe the overall financial strength of the Bidder's entity, and include in detail each of the following:
  - 3.3.3.8.1 Verify that the Bidder will be able to pay for all services required under the contract.
  - 3.3.3.8.2 Describe how much money the Bidder believes they will need to hold in reserves on a monthly basis to ensure that all services and expenses are paid timely.

3.3.3.8.3 Provide the most recent financial rating by A.M. Best, Standard & Poor's, Fitch, and Moody's.

3.3.3.9 (2 points) Describe any additional services, not mentioned elsewhere, you are offering as part of your proposal, and quantify the associated additional costs, if any, of providing these services.

### 3.3.4 Plan Implementation

*Maximum points: 90.*

*Page limit: ten (10) single-sided pages, excluding any requested flow charts, examples, etc.*

3.3.4.1 (5 points) Describe the structure of the Bidder's implementation team. Including the names, roles, responsibilities, and experience of team members. All must be active on the account during the RFP evaluation phase.

3.3.4.2 (60 points) Provide a detailed project management implementation plan, to include, but not limited to:

3.3.4.2.1 Assigned staff and other resources,

3.3.4.2.2 Project management support,

3.3.4.2.3 Work breakdown structures,

3.3.4.2.4 Contingencies, strategies, and tactics.

3.3.4.2.5 A description of duties the Bidder expects HCA to perform, and the duration of that work.

3.3.4.2.6 Assume that, at a minimum a project lead and technical lead from the Bidder will be required for the project and at least one member of the account management team must be available onsite at least one day per week during implementation, if required by the project.

3.3.4.3 (25 points) Provide at least one (1) example of a recent successful implementation process for a project of similar size and demographic as this RFP.

### 3.3.5 Plan Enrollment

*Maximum points: 10.*

*Page limit: three (3) single-sided pages, excluding any requested flow charts, examples, etc.*

3.3.5.1 (10 points) Please describe your experience incorporating (grandfathering) Subscribers' existing group or individual disability insurance products with a new group plan.

### 3.3.6 Disaster Recovery

*Maximum points: 20.*

*Page limit: five (5) pages, excluding any requested flow charts, examples, etc.*

- 3.3.6.1 (10 points) Provide a detailed disaster recovery plan for the HCA account for health care services, customer service, and Claims adjudication. Include the location of back up office(s), account management, Claims adjudication, and customer service would be provided. Please also provide the quantity and location of available back-up personnel.
- 3.3.6.2 (10 points) Describe your definition of a force majeure event that may impact the disability claim operations and inquire if one has occurred in the past five years.

### 3.4. MANAGEMENT PROPOSAL

#### 3.4.1 Project Management (MANDATORY and SCORED)

*Maximum points: 100.*

- 3.4.1.1 (30 points) Project Team Structure/ and Internal Controls – Provide a description of the proposed project team structure and internal controls to be used during the course of the project, including any subcontractors. Provide an organizational chart of your firm indicating lines of authority for personnel involved in performance of this potential contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management. Include who within the firm will have prime responsibility and final authority for the work and a detailed estimate of their time that will be dedicated to HCA activities.
- 3.4.1.2 (70 points) Staff Qualifications/Experience – Identify staff, including subcontractors, who will be assigned to the potential contract, indicating the responsibilities and qualifications of such personnel, and include the amount of time each will be assigned to the project. Provide resumes for the named staff, which include information on the individual's particular skills related to this project, education, experience, significant accomplishments and any other pertinent information. The Bidder must commit that staff identified in its Proposal will actually perform the assigned work. Any staff substitution must have the prior approval of HCA. Please provide an estimate of the individual employee's time that will be dedicated to HCA activities.

#### 3.4.2 Experience of the Bidder (MANDATORY and SCORED)

*Maximum points: 100.*

- 3.4.2.1 (50 points) Indicate the experience the Bidder and any subcontractors have in the following areas associated with:
  - 3.4.2.1.1 Public sector groups of 75,000 or more employees
  - 3.4.2.1.2 Long term disability insurance plans in the United States.
  - 3.4.2.1.3 Short term disability insurance plans in the United States.
- 3.4.2.2 (20 points) Indicate other relevant experience that indicates the qualifications of the Bidder, and any subcontractors, for the performance of the potential contract.
- 3.4.2.3 (25 points) Include a list of contracts with government agencies the Bidder has had during the last five (5) years that relate to the Bidder's ability to



perform the services needed under this RFP. List contract reference numbers, contract period of performance, contact persons, telephone numbers, and fax numbers/e-mail addresses.

3.4.2.4 (5 points) Indicate any geographical limitation to your plan(s) of areas in which you do not provide benefits.

### 3.4.3 References (MANDATORY and NOT SCORED)

List names, addresses, telephone numbers, and fax numbers/e-mail addresses of three (3) business references for the Bidder and three (3) business references for the lead staff person for whom work has been accomplished and briefly describe the type of service provided. Do not include current HCA staff as references. By submitting a Proposal in Response to this RFP, the vendor and team members grant permission to HCA to contact these references and others, who from HCA's perspective, may have pertinent information. HCA may or may not, at HCA's discretion, contact references. HCA may evaluate references at HCA's discretion.

### 3.4.4 OMWBE Certification (OPTIONAL AND NOT SCORED)

Include proof of certification issued by the Washington State Office of Minority and Women's Business Enterprises (OMWBE) if certified minority-owned firm and/or women-owned firm(s) will be participating on this project. For information: <http://www.omwbe.wa.gov>.

## 3.5. COST PROPOSAL

The evaluation process is designed to award this procurement not necessarily to the Bidder of least cost, but rather to the Bidder whose Proposal best meets the requirements of this RFP. However, Bidders are encouraged to submit Proposals which are consistent with state government efforts to conserve state resources.

### 3.5.1 Identification of Costs (MANDATORY and SCORED)

*Maximum available points: 350.*

Rates are to be submitted using Exhibit G (Excel attachment), HCA Short and Long Term Disability Bid Template.

Use the demographic data provided in Exhibit C to calculate your rate offers. Your rate offer should comply with the proposed plan design and structures found within this RFP in Tables A, B, C and D. Additional instructions and calculations are located within Exhibit G, HCA Short and Long Term Disability Bid Template.

Bidder's submitting Proposals for STD must provide rates for Participating and Non-Participating STD in order for their bid to be considered responsive.

Bidders submitting Proposals for LTD must provide rates for Participating LTD Employee Paid, Non-Participating Employee Paid, Participating LTD Employer Paid, and Non-Participating LTD Employer paid in order for their bid to be considered responsive.

See additional instructions within Exhibit G "Instructions" tab.

3.5.2 Possibility of Split Funding Structure (MANDATORY and NOT SCORED)

The possibility of choosing a “split funding structure” does exist. HCA may choose to offer a Participating employer paid long term disability plan and a Non-Participating employee paid short term disability plan. Any combination of employer-paid and employee-paid split funding included in Exhibit G may be plans selected by HCA for inclusion in the benefits administered by HCA.

3.5.3 Rate Guarantee (MANDATORY and NOT SCORED, except for extra points)

Please confirm if the Bidder will provide a rate guarantee, if yes, please specify how many years the rate guarantee will be awarded and the following extra points will be added to the Bidder’s Total Score based on the quantity of years that you will provide a rate guarantee. The rate guarantee must (1) apply to any Short and/ or Long Term Disability Insurance included in the Bidder’s Proposal and (2) have no contingencies, and (3) will not be adjusted for inflation.

Rate Guarantee

No guarantee = 0 pts.	6 years = 11 pts.
1 year = 2 pts.	7 years = 12 pts.
2 years = 4 pts.	8 years = 13 pts.
3 years = 6 pts.	9 years = 14 pts.
4 years = 8 pts.	10 years = 15 pts.
5 years = 10 pts.	

3.5.4 Increase in Covered Population (MANDATORY and NOT SCORED)

3.5.4.1 HCA reserves the right to renegotiate the terms of the resulting Contract or conduct a separate procurement for Short Term Disability and Long Term Disability benefits for new Subscribers should the number of new Subscribers increase by more than ten percent (10%) of the ERB Subscriber population at the start of the plan year which is January 1<sup>st</sup>.

3.5.5 Premium payment methods (MANDATORY and NOT SCORED)

3.5.5.1 If funding allows HCA to provide an employer-paid Basic Short Term Disability and/ or Basic Long Term Disability Coverage, any ASB providing such coverage and HCA will work cooperatively to design payment methods.

3.5.5.2 HCA pays no per Subscriber per Month costs for any supplemental coverage. Any ASB providing such coverage and HCA will work cooperatively to design payment methods that could include payroll deductions (with an unknown number of payroll systems), electronic debit service, payment at Bidder portal, or paper billing.

## 4. EVALUATION AND CONTRACT AWARD

### 4.1. EVALUATION PROCEDURE

Responsive Proposals will be evaluated strictly in accordance with the requirements stated in this solicitation and any addenda issued. The evaluation of Proposals will be accomplished by an evaluation team(s), to be designated by HCA. Evaluations will only be based upon information provided in the Bidder's Proposal.

All Proposals received by the stated deadline, Section 2.2, *Estimated Schedule of Procurement Activities*, will be reviewed by the RFP Coordinator to ensure that the Proposals contain all of the required information requested in the RFP. Only Proposals that meet the requirements of this RFP will be deemed responsive and evaluated by the evaluation team. Any Bidder who does not meet the stated qualifications or any Proposal that does not contain all of the required information will be rejected as non-responsive.

The RFP Coordinator may, at his or her sole discretion, contact the Bidder for clarification of any portion of the Bidder's Proposal. Bidders should take every precaution to ensure that all answers are clear, complete, and directly address the specific requirement.

Responsive Proposals will be reviewed and scored by an evaluation team using a weighted scoring system described in Section 4.2, *Evaluation Weighting and Scoring*. Proposals will be evaluated strictly in accordance with the requirements set forth in this RFP and any addenda issued.

### 4.2. EVALUATION WEIGHTING AND SCORING

The following weighting and points will be assigned to the Proposal for evaluation purposes:

Technical Proposal		350 points
Communication	80 points (maximum)	
Customer Service	90 points (maximum)	
Account Management	60 points (maximum)	
Plan Implementation	90 points (maximum)	
Plan Enrollment	10 points (maximum)	
Disaster Recovery	20 points (maximum)	
Management Proposal		200 points
Project Team Structure and Internal Controls	30 points (maximum)	
Staff Qualifications/ Experience	70 points (maximum)	
Experience of the Bidder	100 points (maximum)	
Cost Proposal		350 points
Rate Guarantee (See Section 3.5.3)		Up to 15 additional points
<b>TOTAL</b>		<b>900 POINTS</b>

HCA reserves the right to award the Contract to the Bidder whose Proposal is deemed to be in the best interest of HCA and the state of Washington.

### 4.3. SCORED REQUIREMENTS: TECHNICAL AND MANAGEMENT PROPOSALS

Responses that pass all Mandatory requirements will be further evaluated and scored. Evaluators will evaluate and assign a score to each Mandatory Scored (MS) requirement based on how well the Bidder's Response matches the requirement.

Evaluators will assign scores on a scale of zero (0) to ten (10) where the end and midpoints are defined as follows:

Score	Description	Discussion
0	No Value	The Response does not address any component of the requirement or no information was provided.
1	Poor	The Response only minimally addresses the requirement and is missing components or components were missing
3	Below Average	The Response only minimally addresses the requirement and the Bidder's ability to comply with the requirement or simply has restated the requirement.
5	Average	The Response shows an acceptable understand or experience with the requirement. Sufficient detail to be considered "as meeting minimum requirements."
7	Good	The Response is thorough and complete and demonstrates firm understanding of concepts and requirements.
10	Excellent	The Response has provided an innovative, detailed, and thorough response to the requirement, and clearly demonstrates a high level of experience with or understanding of the requirement.

A score of zero (0) on any Mandatory Scored requirement may cause the entire Response to be eliminated from further consideration.

To determine the number of points awarded to a Bidder for each scored element listed in Sections 3.3 and 3.4, each evaluator will assign a score to each question, based on the scale above. This score will then be multiplied by the weight listed for that question. The weighted scores for each section will then be added together, to determine the Bidders final score from each evaluator. The RFP coordinator will then average the scores assigned by all evaluators to determine the Bidders final score.

### 4.4. SCORED REQUIREMENTS: COST PROPOSAL

Cost Proposals are not scored in the same manner as the Technical and Management Proposals. Instead of evaluators assigning a score, points for Cost Proposals will be awarded according to the following formula:

$$\frac{\text{Lowest Cost Proposal}}{\text{Bidder's Cost Proposal}} \times 350 \text{ points} = \text{Bidder's Cost Proposal Points}$$

Cost Proposals will be scored for each plan design included in Exhibit G, HCA Short and Long Term Disability Bid Template, for which Bidder submits a rate proposal. For example, if a Bidder proposes rates for Short Term Disability, a Cost Proposal Score will be calculated for each of the sixteen (16) designs listed in both of the Short Term Disability worksheets of Exhibit G. Scores for all other worksheets will be calculated in the same way.

For non-age banded plan designs, the single rate proposed by a Bidder will be used as the Bidder's Cost Proposal in the formula listed above. For age-banded plan designs, using the demographic information included in Exhibit C, HCA will count the number of persons included in each age band, calculate the average total pay for such persons, and apply the Bidder's proposed rate to the results, for each plan design to calculate Bidder's Cost Proposal for use in the formula listed above.

#### **4.5. CALCULATING TOTAL SCORES**

To arrive at a Bidder's total score, each Cost Proposal Score described in Section 4.4 will be added to the Technical, Management Proposal Scores, and any additional Rate Guarantee points described in Section 4.3. As a result, each Bidder will have up to three (3) Total Scores (STD, or STD and LTD, or LTD) equal to the number of plan designs listed in Exhibit G for which a rate was proposed. These individual plan design Total Scores will then be used by HCA in determining which Bidder(s) will be selected as an ASB(s), and which plan designs to include in any resulting Contract(s).

Any award will be made to the lowest responsive and responsible Bidder whose Proposal, in the sole opinion of the HCA, offers the greatest benefit to the HCA. The decision will be based on consideration of the total best value, including, but not limited to, the responsiveness of the Proposal to the requirements as set forth in this RFP, the competence and responsibility of the Bidder, quality of service, breadth and depth of offering, the strength and form of contractual commitments made by the Bidder to the HCA, and total cost. The HCA reserves the right to make an award to the Bidder whose Proposal is deemed to be in the best interest of the HCA and the State of Washington. Hence, the HCA may choose to not award to the highest scoring or lowest-cost Proposal(s).

#### **4.6. SUBSTANTIALLY EQUIVALENT SCORES**

Substantially equivalent scores are scores separated by two (2) percent or less in total points. If multiple Proposals receive a substantially equivalent score, HCA may leave the matter as scored, or select as the ASB the one Proposal that is deemed by HCA, in its sole discretion, to be in HCA's best interest relative to the overall purpose and objective as stated in Sections 1.1 *Purpose and Background*, and 1.2 *Objectives and Scope of Work* of this Procurement.

If applicable, HCA's best interest will be determined by HCA managers and executive officers, who have sole discretion over this determination. The basis for such determination will be communicated in writing to all Bidders with equivalent scores.

#### **4.7. NOTIFICATION TO BIDDERS**

HCA will notify the Apparently Successful Bidder(s) of its selection in writing upon completion of the evaluation process. Individuals or firms whose Proposals were not selected for further negotiation or award will be notified separately by e-mail.

#### **4.8. DEBRIEFING OF UNSUCCESSFUL BIDDERS**

Any Bidder who has submitted a Proposal and been notified it was not selected for contract award may request a debriefing. The request for a debriefing conference must be received by the RFP Coordinator no later than 5:00 p.m., local time, in Olympia, Washington, within three (3) business days after the Unsuccessful Bidder Notification is e-mailed to the Bidder. The debriefing will be held within three (3) business days of the request, or as schedules allow.

Discussion at the debriefing conference will be limited to the following:

- 4.8.1 Evaluation and scoring of the firm's Proposal;
- 4.8.2 Critique of the Proposal based on the evaluation; and
- 4.8.3 Review of Bidder's final score in comparison with other final scores without identifying the other firms.

Comparisons between Proposals, or evaluations of the other Proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of thirty (30) minutes.

#### **4.9. PROTEST PROCEDURE**

Protests may be made only by Bidders who submitted a Response to this solicitation document and who have participated in a debriefing conference. Upon completing the debriefing conference, the Bidder is allowed five (5) business days to file a protest of the RFP with the RFP Coordinator. Protests must be received by the RFP Coordinator no later than 4:30 p.m., local time, in Olympia, Washington on the fifth business day following the debriefing. Protests may be submitted by e-mail or by mail.

Bidders protesting this procurement must follow the procedures described below. Protests that do not follow these procedures will not be considered. This protest procedure constitutes the sole administrative remedy available to Bidders under this procurement.

All protests must be in writing, addressed to the RFP Coordinator, and signed by the protesting party or an authorized agent. The protest must state the RFP number, the grounds for the protest with specific facts, and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included.

- 4.9.1 Only protests alleging an issue of fact concerning the following subjects will be considered:
  - 4.9.1.1 A matter of bias, discrimination, or conflict of interest on part of an evaluator;
  - 4.9.1.2 Errors in computing the score; or
  - 4.9.1.3 Non-compliance with procedures described in the RFP or HCA requirements.

Protests based on anything other than those items listed above will not be considered. Protests will be rejected as without merit if they address issues such as: 1) an evaluator's professional judgment on the quality of a Proposal; or 2) HCA's assessment of its own and/or other agencies needs or requirements.

Upon receipt of a protest, a protest review will be held by HCA. The HCA Director, or an HCA employee delegated by the HCA Director who was not involved in the procurement, will consider the record and all available facts. If possible, a final HCA decision will be issued within ten (10) business days of receipt of the protest. If the HCA Director delegates the protest review to an HCA employee, the Director nonetheless reserves the right to make the final agency decision on the protest. If additional time is required, the protesting party will be notified of the delay.

If HCA determines in its sole discretion that a protest from one Bidder may affect the interests of another Bidder, then HCA will invite such Bidder to submit its views and any relevant information on the protest to the RFP Coordinator. In such a situation, the protest materials submitted by each Bidder will be made available to the other Bidder upon request.

- 4.9.2 The final determination of the protest will:
  - 4.9.2.1 Find the protest lacking in merit and uphold HCA's action; or
  - 4.9.2.2 Find only technical or harmless errors in HCA's acquisition process and determine HCA to be in substantial compliance and reject the protest; or

- 4.9.2.3 Find merit in the protest and provide options to the HCA Director, which may include:
  - 4.9.2.3.1 Correct the errors and re-evaluate all Proposals; or
  - 4.9.2.3.2 Issue a new solicitation document and begin a new process; or
  - 4.9.2.3.3 Make other findings and determine other courses of action as appropriate.

If the protest is not successful, HCA will enter into a contract with the ASB, assuming the parties reach agreement on the contract's terms.

## 5. RFP EXHIBITS

- Exhibit A Draft Sample Contract
- Exhibit B Non-Disclosure Agreement (NDA)
- Exhibit C Demographic Data – received only after Bidder submits LOI with NDA
- Exhibit D Certifications and Assurances
- Exhibit E Diverse Business Inclusion Plan
- Exhibit F Office of the Chief Information Officer (OCIO) Security Information Technology Assets Policy, 141.10
- Exhibit G HCA Short & Long Term Disability Bid Template



**Exhibit A**

Draft Sample Contract – as a separate attachment

EXHIBIT B - NON-DISCLOSURE AGREEMENT

**Statement of Confidentiality**

Between

**WASHINGTON STATE HEALTH CARE AUTHORITY (HCA)**

And

**[Insert Vendor’s Legal Name and remove brackets: EXAMPLE: ABC COMPANY]**

Vendor’s Employee Name and/or Subcontractor or Subcontractor’s Employee Name:

\_\_\_\_\_

(Please Print)

[Insert Company Legal Name AND remove brackets] will have access to a subset of the SEBB program eligible employee demographics from the Washington State Health Care Authority (HCA), strictly for the purposes of submitting a Response to Request for Procurement (RFP) 2619, Short and/ or Long Term Disability Insurance. This information is confidential and private and Vendor is responsible for maintaining this confidentiality and privacy. Before Vendor is allowed access to this information, Vendor is required to sign this statement.

**Confidentiality/Safeguarding Of Information** -- The Vendor shall not use or disclose this information for any purpose not directly connected with the Response to RFP 2619, except with prior written consent of HCA, or as may be required by law.

**Privacy** -- This information shall be used solely for the purposes of this RFP. Vendor agrees not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons this information without the express written consent of the HCA or as provided by law. Vendor agrees to implement physical, electronic and managerial safeguards to prevent unauthorized access to this information.

The HCA reserves the right to monitor, to audit, or investigate the use of this information. The monitoring, auditing or investigating may include but is not limited to “salting” by the HCA. Salting is the act of placing a record containing unique but false information in a database that can be used later to identify inappropriate disclosure of data contained in the database.

Any breach of this provision may result in actions to be determined by the HCA, and the demand for return of all information. The Vendor agrees to indemnify and hold harmless the HCA for any damages related to the Vendor’s unauthorized use of this information.

\_\_\_\_\_

Signature of Employee/Subcontractor

Date

\_\_\_\_\_

**[Insert Legal Name of Company and remove brackets]**

**EXHIBIT C**

**Demographic Data** – received only after Bidder submits LOI with NDA

For more information see Section 2.3 *Letter of Intent to Propose (Mandatory)*

**EXHIBIT D**

**CERTIFICATIONS AND ASSURANCES**

I/we make the following certifications and assurances as a required element of the Proposal to which it is attached, understanding that the truthfulness of the facts affirmed here and the continuing compliance with these requirements are conditions precedent to the award or continuation of the related contract:

1. I/we declare that all answers and statements made in the Proposal are true and correct.
2. The prices and/or cost data have been determined independently, without consultation, communication, or agreement with others for the purpose of restricting competition. However, I/we may freely join with other persons or organizations for the purpose of presenting a single Proposal.
3. The attached Proposal is a firm offer for a period of one hundred eighty (180) days following receipt, and it may be accepted by HCA without further negotiation (except where obviously required by lack of certainty in key terms) at any time within the 180-day period.
4. In preparing this Proposal, I/we have not been assisted by any current or former employee of the state of Washington whose duties relate (or did relate) to this Proposal or prospective contract, and who was assisting in other than his or her official, public capacity. If there are exceptions to these assurances, I/we have described them in full detail on a separate page attached to this document.
5. I/we understand that HCA will not reimburse me/us for any costs incurred in the preparation of this Proposal. All Proposals become the property of HCA, and I/we claim no proprietary right to the ideas, writings, items, or samples, unless so stated in this Proposal.
6. Unless otherwise required by law, the prices and/or cost data which have been submitted have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by him/her prior to opening, directly or indirectly, to any other Bidder or to any competitor.
7. I/we agree that submission of the attached Proposal constitutes acceptance of the solicitation contents and the attached sample contract and general terms and conditions. If there are any exceptions to these terms, I/we have described those exceptions in detail on a page attached to this document.
8. No attempt has been made or will be made by the Bidder to induce any other person or firm to submit or not to submit a Proposal for the purpose of restricting competition.
9. I/we grant HCA the right to contact references and other, who may have pertinent information regarding the ability of the Bidder and the lead staff person to perform the services contemplated by this RFP.
10. If any staff member(s) who will perform work on this contract has retired from the State of Washington under the provisions of the 2008 Early Retirement Factors legislation, his/her name(s) is noted on a separately attached page.

We (circle one) **are / are not** submitting proposed Contract exceptions. (See Section 2.12, *Contract and General Terms and Conditions*.) If Contract exceptions are being submitted, I/we have attached them to this form.

**On behalf of the Bidder submitting this Proposal, my name below attests to the accuracy of the above statement. *If electronic, also include:* We are submitting a scanned signature of this form with our Proposal.**

\_\_\_\_\_  
Signature of Bidder

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**Exhibit E**

DIVERSE BUSINESS INCLUSION PLAN

- |  |     |
|--|-----|
| Do you anticipate using, or is your firm, a State Certified Minority Business? | Y/N |
| Do you anticipate using, or is your firm, a State Certified Women's Business?  | Y/N |
| Do you anticipate using, or is your firm, a State Certified Veteran Business?  | Y/N |
| Do you anticipate using, or is your firm, a Washington State Small Business?   | Y/N |

If you answered No to all of the questions above, please explain:

---

Please list the approximate percentage of work to be accomplished by each group:

- Minority                    \_\_\_%
- Women                     \_\_\_%
- Veteran                    \_\_\_%
- Small Business           \_\_\_%

Please identify the person in your organization to manage your Diverse Inclusion Plan responsibility.

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

Phone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

**Exhibit F**

Office of the Chief Information Officer (OCIO) Security Information Technology Assets Policy, 141.10 – as attachment

**Exhibit G**

HCA Long & Short Term Disability Bid Template – as a separate attachment