

REQUEST FOR QUOTATIONS
Third Party Administrator Consulting

PEI150006

West Virginia Public Employees Insurance Agency
601 57th Street, SE, Suite 2
Charleston, West Virginia 25304-2345
304-558-7850
Fax: 304-558-2470

SPECIFICATIONS

- 1. PURPOSE AND SCOPE:** The West Virginia Public Employees Insurance Agency (PEIA) is seeking an experienced consultant to help design and administer a Request for Proposals (RFP) to obtain a Third Party Administrator (TPA) for medical claims processing. PEIA is the State agency that provides group health and life insurance for state, county, and municipal employees. Coverage is provided for more than 200,000 active and retired members, including Medicare-eligible retired employees and Medicare-eligible dependents of retired employees. Bidders should, also, be aware that WV Children's Health Insurance Program (CHIP) uses some of PEIA's contractual arrangements.
 - 1.1.** PEIA has determined that it is necessary to bid the contract for all TPA services. PEIA desires all bids to have separate pricing for: (1) TPA claims processing and management services for the actively employed members and non-Medicare retired members and their dependents; (2) Claims processing and management services for the Medicare-eligible retired employees and Medicare-eligible dependents of retired employees who age-in to Medicare during the Plan Year as well as members who opt-out of the current Medicare Advantage Program (MAPD). This service may also be used in the event a necessity arises to deviate from the current Medicare Advantage Program (MAPD) and (3) Complete management of COBRA participants from initial notification through coverage termination. .
 - 1.2.** The successful TPA would assume not only the claims processing for all medical claims of the above groups, but also a comprehensive list of other services, including but not limited to network management, utilization review, prior authorization, benefit design, identification cards and member communication, disease management, customer and client support, reporting, provider profiling, and other ancillary services.
 - 1.3.** Due to the enormity and complexity of this contract award, PEIA desires to employ a consultant for development of the RFP, issuance of the RFP, and evaluation of the responses. The vendor will be the point of contact for the entire RFP development, issuance, bidder's conference, questions and answers, evaluation, and recommendation for award of the contract. PEIA will be involved in the entire process.

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1.4. The TPA RFP must be released no later than July 1, 2017, with a successful vendor to be selected by January 1, 2018. This timeline is necessary as, if there is a change in TPAs, the implementation must begin immediately after contract award for a July 1, 2018, service delivery date. The effective date of the contract to be awarded will be the beginning of Plan Year 2019, July 1, 2018.

1.5. RFQ Schedule

| | |
|-------------------------------------|-------------------------------------|
| RFQ Issued | November 18, 2016 |
| Vendor Questions Due to PEIA | December 9, 2016, 4:00 p.m., EST |
| PEIA Responses to Vendor Questions | December 23, 2016 |
| Vendor Quotes Due to PEIA | January 13, 2017, 4:00 p.m., EST |
| PEIA Evaluation Period | January 13 through January 31, 2017 |
| Notification to Successful Vendor | February 1, 2017 |
| Contract Award | February 1, 2017 |

All communication, inquiries, and final quotations regarding this RFQ must be submitted in writing to the following individual:

Ms. Charlotte K. Stover, MS
WV Public Employees Insurance Agency
601 57th Street, SE, Suite 2
Charleston, WV 25304-2345
Facsimile: (304) 558-2470
E-mail: Charlotte.K.Stover@wv.gov

2. **DEFINITIONS:** The terms listed below shall have the meanings assigned to them below. Additional definitions can be found in section 2 of the General Terms and Conditions.

2.1 **Business Associate** describes an entity as defined by 45 CFR 160.103, 164.502(e), 164.504(e), and 164.532(d) and (e) of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

2.2 **“Contract Services”** means the successful vendor consultant will provide PEIA with a potential Request for Proposal (RFP) consistent with the requirements listed in this solicitation.

2.3 **Covered Entity** means an entity as defined under 45 CFR 160.103.

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

2.5 **“Pricing Page”** means the pages upon which Vendor should list its proposed price for the Contract Services. The Pricing Page is attached hereto as Exhibit A.

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2.6 “**RFQ**” means the official Request for Quotations published by PEIA, identified as PEI150005.

2.7 “**TPA**” means third party administrator.

3. QUALIFICATIONS: The Bidder must demonstrate its ability to meet the following qualifications in order to submit a quotation. Failure to demonstrate the ability to meet these qualifications will automatically disqualify the Bidder. The Bidder must restate each question/item in the RFQ response then provide the response. The Bidder shall have the following minimum qualifications:

3.1. Minimum of five (5) years consulting experience related to health care and pharmacy benefit management.

3.2. Minimum of five (5) years consulting experience with health care plans and pharmacy plans with a minimum of 20,000 covered lives.

3.3. The Bidder should list any experience in consulting with State and/or local government sponsored health plans in detail.

3.4. The Bidder responding to this request must submit in writing a synopsis of experience completing relevant projects of plans with a minimum of 20,000 covered employees of similar scope and nature completed within the last 36 months.

3.5. The Bidder should be completely independent from, and not have any affiliations, partnership, or agreement with, any of the following including, but not limited to, Pharmacy Benefit Manager (PBM), Third Party Administrator (TPA), mail order pharmacy services, drug manufacturing or distribution services. The Bidder must agree not to accept any commissions, service fees, finder fees, or any monetary remuneration from any potential vendor before or after the issuance of this resulting RFP.

3.6. The Bidder that prepares the RFP will be ineligible to submit a bid for the contract of any of the TPA services arising from this RFP.

3.7. If you are submitting a proposal to this RFQ and there are relationships with any potential conflicts of interest, the Bidder must provide full disclosure.

3.8. PEIA is a Covered Entity as defined by 45 CFR 160.103. The Bidder, in performing an Administrative function on behalf of the Covered Entity, would be considered a Business Associate as defined by 45 CFR 160.103, 164.502(e), 164.504(e), and 164.532(d) and (e) of the Health Insurance Portability and Accountability Act of 1996

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(HIPAA) and, as such, would be required to sign the West Virginia Executive Branch Business Associate Agreement, Exhibit B, with corresponding Appendix A.

- 3.9.** The successful Bidder must be or become a registered vendor in the State of West Virginia prior to the contract award in order to be awarded a contract. For more information regarding becoming a registered vendor, please visit:
<http://www.state.wv.us/admin/purchase/VendorReg.html>.
- 3.10.** The Bidder must provide three (3) references from previous customers that have utilized the Bidder to consult on a project of similar scope, including the writing and evaluation of an RFP. Your response must include the client name, address, contact person, email address, and telephone number. See attached Reference spreadsheet.
- 3.11.** This bid is not being accomplished through the State Purchasing Division. However, basic State Purchasing concepts will apply. The Bidder providing the quotes should generally comply with state contracting requirements outlined at:
<http://www.state.wv.us/admin/purchase/handbook/2007R24/default.html>.
- 3.12.** The bidder must disclose any real and/or potential conflicts of interest in regard to this solicitation as it relates to the proposed scope of work.
- 3.13.** The Bidder must complete the attachments and forms in all links in this RFQ.
- 3.14.** The bid proposal will be awarded on a fixed fee contract basis. **See Exhibit A – Pricing Page.**

4. MANDATORY REQUIREMENTS:

- 4.1 Mandatory Contract Services Requirements and Deliverables:** Contract Services must meet or exceed the mandatory requirements listed below.
- 4.1.1 By submitting a quote in response to this solicitation, the Vendor must agree to all of the terms and conditions of the West Virginia Purchasing Agreement Addendum attached to this RFQ and viewable at:
<http://www.state.wv.us/admin/purchase/vrc/wv96.pdf>.
- 4.1.2 By submitting a quote in response to this solicitation, the Vendor must agree to sign the West Virginia State Government HIPAA Business Associate Agreement Addendum attached to this RFQ and viewable at:
<http://www.state.wv.us/admin/purchase/vrc/WvBaaAgEffectiveJun2013.pdf>.
- 4.1.3 PEIA will provide the following to the successful vendor:
- 4.1.3.1 A list of potential bidders to be developed with the Consultant.

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- 4.1.3.2 Background information, data, current challenges, PEIA objectives, and any census-type data necessary for inclusion in the RFP.
- 4.1.3.3 PEIA mandatory criteria/terms.
- 4.1.3.4 Mandatory contract terms for the successful vendor.
- 4.1.3.5 Mandatory forms for inclusion in this RFQ:
 - 4.1.3.5.1 <http://www.state.wv.us/admin/purchase/vrc/wv96.pdf>.
 - 4.1.3.5.2 <http://www.state.wv.us/admin/purchase/vrc/WvBaaAgEffectiveJun2013.pdf>.
- 4.1.4 The Consultant vendor shall provide:
 - 4.1.4.1 Industry expertise in the development, issuance, and analysis of a TPA RFP.
 - 4.1.4.2 Instructions to potential vendors including, but not limited, to proposal submission form and style; services to be expected; financial viability; network/provider availability; claims processing procedures; utilization management protocols; disease management services; benefit design, customer service, and all other services related to PEIA's Preferred Provider Benefit Plans.
 - 4.1.4.3 Develop the RFP in a manner that would allow the vendors to bid on separate or all services being requested by PEIA.
 - 4.1.4.4 Detailed questions and tables to be included to determine the proficiency and experience of the vendor(s) in the areas for which the vendor is bidding. The questionnaire will include at a minimum any financial arrangements, system interfaces and technical requirement, claim administration services, customer service metrics, general vendor history, legal and liability conditions, references, reporting and performance guarantees.
 - 4.1.4.5 Detailed design of a cost proposal that will allow a concise and equitable comparison of all RFP bidders' services in either part or as a whole service provider.

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- 4.1.4.6 Ability to perform a full network evaluation and cost analysis to compare potential carriers.
- 4.1.4.7 Proposal requirements to include administrative reporting and claim management needs specific to PEIA and any additional costs that may be associated with ad hoc reporting requirements.
- 4.1.4.8 Measurement criteria that will be used to select the carrier or finalists.
- 4.1.4.9 A list of potential bidders to be developed with PEIA.
- 4.1.4.10 Act as a liaison for data exchanges necessary for TPA bidders to receive data needed for the submission of qualified and competent proposals.
- 4.1.4.11 A detailed written comparison of the evaluations of the RFPs submitted by the bidders with analysis and recommendations, including a comparative analysis of the top three recommendations.
- 4.1.4.12 Availability and support in defense of a contract award in the event of an administrative or legal challenge to the contract award to explain the evaluation process.
- 4.1.4.13 Availability and participation in the Bidder's Conference and in preparing responses to questions.

5.

5 CONTRACT AWARD:Contract Award: The Contract is intended to provide PEIA with a purchase price for the Contract Services. The intent of this RFQ is for the Contract to be awarded to the Vendor that provides the Contract Services meeting the required specifications for the lowest overall total cost as shown on the Pricing Page. PEIA reserves the right to reject any and/or all bids.

5.2 Pricing Page: Vendor should complete the Pricing Page by providing a fixed fee cost for all services outlined in this RFQ.

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Vendor should complete the Pricing Page in full as failure to complete the Pricing Page in its entirety may result in Vendor's bid being disqualified.

Vendor should type or electronically enter the information into the Pricing Page to prevent errors in the evaluation. See Exhibit A of this RFQ.

- 6. PERFORMANCE:** Vendor and PEIA shall agree upon a schedule for performance of Contract Services and Contract Services Deliverables, unless such a schedule is already included herein by PEIA. In the event that this Contract is designated as an open-end contract, Vendor shall perform in accordance with the release orders that may be issued against this Contract.
- 7. PAYMENT:** PEIA shall pay fixed fee contract, as shown on the Pricing Pages, for all Contract Services performed and accepted under this Contract. Vendor shall accept payment in accordance with the payment procedures of the State of West Virginia.
- 8. TRAVEL:** Vendor shall be responsible for all mileage and travel costs, including travel time, associated with performance of this Contract. Any anticipated mileage or travel costs may be included in the flat fee or hourly rate listed on Vendor's bid, but such costs will not be paid by PEIA separately.
- 9. FACILITIES ACCESS:** Performance of Contract Services may require access cards and/or keys to gain entrance to PEIA's facilities. In the event that access cards and/or keys are required:
 - 9.1.** Vendor must identify principal service personnel which will be issued access cards and/or keys to perform service.
 - 9.2.** Vendor will be responsible for controlling cards and keys and will pay replacement fee, if the cards or keys become lost or stolen.
 - 9.3.** Vendor shall notify PEIA immediately of any lost, stolen, or missing card or key.
 - 9.4.** Anyone performing under this Contract will be subject to PEIA's security protocol and procedures.
 - 9.5.** Vendor shall inform all staff of PEIA's security protocol and procedures.

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10. VENDOR DEFAULT:

10.1. The following shall be considered a vendor default under this Contract.

- 10.1.1.** Failure to perform Contract Services in accordance with the requirements contained herein.
- 10.1.2.** Failure to comply with other specifications and requirements contained herein.
- 10.1.3.** Failure to comply with any laws, rules, and ordinances applicable to the Contract Services provided under this Contract.
- 10.1.4.** Failure to remedy deficient performance upon request.

10.2. The following remedies shall be available to PEIA upon default.

- 10.2.1.** Immediate cancellation of the Contract.
- 10.2.2.** Immediate cancellation of one or more release orders issued under this Contract.
- 10.2.3.** Any other remedies available in law or equity.

11. MISCELLANEOUS:

11.1. This Contract shall be governed by the laws of the State of West Virginia.

11.2. Contract Manager: During its performance of this Contract, Vendor must designate and maintain a primary contract manager responsible for overseeing Vendor's responsibilities under this Contract. The Contract manager must be available during normal business hours to address any customer service or other issues related to this Contract. Vendor must provide in writing its Contract manager and his/her contact information within its bid.

11.3 All communication, inquiries, and final quotations regarding this RFQ must be submitted in writing to the following individual:

Ms. Charlotte Stover, MS
WV Public Employees Insurance Agency
601 57th Street, SE, Suite 2
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Facsimile: (304) 558-2470
E-mail: Charlotte.K.Stover@wv.gov

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The Vendor, or anyone on its behalf, is not permitted to make any contact whatsoever with any member of the evaluation committee. Violations may result in rejection of the bid.

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Exhibit A

Pricing Page

Vendor Name: _____

Vendor Contact Information

Address: _____

Phone Number: _____

E-mail: _____

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| Development, issuance, and evaluation of an RFP |
| \$ |

Payment will be made when the following milestones are met:
30% of total to develop RFP
40% of total to complete evaluation of RFP
30% of total upon award of the TPA contract

The signature below binds the Vendor to the pricing submitted for the scope of work to be performed under this RFQ.

Vendor Signature: _____

Title: _____

Date: _____

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Exhibit B
HIPPA Business Associate Addendum

(Attached)