

THE UNIVERSITY OF TEXAS SYSTEM  
REQUEST FOR PROPOSALS  
FOR  
ADMINISTRATIVE SERVICES  
FOR THE  
SELF-FUNDED UT SELECT DENTAL PPO PLAN  
AND AN  
OPTIONAL FULLY INSURED SUPPLEMENTAL  
DENTAL PLAN



To be effective  
September 1, 2012

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# 1.0 INTRODUCTION AND OVERVIEW

## 1.1 DESCRIPTION OF THE UNIVERSITY OF TEXAS SYSTEM

The Texas Constitution of 1876 provided that “the Legislature shall, as soon as practical, establish, organize and provide for maintenance, support and direction of a university of the first class, to be located by vote of the people of this State, and styled ‘The University of Texas.’” In 1881, the 17th Texas Legislature passed an act to establish The University of Texas. Later that year, voters determined that the Main System was to be located in Austin and the Medical School was to be located in Galveston.

Today, The University of Texas System (System) includes nine (9) academic institutions in Arlington, Austin, Brownsville, Dallas, Edinburg (Pan American), El Paso, Odessa (Permian Basin), San Antonio and Tyler, plus six (6) health institutions in Dallas, Galveston, Houston (2), San Antonio and Tyler. In addition, the main System Administration office is located in Austin; however, many of the operations of System Administration are decentralized and therefore located in numerous areas of Texas as well as in Washington, D.C. Most institutions have their own payroll systems.

The System has approximately 83,500 benefits-eligible employees and close to 20,000 benefits-eligible retired employees. The table on the following page shows the location and the approximate number of benefits-eligible employees and retired employees associated with each institution in the System as of September, 2011.

Although the majority of employees of The University of Texas Medical Branch (UTMB) are in the Galveston area, UTMB also has employees in the central and eastern parts of Texas who are involved with providing medical care to prisoners at State prisons located in those areas. The University of Texas at Austin also has staff members at a marine biology center in Port Aransas and at an astronomical observatory in Fort Davis.

A small number of employees from various institutions also either reside or work outside of Texas. Additionally, although most retired System employees reside in Texas, there are a number of retired employees who live in other states or countries.

# The University of Texas System

September 2011

Location	Institutions	Benefits-Eligible Employees	Benefits-Eligible Retired Employees
Austin	The University of Texas at Austin	16,889	4,450
	The University of Texas System Administration	533	261
Brownsville	The University of Texas at Brownsville	1,150	230
Dallas	The University of Texas at Arlington	3,143	1,002
	The University of Texas at Dallas	2,415	490
	The University of Texas Southwestern Medical Center at Dallas	11,185	1,334
Edinburg	The University of Texas - Pan American	1,777	438
El Paso	The University of Texas at El Paso	2,254	713
Galveston	The University of Texas Medical Branch at Galveston	10,429	3,908
Houston	The University of Texas Health Science Center at Houston	5,216	1,352
	The University of Texas M.D. Anderson Cancer Center	17,849	2,660
Odessa	The University of Texas of the Permian Basin	313	97
San Antonio	The University of Texas at San Antonio	3,470	644
	The University of Texas Health Science Center at San Antonio	5,459	1,402
Tyler	The University of Texas at Tyler	633	201
	The University of Texas Health Center at Tyler	790	591
<b>TOTAL</b>		<b>83,505</b>	<b>19,773</b>

## 1.2 OBJECTIVES OF THIS REQUEST FOR PROPOSAL (RFP)

Section 1601.054 of the Texas Insurance Code requires the System to submit for competitive bidding at least once every six years for third party administrative services for its self-funded plans and for each policy it offers through an insurance carrier. As described in this Request for Proposal (RFP), the System is soliciting proposals from qualified and appropriately licensed vendors to provide:

- a) administrative services for System's self-funded Dental PPO plan offered under the System Uniform Group Insurance Program (UT SELECT Dental); and
- b) possible coverage under a supplemental fully insured dental policy that can be elected by UT SELECT Dental enrollees to augment the coverage provided under its self-funded Dental PPO plan.

The contract for the third party administrative services, and the supplemental coverage, if offered, will be for the three-year period beginning **September 1, 2012 through August 31, 2015**, with the opportunity at System's sole option to renew for an additional three year period, subject to terms and conditions acceptable to the System.

All qualified vendors, including the current contracting vendor, are invited to submit a proposal. It is the System's intention to have a signed contract in place and begin implementation planning by **April 2, 2012**.

All vendors must submit a proposal to the System for the self-funded standard group dental plan as described in Appendix A of this RFP. Submission of a proposal for the supplemental group dental plan described in Appendix B of this RFP is optional. The System will determine if the supplemental plan will be offered with the UT SELECT Dental PPO plan. If the supplemental policy is offered, it is System's intent that any resulting plan will include the same provide network as the UT SELECT Dental plan and will provide participants with increased access to plan benefits.

The vendor proposal must demonstrate a commitment to work closely with the System to ensure a seamless transition for the current UT SELECT Dental plan participants, in the event the current plan provider is not selected for the new contract period.

Responding vendors should present their proposal for the self-funded group dental benefit design in Section 13.2 of this RFP. Responding vendors should present their proposal for the supplemental group dental benefit design in Section 13.3 of this RFP.

## 1.3 CURRENT SYSTEM ENROLLMENT

Summaries of current plan enrollment are provided to illustrate the number of potential plan participants eligible for the System UT SELECT Dental plan. UT SELECT Dental plan statistics including enrollment, demographic data, and plan utilization data are available in Appendix D of this RFP.

### 1.3.1 Enrollment Summary of All Current System Benefit Plans

The System currently has about 103,500 employees and retired employees plus approximately 102,000 dependents participating in its Uniform Group Insurance Program (known as UT Benefits). In addition, there are approximately 1,650 COBRA participants continuing coverage in various health plans within the program. The System offers a self-funded preferred provider (PPO) health plan (UT SELECT) for all eligible program participants. Approximately 101,000 employees, retired employees, and COBRA subscribers along with more than 76,000 dependents were covered by UT SELECT medical during September 2011. UT

SELECT medical benefits are currently administered by Blue Cross and Blue Shield of Texas, and prescription benefits are currently administered by Medco Health Solutions, Inc. (Medco). The System's "Living Well" program, a comprehensive health and wellness initiative available to all UT SELECT participants, is integrated with both the medical and prescription plans and some voluntary plans.

The System also currently offers the following optional coverages as part of the uniform UT System group employee insurance program: a self-funded dental PPO plan (UT SELECT Dental) currently administered by Delta Dental, a fully insured dental health maintenance organization currently offered by Assurant Employee Benefits, voluntary group term life and accidental death and dismemberment insurance currently issued by Dearborn National, dependent group term life and accidental death and dismemberment coverage currently issued by Dearborn National, short and long term disability coverage currently issued by Dearborn National, vision care currently issued by Superior Vision, medical and dependent care flexible spending accounts currently administered by PayFlex Inc., and long term care insurance currently issued by CNA. Participation in these optional coverages is voluntary, and generally the premiums are paid solely by the participating employees and retired employees.

The System's Office of Employee Benefits (OEB), located at System headquarters in Austin, Texas, has oversight over all fully and self-funded benefit plans provided by the System through its group employee insurance program. A primary objective of the UT Benefits Program is to maximize the benefits and services that eligible System employees, retired employees and their covered dependents receive for each dollar spent on insurance benefits. The duties of OEB are described elsewhere in this RFP.

### 1.3.2 Summary of the Current Dental Plans

The self-funded UT SELECT Dental PPO plan has a current enrollment of approximately 71,000 subscribers plus 65,000 dependents. The fully insured dental health maintenance organization (DHMO) plan has a current enrollment of approximately 12,000 subscribers plus 10,000 dependents.

A supplemental group dental plan is not currently offered under the System group insurance program. However, the six (6) System health institutions listed in Section 1.1 of this RFP provide a supplemental dental plan to certain faculty employees. Currently, there are approximately 3,300 employees and retired employees plus 5,300 dependents enrolled in the health institutions' supplemental dental plan. It is the intent of the System to request proposals for the purpose of initiating a supplemental plan to be offered to all benefits-eligible employees and retired employees who also participate in the self-funded UT SELECT Dental PPO plan beginning September 1, 2012

## 1.4 SUMMARY OF SERVICES AND POSSIBLE SUPPLEMENTAL COVERAGE TO BE PROVIDED

The System desires that the selected vendor will provide administrative services for the group dental coverage provided by System through its self-funded PPO, (UT SELECT Dental Plan or the Plan), as described in Appendix A of this RFP, for System employees, retired employees and their eligible dependents. Regardless of their residential address or work location, System employees and retired employees enrolled in the Plan will have coverage if they are treated by any licensed dentist. Also, the plan will have one or more provider networks which offer dental services at reduced out-of-pocket costs to the participants when treated by a contracting network dentist. Section 1.1 of this RFP identifies: 1) where UT institutions are located in the

State of Texas; and 2) the approximate number of benefits-eligible employees and retired employees at each institution.

In addition, the System's preference is that the vendor also offer optional supplemental fully insured group dental plan coverage, as described in Appendix B of this RFP. System employees and retired employees would be eligible to enroll in this supplemental benefits plan, if offered, only if they are also enrolled in UT SELECT Dental. The supplemental benefits would provide coverage to enrollees through the same provider network(s) available for the UT SELECT Dental plan.

The details of current UT SELECT Dental enrollment by county and Zip Code are available in Appendix D of this RFP. The vendor will use this information to identify your provider network access for the current System population.

It is the intent of the System to select a single vendor to administer the self-funded UT SELECT Dental plan and, if offered, an optional fully insured supplemental benefit coverage beginning September 1, 2012. The criteria used to evaluate RFP responses are described in Section 11.0 of this RFP; however, System does not guarantee that any of the submitted proposals will be accepted.



## **2.0 GENERAL INFORMATION AND REQUIREMENTS**

### **2.1 CONFLICT OF INTEREST**

No member of the System Board of Regents or System employees (including the Chancellor, Executive Vice Chancellor for Business Affairs, Assistant Vice Chancellor for Employee Services, and Office of Employee Benefits management) may have any direct interest in the awarding of the Contract or any indirect conflict of interest involving the vendor, including but not limited to any financial interest.

### **2.2 NONRESPONSIVE PROPOSALS**

The System will not accept for consideration any proposal that does not comply with the criteria set forth herein. Failure to address any of the RFP requirements may result in rejection of a proposal.

### **2.3 REPRESENTATIONS BINDING**

Representations made within the proposal will be binding on the vendor. The System will not be bound to act by any other previous communication or any non-conforming proposal submitted by a vendor.

### **2.4 NONDISCRIMINATORY PRACTICE**

A vendor shall not discriminate against eligible System employees by excluding, seeking to exclude, or otherwise imposing restrictions on services or benefits on the basis of gender, race, national origin, religion, age, sexual orientation, veteran status, disability, or pregnancy.

### **2.5 BINDING ARBITRATION CLAUSE EXCLUSION**

Each proposal must specify that the vendor will not impose a binding arbitration requirement upon a plan participant. Any proposal containing a requirement that plan participants must agree to engage in binding arbitration will not be accepted by the System.

### **2.6 MODIFICATION PROHIBITED**

No proposal may be changed, amended, or modified after submission to the System except to correct an inadvertent error.

### **2.7 EXEMPTION FROM STATE TAXES**

Coverages provided by the System are exempt from state premium and maintenance taxes.

### **2.8 VENDOR INITIATED CHANGES**

The vendor must notify the System in writing prior to making any significant changes in operating policies or business practices, including material changes to its network agreements, key personnel on the designated System Account Team, or any other aspect of the vendor's operations that could affect the UT SELECT Dental plan. The System reserves the exclusive right to determine if such potential changes may be applied to the System, and if so, when they shall be applied.

## 2.9 MEMBER IDENTIFICATION AND CONFIDENTIALITY OF SSNS

The primary reference ID used to identify plan subscribers and their dependents (collectively referred to herein as “participants”) is a unique 8-character alphanumeric Benefits ID (BID) that is issued by the System and used across all benefit plans offered by the System, including the UT SELECT Dental plan. The vendor must be able to identify a participant and/or the participant’s coverage using the BID. The BID shall be the preferred identifier for telephone communication, unencrypted electronic communication, and in printed reports referencing specific participants.

Vendors must be able to comply with all federal and Texas state legislation, as well as System policy, applicable to the protection and use of Social Security Numbers, including limitations placed on the use of Social Security Numbers on ID cards and plan documents by Section 35.58 of the Texas Business and Commerce Code, CONFIDENTIALITY OF SOCIAL SECURITY NUMBER. The vendor must be able to coordinate with the System to fully comply with all applicable laws and System policy relating to the security, protection and use of plan participants’ Social Security Numbers. All sensitive System data, including Social Security numbers, must be encrypted whenever transmitted over the Internet.

## 2.10 COMPLIANCE WITH LEGAL REQUIREMENTS AND FUTURE CHANGES

All proposals must comply with all currently applicable laws and regulations including, but not limited to, the following:

- State and federal laws and regulations; and
- Rules promulgated by the Texas Department of Insurance.

The requirements of applicable laws and regulations, as well as future program appropriations made by the Texas Legislature, are subject to change and such changes may affect overall plan design and/or administrative responsibilities. The System requires a good faith effort on the part of the vendor to comply with any additional responsibilities imposed by changes in state or federal laws or regulations, or by future court or administrative rulings, without requiring mid-year administrative fee or premium rate increases.

Vendors must agree to collaborate with the System to effect necessary changes and to execute any agreements that may be required as a result. Should a mandated change materially affect the selected vendor’s obligations under the Contract, the System reserves the right to negotiate with the vendor regarding any administrative fee or premium rate adjustment that may be appropriate under the circumstances, as provided in the Contract.

## 2.11 SYSTEM’S HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM

The System is committed to providing full and equal opportunity for all businesses to provide goods and services needed in support of the System’s missions. The System’s Historically Underutilized Business (HUB) Program formalizes the System’s commitment to carry out this effort. The HUB program ensures compliance with state HUB laws and serves to educate both the university and business communities about the benefits of using HUB vendors. In all contracts entered into for professional services, contracting services, and/or commodities with an expected value of \$100,000 or more, the purchase solicitation must indicate whether or not the System has determined that subcontracting opportunities are probable in connection with the contract. If so, a HUB Subcontracting Plan is a required element of the vendor response to this RFP.

### 2.11.1 Subcontracting Opportunities Determination

System has reviewed this RFP in accordance with Title 34, Texas Administrative Code, Section 20.13 (a), and has determined that subcontracting opportunities are available under this RFP.

### 2.11.2 HUB Subcontracting Plan (HSP) Required for Consideration

A HUB Subcontracting Plan (“HSP”) is required as part of vendor’s proposal. The HSP will be developed and administered in accordance with System’s Policy on Utilization of Historically Underutilized Businesses attached as Appendix I and incorporated for all purposes.

**Important: Each vendor must complete and return the HSP in accordance with the terms and conditions of this RFP, including System’s Policy on Utilization of Historically Underutilized Businesses. Vendors that fail to do so will have their proposals considered non-responsive to this RFP in accordance with Section 2161.252, Texas Government Code.**

The Contractor will not be permitted to change its HSP unless: (1) the Contractor completes a newly modified version of the HSP in accordance with the terms of System’s Policy on Utilization of Historically Underutilized Businesses that sets forth all changes requested by the Contractor, (2) the Contractor provides System with such a modified version of the HSP, (3) System approves the modified HSP in writing, and (4) all agreements or contractual arrangements resulting from this RFP are amended in writing by System and the Contractor to conform to the modified HSP.

### 2.11.3 Good Faith Effort Required

All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a “HUB”) in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under the terms of any agreement or contractual arrangement resulting from this RFP the Contractor subcontracts any of the services to be provided, then the Contractor must make a good faith effort to utilize HUBs certified by the Procurement and Support Services Division of the Texas Comptroller of Public Accounts. Proposals that fail to comply with the requirements contained in this section will constitute a material failure to comply with advertised specifications and will be rejected by System as non-responsive.

Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposing vendor acknowledges that, if selected by System, its obligation to make a good faith effort to utilize HUBs when subcontracting any of the Program will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Program by the vendor is subject to review by System to ensure compliance with the HUB program.

### 2.11.4 Mandatory Requirements for HSP Submission

**Important: A separate HSP must be completed for: (1) the self-funded UT SELECT Dental PPO plan; and (2) the fully insured optional Supplemental Dental plan if the vendor submits a proposal for this optional plan.**

Each vendor must submit to the System three (3) original copies of the HSP along with, but packaged separately from, its complete proposal. The three (3) originals of the HSP must be submitted under separate cover in a clearly marked envelope (the "HSP Envelope") that is attached to the outside of the box containing the other proposal materials submitted by the vendor or must otherwise be provided contemporaneously with the other proposal materials.

The top outside surface of the HSP Envelope when attached to the exterior of the packaging for the vendor's other proposal materials must clearly show:

- the RFP title (as noted on the cover page) and the Submittal Deadline, both marked in the lower left hand corner of the front of the envelope,
- the name and return address of the proposing vendor, and,
- the phrase "HUB Subcontracting Plan."

It is the vendor's sole responsibility to ensure that the HSP arrives concurrently with the other proposal materials as specified above. System will open a vendor's HSP Envelope prior to opening the proposal submitted by the vendor, to ensure that the vendor has submitted the number of completed and signed originals of the vendor's HSP that are required.

A vendor's failure to submit the required number of completed and signed originals of the HSP will result in rejection of the proposal as nonresponsive due to material failure to comply with advertised specifications; without exception, any such proposal will be returned to the vendor unopened.

Note: The requirements regarding submission of the HSP outlined above are separate from and do not affect a vendor's obligation to provide the specified number of copies of the complete proposal as specified elsewhere within this RFP.

## 2.12 USE OF SUBCONTRACTORS

Any planned or proposed use of subcontractors by the vendor must be clearly disclosed and documented in the submitted proposal and agreed to by the System. The vendor shall be completely responsible for all services performed and for the fulfillment of its obligations under the Contract, even if such services are delegated to a subcontractor. Any proposal to utilize subcontracting must be addressed in the vendor's Subcontracting HUB Plan, as described in a separate section.

## 2.13 HIPAA AND OTHER PRIVACY AND SECURITY COMPLIANCE REQUIREMENTS

### 2.13.1 Self-funded Dental PPO Plan

The System's Dental PPO Plan is a HIPAA Covered Entity. The vendor selected to serve as the Plan's administrator will be a HIPAA Business Associate of the Plan. The vendor will be required to comply with all applicable provisions of the Health Insurance Portability and Accountability Act, codified at 42 USC § 1320d through d-8 (HIPAA), and any regulations, rules, and mandates pertaining to the HIPAA privacy and security rules, as well as with any applicable state medical privacy requirements. The vendor will also be required to comply with the System's privacy and applicable information technology security policies. The vendor contract includes a Business Associate Agreement. In response to the related interrogatories

included in Section 12.0 of this RFP, the vendor must describe in detail its HIPAA Privacy and Security programs as well as its information security program.

### 2.13.2 Fully Insured Supplemental Dental Plan

If offered, the supplemental dental plan will be a HIPAA Covered Entity and will be required to comply with all applicable provisions of the Health Insurance Portability and Accountability Act, codified at 42 USC § 1320d through d-8 (HIPAA), and any regulations, rules, and mandates pertaining to the HIPAA privacy and security rules, as well as with any applicable state medical privacy requirements. Any supplemental plan offered must also comply with the System's privacy and applicable information technology security policies. In response to the related interrogatories included in Section 12.0 of this RFP, the vendor must describe in detail its HIPAA Privacy and Security programs as well as its information security program.

## 2.14 CONTINUATION OF COVERAGE (COBRA)

As specified by Title XXII of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the System institution will notify employees, spouses and qualified dependent children of their option to continue their group health coverage at the time of initial enrollment. The System institutions also notify any individual who, because of a qualifying event, becomes eligible for continuation of coverage and provide COBRA applications to such individuals. If an individual chooses to continue coverage, it is individual's responsibility to complete the COBRA application and to send it and applicable premium payment directly to the UT SELECT Dental plan's COBRA administrator.

The vendor will be required to accept eligibility data for COBRA participants and to administer dental benefits for these participants, just as it does with all active plan participants, to ensure that the System remains in full compliance with its COBRA obligations.

## 2.15 TERM OF ACCEPTANCE

It is the intent of the System, at this time, to enter into a three-year contract for administration of the UT SELECT Dental plan beginning September 1, 2012. At the System's option, this Contract may be renewed for an additional three-year period beginning September 1, 2015, subject to terms and conditions acceptable to the System.

## 2.16 RESERVATION OF RIGHTS

### 2.16.1 Additional Information

System reserves the right to request additional documentation and vendor agrees to provide the information requested.

### 2.16.2 Validation of Proposal Materials

The System reserves the right to audit/validate all materials and responses submitted with the vendor's proposal.

### 2.16.3 Rejection of Proposals

The System retains the right to reject any and/or all proposals submitted and/or to call for new proposals.

#### 2.16.4 Vendor Negotiations

The System reserves the right to enter into discussions and negotiations with one or more vendors selected at its discretion to determine the best and final terms. The System is not under obligation to hold these discussions or negotiations with each vendor that submits a proposal.

#### 2.16.5 Revision of Provisions

The System specifically reserves the right to revise any or all RFP or Contract provisions set forth at any time prior to the System's execution of a Contract.

#### 2.16.6 Execution of Contract

The System is under no legal obligation to execute a Contract on the basis of this RFP or upon receipt of a proposal.

### 2.17 REFERENCES

Each vendor must provide a list of current major customers for each type of proposed plan, as requested in this RFP. These customers may be contacted by the System to provide information regarding the vendor's overall record of service in providing the program for their employees.

The provision of references by the vendor shall constitute verification that the System has the vendor's permission to contact these organizations and obtain any required information without obtaining further permission from the vendor.

### 2.18 MATERIALS

A copy of materials to be used by the vendor in administering the UT SELECT Dental benefits must be provided as requested in the section of this RFP dealing with communications requirements. The System retains the right to review and approve all such materials prior to distribution. The vendor is required to submit proposed marketing and other informational materials in the specified format and according to deadlines set by the System. The cost for preparation of such materials for the term of the Contract should be accounted for in the proposed administrative fee for the self-funded dental plan and the premium rates for the fully insured dental plan quoted by the vendor.

### 2.19 NO COMPENSATION FOR EXPENSES

Vendors shall submit proposals at their own expense. No compensation will be provided to vendors for expenses incurred for proposal preparation or demonstrations, unless otherwise expressly stated in writing by the System.

### 2.20 RETENTION OF PROPOSALS

Proposals and all materials submitted in response to this RFP become the sole property of the System and will not be returned to the vendors. During the evaluation process, the System shall make reasonable efforts as allowed by law to maintain proposals in confidence, and shall release proposals only to personnel involved with the evaluation of the proposals and implementation of the Contract unless otherwise required by law.

Further information dealing with the confidential status and potential disclosure of proposal contents is addressed below in Section 2.21.

## 2.21 CONFIDENTIAL STATUS AND DISCLOSURE OF PROPOSAL CONTENTS

As a state institution of higher education, the System is subject to the Texas Public Information Act (“the Act”), Chapter 552 of the Texas Government Code, and has no authority to enter into a confidentiality agreement in contravention of the Act. In response to any public information requests under the Act that are submitted during the RFP process, the System shall deem and argue to the State Attorney General that during the bidding process all proposals submitted in response to the RFP are confidential under the Act. However, once the RFP process has concluded, this exception will no longer apply.

Vendors should be aware that the Texas Attorney General may determine that full or partial disclosure is required for information deemed to be confidential or proprietary by a vendor. It is the sole obligation of a vendor to advocate for the confidential or proprietary nature of any information provided in or along with its proposal. The System shall not advocate for the confidentiality of the vendor’s material to the Texas Attorney General or to any other person or entity. Upon receipt of any public information request involving a submitted proposal after the conclusion of the RFP process, the System shall, pursuant to the Act, make a good faith effort to notify the vendor of the request.

For any such request, the vendor will be responsible for submitting written justification to the State Attorney General detailing why particular information should be withheld, such as the exception applicable to certain commercial information. In order to ensure its ability to claim exemption from the release of information contained in a submitted proposal, a vendor should clearly designate within its proposal and accompanying materials any information that it believes to be exempt from disclosure and provide legal justification for each instance.

Additionally, vendors should be aware that, pursuant to the Act, upon request from a member of the Legislature and where needed for legislative purposes, the System may be required to release a vendor’s entire proposal, including information designated by the vendor to be confidential or proprietary. By submitting a proposal, a vendor acknowledges its understanding and agreement that System shall have no liability to the vendor or to any other person or entity for any disclosure of information made in accordance with the Act.

This section applies regardless of whether a contract is awarded as the result of this RFP.

## 2.22 NEWS RELEASES

Written approval by the System will be required prior to the issuance of any news release or other public communication regarding any Contract awarded to a vendor.

## 2.23 USE OF SYSTEM INFORMATION FOR SOLICITATION IS PROHIBITED

The vendor must explicitly agree never to use any information received from any source about System employees, retired employees and/or dependents for any marketing purpose or to solicit business of any other type. This agreement extends to all forms of discussions, advertisement, distribution, or other marketing by the vendor (or a parent or subsidiary) for coverage, products, or materials other than those explicitly relating to the vendor’s participation in the UT SELECT Dental plan, including the provision of such items to

lists of System employees, retired employees and/or dependents obtained from other vendors contracting with System. This prohibition is also applicable to any use of the vendor's System-specific website. This prohibition continues subsequent to termination of the Contract.

## 2.24 AGENT OF RECORD

The System will not designate an Agent of Record or any other such company employee or commissioned representative to act on behalf of either the System or the vendor. Requests for the System to provide such designation shall be rejected. Vendors are specifically instructed to submit proposals directly to the System as specified herein in separate sections detailing HUB Subcontracting Plan submission requirements and overall proposal submission requirements. Proposals submitted through a third-party agent will not be accepted.

## 2.25 DEFINITIONS

For purposes of this RFP and any responses provided, the terms "employee", "dependent", "optional coverage", "retired employee", and "The University of Texas System ("System"), shall have the same meaning as set forth in Chapter 1601 of the Texas Insurance Code. A copy of the Chapter 1601 is included as Appendix F to this RFP. System reserves the right to define any other terms used in this RFP.

## 2.26 RESPONSES, ORDERING OF CONTENTS, DEVIATIONS

Proposals must concisely describe the vendor's ability to meet the requirements of the RFP. Emphasis should be on providing complete, clear responses that demonstrate an understanding of the requirements and of the System's needs. The content of all responses submitted must be ordered to correspond with the specifications as they appear in this RFP.

Unless a deviation is specifically noted in a response, it will be assumed that the vendor agrees to meet all specifications exactly as set forth in this RFP. Proposals containing deviations, items not called for herein, or irregularities of any kind are subject to disqualification at the System's option.

Information about proposed unique or value-added benefits and programs that would enhance or supplement the current benefit offering specified within this RFP are welcome when presented in conjunction with confirmation that the vendor agrees to the requirements as presented in this RFP.

## 2.27 CERTIFICATION

An authorized officer of a vendor submitting a proposal must certify that the proposal complies with the RFP specifications by completing the Signature Page included in this RFP and submitting the signed document with the original copy of vendor's complete proposal as specified.

## 2.28 SUBMISSION OF PROPOSALS

Only proposals submitted in compliance with the following requirements will be accepted by System:

- This RFP is available on the System's RFP website in both PDF and Word format. Vendors must use the Word version of the RFP to complete and include the following items with your submission:
  - Detailed responses to each interrogatory;



- Proposed administrative fees and premium rates, if the vendor submits a proposal for the optional supplement plan; and
- The signature page, verifying the vendor's ability to meet all requirements.
- One (1) original proposal signed with blue ink and clearly marked "Original", and thirteen (13) identical copies of the proposal must be received by the System on or before 3:00 p.m. Central Time on **Friday, February 3, 2012**. The original and copies of the proposal should be delivered to:

**Laura C. Chambers, Director  
Office of Employee Benefits  
The University of Texas System  
702 Colorado Street, Suite 2.100  
Austin, Texas 78701-3043**

- Vendors must submit three (3) complete electronic versions of the proposal on separate discs or USB drives, using either Microsoft Office or PDF format for all included documents. The discs/drives must be clearly labeled with the vendor name and the title of this RFP. All materials/drives included in the printed binders must be included with the electronic versions, including exhibits and the separate HUB Subcontracting Plan submission.
- All materials, other than the HUB Subcontracting Plan ("HSP"), must be submitted in sealed envelope(s), box(es), or container(s). The HSP must be affixed to the outside of the main proposal packaging so that it arrives along with the other proposal materials, but is separately accessible. Proposal packaging must clearly indicate the submittal deadline, the vendor's name, and the vendor's return address on the exterior.
- Proposals must be valid for one hundred twenty (120) days following the proposal receipt date.
- The proposed administrative fee and premium rate(s), if applicable, must be firm and guaranteed for at least three (3) years beginning September 1, 2012 through August 31, 2015.
- A Table of Contents with sufficient detail (including page numbers) to facilitate easy reference to all sections of the proposal, as well as to separate attachments, must be included. Any supplemental items not requested in the RFP should be clearly identified as such in the Table of Contents and must be provided in a separate section(s) of the proposal from required items.
- Under no circumstances will proposals received after the submission deadline be considered. Properly marked late proposals will be returned unopened at the vendor's expense. Unmarked late proposals will be held at the System Office of Employee Benefits for 30 days and then discarded.
- Proposals transmitted electronically, or by any means other than as specified in this section, will not be considered.

## 2.29 ADDENDA TO RFP, INQUIRIES REGARDING SPECIFICATIONS

Questions and comments regarding the RFP should be submitted as soon as possible and must be sent via email using the link on System's RFP website (<http://utdirect.utexas.edu/rfp/>) that has been established for this purpose.

Any response to an inquiry that alters an interpretation of, or requires a change to, this RFP will be posted as addenda on the RFP website. All vendors will be responsible for regularly checking this website for RFP addenda and other announcements. All addenda issued by the System prior to receipt of a proposal shall be considered part of the RFP. All vendors are required to acknowledge all of the addenda issued on the space provided on the Signature Page of this proposal.

To ensure that all replies can be provided to all prospective vendors prior to the deadline for submission of proposals, questions received after 5:00 p.m. Central Time on **Monday, January 20, 2012** will not be considered or responded to by the System.

### 2.30 TELECONFERENCE FOR INTERESTED VENDORS

To provide representatives of interested vendors an opportunity to pose questions regarding the specifications and selection process, a teleconference for prospective respondents is scheduled to be held on **Wednesday, January 18, 2012 from 3:00 – 4:00 p.m. Central Time**. If you are interested in participating in this event, please register online at <http://utdirect.utexas.edu/rfp>.

Questions and comments should be submitted via the RFP website as described above and should be sent as much in advance of the teleconference as possible to allow time for the System to gather information as needed and to prepare complete responses prior to the teleconference. Following the teleconference, any remaining questions and comments must also be submitted via the RFP website.

System plans to hold the teleconference via Microsoft Live Meeting in addition to the use of a toll-free conference line. Additional details regarding the teleconference will be provided in advance to those vendors that register to participate.

### 2.31 FINALIST INTERVIEW

Following the System's initial review of the RFP Proposals, if a vendor is selected as a finalist in the vendor selection process, the System may, at its sole option, request that personnel from the vendor, at the vendor's expense, attend a meeting at a System-designated location to clarify responses and to answer questions regarding the vendor's Proposal. If the System deems necessary, a site visit to the vendor may be conducted during the RFP review period at the System's expense.

### 3.0 IMPLEMENTATION TIMELINE

The dates below apply to key milestones during the implementation phase for the UT SELECT Dental plan. Vendors will be required to meet the deadlines listed below for submission of proposals. The vendor will be required to meet all deadlines as shown throughout the implementation process.

Request for Proposal (RFP) issued	12/22/2011
Prospective vendor teleconference	01/18/2012
Last date to submit written questions to the System	01/20/2012
Vendor Proposals Due to the System	02/03/2012
Vendor implementation team designated and tasks assigned	03/09/2012
First planning meeting between the System and vendor	03/15/2012
Drafts of Annual Enrollment materials due to the System	04/06/2012
Contracts finalized and signed	05/01/2012
Drafts of new employee communication materials to the System	05/04/2012
Testing of automated transmission of claims data processing system and electronic Fee Billing Invoice	06/01/2012
System-specific vendor website available for testing	06/01/2012
Benefits & Human Resource Conference in Austin, Texas	06/6-8/2012
Distribution deadline of Annual Enrollment materials to institutions	06/15/2012
Setup of eligibility FTP procedures and authorizations	06/19/2012
System-specific vendor website ready for use	06/23/2012
Annual Enrollment Period (employee meetings)	07/01-31/2012
Begin testing transmission of test eligibility data	07/10/2012
New Employee materials due to the Institution Benefit Offices	08/01/2012
Begin Testing of Electronic Fee Billing Invoice	08/01/2012
Testing of eligibility error dataset transmission from vendor	08/09/2012
The first date for enrollment data to be transferred to the vendor	08/11/2012
Banking arrangements completed	09/01/2012
Plan Year 2012-2013 begins (Effective date of coverage)	09/01/2012
Production of automated transmission of claims data processing system and electronic Fee Billing Invoice	10/11/2012

## 4.0 THE CONTRACT AND OTHER LEGAL REQUIREMENTS

The Contract shall be in the format specified by the System. The Contract will incorporate this RFP, the vendor's proposal thereto, and any other information the vendor may be required to provide. Until a Contract has been executed and signed, the RFP and the vendor proposal will be binding. A Sample Contract for each type of plan is included in Appendix H to this RFP. Vendor responses containing proposed changes to the Sample Contract will not be considered.

**Important: The vendor should not attempt to modify or sign the Sample Contract. The actual Contract will be prepared by the System Office of General Counsel and signed by the selected vendor, if any, prior to September 1, 2012.**

### 4.1 INTRODUCTION

No Contract will be executed until the System has accepted a vendor's proposal and has notified the vendor of its approval. The Contracts will be for a three-year term beginning on September 1, 2012 and will extend through August 31, 2015, to be renewed at the System's option for an additional three-year period unless terminated as provided herein or in the Contracts. If the current vendor submits a proposal and is not selected, the current vendor shall continue to perform in good faith all obligations under its existing contract with the System.

The System and the contracting vendor shall agree and acknowledge, as applicable, that the benefits and coverage to be provided under the Contracts will be provided from September 1, 2012 through August 31, 2015. However, the System and the contracting vendor shall also agree and acknowledge that there are duties and obligations specified by the RFP to be performed prior to September 1, 2012 and following August 31, 2015, and the Contracts will specify that the parties agree to perform all such duties and obligations, and that all applicable damage provisions shall be in effect as to these duties and obligations.

The Contracts shall comprise the complete and exclusive statement of each agreement between the System and the contracting vendor and supersede all prior or contemporaneous agreements, negotiations, course of prior dealings, and oral representations relating to the subject matter hereof.

The System has specific contracting requirements that cannot be waived or altered. All vendors should carefully review the Sample Contracts included in Appendix H to this RFP, including but not limited to the provisions on Indemnification, Auditing, and the EIR Warranty. The vendor should include in their written submission all alternate requirements, terms, or conditions they wish to have considered. **However, the vendor should not assume that an opportunity exists to add such matters through the contract negotiation as a part of the RFP process.** Unacceptable terms and conditions added by the vendor may result in the rejection of the vendor's proposal, despite other factors to be evaluated. In addition, the vendor should not strike-through or otherwise alter anything in the Sample Contract. Submission of an altered Sample Contract as part of a response may result in rejection of the vendor's proposal, despite other factors to be evaluated.

In the event that a contracting vendor fails or refuses to perform any of its duties or obligations as provided by the Contracts, the System, without limiting any other rights or remedies it may have by law, equity or under contract, will have the right to terminate the Contract immediately. Notwithstanding such termination, certain obligations of the vendor shall survive the termination of the Contracts.

At any time during the term of a Contract and for a period of four (4) years thereafter, the System or a duly authorized audit representative of the System, or the State of Texas, at its expense and at reasonable times, reserves the right to audit the contracting vendor's records and books relevant to all services provided under the Contracts. In the event such an audit reveals any errors/overpayments by the System, the contracting vendor will be required to refund the full amount of such overpayments within thirty (30) days of such audit findings, or the System may, at its option, reserve the right to deduct such amounts from any payments due the vendor.

The contracting vendor must agree not to publicize the Contracts or disclose, confirm or deny any details thereof to third parties or use any photographs or video recordings of the System's employees or use the System's name in connection with any sales promotion or publicity event without the prior express written approval of the System.

Duties assigned to the vendor under the Contracts may not be assigned or delegated to a third party.

## 4.2 FAILURE TO COMPLY

Failure to comply with the procedures required by the RFP or any other applicable guidelines shall be cause for immediate suspension or cancellation of the Contracts. A suspended or canceled vendor that provides coverage or services will not be permitted to accept new enrollees, but must continue to provide coverage for those employees whose effective date was prior to the date of suspension or cancellation. Any suspension will remain in effect until System is satisfied that circumstances resulting in suspension have been corrected. Upon the loss of the contracting vendor of any licensure or certification required by Texas law to provide a service required under the Contract, or the filing of a petition for bankruptcy, or upon judgment of bankruptcy or insolvency by or against the contracting vendor, the System may terminate the Contract for cause without notice.

## 4.3 NOT AN ERISA PLAN

As a governmental entity, the System is not directly subject to the provisions of the Employee Retirement and Income Security Act (ERISA).

## 4.4 COMPLIANCE WITH TEXAS DEPARTMENT OF INSURANCE RULES

Pursuant to Chapter 1601 of the Texas Insurance Code (Code), System is exempt from many of the provisions of the Code and regulations promulgated by the Texas Department of Insurance (TDI). However, nothing in any agreement between the System and a contracting vendor shall be construed to require or permit any action that is prohibited by, or in conflict with, an applicable provision of the Code or an applicable TDI rule or regulation.

## 4.5 VENDOR ID NUMBERS

A vendor must obtain a Vendor Identification Number issued by the Comptroller of Public Accounts of the State of Texas. The vendor will be required to complete and submit a Payee Identification Form in order to receive payment.

#### 4.6 AUTHORIZED SIGNATURES

The Chief Executive Officer, General Counsel, or an authorized officer of the vendor must sign the Contracts. The proposal must state the name and office of the individual who will sign the Contract on behalf of the vendor and include documentation verifying that the individual has the authority to do so.

#### 4.7 RELATIONSHIP OF PROPOSAL TO CONTRACTS

Any contract resulting from the selection of a vendor by the System shall incorporate by reference the applicable portions of the RFP including Appendices, the vendor's response thereto, and any other information the vendor may be required to provide.

## **5.0 FINANCIAL REQUIREMENTS**

### **5.1 INSURANCE RISK**

#### **5.1.1 Self Funded Dental PPO**

The current UT SELECT Dental plan is financed by System on a self-funded basis. The contract will be for third party administrative services only. Its shall involve no insurance or reinsurance. All costs required to provide the services described in this RFP shall be recovered by the vendor only by making provision for such expense in the vendor's Price Proposal included with the response to this RFP. The System is fully responsible for all claims of the self-funded dental plan. The contracting vendor will have no risk for the adequacy of contributions to the self-funded plan.

#### **5.1.2 Supplemental Fully Insured Coverage**

In addition to the self-funded group dental plan, the System is requesting in this RFP a proposal for an optional supplemental fully insured group dental plan. If the coverage is offered, System will collect premiums on a monthly basis from the institutions and forward the premiums to the vendor. The vendor will be fully responsible for all claims. The System's liability will be limited to the payment of the fully insured premiums. The cost to meet the requirements described in this RFP shall be recovered by the vendor only by making provision for such expense in the vendor's Price Proposal included with the response to this RFP.

### **5.2 FINANCIAL STRENGTH**

To be eligible for consideration, the vendor must either have a net worth of at least \$5 million, as demonstrated by an audited financial statement as of the close of the vendor's most recent fiscal year. To affirm financial capability, the vendor must submit all documentation as requested in the related Interrogatories included with this RFP.

### **5.3 SELF-FUNDED PPO PLAN PAYMENT METHODOLOGY FOR ADMINISTRATIVE FEE AND CLAIMS**

For each monthly coverage period, the System shall pay the vendor per member per month administrative fees which may become due under the Contract within 60 days from the beginning of the coverage month based on System's self-bill. Specific details on the requirements for the payment of the per member per month administrative fee, including the self-bill, are included in the technical and data exchange requirements section of this RFP. Billable fees associated with utilization of specific administrative services will be paid on the same schedule provided the vendor presents invoices for such fees in a timely manner on a monthly basis.

The vendor shall process and pay all claims submitted under the self-funded UT SELECT Dental plan as described herein and in the Contract. The vendor shall pay claims through the issuance of drafts or through Electronic Funds Transfer (EFT) from the vendor's account prior to seeking reimbursement from the System. On at least a biweekly basis, the vendor shall present an invoice to the System for claim payments made during the previous invoice period. The vendor shall be responsible for maintaining its own funds which are sufficient to provide for the costs incurred under the UT SELECT Dental plan. All payments from the vendor to System must be by ACH or other electronic fund transfer methods. The vendor will be responsible for the

escheatment process in accordance with Texas law for any payments disbursed on behalf of the UT SELECT Dental plan.

Due to the timing of the reimbursements, the vendor could potentially be required to advance up to four weeks of claim payments before being reimbursed by the System. It is estimated that during the first year of the Contract, four weeks of claim payments shall average approximately \$3.0 million.

The vendor shall be reimbursed only for actual payments to dentists (i.e., it is not acceptable for the vendor to seek reimbursement from the System in an amount that is different than the amount vendor paid to the dentist). The vendor shall be reimbursed only for paid claims, and shall not be reimbursed for claims that have been processed but not yet paid to dentists.

Section 51.012 of the Texas Education Code authorizes System to make any payment through electronic funds transfer (or by electronic pay card). The vendor must confirm the ability to receive reimbursement payments from System through ACH or other electronic fund transfer methods. Banking information will be verified during implementation. Any changes to the vendor's banking information must be communicated in writing to the System at least thirty (30) days in advance of the effective date of the change.

#### **5.4 SUPPLEMENTAL FULLY INSURED PLAN PAYMENT METHODOLOGY FOR PREMIUM RATES**

For each monthly coverage period, the System shall pay the vendor the premiums for each enrolled member which may become due under the Contract within 60 days from the beginning of the coverage month based on System's self-bill. Specific details on the requirements for the payment of the premium rates, including the self-bill, are included in the technical and data exchange requirements section of this RFP.

Section 51.012 of the Texas Education Code authorizes System to make any payment through electronic funds transfer (or by electronic pay card). The vendor must confirm the ability to receive payments from System through ACH or other electronic fund transfer methods. Banking information will be verified during implementation. Any changes to the vendor's banking information must be communicated in writing to the System at least thirty (30) days in advance of the effective date of the change.

#### **5.5 ADMINISTRATIVE FEE AND PREMIUM RATE GUARANTEES AND ADJUSTMENTS**

It is required that the administrative fee for the Dental PPO services and premium rates for the proposed supplemental coverage, if offered, provided by the vendor in response to this proposal be guaranteed for the 36-month period from September 1, 2012 through August 31, 2015. Any future renewal fee or rate adjustments are subject to approval of the System in accordance with information contained in these specifications.

#### **5.6 DETERMINATION OF RENEWAL ADMINISTRATIVE FEE AND PREMIUM RATES**

During the third Fiscal Year of guaranteed fees and premium rates (September 1, 2014 – August 31, 2015), the vendor will be required to conduct good faith discussions with the System prior to February 1, 2015, for the administrative fee and, if applicable, premium rates for the succeeding three-year period from September 1, 2015 through August 31, 2018. If there is no agreement reached by March 1, 2015, the System reserves the right to submit the Contract(s) to competitive bidding.



The renewal rating procedure to be used in the determination of administrative fees and premium rates for years following the original 36-month guarantee period is to be clearly detailed in the proposal. In developing renewal rates, the vendor may include the anticipated level of incurred claims, a reasonable provision for retention and a reasonable profit margin. The vendor will not be allowed to include a deficit recovery provision in its renewal fee. Any deficit existing upon the termination of the Contract will not be recoverable.

In order to obtain the System's approval of the administrative fee and premium rates, the vendor must provide full documentation of the renewal rate determination and must demonstrate to the satisfaction of the System the appropriateness of the renewal rates.

The System reserves the right to cancel the Contract(s) at the end of any contract year beyond the first three-year term if, in its judgment, such action would be in the best interest of the System.

## 5.7 ANNUAL EXPERIENCE ACCOUNTING

For the self-funded Dental PPO plan, within 120 days after the end of each Contract Year, the vendor shall provide the System with a complete accounting of the UT SELECT Dental financial experience under the Contract. The accounting shall include detail regarding monthly enrollment, paid claims, administrative fees, and performance guarantees.

In addition, the vendor shall provide the System with any other experience data and accounting information that the System may reasonably require.

## 5.8 AUDIT OF VENDOR

System contracts with an independent auditor to conduct an annual audit of its dental claims and the vendor's administration of the self-funded Dental PPO plan to determine both the adequacy of the vendor's procedures for the payment of claims and the accuracy of claim payments. The System will provide the vendor with a minimum of thirty days' notice prior to commencement of the audit.

In addition to the annual audits, System may, at its sole discretion, conduct other audits of the vendor as to either plan as deemed necessary. System shall determine the scope of each audit. The vendor is required to fully support all audit-related activities and to cooperate in good faith with the auditor. The vendor must maintain readily available data that is accessible electronically as well as through hard copy, such that it can meet a reasonable timeline and provide timely responses for audit purposes. Neither the System nor the auditor shall reimburse or indemnify the vendor for any expense incurred or any claim that may arise in connection with or relating to either annual or other audits.

The vendor is responsible for addressing the independent auditor's findings to the satisfaction of the System. Audit findings that conclude certain claims were not adjudicated correctly shall result in the recalculation and financial settlement with the System within a reasonable timeframe, not to exceed the end of the following Plan Year. Recommendations made by independent auditors shall be discussed with System and incorporated by the vendor where appropriate.

## 5.9 ACTUARIAL/FINANCIAL CONTACT

Responding vendors must provide the name, mailing address, email address, telephone number, and fax number of the actuarial/financial personnel responsible for the preparation of the UT SELECT Dental

administrative fee for the self-funded group dental plan and the premium rates for the fully insured supplemental group dental plan. The named person should be capable of responding to inquiries concerning the fee and premium rates, and must cooperate with requests for information made by the System or its consulting actuaries.

## 5.10 FIDUCIARY LIABILITY

If a Contract(s) is awarded, the vendor assumes fiduciary duty and liability for all of its actions associated with the performance of its duties under the Contract(s).

## 5.11 RUN-OFF

For the self-funded Dental PPO plan, following termination of the Contract, the vendor must continue to be responsible for processing and paying claims which were incurred during the term of the Contract. The cost of such run-off administration should be accounted for in the proposed administrative fee. The System will not incur additional administrative fees during the run-off period. The current contracting vendor is responsible for processing and payment of all claims incurred prior to September 1, 2012.

## **6.0 BENEFITS, PROVIDER NETWORK AND PROGRAM REQUIREMENTS**

### **6.1 INTRODUCTION**

The System designs the UT SELECT Dental plan. The System is conducting this RFP process to obtain the desired high-quality administrative services at the best possible economic value and is not seeking to redesign the network or operational aspects of the UT SELECT Dental plan. Therefore, the System requires that the vendor be able to effectively administer a provider network, benefit design, and overall program which meets or exceeds the requirements presented in this RFP.

### **6.2 THE BENEFIT (OR PLAN) YEAR**

The System's benefits are administered using a Plan Year that begins on September 1st and ends the following August 31st. This time period corresponds with the fiscal year of the System and the State of Texas.

### **6.3 PLAN PARTICIPATION**

Chapter 1601 of the Texas Insurance Code, a copy of which is attached as Appendix F to this RFP, establishes eligibility criteria and enrollment requirements for the UT SELECT Dental plan.

#### **6.3.1 Eligibility**

Section 1601.101 of the Texas Insurance Code states that an employee who is expected to work at least 20 hours per week and to continue in the employment (is expected to work) for a term of at least four and one-half months, or is appointed for at least 50% of a standard full-time appointment, is eligible for benefits. Certain postdoctoral fellows and recipients of prestigious fellowships are also eligible for coverage through an eligibility rider to Chapter 1601.

In accordance with Section 1601.102 of the Texas Insurance Code, certain retired employees of the System are eligible for benefits.

#### **6.3.2 Basic Coverage**

Basic group insurance coverage provided by the System must be comparable to the coverage commonly provided in private industry and at other institutions of higher education.

The basic package for benefits-eligible employees includes employee-only medical coverage (including prescription coverage), \$20,000 basic Group Term Life (GTL), and \$20,000 basic Accidental Death and Dismemberment (AD&D) coverage.

The basic coverage for benefits-eligible retired employees includes retiree-only medical coverage (including prescription coverage) and \$6,000 basic GTL.

The basic package does not include dental coverage.

### 6.3.3 Premium Sharing

On a biennial basis, the Texas Legislature determines the amount of premium sharing available for employees, retired employees and any eligible dependents. Premium sharing is intended to fund the total cost of the basic package for full-time employees and half the cost for part-time employees. The State Appropriations Act also provides for funding of the total cost of the basic package for retired employees. A percentage of the medical plan cost for covered dependents of participating active and retired employees is also paid through premium sharing.

For newly benefits-eligible employees, state premium sharing is not available for payment of the basic package until the first of the calendar month that begins after the 90th day after the employee begins employment. Each institution has the option to supplement premium sharing for all employees during this waiting period. However, if an institution does not supplement premium sharing, that institution's employees will not be eligible for the UT SELECT Medical Plan, including prescription benefits, until the end of the waiting period.

For newly retired benefits-eligible employees, state premium sharing is available to pay the retired employee's premium for the basic package if there is no break in coverage between the period of active employment and the effective date of retirement. If there is a break in coverage between active employment and retirement, premium sharing is not available for payment of the retired employee's basic package until the first day of the calendar month that begins after the 90th day after the effective date of retirement. System institutions do not have the option to supplement premium sharing for retired employees during this waiting period.

Full-time employees and retirees with comparable coverage from another source may waive medical coverage and receive up to 50% of the state premium sharing amount to pay premiums for certain optional coverages. Part-time employees with comparable coverage from another source may waive medical coverage and receive up to 25% of the state premium sharing amount to pay premiums for certain optional coverages. Note: Dental coverage under the PPO plan, and if offered, supplemental coverage, is eligible for such premium sharing.

### 6.3.4 Enrollment

In addition to the specifics detailed in Chapter 1601, Texas Insurance Code, the enrollment process is governed by System's policies. Annual Enrollment for all insurance plans is held during the month of July (typically July 15 – 31). During the Annual Enrollment period for the initial plan year in which dental benefits for the self-funded UT SELECT Dental plan will be administered by the vendor (July 2012), any eligible System employee or retired employee may elect UT SELECT Dental coverage, including the new supplemental benefits, regardless of where they or their dependents live or work.

If an employee or retired employee elects to make enrollment changes during any Annual Enrollment period, those changes will be effective the following September 1. Unless an employee or retired employee elects to change or cancel their coverage during the Annual Enrollment period to be held during July 2012, those employees or retired employees who are enrolled in UT SELECT Dental coverage as of August 31, 2012 will continue enrollment at the same level of coverage, along with their eligible, enrolled dependents, under the new Contract(s) that takes effect on September 1, 2012.

The first date that enrollment data for the 2012-2013 Plan Year is expected to be transferred to the vendor administering the UT SELECT Dental plan will be August 11, 2012. Technical and data exchange requirements related to eligibility and enrollment are detailed in a separate section of this RFP.

**Important: If the supplemental plan is offered, a System employee or retiree will not be eligible to enroll in the supplemental plan unless they also are enrolled in the self-funded group dental PPO plan. All individuals wishing to participate in the supplemental coverage will be required to affirmatively enroll in the coverage.**

## 6.4 CONTINUITY OF COVERAGE

System must ensure that plan participants do not lose coverage solely because of a change in vendors. All provisions and exclusions met under the current plan must be credited under any new plan.

No covered person will experience any change in benefits as simply a result of execution of a new contract for administration of the plan. The vendor must be able to accept claim data pertaining to deductibles, maximums including lifetime orthodontic maximums, plan provisions, exclusions, etc., and provide full and complete continuity of coverage without regard to the execution of a new contract in accordance herewith.

## 6.5 BENEFIT DESIGN

The vendor must be capable of administering the dental benefits as presented in the Schedule of Benefits for the self-funded group dental PPO plan in Appendix A of this RFP and the optional fully insured supplemental group dental plan in Appendix B of this RFP. In addition to the benefits described in Appendices A and B of this RFP, the vendor should include the following additional benefit for coverage in the two plans: Occlusal Guard – Procedure Code D9940. No other deviations from these required benefits shall be allowed as part of a response to this RFP. However, if the vendor is chosen and has additional value-added enhancements to be discussed during implementation, it is important that the vendor include this information in the proposal.

While no significant changes in the existing benefit design for the self-funded UT SELECT Dental plan are currently anticipated for the 2012-2013 plan year (see above paragraph for a description of an additional benefit to be offered), new wellness initiatives may be added on an ongoing basis and System may elect to make enhancements to the benefit design based on plan experience or other factors during the contract period. The selected vendor should be prepared to make adjustments as needed.

A complete description of the current self-funded UT SELECT Dental plan is available in Appendix A to this RFP and also can be found online at <http://www.utsystem.edu/egi/pubs/pubs.asp>. A complete description of the optional supplemental plan is available in Appendix B to this RFP. Vendors should reference these sites in preparing their responses.

## 6.6 PROVIDER NETWORK REQUIREMENTS

### 6.6.1 Provider Network Areas

Proposals must indicate that the vendor can provide all required services in the proposed provider network areas for System employees, retired employees, and their covered dependents. The locations in Texas of the sixteen (16) System institutions are identified in Section 1.1 of this RFP. In addition, many System retired employees and dependents reside in other states and countries. A list of the Texas

counties and Zip Codes in which services are provided by the vendor must be included with the response. The preferred network areas are listed in Appendix D of this RFP. Preference will be given to those vendors that demonstrate the ability to serve all of the requested areas. The vendor must submit appropriate documentation of their network areas.

### 6.6.2 Access and Availability

The vendor must provide documentation to demonstrate that the proposed provider network contains a sufficient number of dental providers to serve System participants, as defined by Texas Department of Insurance rules and regulations. Separate documentation must be provided for each of the following:

1. general dentists
2. pedodontists
3. orthodontists
4. endodontists
5. periodontists
6. oral surgeons
7. other specialty dentists

System will consider the Texas Department of Insurance regulations on accessibility and availability of primary and specialty dentists and utilize GeoAccess software to evaluate the adequacy of each vendor's provider network.

### 6.6.3 Provider Information/Required Documentation

For each Provider Network submitted in response to this RFP, vendors must provide a separate Provider Network CD or DVD, including one file for primary dentists and one file for specialty dental providers. Each file name should include your company name, and whether the file contains primary or specialty dentists. Failure to properly identify the data may result in a delay in the review of your response. The files must be in fixed-length text format, and follow the dataset layout as specified in Appendix B. NOTE: The documentation required is more than what is primarily listed in a vendor's provider directory.

Please note the following when preparing the Provider Network CD's or DVD's:

1. Provide GeoAccess reports showing the number of System employees with:
  - (a) a General Dentist within 5, 10, 15 and 30 miles; and
  - (b) a Specialty Dentist within 5, 10 and 30 miles.
2. The format may not be altered. **No other format will be accepted.**
3. All required data fields must be filled in. If not, your proposal will not be considered complete. **Blank records, abbreviated names or extra fields are not acceptable.**

4. Only specialty codes provided by the System are valid. See the list of specialty codes included in the dataset layout (see Appendix B).
5. Provide three (3) copies of each Provider Network CD/DVD.

## 6.7 WELLNESS BENEFITS

The System is committed to integrating wellness benefits within the UT SELECT Dental plan to assist System and the institutions with the creation and ongoing enhancement of campus wellness programs. The vendor must demonstrate the ability to provide wellness related services and targeted wellness initiatives as part of the overall administration of the UT SELECT Dental plan.

The vendor must describe the specific wellness services and initiatives it intends to provide as part of its administration of the UT SELECT Dental plan and how those services and initiatives will be integrated into the System's existing "Living Well" program, a comprehensive health and wellness initiative already available to all UT SELECT participants. In particular, information provided in the proposal should allow for the assessment of a vendor's willingness to collaborate directly with the System and other contracted vendors regarding wellness-related initiatives and services.

Of primary importance will be collaboration with the third-party administrator of the UT SELECT medical plan, currently administered by Blue Cross Blue Shield of Texas, in regard to conditions and medical issues that may be identified through member access to UT SELECT Dental benefits. For example, the ability to transfer members directly to UT SELECT Medical customer service representatives and/or representatives with the UT SELECT Disease Management Program representatives when appropriate is strongly preferred as a basic wellness initiative versus merely advising members to contact their medical insurance carrier.

Additionally, please note that each System institution offers an Employee Assistance Program (EAP) that provides counseling services to employees, retirees and their dependents on numerous topics. If in the event that the vendor provides information to participants about services available within the overall UT Benefits program and the Living Well program, whether through direct customer service interactions, UT SELECT Dental communications materials, or the System-specific website, reference to the EAP programs is requested.

## 6.8 APPEALS PROCEDURE

The vendor's appeals procedure must be in compliance with all applicable statutes and regulations including, but not limited to, the rules and regulations of the Texas Department of Insurance. The vendor must have all levels of appeals required by law. The vendor must include a description of its appeals process in its RFP response.

## 6.9 OTHER FACTORS

Another factor that should be taken into consideration when preparing a response to this RFP is that the System does not have a single, central payroll system. There are currently nine different payroll systems utilized by the sixteen (16) System institutions. Premiums are sent by the institutions based upon the deductions taken from the subscribers on those payroll systems. The System routinely will provide eligibility data which will coincide with the same data used to calculate the payment of premium. The vendor may, on occasion if a claim contains vastly different information than the eligibility data, need to interface with the institutions regarding eligibility or coordination for the payment of a claim.

## **7.0 OPERATIONAL REQUIREMENTS**

The vendor shall administer the UT SELECT Dental plan in a manner consistent with all applicable laws and regulations, as well as with the requirements set forth in this RFP by the System. The vendor shall provide all services associated with the administration of the plan, including, but not limited to the items specified in the following sections. The vendor may recover the cost of the requirements described in this section only by making provision for such expenses in the proposed administrative fee for the self-funded group dental plan and in the premium rates for the fully insured supplemental group dental plan.

### **7.1 GENERAL REQUIREMENTS**

- a) The vendor shall provide general administrative support as required in the operation of the UT SELECT Dental plan.
- b) The vendor shall provide legal and technical assistance as it relates to the operation and administration of the UT SELECT Dental plan.
- c) The vendor shall provide certain reports that are required to administer a self-funded plan including, but not limited to, IRS Form 1099.

### **7.2 IMPLEMENTATION AND ACCOUNT TEAMS**

If selected, the vendor must notify the System in writing of the names and roles of all members of its complete Implementation Team no later than March 1, 2012. In addition, the vendor will be required to establish an Account Management Team that is acceptable to System and agree to make staffing adjustments to this team as required by System throughout the contract period. The vendor must ensure that the Account Management Team is established no later than April 1, 2012, and that this team will be available to assist System as required every Monday through Friday from 8:00 a.m. until 5:00 p.m. Central Time (excluding national holidays).

The vendor's Implementation and Account Management Teams must each include a designated information technology contact with the technical knowledge and expertise to efficiently and effectively collaborate with System's information technology team regarding data transmission, data integrity, and timely processing of data. The designated information technology contact should be appropriately positioned within the vendor's organization to allow for direct management and possible changes of all technical issues related to the contract.

### **7.3 CUSTOMER AND ACCOUNT SERVICE**

- a) The vendor's Account Management Team must provide a minimum of two in-person reviews to the System per year regarding the utilization and performance of the UT SELECT Dental plan, including recommendations and updates regarding ongoing implementation activities. The System may also require quarterly operational meetings (in-person or via telephone conference), as needed.
- b) The vendor's customer service unit should be staffed and trained adequately to handle the plan's specific benefit questions, claims administration, resolution of complaints, and program or claim clarification. The vendor's customer service hours must include, at a minimum, Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Time.
- c) The vendor shall designate vendor customer service representatives as contacts for System staff. The vendor warrants and represents that it will adequately train additional team members as needed to



support the System's requirements. The vendor must accept verbal verification of a System participant's coverage by an authorized representative of the System or verify the participant's coverage through an online system and subsequently update coverage in the vendor's system prior to receipt of the System's weekly/monthly enrollment information.

- d) The vendor shall dedicate additional staff members, as needed, to update System related records and accounts and to provide additional help for the vendor client service team during and following the System Annual Enrollment period including the 2012 Annual Enrollment period, which is prior to the September 1, 2012 contract effective date.
- e) Customer Service call centers serving the UT SELECT Dental plan must be located within the United States, preferably in the state of Texas. The establishment of toll free lines (telephone and facsimile) is required and customer service staffing levels must be adequate at a minimum to maintain the following performance standards:
  - 1) Average abandonment rate of 5% or less; and
  - 2) Average time to answer of 30 seconds or less.

#### 7.4 CLAIMS PROCESSING AND ADMINISTRATION FOR THE SELF-FUNDED DENTAL PPO PLAN

- a) The vendor shall process and administer all required UT SELECT Dental claims incurred in connection with System member claims on or after September 1, 2012 and throughout the term of the Contract. General requirements for claims processing include the following:
  - Using System enrollment records, the vendor shall create and maintain enrollment records for all participants to be relied on for the processing of claims and other administrative functions for the UT SELECT Dental plan. In the event of a conflict between enrollment data stored at System and information on file with the vendor, the System's information shall be considered authoritative;
  - The vendor shall review claims for eligibility based on covered dates of services. All ineligible claims that are inadvertently paid by the vendor shall be recaptured and returned to the System;
  - The vendor shall process claims submitted directly by UT SELECT Dental participants, including Coordination of Benefits claims for which the UT SELECT Dental pays secondary benefits. Each direct claim payment must include an Explanation of Benefits (EOB). The vendor must submit all claim forms and sample EOBs as an attachment to the Proposal for the System's review and approval;
  - UT SELECT Dental claims filed by participants must be processed within five (5) calendar days of submission to the vendor unless additional information and/or investigation is required;
  - The vendor shall investigate unusual or extraordinary charges to determine all relevant circumstances and report to the System its findings. The vendor shall determine eligible charges, subject to the final authority of the System on all claims matters.
  - The vendor must process and pay UT SELECT Dental claims using its own funds before seeking reimbursement from the System. The required methodology for requesting reimbursement is described within the Financial Requirements section of this RFP.

- b) In the event the vendor issues excess payments or payments for ineligible claims or participants, it will:
- Take all steps necessary to recover the overpayment, including recoupment (offset) from participants or providers' subsequent claim payments;
  - Assume 100% liability for incorrect payments which result from policy or System errors attributable to the vendor in whole or in part;
  - Refrain from initiating litigation to recover such overpayment unless authorized by the System;
  - Provide the System with detailed reports on a monthly basis that itemize the amounts of each overpayment, the reason for the overpayment; a listing of payees with outstanding overpayment recoveries due; an accounting of: (a) prior balances of recoveries due, (b) current month overpayments, (c) recoveries, (d) new balances and (e) percentage of overpayment dollars recovered and an aging of receivables report for 30, 60, 90 and 91+ days; and
  - Reimburse the UT SELECT Dental plan for any covered dental benefits paid on behalf of a former UT SELECT Dental participant who was reported by the System to the vendor as no longer being eligible for plan benefits at least two (2) full business days prior to the date of such services.
- c) Subrogation may apply when another party (person or organization) is or may be considered responsible for payment resulting from a participant's injury or sickness for which benefits under the UT SELECT Dental shall be or have been provided. The vendor shall provide subrogation services, as appropriate, but not be limited to investigating claims to determine potential third-party liability, contacting participants to obtain information related to third-party liability, initiating demands and filing liens to protect the UT SELECT Dental plan's interests, initiating or intervening in litigation when necessary, and employing or retaining legal counsel for such purposes.
- The vendor shall be responsible for costs associated with subrogation activities and any associated litigation. Provision for such costs should be made by vendors when determining their proposed administrative fees.
- d) The vendor shall maintain a complete and accurate claims reporting system and provide for the retention, maintenance, and storage of all payment records with provision for appropriate reporting to the System. The vendor shall maintain all such records throughout the term of the Contract and for at least three (3) years following the end of the Contract, and shall make such records accessible and available to the System for inspection and audit upon the System's request. In the event the vendor is scheduled to destroy payment records, the vendor must contact the System for approval prior to the destruction of the payment records. If the System approves destruction, verification of the destroyed records shall be required at the System's direction.
- e) The vendor shall provide System with access to statistical information associated with the UT SELECT Dental plan. The information to be made available must include current fiscal year information as well as the full twelve (12) months of the preceding fiscal year. The vendor shall furnish all necessary software and hardware at no additional cost to the System.

## 7.5 FRAUD DETECTION INITIATIVES

The vendor shall use automated systems to detect fraud and misuse of the program, overpayments, wrongful or incorrect payments, unusual or extraordinary charges, verification of enrollment and unnecessary dental

treatment. The vendor shall also conduct thorough, diligent, and timely investigations with regard to fraudulent or suspicious claims and report monthly all such claims to the System.

The vendor understands that the System may develop further policies in connection with the detection and prevention of fraud or abuse of the UT SELECT Dental plan. The vendor shall comply with all applicable laws, regulations and System policies and is encouraged to develop additional safeguards as allowed by law.

## 7.6 REPORTING AND INFORMATION SHARING

Routine vendor reporting, including utilization and cost data, is required to support the System's ability to proactively monitor trends and to identify/address variances on targeted vendor performance guarantees and customer service standards. The timelines and formats for required reports shall be specified by the System. Additionally, the System may request customized reports on an ad hoc basis. Such reports must be provided in a timely manner at no additional cost to the System.

### 7.6.1 Performance Monitoring

Some report formats shall include a column indicating a performance standard for the item being reported, which shall be utilized by the System as a benchmark to monitor compliance and to analyze the reported statistics. See the Administrative Performance Report template, included as Appendix G to this RFP, for examples of this type of reporting.

### 7.6.2 UT SELECT Dental Statistics

The vendor shall accumulate claims payment statistics and develop reports for the UT SELECT Dental plan as is typically done in the normal course of business, but no less frequently than on a quarterly basis. The vendor shall provide copies of such reports to the System along with results of any audits conducted in connection with the reports.

### 7.6.3 Consulting Actuary

The System retains an independent consulting actuary on insurance matters. The consulting actuary assists and advises System staff on benefit plan design, proposal review, and administrative fee and premium rate analysis. System staff or the consulting actuary may, from time to time, request that the vendor provide additional information specific to the UT SELECT Dental plan. The vendor must cooperate with and act in good faith in working with the consulting actuary and must be prepared to respond to these requests promptly.

### 7.6.4 Flexible Spending Account Administration

The vendor will be required to exchange eligibility and claims information electronically on a real-time basis with the contracted administrator of the UT FLEX Plan to facilitate the administration and adjudication of claims submitted for reimbursement under a UT SELECT Dental participant's Healthcare Expense Reimbursement Account.

## **8.0 TECHNICAL AND DATA EXCHANGE REQUIREMENTS**

Each institution of the System self-administers its eligibility. The System's sixteen (16) institutions do not use the same payroll system; currently approximately nine (9) different systems are used. System institutions transmit eligibility data to the System, and the System in turn transmits the appropriate data to the plan vendor.

Datasets are transmitted by institutions directly to the System as often as desired. Institutions can also make real time updates to the System eligibility database and can transmit either a full replacement file or a partial replacement file as needed. Some institutions update their payroll files only shortly before payroll is processed; therefore, they transmit eligibility data to System only twice per month. However, other institutions update their data more often.

Due to the nature of the processes involved, there can often be a delay between the effective date of coverage and notification of eligibility to the vendor. To accommodate the variation in institutional eligibility administration and payroll systems and minimize delays and errors, the System has developed standardized methods for receiving and transmitting information between System, institutions, and vendors.

### **8.1 SECURE FILE TRANSFER PROTOCOL (SFTP) OVER THE INTERNET**

System's security requirements mandate that SFTP be used to access all System servers. A vendor's ability to use SFTP over the Internet and to work with HIPAA-compliant ANSI X12 transaction sets will be important considerations in the System's evaluation of the proposals.

### **8.2 WEB AUTHENTICATION VIA SECURITY ASSERTION MARKUP LANGUAGE (SAML)**

Security Assertion Markup Language (SAML) is an XML-based framework that forms the basis for the method of single sign-on user authentication that System strongly prefers be used for a vendor's System-specific website. An alternative method of user authentication must also be provided for those participants who cannot or who choose not to authenticate via single sign-on, including many retired employees. Responses that indicate a vendor's willingness and ability to implement SAML-based authentication (v2.0) will be strongly preferred over those that do not.

When implementing SAML-based authentication for a vendor's System-specific website, each of the 16 System institutions will act as an Identity Provider (IdP) and determine whether the user has authenticated properly using local credentials. If the user authenticates correctly, System will redirect the user's browser and pass a SAML assertion to the vendor site in question. The vendor site will accept the SAML assertion in order to grant access.

The vendor must either agree to use System's SAML Discovery Service or to host an alternative solution for IdP discovery on the vendor's System-specific website and subsequently accept the IdP's assertion that identifies the individual using the Benefits Identification (BID) number, which is included as an attribute in the SAML assertion. Each participant has a unique BID, and BIDs will be regularly communicated to the vendor via eligibility dataset.

Only user authentication will be handled via SAML. Authorization to access specific information, such as limiting the ability to view member-specific data to only the authenticated member, will still need to be handled by the vendor website.

It is System's strong preference that the vendor be capable of immediate implementation of SAML-based authentication (v2.0) at the start of the Contract period or that the vendor anticipates being able to implement within three to six months of the start of the Contract period. A vendor who is currently unable to implement SAML-based authentication (v2.0) should provide a statement of its ability to support authentication via proxy and should note in its response whether it anticipates being able to implement SAML-based authentication (v2.0) and, if so, when it anticipates being ready to do so.

## 8.3 ELIGIBILITY DATA

### 8.3.1 Security Protocols

The vendor will be required to accept encrypted eligibility data via Secure File Transfer Protocol (SFTP) over the Internet. The data is encrypted using Pretty Good Privacy (PGP) public key encryption. The System requires that these methods be used and responses must affirmatively state that the vendor agrees to use both PGP encryption and SFTP.

### 8.3.2 System's Eligibility Database

Each institution's eligibility data is transmitted to the System and used to update an eligibility database maintained by the System. This database provides the information for System to generate eligibility (enrollment) datasets specific to the UT SELECT Dental plan. The database maintained by the System is directly updated by enrollees during the Annual Enrollment period using the System My UT Benefits online enrollment system. During the July 2011 Annual Enrollment, approximately 47% of all employees/retired employees made election changes, and approximately 98% of those were made using the *My UT Benefits* online system on the Web. This enrollment process provides the advantage of having most new enrollment data available several weeks prior to September 1, the beginning of each new plan year.

### 8.3.3 Eligibility Dataset Exchange

Currently, full replacement eligibility files are being transmitted by the System to the current UT SELECT Dental plan vendor two times per week. Files are available to the vendor by 6:00 a.m. (Central time) on designated days of the transmission.

The vendor will be required to receive and process at least two replacement eligibility (enrollment) datasets per week. The vendor may receive either full or partial replacement datasets each week. A partial replacement dataset includes only records for individuals who are new or who have had a change in coverage since the last dataset was generated. If the vendor elects to receive weekly partial datasets, then once per month a full replacement dataset that includes all current participants will be sent to the vendor. Each year during the second half of August and the majority of September, larger than normal datasets can be expected due to updates related to annual enrollment and the start of the new plan year.

It is System's expectation that the vendor will immediately process eligibility datasets and that updated information will be loaded into the vendor's information system within 24 hours of receipt under normal

circumstances. Within twenty-four hours, the vendor must positively confirm via email the receipt, processing, and successful load (or failure to load) of each eligibility dataset. Further, in the event that an eligibility dataset fails to load, the vendor should provide an explanation for the failure to load either within or as immediate follow-up to the initial notification. The vendor must work directly with System as needed to ensure that any dataset load issues are resolved as quickly as possible and updates are loaded to the vendor's information system.

The required format for eligibility data being transferred to and from the System is the HIPAA-compliant "Benefit Enrollment and Maintenance Transaction Set (ASC X12N 834)" format. Responses must confirm that the vendor agrees to use the ASC X12H 834 format or if unable to comply with the requirement, should include a rationale to use another applicable ANSI X12 transaction set.

## 8.4 RETROACTIVE ELIGIBILITY ADJUSTMENTS

The System requires contracting vendors to allow a retroactive window for eligibility changes to be made up to ninety (90) days after the end of the coverage period affected. The adjustments that must be allowed include activation of eligibility, termination of eligibility, and other variations that may occur as a result of participant status changes. The System retroactively adjusts the payment of administrative fee assessments and premium payments, if applicable, to ensure agreement with updated eligibility information.

## 8.5 REQUIREMENTS TO FACILITATE EMERGENCY UPDATES

On occasion, System institutions may need to make emergency updates to the coverage of their plan participants. Emergency updates are updates to eligibility coverages on the vendor's eligibility system made through a means other than the eligibility dataset. The System has implemented a "controlled emergency update email process" through which an institution Benefits or Human Resources representative can submit an emergency update request when needed.

The institutions are required to update the System eligibility database prior to sending an emergency update request to the plan vendor. The eligibility system verifies the coverage prior to sending an emergency update email which is always sent from a single, controlled email account.

Social Security Numbers will never be transmitted on emergency update email messages. The vendor will either need to be able to add a new member to their eligibility system prior to receiving the Social Security Number or be able to connect to a secured System website to retrieve complete update information. The link to the secure website will be included in all emergency update email messages.

The emergency update system can be configured to send the email update request to designated vendor staff members for handling. The email can be formatted to include the vendor's preferences for coding, and its structure does include some free form text. The vendor may choose up to five (5) email addresses to receive emergency update emails. Confirmation of a completed update to the vendor's database is required within four (4) business hours of receipt of an emergency update email.

Preference will be given to responses indicating the willingness and ability to accept and process emergency updates via email as specified above. However, if a vendor is unable to receive and process emergency update emails, the vendor may, as a less preferred option, provide an access-controlled software interface through which the System can directly update the vendor's eligibility database. The preferred method for this option is

an Internet interface accessible via a Web browser such as Firefox, Microsoft Internet Explorer, Google Chrome, or Apple Safari.

## **8.6 DETAILED CLAIMS DATASET REQUIREMENTS FOR THE SELF-FUNDED PPO PLAN**

System requires that the vendor provide detailed claims datasets as support for the claims invoices and for the purpose of claim eligibility audits and for analysis by the System's consulting actuary. The System also requires direct online access to claims information at all times at no additional charge.

System prefers that detailed claims information be provided in conjunction with each claims invoice. At a minimum, System requires that a detailed claims dataset must be transmitted by the vendor to System no later than 15 days after the close of the associated invoice period. A supporting claims dataset must be received by System before reimbursement can be issued for claims included on the associated claims invoice.

The claims dataset should be provided in a HIPAA-compliant, NCPDP-standard format and should include all UT SELECT Dental claims (including direct claims submitted by participants) that were processed and paid during the previous period and included on the associated claims invoice. A list of the minimum required data fields has been included as Appendix B to this RFP. The detailed claims dataset must be PGP encrypted and sent by SFTP via the Internet to System and the consulting actuary.

## **8.7 DATA FORMAT FOR ADMINISTRATIVE FEE PAYMENTS FOR THE SELF-FUNDED PPO PLAN**

The System will produce a "self-bill" by the fourteenth (14th) day of the month for the per member per month administrative fee due to the vendor for the prior month (billing month). Self-bills currently are created in a System-specific premium billing dataset format; however, for the purpose of this contract, self-bills may be generated in either an administrative fee billing format or in the HIPAA-compliant "Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820)" format.

The dataset will be transmitted via SFTP over the Internet to a secure FTP server. Upon placement of the dataset on the server, an automated email will be sent to the appropriate vendor contacts with notification of the dataset transmission and billing total. Each bill will reflect remittance detail for the current billing month along with any necessary adjustments for the prior three months.

Based on an eligibility "snapshot" taken from the System eligibility database on the first Sunday of each month, the System will prepare a report detailing the administrative fee remittance as support for the monthly payment of the administrative fee. The report will reference specific plan participants, their BIDs, affected coverage periods, and the fee amounts being remitted for each.

## **8.8 DATA FORMAT FOR PREMIUM PAYMENTS FOR THE FULLY INSURED SUPPLEMENTAL PLAN**

The System will produce a "self-bill" by the fourteenth (14th) day of the month for the premium due for the prior month (billing month). Self-bills currently are created in a System-specific premium billing dataset format; however, for the purpose of this contract, self-bills may be generated in either an administrative fee

billing format or in the HIPAA-compliant “Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820)” format.

The dataset will be transmitted via SFTP over the Internet to a secure FTP server. Upon placement of the dataset on the server, an automated email will be sent to the appropriate vendor contacts with notification of the dataset transmission and self-billing total. Each self-bill will reflect remittance detail for the current month along with any necessary adjustments for the prior three months.

Based on an eligibility snapshot taken from the System eligibility database on the first Sunday of each month, the System will prepare a report detailing the premium remittance as support for the monthly payment of the premium. The report will reference specific plan participants, their BIDs, affected coverage periods, and the amounts being remitted for each.

## 8.9 AD HOC REQUESTS AND ISSUE RESOLUTION

The vendor shall provide the System with priority positioning for delivery of ad hoc system service requests and/or issue resolutions. Through the designation of an appropriate technical contact as required for the Implementation and Account Management Teams, the vendor shall ensure that all System information systems requests and issues are given priority positioning and thoroughly analyzed to ensure speedy resolution. The vendor shall provide competent, focused attention to each information system request or issue presented by System.

It is the expectation that the vendor will make every effort to deliver a resolution within thirty (30) days from receipt of the System’s written notification of a request or issue related to the vendor’s information systems. The System will be responsible for supplying detailed information reasonably necessary for the vendor to complete the requested services. If a 30-day resolution is not reasonable for a particular issue, the vendor must provide System with an implementation plan and timeline for resolution within five (5) days from receipt of notification.

An example of a requirement falling under this provision would include, but would not be limited to:

Modifications to benefits and/or eligibility processing requirements must be reviewed, responded to, and approved by the vendor within fifteen (15) days of such request by System. If the vendor requires adjustments prior to granting approval, the vendor shall immediately notify the System and set up weekly update meetings to be held until the System agrees that the modifications will meet the System’s operating requirements. Once requested modifications have been mutually agreed upon, the vendor shall complete the eligibility and/or benefits project, including required testing within forty-five (45) days of Systems’ approval.



## 9.0 COMMUNICATION REQUIREMENTS

The vendor will be required to communicate information regarding the UT SELECT Dental plan design approved by System. All plan communications should be designed to educate both potential enrollees and current participants and must be approved by System prior to dissemination. Communications regarding the UT SELECT Dental plan must be clear and concise, using terminology familiar to participants as specified by System.

The vendor will be required to develop UT SELECT Dental plan communications for written, electronic, and verbal dissemination to accommodate the varying needs of potential participants. However, System prefers that electronic communication be used whenever reasonably possible. Printed materials must always be made available electronically. Communication materials must meet ADA requirements for accessibility.

The vendor may recover the costs of the services described in this section only by making provision for such costs in the calculation of the proposed administrative fee for the self-funded standard dental plan and the premium rates for the fully insured supplemental dental plan.

### 9.1 GENERAL INFORMATION

- Communication materials to be developed by the vendor may include, but are not limited to:
- Participant brochures and information for inclusion in benefits books and newsletters;
- A customized System-specific UT SELECT Dental plan website;
- Presentations to institution Benefits Staff and participants;
- Scripted responses to be used by customer service representatives;
- Advertising materials in association with System UT SELECT Dental plan enrollment;
- Explanations of Benefits (EOBs), order forms, and claim forms;
- Online Dental Provider Directory, including a specific disclaimer stating that the list of dentists is subject to change;
- News releases, including contract signing announcement;
- Participant welcome packet; and
- Token giveaways for enrollment fairs and events.

Communication materials designed for UT SELECT Dental plan participants cannot, and the vendor represents and warrants that it shall not, advertise or promote coverage, products or materials, other than those relating to the vendor's administration of the System UT SELECT Dental plan.

### 9.2 SAMPLE COMMUNICATION MATERIALS REQUIRED

Electronic draft copies of proposed Plan Year 2012-2013 printed materials, plan participants' handbook, and advertising (newspaper ads, radio scripts, television ads, etc.) must be submitted as part of the proposal. Respondents to this RFP should also submit samples of other communication materials with their proposal, including consumer targeted educational materials (in both print and electronic format) and the format of the customized System-specific website.

**Important: All materials relating to the plan must be approved by the System prior to distribution to institution employees and retirees.**

## 9.3 ANNUAL ENROLLMENT

Annual Enrollment information must be promptly provided to all benefits-eligible employees and retirees. The requirements listed below apply to all Annual Enrollment materials, including information for benefits guides.

### 9.3.1 Customer Service Information

All items must include the customer service phone number, hours of operation, a description of the process for filing claims (if applicable), the appeal process for treatment or claim denials, and the vendor's website address.

### 9.3.2 Description of Benefits

The vendor must provide a Schedule of Benefits for the self-funded group dental plan that contains the benefits as set forth in Appendix A of this RFP, along with its limitations and exclusions.

If applicable, the vendor must also provide a Schedule of Benefits for the optional fully insured supplemental group dental plan that contains the benefits as set forth in Appendix B of this RFP, along with its limitations and exclusions.

### 9.3.3 Provider Directory

The UT SELECT Dental provider directory must be made available in electronic format on the vendor's System-specific website. It should indicate each provider's address, assigned office code, and whether or not the provider is accepting new patients. The online directory must be updated at least monthly and must include a disclaimer that providers are subject to change.

The vendor's customer service center must produce and mail customized provider directories to System participants upon request.

### 9.3.4 Due Dates for Enrollment Materials

All educational and enrollment materials used for both Annual Enrollment and new employees must be distributed to all System institution Benefit Offices no later than **June 15** of each plan year.

### 9.3.5 Attendance at Annual Enrollment Meetings

The contracting vendor is required to attend key scheduled Annual Enrollment meetings at each System institution when requested by the institution Benefits Office at the vendor's own expense. Vendor participation at Annual Enrollment meetings will help educate employees about the UT SELECT Dental plan discussed in this RFP. If the contracting vendor is unable to attend all Annual Enrollment meetings being offered at a particular System institution, the institution will have the discretion to designate a particular meeting or meetings as high-priority and request vendor attendance specifically for the designated priority meeting(s).

Note: Based on prior Annual Enrollment experience, The UT SELECT Dental vendor is generally requested to attend approximately 20-25 Annual Enrollment events each year.

### 9.3.6 Customer Service During Annual Enrollment

The vendor's dedicated Customer Service staff will be required to assist in answering questions regarding the UT SELECT Dental plan each year during System Annual Enrollment period(s), including during the July 2012 Annual Enrollment period. Education by the vendor Customer Service staff must be provided to all current and potential UT SELECT Dental plan participants. Customer service should be made available via phone, email, in writing, or in person.

## 9.4 SYSTEM-SPECIFIC WEBSITE

The vendor must establish a customized, System-specific website with the primary goal of allowing participants to easily access plan information regarding customer service toll-free numbers, claims, and plan contacts for the UT SELECT Dental plan. The website must meet all requirements as detailed in this section.

The vendor's System-specific website must be available to the System for testing no later than **June 1, 2012**. The final System-approved website for plan year 2012-2013 must be completed by **June 23, 2012**, and must include the System-approved enrollment materials. The System must approve new website additions or redesigns at least two weeks prior to any scheduled launch date. The vendor must update the website as often as needed with System-specific content (e.g., news) when requested by the System. The System's requests should be implemented within two weeks from the request date, or within a reasonable time as agreed by the System, depending on the complexity of the update requested.

### 9.4.1 Content Specifications

The System-specific website should be kept regularly updated with timely, relevant information for the UT SELECT Dental plan. All content for the System-specific website must be approved by the System before it is released. The site must include:

- A link to the UT SELECT Dental Benefit Guide and summary, as approved by the System;
- The System-approved provider directory which must be updated on the website at least weekly during Annual Enrollment and monthly throughout the plan year. The online provider directory must include:
  - a geographic look-up capability by ZIP Code that is user friendly,
  - each provider's specialty,
  - each provider's assigned unique office code, and
  - an indication about whether each provider is accepting new patients or not.

All information must be updated in accordance with the above time frames. The online and printed provider directories must include a disclaimer that providers are subject to change;

- Customer service information, including phone numbers, mail and claim addresses, hours of operation, and guidelines for the complaint and appeals processes;
- Electronic forms or email addresses for customer complaints and questions. Response to email complaints should have no more than a 48-hour turnaround time. A tracking system for complaints submitted online, similar to the tracking of telephone complaints, must be in place, with the ability to provide data and details to the System upon request;

- All necessary vendor forms (e.g., claim forms) for participants. If forms are made available in PDF format, an easily identifiable link must be provided to download Adobe Acrobat Reader to enable participant viewing and printing;
- System’s branding and a System-specific welcome message must be included to clearly indicate the site is specific to UT System and the UT SELECT Dental plan;
- A link to the System’s UT Benefits website; and
- If the vendor provides a Web page which a participant may view specific information about himself/herself, the site must utilize secured protocol (https://) and require authentication. The site may not use the participant’s social security number as either the user identification or the password. The Benefits ID may be used as the user identification. Authentication via Single Sign-On is strongly preferred over requiring a unique user identification and password specific to the site. See the section of this RFP entitled “Technical and Data Requirements” for additional details.

#### 9.4.2 Technical Specifications

The System-specific website must be accessible to as many participants as possible. Therefore, the following specifications must be met:

- All website content must be clearly visible and functional in Internet Explorer, Safari and Foxfire browsers;
- Entering a Social Security Number should not be required at any time to access information on the website;
- The log-on page must not allow the browser to store the information entered in the cache. The auto-complete feature must be turned off for every form;
- The font must be easy to read, no smaller than 10px; and
- All forms and Adobe Portable Document Format (PDF) files must be accessible.

#### 9.4.3 Electronic and Information Resources (EIR) Warranty

System is required to acquire all EIRs in compliance with the legal requirements governing access to such EIRs by individuals with disabilities (“EIR Accessibility Requirements”). The EIR Accessibility Requirements applicable to the University are set forth in Chapter 2054, Subchapter M of the Texas Government Code, Title 1, Section 206.70 of the Texas Administrative Code, and Title 1, Chapter 213, Subchapter C of the Texas Administrative Code. In order for System to ensure that the EIRs offered by each Proposer responding to this RFP are in compliance with the EIR Accessibility Requirements, Proposer must include all of the following in its proposal:

**COMPLIANCE WITH THIS STATUTE AND THESE RULES IS NOT OPTIONAL AND THEIR APPLICABILITY CANNOT BE WAIVED.**

- 1) The vendor must warrant that the website complies with the requirements set forth in Title 1, Rules §§ 206, 213.30 and 213.36 of the Texas Administrative Code (as authorized by Chapter 2054, Subchapter M of the Texas Government Code). The proposal must provide that to the extent vendor becomes aware that the website does not satisfy the EIR Category Warranty, vendor will, at no cost to System, perform all necessary remediation to make the website satisfy the EIR Category Warranty.

- 2) Vendor is required to submit a completed Electronic and Information Technology (EIR) Accessibility Checklist (included as Appendix J to this RFP) along with proposals. Proposals or bids without a completed checklist will be disqualified.
- 3) Vendor must provide a written explanation for each of its responses to the requirements in the Checklist with respect to the website:
  - If Proposer determines that the website **complies** with an applicable accessibility requirement in the Checklist, Proposer's written response to that requirement must identify how Proposer made such a determination (merely responding with "Complies" or similar non-explanatory language is **not acceptable**).
  - If the vendor determines that the website **does not or will not comply** with an applicable accessibility requirement in the Checklist, Proposer's written response to that requirement must identify the cause of such non-compliance and the **specific** efforts and costs that Proposer would need to assume in order to remedy such non-compliance (merely stating "Does not comply" or similar non-explanatory language is **not acceptable**).
  - If Proposer determines that an accessibility requirement in the Checklist **is not applicable** to the website, then Proposer's written response to that requirement must identify the reason for such inapplicability (merely stating "N/A" or similar non-explanatory language is **not acceptable**).
- 4) All vendor Proposals must:
  - Agree to authorize UT System to engage in product accessibility conformance testing prior to and after completion of purchase.
  - Provide the name and contact information of the individual responsible for addressing accessibility questions and issues about the product.
  - Describe the vendor's capacity to respond to and resolve any complaint regarding accessibility of products or services provided pursuant to this RFP.

## 9.5 PROHIBITIONS; NOTICE OF INQUIRIES FROM THIRD PARTIES

As the administrator for the UT SELECT Dental plan, the vendor may receive numerous inquiries from interested third parties relating to the UT SELECT Dental plan and their program administration. The vendor is strictly prohibited from disseminating any information about coverage, products, or materials on the vendor's website other than those explicitly relating to the vendor's plan offered or service provided to System participants, including the System-specific UT SELECT Dental plan website.

The vendor must forward all inquiries from interested third parties relating to the System UT SELECT Dental plan and their program administration to the System Office of Employee Benefits.

## 9.6 DISSEMINATION OF COMMUNICATION MATERIALS

Communication materials may be considered "published" when a final electronic copy is delivered to the System or is accessible on the vendor's website. Materials that contain protected health information or other confidential information such as a participant's Benefits ID number must be mailed in an envelope or packaging designed to secure the confidential information from casual viewers.

## 9.7 PLAN BOOKLET

A separate plan booklet for both the self-funded group dental plan and the fully insured supplement, approved by the System, must be provided for the System's UT SELECT Dental plan for each plan year. If corrections or amendments are made to a plan booklet during a plan year, all System participants will receive an updated plan booklet from the System via email or regular mail. The updated plan booklet will also be posted on the System website. The plan booklets must include the Summary of Benefits as approved by the System. The plan booklets shall include any additions, limitations and exclusions, and a description of the appeals process. The plan booklets should include a description of current eligibility requirements, as set forth in Chapter 1601 of the Texas Insurance Code.

The contracting vendor is responsible for providing a draft of the plan booklets each year, and is expected to assist the System with the development of the booklets. Final drafts of any required plan booklets must be submitted by the vendor to the System for review by **May 4, 2012**.

9.7.1 For the self-funded dental PPO booklet, the System will edit each booklet and work with the vendor to prepare the booklet for printing and distribution by the System. The System will provide a copy of the plan booklet to all enrolled participants with an email address on file by electronic mail during the month of August. System will print and distribute hard copy plan certificates to those participants without an email address on file during the month of September. During the plan year, plan booklets will be provided to new participants by each institution referring the new participant to the appropriate website. The System will post the plan booklet on the OEB website as well as require the vendor to post the plan booklet on the vendor's System-specific website maintained by the vendor. This process will be followed in subsequent plan years to ensure participants receive access to the plan information.

9.7.2 For the fully insured supplemental dental booklet, the vendor must follow any Texas Department of Insurance requirements for the issuance and distribution of plan booklets.

## 9.8 DENTAL IDENTIFICATION (ID) CARDS

Prior to September 1, 2012, the vendor must send UT SELECT Dental ID cards to all UT SELECT Dental participants, including those who enroll in the plan during the July 2012 Annual Enrollment period. Throughout the contract period, the vendor must issue ID cards to all new enrollees within five (5) business days after the vendor receives the enrollment information from the System. Additionally, due to information security requirements, the vendor must provide System with a monthly dataset that includes all identifying information from each ID card issued and the name and address to which each was sent for all ID cards issued during the prior month.

The ID card may not include the System participant's social security number. The card must use the Benefits ID number as specified by the System, as well as other standard information in a format prescribed by the System including the participant's name and a summary of benefits for the UT SELECT Dental plan. Replacement cards must be provided at the request of a UT SELECT Dental participant. Once initially distributed, ID cards do not need to be automatically replaced unless changes to the benefit plan design require updates to the information shown on the card or changes are made to a participant's name as shown on the card (such as a change to a participant's last name due to marriage).

**Note: Separate ID Cards will be issued to participants who enroll in:**

**(1) the self-funded PPO plan only; or**

**(2) the self-funded PPO plan and the fully insured supplemental plan.**

## 9.9 TRAINING OF SYSTEM AND INSTITUTION STAFF

The vendor must provide training to System staff and institution HR and Benefits staff regarding the UT SELECT Dental plan. Centralized training for institution HR and Benefits staff occurs on an annual basis during the Benefits and Human Resources Conference (BHRC) hosted in Austin by OEB. The 2012 BHRC is scheduled to be held from **Wednesday, June 6, through Friday, June 8, 2012**. In addition, specific training for institution HR and Benefits staff may be required at other times during the year based on changes to operations and the needs of the System.

## **10.0 PERFORMANCE STANDARDS AND PENALTIES**

The vendor must comply with the System requirements listed below and report the specified information to the System on a quarterly basis in an Administrative Performance Report. See the included template for the required reporting format for the UT SELECT Dental Administrative Performance Report (Appendix G to this RFP).

The System contracts with an independent auditing firm who will conduct annual audits of the vendor on behalf of the System to determine compliance with these and other standards. The vendor must agree to this annual audit, generally conducted during the first quarter of each calendar year for the preceding plan year.

The vendor selected to administer the UT SELECT Dental plan must agree to pay the financial penalties as shown in this section if the associated performance standards are not met. Additionally, the vendor should be aware that compliance with these requirements will be a key consideration during any future contract renegotiations.

### **10.1 ADMINISTRATIVE REPORT TIMELINESS**

**System Requirement:** Each Administrative Performance Report is due no later than the 20th of the month following the end of the System plan year quarter or by the first business day following the 20th, if it falls on a weekend or holiday.

**Financial Penalty:** A penalty of \$2,000 may be assessed for each quarter in which the vendor fails to submit the Administrative Performance Report by the required due date.

### **10.2 CUSTOMER SERVICE CALL HANDLING**

**System Requirement:** When contacting the toll-free UT SELECT Dental customer service number, the average time a caller waits before speaking to a vendor customer service representative should be 30 seconds or less. The average abandonment rate should not exceed 5%. System-specific data is preferred; however, if System-specific data is not available due to technical limitations, these two customer service statistics for the complete book of business may be reported instead.

**Financial Penalty:** A separate penalty of \$4,000 each may be assessed for each quarter in which the ASA exceeds 30 seconds and for each quarter in which the ABR exceeds 5%.

### **10.3 CALL CENTER AND WEBSITE OUTAGES**

**System Requirement:** Outages of customer service access points, including telephone and IVR services at the Customer Service call center as well as with the System-specific website, should be kept to a minimum. If an outage does occur (or is expected to occur), the vendor must report the outage to System as soon as possible and service should generally be restored within one (1) hour of the outage, dependent upon specific circumstances.



Financial Penalty: A penalty of \$1,000 may be assessed for each outage over one (1) hour but less than eight (8) hours. If an outage is greater than 8 hours but less than 24 hours, a penalty of \$2,000 may be assessed. If an outage lasts longer than 24 hours, a penalty of \$4,000 may be assessed for each occurrence, up to a maximum penalty of \$12,000 for each quarter. OEB may waive this penalty based on extenuating circumstances, including down time due to unusually severe weather, a natural disaster, or an act of terrorism.

## 10.4 DENTAL ID CARDS

System Requirement: Prior to September 1, 2012, the vendor should mail 100% Dental Identification (ID) Cards to enrollees within five (5) business days from the date of receipt of enrollment information from the System. Beginning September 1, 2012, the vendor should mail an average of 95% of ID cards to System participants within five (5) business days from the date of request from the participant or from the date of receipt of enrollment information from the System.

The total number of ID cards mailed to current and newly enrolled System participants and the percentage mailed within five (5) business days from the receipt of request or from the receipt of enrollment information must be included in each quarterly report. The initial report for the Contract Period must also include a detailed description of the processes and systems used to verify the time between receipt of a request or new enrollment information and mailing.

Financial Penalty: A penalty of \$8,000 may be assessed if the requirement for mailing ID Cards prior to September 1, 2012 is not met. A penalty of \$4,000 may be assessed for each quarter in which fewer than 95% of ID Cards are mailed within five (5) days of the receipt of a request or new enrollment information.

## 10.5 ANNUAL ENROLLMENT MATERIALS

System Requirement: The vendor must meet all due date requirements as specified in this RFP for materials related to Annual Enrollment.

Financial Penalty: A penalty of \$4,000 may be assessed for each violation of the due date requirements for: (1) preparation of the System-specific website; and (2) distribution of plan materials.

## 10.6 PLAN DESIGN CHANGES

System Requirement: Requested plan design changes must be implemented by the vendor with 100% accuracy following final approval and agreement between System and the vendor regarding specific expectations and effective dates.

Financial Penalty: A penalty of \$5,000 may be assessed for each set-up error, up to a maximum of \$20,000 per Contract Year.

## 10.7 CLAIMS PROCESSING

System Requirement: For each of the timelines specified below, the vendor should process and make payments to providers or System participants in accordance with the following performance standards:

85% of claims should be processed within fifteen (15) calendar days following date of receipt of complete claim.

98% of claims should be processed within thirty (30) days following date of receipt of complete claim.

The vendor must report its total number of claims received from System participants, the total dollar amounts paid and denied, the average processing time (in days) for these claims, and the percentage processed within 15 days and 30 days from the date that all required information is received .

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter that either of the above Claims Processing standards are not met.

## 10.8 ELIGIBILITY DATASET PROCESSING

System Requirement: Maintenance eligibility datasets received from the System by 11:00 AM (Central Time) on any business day will be processed within 24 hours of receipt and System notified of the status once processed. If problems with a dataset or with the vendor's information system prevent processing of any file within 24 hours of receipt, the vendor shall immediately notify System of the issue and begin resolving the issue(s).

Financial Penalty: A penalty of \$2,000 may be assessed for each successfully transmitted dataset not processed by the vendor within the specified time frame or failure to notify System of a transmitted dataset's status within the specified time frame, up to a maximum penalty of \$20,000 per Contract Year.

## 10.9 EMERGENCY UPDATE PROCESSING

System Requirement: Valid emergency update requests from System institution staff must be processed and confirmation sent to the submitter within four (4) hours of receipt when received by 1:00 p.m. (Central Time) on a business day. Requests received after 1:00 p.m. (Central Time) on a business day or anytime on a non-business day must be processed by Noon (Central Time) the following business day.

Financial Penalty: A penalty of \$1,000 may be assessed for each occurrence in which a valid update request was not processed and confirmation sent within the required time frame.

## 10.10 COMPLAINTS

System Requirement: The average time for the vendor to resolve System participants' complaints should not exceed 30 calendar days, with at least 90% resolved in 15 days. The vendor must report the total number of complaints received from System participants (via mail or email), the average length of time to resolve complaints, and the percentage resolved within 15 days of receipt. System specific data is required.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the average time to resolve complaints received from System participants exceeds 30 days or when fewer than 90% are resolved within 15 days.

## 10.11 APPEALS

System Requirement: The vendor should average processing appeals for System participants within 30 calendar days following date of receipt. The vendor must report the total number of appeals received, upheld and denied from System participants; plus the average time (in days) to reach a decision and the percentage processed within 15 and 30 days.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the average time to resolve complaints received from System participants exceeds 30 days.

## 10.12 PROVIDER ADDITIONS/TERMINATIONS

System Requirement: The vendor must provide the number of provider additions and terminations by category. System requires the vendor to maintain an overall net gain of contracting providers throughout the plan year.

The vendor must report the total number of dental providers who are added to and terminated from the UT SELECT Dental plan each quarter. A list of added and terminated providers must be attached to the report.

Financial Penalty: No penalty is associated with this requirement.

## 10.13 MEMBER SURVEYS

System Requirement: At least annual member surveys must be conducted. System requires that an overall average Member Satisfaction Rate of 90% or greater be achieved for each Contract Year.

Financial Penalty: A penalty of \$10,000 may be assessed for each Contract Year in which the overall Member Satisfaction Rate as reported via survey falls below 90%.

## 10.14 FRAUD DETECTION

System Requirement: Automated systems and other measures sufficient to detect fraud, abuse, overpayments, wrongful or incorrect payments, and to verify enrollment should be in place. The vendor must include a written description of its comprehensive fraud detection plan with its response. Any incidents of fraud, abuse, overpayments, wrongful or incorrect payments, as well as verification of enrollment, must be included in the quarterly report. The vendor must also report the total number of dollars recovered through fraud investigation activity.

Financial Penalty: No penalty is associated with this requirement.

## 10.15 OTHER REPORTING REQUIREMENTS

System Requirement: The System retains an actuary to assist and advise the System staff on benefit plan design, proposal review, and rating analysis. The System may, from time to time, require the vendor to provide information specific to the System for actuarial analysis. The vendor must cooperate with and act in good faith in working with the System staff and actuary and must be prepared to respond to these requests within the requested time period.

Financial Penalty: No penalty is associated with this requirement.

## **11.0 PROPOSAL EVALUATION**

Proposals submitted in response to this RFP will be evaluated on the basis of criteria described below. The criteria, which should not be assumed to be listed in order of importance, are intended to provide the basis for an objective evaluation of each proposal.

The evaluation process will focus on the selection of a vendor who, in the judgement of the System, demonstrates the ability to consistently and effectively partner with System to provide comprehensive dental services during the contract period. Of primary importance to System is the development of a meaningful partnership with the vendor that allows UT SELECT Dental participants to obtain necessary dental services on a cost-efficient and timely basis and maintains a strong emphasis on providing excellent customer service and robust wellness initiatives.

### **11.1 VENDOR LICENSURE**

To be considered for selection, vendors must have a certificate of authority in good standing from the Texas Department of Insurance.

### **11.2 COMPLIANCE WITH THE RFP**

Proposals containing deviations are strongly discouraged. If included, deviations must be specifically identified and described in detail in order to be considered. While a proposal with minor deviations from the RFP specifications will not be disqualified, preference will be given to prospective vendors whose proposals contain the fewest and least significant deviations from the requirements presented herein. Information about proposed unique or value-added benefits and programs that would enhance or supplement the current benefit offering specified within this RFP are welcome when presented in conjunction with confirmation that the vendor agrees to the requirements as presented in this RFP.

The System will interpret all responses to be indicating agreement with the specifications contained herein except in cases where deviations are specifically noted and described as required. Deviations will not be included in the final contract unless expressly accepted and agreed to by the System in writing and accepted by the System. In all cases, this RFP, the vendor's RFP response, and the contract terms shall be binding.

### **11.3 IMPLEMENTATION TIMELINE AND CRITICAL DEADLINES**

The vendor's ability to meet the required dates for critical implementation tasks as specified in the timeline, included within the section of this RFP entitled "Implementation Timeline," will be an important consideration in the evaluation of vendor proposals.

### **11.4 THE CONTRACT**

All proposals must include an affirmation of the vendor's willingness to accept the provisions set forth in the System's Sample Contract, included as Appendix H to this RFP. Proposals indicating that a vendor is unwilling to sign a contract in the format prescribed by System and containing the essential terms set forth in the Sample Contract, without deviations, will not be considered.

## 11.5 DENTAL PROVIDER NETWORK

The proposal must allow access to any licensed dental provider plus enhanced benefits through one or more specific provider networks with a sufficient number of dental providers, as determined by System, to serve as many System employees, retired employees and dependents as possible. All dental providers included in the proposed network(s) should have signed contracts in place at the time of submission. The System recognizes, however, that the vendor may need to recruit additional providers in certain areas to serve plan participants. Therefore, the vendor should include an action plan for any additional network recruiting through August 31, 2012.

Although the vendor's dental provider network(s) is(are) only one of the criteria used in the selection process as stated previously, provider access will be a very important consideration in the evaluation of the vendor proposals.

System's evaluation will include the vendor's ability to organize and operate high quality, cost-effective dental provider networks as demonstrated by:

- The current size and stability of the provider network(s);
- Adequacy of number of providers in the primary and specialty areas;
- Services available in the locations described in this RFP taking into account the percentage of System employees and retired employees who work or reside in those areas;
- Availability of providers currently utilized by UT SELECT Dental plan participants;
- The inclusion of System institution dental providers in the provider network(s);
- Potential for disruption of current UT SELECT Dental participant-provider relationships; and
- Demonstrated ability to conduct effective network provider credentialing, fee contracting, utilization management, and quality review activities.

## 11.6 FINANCIAL STRENGTH

The System has specified a minimum net worth that is applicable for consideration as a prospective vendor under this RFP. A net worth substantially in excess of the minimum will not be considered to indicate a superior proposal. However, a net worth below the specified minimum will result in disqualification of the proposal.

## 11.7 ADMINISTRATIVE CAPABILITY

Vendors will be evaluated on the basis of their demonstrated ability to provide high-quality services to the System in the management and administration of the UT SELECT Dental plan. All aspects of the services described herein are considered important in this evaluation, including customer service, claims administration, utilization management, and data reporting capabilities.

## 11.8 OPERATIONAL EXPERIENCE

Demonstrated experience with administering and managing comprehensive group dental plans on behalf of large employers (with more than 10,000 employees), and particularly experience with large public employer plans, will be an important consideration in the overall proposal evaluation process.

## 11.9 ACCOUNT MANAGEMENT TEAM

A vendor's commitment to a strong and consistent Account Management Team will be an important consideration in the evaluation process.

The System considers the account service relationship to be a critical link in developing and maintaining a strong partnership dedicated towards the achievement of plan objectives. Vendors must be prepared to provide the System with account service that is at the highest levels in the industry and that is fully consistent with the System's expectations. The vendor and the System will mutually define the criteria to be used for measurement and evaluation of account service performance.

## 11.10 DATA MANAGEMENT

The vendor's ability to consistently and accurately provide data transmission and processing, as specified in this RFP, will be an important consideration in the selection process. Some of the key factors to be evaluated include:

- A management information system that will support the database maintenance and management reporting requirements specified herein;
- The vendor's ability to accept eligibility datasets as specified herein, to update eligibility records in a timely manner, and to promptly notify System upon the success or failure of the attempt to load each eligibility dataset received;
- The vendor's ability to accept emergency eligibility updates via email and confirm processing of requested changes within timeframes specified herein;
- The availability of a secure website through which System staff can view enrollment status for participants and make updates if necessary; and
- The vendor's ability to electronically transmit claims data to System, the UT FLEX administrator, and the System's consulting actuary.

## 11.11 CUSTOMER SERVICE

Evaluation of the vendor's ability and willingness to provide customer service according to the standards specified in this RFP will include consideration of the vendor's:

- Customer service and data reporting capabilities;
- Ability to provide general administrative services;
- Willingness to commit to specified service and quality performance levels;
- Willingness to provide communications materials and personnel for attendance at the annual Benefits and Human Resources Conference for HR/Benefits Office staff from all System institutions (usually held in Austin for 2-3 days during June of each year) and for attendance at Annual Enrollment meetings for employees and retirees (approximately 25-30 meetings beginning in late June and continuing through the entire month of July) held at locations throughout the state.
- Ability to meet the Electronic Information and Resources (EIR) Warranty requirements described in the Communications Requirements section of this RFP; and
- Ability to develop and maintain a System-specific website.

## 11.12 ADMINISTRATIVE FEE AND PREMIUM RATES

The System expects to receive proposals from several highly qualified organizations, all of which can provide high quality, cost-effective service. For these, a distinguishing factor will be the vendor's: (1) proposed per member per month administrative fee for the self-funded group dental plan; and (2) proposed premium rates for the optional fully insured supplemental group dental plan, if applicable.

While cost is a key consideration, the System is not required to select the proposal with the lowest administrative fee and/or premium rates.

## 11.13 PRIVACY AND SECURITY OF SYSTEM DATA

System will require the selected vendor to demonstrate its ability to safeguard the privacy and security of System data collected and/or maintained by vendor on behalf of System in compliance with System's own privacy and security requirements.

## 11.14 OTHER FACTORS

Based on responses provided, other factors will be considered during the evaluation process, including the following:

- The vendor's overall financial stability;
- The vendor's past experience working with large group dental programs;
- An organizational structure and a delivery mechanism that have demonstrated the ability to deliver high-quality, cost-effective management and administration of the UT SELECT Dental plan;
- Information received from the vendor's list of references;
- A demonstrated commitment to fully support the System's "Living Well" program through targeted initiatives and ongoing collaboration with the System and other contracted vendors; and

System also reserves the right to request that representatives from vendors determined to be finalists meet with System representatives (at a location to be determined by System) to clarify responses and answer questions related to this RFP. System may also choose to conduct site visits with selected finalists. System will utilize information gained during such meetings and/or site visits with selected finalists during the evaluation process.

## 12.0 INTERROGATORIES

The vendor must provide responses to all of the items in this section. Responses must be detailed enough to satisfactorily explain the vendor's position on each particular issue. It is the vendor's responsibility to respond to each item in such a way that the System has a full and complete understanding of the vendor's intent. It is important that the vendor carefully defines any key words or phrases used in this section. Each response must be preceded by the question to which the response pertains.

### 12.1 DEVIATIONS FROM THE RFP

- 1) Identify any provision in your response that does not conform to the standards described in the RFP. For each deviation, provide the specific location in the response and a detailed explanation as to how the provision differs from the RFP standards and why.

### 12.2 ORGANIZATIONAL INFORMATION

Please provide the following information that applies to both the self-funded PPO plan and the fully insured supplemental plan:

- 2) The full legal name, address, telephone number, and URL for the corporate website.
- 3) The name, title, mailing address, telephone number, fax number, and email address for the following individuals:
  - a) The organization's contact person for this RFP;
  - b) The person authorized to execute any contract(s) that may be awarded;
  - c) The person who will serve as the organization's legal counsel;
  - d) The actuarial/financial expert(s) responsible for preparation of items in this response, who must be available to respond to inquiries made by System or its consulting actuary and provide any requested information concerning such items;
- 4) If applicable, a description of the parent company of the vendor as well as any subsidiaries and/or affiliates, including whether each is publicly or privately owned.
- 5) Type of incorporation (for-profit, not-for-profit, or nonprofit); publicly or privately owned.
- 6) State of incorporation.
- 7) Copies of recent ratings and reports regarding the vendor issued by independent rating organizations or similar entities (e.g. Best's, Moody's, Standard & Poor's, etc.).
- 8) A copy of the vendor's most recent NAIC annual statement and most recent audited financial statement.
- 9) A copy of the organizational chart identifying the personnel who will be responsible for the administration and management of your organization's contract with the System.
- 10) Please provide the following information that applies to the self-funded PPO plan:
  - a. A copy of the vendor's current certificate of authority, issued by the Texas Department of Insurance, to operate as a third-party administrator providing dental services in the State of Texas.
  - b. Date group dental administrative services were first provided in the State of Texas.



- c. A copy of the vendor's current State of Texas Vendor ID number (14-digit number).
- d. A copy of the vendor's current SSAE No. 16 report.

11) Please provide the following information that applies to the fully insured supplemental plan:

- a. A copy of the vendor's current certificate of authority, issued by the Texas Department of Insurance, to operate as a carrier providing dental services in the State of Texas.
- b. Date group dental coverage was first provided in the State of Texas.
- c. A copy of the vendor's current State of Texas Vendor ID number (14-digit number).

### 12.3 FINANCIAL INTERESTS

- 12) Provide the names and addresses of all parties who would receive compensation as a result of the vendor's selection under this RFP, including, but not limited to, consulting fees, finder's fees, and service fees.
- 13) State the name and address of any sponsoring, parent, or other entity that provides financial support to the vendor. Include an indication of the type of support (i.e., guarantees, letters of credit, etc.) provided as well as the maximum limits of additional financial support from other entities. If applicable, provide a copy of the sponsoring organization's most current audited financial statement.
- 14) Is the vendor presently actively considering or subject to any mergers with and/or acquisitions of or by other organizations? If so, provide specifics. Affirm that the vendor agrees to notify the System immediately upon reaching any form of binding agreement in connection with any merger, acquisition or reorganization of the vendor's management.
- 15) Please disclose any contractual relationships with affiliates that could present a conflict of interest with the vendor's role as administrator of the UT SELECT Dental plan.
- 16) Identify by name and address all persons or entities that hold a 20% or greater ownership interest in the organization.
- 17) Confirm that no member of the System Board of Regents or any employee of the System has a conflict of interest in the vendor, including but not limited to a financial interest. If there is a potential conflict of interest, please describe in detail.
- 18) Is your company a stock or mutual company? Is your organization owned or controlled by any other organization? If so, please explain this relationship.
- 19) Describe your organization's risk retention process including the use of a reinsurer. If a reinsurer is employed, provide the name and amount of risk assumed and any involvement the reinsurer has in the claims approval process.

### 12.4 REFERENCES

- 20) List as references five major employers for whom you provide self-funded group dental third party administrator services and five major employers for whom you provide fully insured group dental services. If submitting a bid for supplemental services, provide references from five major employers for whom you provided the same or similar coverage. The System is particularly interested in employers located in Texas and in public entities. For each employer, include:
  - a) The name and telephone number of a representative of the employer who is familiar with the services you provide;

- b) The nature of your relationship with the employer, i.e., insurer, administrator, reinsurer, manager of provider network; and
- c) The number of employees and dependents for whom dental benefits are administered and the total amount of claims paid annually, applicable.

Note: Your response to this request officially authorizes the System to contact these employers to discuss the services that you have provided for their employees and authorizes the employers to provide such information to the System.

## 12.5 LEGAL AND REGULATORY HISTORY

- 21) Describe any litigation, regulatory proceedings, and/or investigations completed, pending or threatened against the organization and/or any of its related affiliates, officers, directors, and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation, including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
- 22) Describe any investigations, proceedings, or disciplinary actions by any state regulatory agency against the organization and/or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.

## 12.6 PRIVACY PRACTICES AND HIPAA COMPLIANCE

- 23) Please provide a detailed description of the vendor's HIPAA Privacy and Security Compliance programs as these would apply to System data in the vendor's capacity as an administrator as well as a Covered Entity if submitting a bid for the supplemental plan. Include information on workforce training and monitoring. Describe all policies and practices implemented to ensure the privacy of all confidential information as defined in the Contract, including but not limited to protected health information as defined by the HIPAA privacy rule, employee/participant information, or other confidential information about the System and its participants. Include a link to the vendor's HIPAA policies and Notice of Privacy Practices as well as a brief description of any HIPAA violations alleged against the vendor by consumers or the Department of Health and Human Services, including the outcomes.
- 24) Confirm that the vendor is currently in compliance with all HIPAA requirements.
- 25) Provide the name of vendor's HIPAA privacy officer and a description of his or her qualifications.
- 26) Confirm the vendor's compliance with current HIPAA rules and regulations applicable to data transmission and privacy, and the organization's willingness to comply with future changes.
- 27) List any entities with whom the vendor anticipates sharing or disclosing any PHI (Protected Health Information) that the vendor has created or received from (or on behalf of) the System. State the general purpose for which the PHI will be shared or disclosed, and confirm that each entity will comply with requirements for business associates under HIPAA with regard to this PHI.

## 12.7 HUB POLICY COMPLIANCE

- 28) Confirm that three original versions of the HUB subcontracting plan, based on details included within this RFP and requirements included as an appendix to this RFP, have been completed and submitted with this proposal. **Important: The vendor must include separate HUB subcontracting plans for the self-funded PPO plan and also the fully insured optional supplemental plan, if the vendor submits a bid for the supplemental plan.**
- 29) Provide the name, mailing address, telephone number, fax number, and email address of the person in the organization who can answer questions from System regarding the submitted HUB documents.
- 30) Indicate whether the Texas General Services Commission certifies the organization as a Historically Underutilized Business (HUB) and provide any information about past participation in a HUB program. See Appendix I of this RFP.
- 31) Indicate whether any of the services to be provided to the System will be subcontracted by the vendor.

## 12.8 CONFIRMATION AND ACKNOWLEDGEMENTS

- 32) Confirm that the organization understands, has the ability to, and will comply with all of the requirements included within each of the following sections of this RFP:
  - a) General Requirements (Section 2.0);
  - b) Implementation Timeline (Section 3.0);
  - c) Contract and Other Legal Requirements (Section 4.0);
  - d) Financial Requirements (Section 5.0);
  - e) Benefits, Provider Network, and Program Requirements (Section 6.0);
  - f) Operational Requirements (Section 7.0);
  - g) Technical and Data Exchange Requirements (Section 8.0);
  - h) Communication Requirements (Section 9.0); and,
  - i) Performance Standards and Penalties (Section 10.0)

## 12.9 FINANCIAL REQUIREMENTS

- 33) Does the vendor agree to submit and receive all payments made to and from System through ACH or other electronic fund transfer methods? Confirm that the vendor will provide written notice to System at least 30 days in advance of the effective date of any changes to the banking information associated with electronic fund transfers to and from System.
- 34) Does the vendor agree to assume responsibility for the escheatment process in accordance with Texas law for any payments disbursed on behalf of the UT SELECT Dental plan?

## 12.10 GENERAL ADMINISTRATION

- 35) Describe the organization, location and structure of the account service team that shall (1) initially implement the System UT SELECT Dental plan; and (2) provide ongoing program support for the System plans. Provide a resume of each team member, including vendor-related duties and length of time with your organization. Describe any other duties these personnel will be performing related to non-System responsibilities.

- 36) Provide an organizational chart identifying the personnel who will be responsible for the administration and management of the vendor's contract with the System, if selected. Describe any other duties these personnel will be performing relating to non-System responsibilities.
- 37) Are all administrative services performed internally? If the vendor contracts with a management company for some or all of its administrative services, please specify the name of the company, the services provided and the method of reimbursement.
- 38) Where is the primary administrative facility located?
- 39) Provide the names and titles of the vendor's administrative support staff that will administer the UT SELECT Dental plan, including the total number of full-time equivalent employees and which employees are located in Texas. What is the turnover rate among this staff for the past two (2) years?
- 40) State if the vendor contracts with a management or service company for some or all of the administrative services. If applicable, specify the name of the company, the services provided, and the method of reimbursement. Be aware that this would require compliance with the HUB requirements described in this RFP.
- 41) What are the vendor's contingency plans and procedures for providing back-up service in the event of strike, natural disaster, backlog, or other event that might interrupt, delay, or disrupt service? Provide a copy of the vendor's disaster recovery plan and/or business resumption plan, including results of the vendor's most recent test of the plan.

## 12.11 BENEFITS ADMINISTRATION

### 12.11.1 Self-funded PPO Plan

- 42) How long has the vendor been providing group dental third party administration (TPA) services – both nationwide and in Texas?
- 43) Provide the vendor's total commercial TPA enrollment as of December 1, 2010 and December 1, 2011. Provide a statement of the vendor's capacity to enroll new participants and the likelihood of any future limitations on enrollment.
- 44) Confirm that the vendor has the ability to administer the self-funded PPO benefits as outlined in Appendix A to this RFP.
- 45) Describe in detail the facilities, personnel, and procedures the vendor intends to use to service those functions required for the self-funded PPO plan other than the processing of claims. This response should include a description of: 1) personnel that will be available to confer with the System's consulting actuaries concerning financial issues, 2) legal and other expertise available to represent the vendor in administrative hearings and litigation, including subrogation, and to assist the System in the execution of its duties under the Contract, and 3) the vendor's internal processes to deal with participant grievances.
- 46) Explain your previous experience in providing self-funded group dental benefits, as applicable, to groups of 10,000 or more, especially higher education institutions and governmental organizations.
- 47) Provide a detailed description of any exclusions, limitations and/or preexisting condition clauses which pertain to the self-funded benefits schedule as well as any enhanced benefits and additional definitions to be considered in evaluating the product(s) the vendor is proposing in response to this RFP.
- 48) Confirm that the vendor will provide COBRA administration for former System employees as described in this RFP. If the vendor contracts with another organization to administer the COBRA program, provide the name of the organization and the name, email address and telephone number

of the person for System staff to contact involving COBRA issues. Confirm that the vendor will notify System in a timely manner when there is any change in the COBRA contact person.

- 49) Confirm that the vendor understands and agrees that the System will determine eligibility for the UT SELECT Dental plan for all System employees, retirees and dependents.

### 12.11.2 Fully Insured Supplemental Plan

- 50) How long has the vendor been providing fully insured group dental services – both nationwide and in Texas?
- 51) Provide the vendor's total commercial fully insured group dental enrollment as of December 1, 2010 and December 1, 2011. Provide a statement of the vendor's capacity to enroll new participants and the likelihood of any future limitations on enrollment.
- 52) Confirm that the vendor has the ability to administer the fully insured supplemental benefits as outlined in Appendix B to this RFP.
- 53) Describe in detail the facilities, personnel, and procedures the vendor intends to use to service those functions required for the fully insured group dental plan other than the processing of claims. This response should include a description of: 1) personnel that will be available to confer with the System's consulting actuaries concerning financial issues, 2) legal and other expertise available to represent the vendor in administrative hearings and litigation, including subrogation, and to assist the System in the execution of its duties under the Contract, and 3) the vendor's internal processes to deal with participant grievances.
- 54) Explain your previous experience in providing fully insured group dental benefits, as applicable, to groups of 10,000 or more, especially higher education institutions and governmental organizations.
- 55) Provide a detailed description of any exclusions, limitations and/or preexisting condition clauses which pertain to the fully insured benefits schedule as well as any enhanced benefits and additional definitions to be considered in evaluating the product(s) the vendor is proposing in response to this RFP.
- 56) Confirm that the vendor will provide COBRA administration for former System employees as described in this RFP. If the vendor contracts with another organization to administer the COBRA program, provide the name of the organization and the name, email address and telephone number of the person for System staff to contact involving COBRA issues. Confirm that the vendor will notify System in a timely manner when there is any change in the COBRA contact person.
- 57) Confirm that the vendor understands and agrees that the System will determine eligibility for the UT SELECT Dental plan for all System employees, retirees and dependents.

## 12.12 PROVIDER NETWORK MANAGEMENT

58) In providing responses to the following inquiries, if the vendor's administrative or management processes differ within the state of Texas, provide individual responses for each provider network included in the proposal.

The following chart indicates the locations of the sixteen (16) System institutions. Complete the chart to indicate the number of network providers currently providing dental services on behalf of the vendor in each area listed. Do not count individuals more than once if they provide services at multiple locations.

**Important: If the vendor is proposing the inclusion of more than one provider network, complete separate charts for each network and clearly identify if the network applies to the self-funded PPO plan, the fully insured supplemental plan, or both plans.**

## Network #1

	Number of General Dentists	Number of Pedodontists	Number of Orthodontists	Number of Endodontists	Number of Periodontists	Number of Oral Surgeons	Number of Other Dental Specialists	Total Number of All Types for each Location
Arlington								
Austin								
Brownsville								
Dallas								
El Paso								
Edinburg/McAllen								
Galveston Island								
Galveston County (Mainland)								
Houston								
Odessa/Midland								
San Antonio								
Tyler								
Entire State of Texas								

## Network #2

	Number of General Dentists	Number of Pedodontists	Number of Orthodontists	Number of Endodontists	Number of Periodontists	Number of Oral Surgeons	Number of Other Dental Specialists	Total Number of All Types for each Location
Arlington								
Austin								
Brownsville								
Dallas								
El Paso								
Edinburg/McAllen								
Galveston Island								
Galveston County (Mainland)								
Houston								
Odessa/Midland								
San Antonio								
Tyler								
Entire State of Texas								



- 59) Confirm that the vendor's GeoAccess reports will provide the number of System employees with (a) a General Dentist within 5, 10, 15 and 30 miles; and (b) a Specialty Dentist within 5, 10, 15 and 30 miles. Note: The vendor should use the Zip Code data in Appendix D of this RFP to prepare the GeoAccess report. Prepare a separate report for General Dentists and each Specialty Dentist category listed in the above chart in this Interrogatories section.
- 60) Describe the management of the vendor's provider network(s). If the network is leased from another entity, fully describe that entity and the contractual relationship. If the vendor contracts with a management company, provide details of the arrangement including any limitations the arrangement may or will have on the vendor's ability to comply with each of the requirements set forth in this RFP.
- 61) Disclose any network facility in which the vendor maintains a majority ownership and/or controlling interest. In addition, identify any subsidiary or affiliated provider that maintains such an interest.
- 62) Does the vendor require any network providers to use a specific laboratory for their dental work? Can the network provider use a lab of their choice, including their own, and still receive network benefits?
- 63) How does a plan participant access the network? Is there any type of precertification required? If so, what is done if a plan participant receives services from a network provider without getting the required precertification?
- 64) Does the plan operate provider networks in other areas of the United States that would be available to System participants temporarily working or visiting out-of-state? If so, specify any areas that are served by such networks. Explain any limits to the number of participants living outside of Texas that the vendor would be able to cover in a reciprocity arrangement? Is the vendor approved by the Texas Department of Insurance for reciprocity arrangements? If yes, identify the locations and describe such arrangements, if any.
- 65) Explain how the vendor will comply with the provider directory requirements, including the System-specific website as set forth in Section 7.0 of this RFP.
- 66) Describe the professional liability coverage requirements for each type of dental provider, including all provider facilities, in the vendor's network.
- 67) Describe any fee and risk sharing arrangements that the vendor has with dental network providers.
- 68) Describe the minimum periods that are included in the vendor's dental provider contracts concerning:
  - a) Provider's notice to not accept new patients
  - b) Provider's intent to terminate
  - c) Vendor's intent to terminate
  - d) Provider's required continuation of care to existing network plan participants following the provider's termination from the network
- 69) Describe the training/orientation process for new network dental providers including participant eligibility, billing, and quality improvement responsibilities.
- 70) Describe the growth of the vendor's Texas network over the past three years and if there are plans for future development of the network.
- 71) Explain how the vendor's network providers are selected and the requirements to be a network provider including any requirements of ownership of dispensing facilities and inventory levels.
- 72) Does the vendor currently contract with any providers affiliated with the six (6) System health institutions listed in Section 1.1 of this RFP? If so, provide the names of these providers and the

- institutions where they provide dental care services. Note: System is unable to provide a listing of specific dental providers affiliated with System health institutions.
- 73) Some System employees live outside the State of Texas in New Mexico and Washington, D.C. Describe any network arrangements that the vendor has to accommodate these plan participants.
  - 74) List any national and regional dental clinics in the vendor's network.
  - 75) What has been the vendor's provider turnover rate for each of the last two years?
  - 76) Describe the vendor's method for informing plan participants of additions to and terminations from the vendor's provider network.
  - 77) Explain how the vendor will determine the allowable charge for services provided by non-network dentists.
  - 78) Describe the methodology the vendor uses to establish allowable charges for non-network dentists.
  - 79) Provide a detailed explanation of the manner in which the vendor compensates its dentists. Include explanations of the following in the response:
    - a) Payments to Primary Dentists:
    - b) Supplemental Payments to Primary Dentists.
    - c) Payments to Specialists.
    - d) Miscellaneous payments such as consulting fees and payments for emergency or out-of-pocket area treatment.
  - 80) Considering all payments made to dentists by the vendor as well as payments from participants, what percentage of their usual and customary charges do network dentists typically receive? Respond separately for Primary Dentists and Specialists.
  - 81) Provide a listing of the names and total amounts paid for the ten dentists or dental groups in Texas receiving the largest total payments during 2010. Provide a separate listing showing the names and total amounts paid for the ten dentists receiving the largest total payments during 2010. Include separate lists for both general and specialty dentists located in the State of Texas. The current contracting vendor's list of dentists is in Appendix D of this RFP.

## 12.13 WELLNESS BENEFITS AND VALUE BASED BENEFITS DESIGN (VBBD)

- 82) Does your organization have a formal disease management program? If so, please describe. How will you identify System members as candidates for disease management programs? Once identified, how will you triage these members to the UT SELECT Medical administrator?
- 83) Describe what you consider the necessary role and investment of an employer in partnering on care support programs to maximize participation and beneficial outcomes. Include in your response your assessment of the appropriate use and degree of incentives.
- 84) Describe the wellness programs and/or tools offered by the vendor that would be available to UT SELECT Dental plan participants.
- 85) Describe how your condition management, health and wellness programs interact with your internal medical management functions and how a participant may be triaged to the UT SELECT Medical administrator's Case/Disease Management team.
- 86) What specific attributes of your wellness programs are designed to identify and engage those whose health habits or status place them at risk (e.g., individuals who smoke, have oral cancer, etc.), even though they are not presently experiencing adverse health effects, rather than just the "worried well" or those who seek reinforcement of already healthy lifestyles?

- 87) What referral sources will you employ to identify members for participation in our “Living Well” wellness programs and services?
- 88) Do you track individual referral participation in health and wellness program activities? For example, can you identify members whose Dental claims indicate they are smokers and thus a candidate to participate in the System “Living Well” Health Risk Assessment or tobacco cessation program?
- 89) Please identify what you consider to be the key changes in the past year in any aspect of your wellness programs, and prospective changes for the next 1-2 years.
- 90) Provide your internal assessment of the return on investment associated with wellness programs. Describe how this assessment leads to your decisions about investment in your wellness programs, including program scope and objectives, participation expectations, reporting efforts, etc.
- 91) Please detail any wellness programs currently being offered by the vendor that are designed to improve the health and well-being of all individuals, including healthy and low-risk individuals. Indicate whether these programs are managed directly by the vendor or provided by a subcontractor.
- 92) Please provide details regarding any consumer support programs the vendor currently has available to provide coaching and educational support to individuals with specific chronic conditions. Indicate whether these programs are managed directly by the vendor or provided by a subcontractor.
- 93) Describe in detail the vendor’s capabilities to assist with evaluating VBBD as a plan design option by:
  - a) Aggregating medical and dental claims data, mining the data for VBBD opportunities, and modeling the impact of VBBD plan options;
  - b) Including additional data in the overall analysis, such as long-term and short-term disability claims, and personal health assessment survey results; and,
  - c) Providing a comprehensive assessment of the results of the data analysis described above and assisting with interpreting those results.
- 94) How many accounts does the vendor currently support that have implemented some aspect of VBBD?
- 95) If applicable, please provide the names of three accounts that have implemented a VBBD plan with the vendor, with at least one being available to enrollees for more than 12 months.
- 96) If applicable, please describe any issues have arisen with the implementation of VBBD concepts and how the vendor address those issues.

## 12.14 ACCOUNT AND IMPLEMENTATION TEAMS

- 97) Confirm that all questions and responses in this section will relate to both the self-funded PPO plan and the fully insured supplemental plan. If not, provide a detailed explanation.
- 98) Where would the primary person responsible for account and client management associated with System’s contract be located? Will any Account Management Team members be located in Texas? If so, where in Texas?
- 99) Confirm that the System will be notified of any change in the dedicated Account Management Team. Describe the efforts the vendor makes to discourage turnover of Account Management Team personnel responsible for oversight of major group accounts.
- 100) Briefly outline the vendor’s account management philosophy. Please include information about how the team members are compensated by the vendor.
- 101) Describe the overall organization, location, and structure of the account service team that will provide ongoing program support for the System UT SELECT Dental plan. Please provide a résumé for

- each team member, including current professional responsibilities and length of employment with the vendor.
- 102) How many other contracting customer organizations is the assigned account manager currently servicing and how many total members are represented by those organizations?
  - 103) What is the vendor's account manager/executive turn-over rate for the last twelve (12) months?
  - 104) Provide a list of individuals who will comprise the vendor's implementation team along with a résumé and complete contact information for each team member. Identify the individuals who will be primarily responsible for handling details related to each of the following categories:
    - a) Information systems and technology, including specifically benefits programming, claims processing, and eligibility data processing;
    - b) Customer Service;
    - c) Communication materials;
    - d) Appeals process;
    - e) Transitional benefits;
    - f) Financial functions, including payments and reconciliation; and
    - g) COBRA Administration

## 12.15 CUSTOMER SERVICE

- 105) Confirm that all questions and responses in this section will relate to both the self-funded PPO plan and the fully insured supplemental plan. If not, provide a detailed explanation.
- 106) Describe the vendor's customer service unit, including the manner in which it is accessed, hours of operation, and the location(s) of the customer service call centers to be utilized by System participants.
- 107) Are any major changes currently planned or anticipated for the customer service organization or facilities (e.g., moving to a different location, reorganizing or merging units)? If so, please describe.
- 108) Will the vendor provide a separate toll free number for System members? Provide the days and hours in which this access will be available.
- 109) How many telephone lines and support staff will be dedicated to customer service and claims processing for the UT SELECT Dental plan?
- 110) How are after-hours calls to customer service handled?
- 111) What was your telephone customer service performance for the last year relating to abandonment rate and waiting times?
- 112) Indicate the average number of telephone calls received over the past six (6) months on a weekly basis for the primary call center(s) to be utilized by System participants.
- 113) Does the vendor's customer service system support TTY, also known as TDD (Telecommunications Device for the Deaf) technologies?
- 114) How does the vendor's customer service system support Spanish-speaking participants? What other languages does your system support?
- 115) How will the customer service unit be staffed? What is the turnover rate for vendor's non-management call center staff?
- 116) Briefly describe the training that each employee or representative receives to provide customer service. Include the length of time it takes to advance from training to a qualified Customer Service Representative (CSR).
- 117) How does the vendor ensure that its CSRs are providing timely and accurate information?

- 118) How does the vendor monitor first-call resolution and member inquiries that do not get resolved?
- 119) Does the vendor's customer service inquiry system allow CSRs to enter information and provide the ability for CSRs to review previous notes to better assist members?
- 120) Can CSRs view historical claims information online to assist participants? Will participants be able to view their claims information online via the organization's System-specific website? Will designated System staff members have online access to claims information for System participants so that specific claims can be reviewed and/or specific reporting requested?
- 121) Does the vendor record all phone calls and notify all parties that their conversations are being electronically recorded and stored? If not, how many calls are recorded, and what criteria are used in their selection?
- 122) Will System have the ability to listen to customer service calls remotely from Austin?
- 123) Describe how the vendor handles written inquiries. Are they always responded to in writing?
- 124) What is the vendor's current standard for response time with respect to questions requiring written communication?
- 125) Describe the vendor's problem resolution policies.
- 126) Describe the vendor's procedures for handling and escalation of customer service complaints.
- 127) Explain the process used by the Customer Service department to assist members in locating a specialty provider who is able to assist with needed care. Confirm that the vendor's Customer Service will ensure, to the extent possible, the member is able to see a specialty dentist in a timely manner.
- 128) Confirm that the vendor's proposal contains no provision for "binding arbitration" in a complaint procedure and that no such provision shall be utilized with regard to System UT SELECT Dental plan participants.
- 129) Describe the customer complaint tracking system that the vendor utilizes. How long has this system been in place?
- 130) Describe any changes that are planned or scheduled within the next thirty-six (36) months for the vendor's computer systems, including Customer Support changes, and provide timelines for when the changes will be implemented to the existing computer system.

## 12.16 CLAIMS ADMINISTRATION

Note: This section will primarily apply to the self-funded PPO dental plan. If any questions also apply to the fully insured supplemental, provide a detailed explanation.

- 131) Please provide a sample Dental claim form.
- 132) Confirm that System will have a specific high-level contact for issues regarding UT SELECT Dental claims administration and indicate where this contact will be located.
- 133) Provide a detailed description of the vendor's dental claims processing procedures from dental providers.
- 134) Describe the vendor's procedure for processing paper claims submitted by participants.
- 135) Are there options available for participants who submit paper claims to receive payment other than receiving a paper check via regular mail service?
- 136) How long will claims records specific to the UT SELECT Dental plan be maintained?

137) For the claims office that would be processing claims for System participants, please provide the following statistics for all claims paid by the vendor for the most recent 12- month period:

<b>PERIOD:</b>	<b>COMPANY STANDARD</b>	<b>ACTUAL</b>
Claims payment accuracy rate		
Claims processing accuracy rate		
Financial accuracy rate		
Average turnaround time		

- 138) Please confirm that the vendor will adjudicate coordination of benefit (COB) claims for participants who have another primary dental plan to which the System dental plan is secondary and that the cost of processing such claims will be consistent with the fees associated with all other types of claims.
- 139) Describe how COB claims are processed once received by the vendor.
- 140) Explain the process for obtaining dental records required to pay a claim. If records are needed, state who is responsible for the cost of the records.
- 141) With regard to a claim, state the time period during which a participant must submit a claim following the date of service.
- 142) Provide the average time involved in approving or denying a Dental claim.
- 143) After a UT SELECT Dental claim has been approved for payment of benefits, state the time period in which your vendor will release payment of funds.
- 144) Provide a detailed description of the grievance and appeals process for benefits provided by your vendor.
- 145) Will the vendor have a dedicated team to process claims for System UT SELECT Dental plan participants? If so, describe their location, number and experience of dedicated staff.
- 146) Confirm that the vendor has the capability to exchange eligibility and claims data on a real-time basis with the contracted administrator of the UT FLEX plan. Does the vendor’s system have the capability for network dental providers to file an electronic claim, produce an EOB and bill the patient the balance due at the time of service? What percentage of the vendor’s network providers utilize the vendor’s system for real time claim adjudication?

### 12.17 COST CONTAINMENT

- 147) What safeguards exist to prevent one group’s claims experience from being charged to another?
- 148) Provide a detailed description of the procedures and systems the organization uses to prevent, deter, detect and investigate fraud or related issues, and explain how such processes shall be utilized in connection with the System’s UT SELECT Dental plan.
- 149) Discuss how the vendor would communicate with the participant, dentist, or vendor once a fraud or abuse issue has been identified. How will the information be reported to the System?
- 150) Discuss the vendor’s collection process, both for participant and/or provider dentist, for terminated participants that utilize UT SELECT Dental benefits beyond the date on which their benefits ended. Will this type of service be available to the System for dental treatment received after the vendor has been notified that a participant’s eligibility has terminated?
- 151) Describe the vendor’s experience in providing cost-containment enhancements to current and former clients.

## 12.18 QUALITY ASSURANCE

- 152) Describe the vendor's quality assurance (QA) program. Please provide the name of the designated senior executive responsible for the program as well as a copy of the vendor's current QA policies and procedures.
- 153) Describe the vendor's processes for monitoring the adequacy of customer service, claims service, and provider and participant satisfaction. How often are surveys specific to these functions conducted? Please provide a copy of the most recent results.
- 154) Does the vendor currently perform overall participant satisfaction surveys? If so, does an outside organization perform the surveys? Please provide a copy of the latest survey and its results, including the percentage of participants who indicated that they were "satisfied" or "very satisfied" with the overall program.
- 155) Describe the vendor's processes for monitoring the appropriateness of dental care services, including underutilization and overutilization.

## 12.19 INFORMATION SECURITY

- 156) Please provide a detailed description of the vendor's information technology security program that would be applicable to System data collected and/or maintained by the vendor. Include, at a minimum, the following details:
  - a) Does the vendor have an information security plan in place, supported by security policies and procedures, to ensure the protection of information and information resources? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology the vendor uses to ensure the protection of information and information resources.
  - b) Describe the procedures and tools used for monitoring the integrity and availability of the information systems interacting with the service proposed, detecting security incidents, and ensuring timely remediation.
  - c) Describe the physical access controls used to limit access to the vendor's data center and network components.
  - d) What procedures and best practices does the vendor follow to harden all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data may be accessed?
  - e) If the vendor were selected, would the vendor agree to a vulnerability scan by System of all information systems that would interact with the service proposed including any systems that would hold, process, or from which System data may be accessed? If the vendor objects to a vulnerability scan, describe in detail the reasons for objection.
  - f) Does the vendor have a data backup and recovery plan, supported by policies and procedures, in place for the hosted environment? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology the vendor uses to ensure the restoration and availability of System data.
  - g) Does the vendor encrypt data backups? If so, describe the methods used to encrypt backup data. If not, what alternative safeguards will the vendor use to protect System data backups against unauthorized access?
  - h) Does the vendor encrypt data in transit and at rest? If so, describe how that security is provided. If not, what alternative methods are used to safeguard data in transit and at rest?

- i) What technical security measures does the vendor propose to take to detect and prevent unintentional (accidental) and intentional corruption or loss of System data?
- j) What safeguards does the vendor have in place to segregate System and other customers' data to prevent accidental or unauthorized access to System data?
- k) What safeguards does the vendor have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of System data?
- l) What administrative safeguards and best practices does the vendor employ with respect to staff members (vendor and third-party) who would have access to the environment hosting all information systems that would interact with the service proposed, including any information systems that would hold, process, or from which System data may be accessed, to ensure that System data and resources will not be accessed or used in an unauthorized manner.
- m) Describe the procedures and methodology in place to detect information security breaches and notify customers in a manner that meets the requirements of HIPAA and Texas breach notification laws.
- n) Describe the procedures the vendor has in place to isolate or disable all information systems that would interact with the service proposed, including any systems that would hold, process, or from which Institution data may be accessed, when a security breach is identified?
- o) Describe the safeguards in place to ensure that all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data may be accessed, reside within the United States.
- p) What additional administrative, technical, and physical security controls does the vendor have in place or plan to put in place?

## 12.20 DATA EXCHANGE AND PROCESSING

- 157) Confirm that the vendor will provide the System the name of a specific contact person regarding data transmission requirements and for the enrollment load process. State the name and location of this vendor contact.
- 158) Confirm that the vendor can accept and properly manage eligibility and other key data using the dataset layouts as described in this RFP, including the Benefit Enrollment and Maintenance Transaction Set (ASC X12H 834) as well as the claims and administrative fee billing datasets.
- 159) Confirm that the vendor has the capability to accept enrollment data via SFTP on a real time basis.
- 160) Confirm that the vendor has the ability to comply with the user authentication requirements for the System-specific vendor website as described in this RFP, including the use of SAML-based (v2.0) authentication.
- 161) Describe the vendor's ability to provide automated notification upon receipt of eligibility data as well as automated, timely notifications confirming either successful load or failure to load for any eligibility dataset received from System.
- 162) Explain how the vendor plans to ensure that it meets all requirements regarding protecting the confidentiality of social security numbers as outlined in this RFP, including the requirements of Section 35.58 of the Texas Business and Commerce Code, CONFIDENTIALITY OF SOCIAL SECURITY NUMBER.
- 163) Describe the vendor's experience with automated enrollment systems, including any specific automated systems that the vendor has worked with.



- 164) Explain how data is entered into the vendor's eligibility system. Provide a data flow diagram of the process to receive, audit, and load eligibility datasets, including an indication of whether the diagram refers to a current or proposed system. If documenting a proposed system, the anticipated implementation date should be included.
- 165) Where is the location of the computer system that maintains and hosts the vendor's eligibility system and data? Is a third-party application used for entering data into the organization's eligibility system or was proprietary software developed in-house?
- 166) Upon receipt of eligibility datasets from System, can the vendor's eligibility system produce a detailed error report indicating which records which have been accepted for loading and which have been rejected? Will such reports be provided following each eligibility transmission?
- 167) Discuss the staffing and capabilities of the vendor's team that would be responsible for managing information systems and data for the UT SELECT Dental plan.
- 168) How soon after receiving eligibility data from the System would any updates be reflected in the vendor's eligibility system?
- 169) Describe the vendor's process for implementing changes to the benefit plan design. How much advance notice is required for a change to be made in the vendor's information system?
- 170) What quality assurance processes are integrated into the vendor's information systems to ensure accurate programming of the initial benefit plan design and to improve the accuracy of programming related to plan design changes during the contract period?
- 171) Confirm the vendor's ability to accept emergency updates to dental eligibility, as specified in this RFP. Additionally, please describe the organization's ability to provide a website allowing designated System's staff to view eligibility and make emergency eligibility updates directly in the vendor's database when necessary.

## 12.21 COMMUNICATIONS

- 172) Provide a sample copy of all written materials to be used in administering the System UT SELECT Dental plan coverage. As a minimum, your response should include the following:
  - a) Annual Enrollment/Marketing Packets: Include copies of proposed marketing materials; all proposed newspaper, billboard, television and radio advertisements for Annual Enrollment; and presentation materials for employee meetings.
  - b) Post enrollment member packets: Include a copy of the proposed benefits books, including a complete description of benefits provided, limitations, and exclusions.
- 173) Provide a sample copy of all forms that must be completed by a System enrollee. Note: The System will not utilize the vendor's enrollment form.
- 174) Explain in detail the services that will be available at no additional cost to System regarding communications and participation of the organization's personnel at employee/retiree meetings during annual enrollment periods.
- 175) Will the vendor provide personnel who will attend employee/retiree meetings during annual enrollment on a statewide basis? Would the vendor be willing to provide personnel for meetings held outside of regular business hours in order to accommodate System institutions that have 24-hour facilities? How many meetings will the organization attend?
- 176) Confirm that the vendor will assist the System in developing necessary materials for disseminating Annual Enrollment information to employees and retirees during the System Annual Enrollment period.

- 177) Confirm that the vendor will provide the System with a preview of all communications designed to notify participants of features or issues regarding the UT SELECT Dental plan prior to disseminating any communications directly to participants.
- 178) Confirm that the vendor understands and will comply with the required technical specifications for the System-specific website as specified in this RFP and that the Electronic and Information Resources (EIR) Accessibility Checklist, included as Appendix I to this RFP, has been completed and included with this response.
- 179) Confirm that the vendor will comply with the requirement to provide a monthly dataset to System including details as specified for all UT SELECT Dental ID cards issued during the prior month.
- 180) Confirm the vendor's ability to conform to the Web Accessibility Initiative at [www.w3.org/WAI](http://www.w3.org/WAI) to ensure that website content can be read by the majority of viewers, and to meet the requirements of the Americans with Disabilities Act.

## 12.22 PERFORMANCE STANDARDS AND REPORTING

- 181) Describe the vendor's current reporting capability. Provide samples of utilization and administrative performance reports currently available to contracting plans. How often are reports prepared? Describe the method that the vendor would use to determine the cost of any special reports that might be requested by System.
- 182) Confirm that the vendor is able to provide all of the detailed information required in the quarterly Administrative Performance Report template, included as Appendix G to this RFP. Please provide copies of sample administrative performance reports meeting the requirements.
- 183) If the vendor is unable to provide any information requested in the Administrative Performance Report template included as Appendix G to this RFP, please describe in detail any information that cannot be provided and explain why it cannot be provided.
- 184) Describe any unique reporting capabilities that differentiate the vendor from its competitors.
- 185) Confirm that the vendor can provide normative data against which the System can benchmark its plan.
- 186) Confirm that the vendor understands that the failure to meet specific performance standards may result in the assessment of associated performance penalties, as described in this RFP.

## 12.23 ADMINISTRATIVE FEE FOR SELF-FUNDED PPO PLAN

- 187) Confirm that the vendor's proposed administrative fee for the self-funded group dental benefits in Appendix A is guaranteed for a minimum of three years, beginning September 1, 2012 through August 31, 2015.
  - a) Confirm that the vendor's proposed administrative fee includes all required services as specified in this RFP, and that the required services will not have extra fees.
  - b) Confirm that the vendor's proposed administrative fee does not include a provision for state taxes.
  - c) Confirm that the vendor does not have minimum participation requirements for the administrative fee quoted in Section 13.2 of this RFP.
- 188) Confirm that within 120 days before the end of each contract year (last day of February), the vendor will provide the System with the accounting required under Chapter 1601.060 of the Texas Insurance Code.

- 189) State whether the vendor will offer any guarantee of maximum increases for future years. If so, state these guarantees.
- 190) The System requires 210 days advance notice before the end of each plan year of any increase in the administrative fee for the next plan year. Confirm that the vendor agrees to this requirement.
- 191) As described in this RFP, the System will remit payment of the administrative fee for the self-funded plan to the vendor within 60 days from the beginning of the coverage period. Confirm that the vendor understands and agrees to this provision.

## 12.24 PREMIUM RATES FOR FULLY-INSURED SUPPLEMENTAL PLAN

- 192) Confirm that the vendor's proposed premium rates for the fully insured supplemental group dental benefits in Appendix B are guaranteed for a minimum of three years, beginning September 1, 2012 through August 31, 2015.
  - a) Confirm that the vendor's proposed rates include all required services as specified in this RFP, and that the required services will have no extra fees.
  - b) Confirm that the vendor's proposed rates do not include a provision for state taxes.
  - c) Confirm that the vendor does not have minimum participation requirements for the premium rates quoted in Section 13.3 of this RFP.
- 193) Confirm that within 210 days before the end of each contract year (last day of February), the vendor will provide the System with the accounting required under Chapter 1601.060 of the Texas Insurance Code.
- 194) State whether the vendor will offer any guarantee of maximum increases for future years. If so, state these guarantees.
- 195) The System requires 210 days advance notice before the end of each plan year of any increase in the premium rates for the next plan year. Confirm that the vendor agrees to this requirement.
- 196) As described in this RFP, the System will remit payment of the premiums for the fully insured supplemental plan to the vendor within 60 days from the beginning of the coverage period. Confirm that the vendor understands and agrees to this provision.

## 13.0 PRICE PROPOSAL FORMAT

### 13.1 GENERAL INFORMATION

#### 13.1.1 Enrollment

The enrollment assumptions shown in Appendix D of this RFP will be utilized by the System in comparing and analyzing the proposed administrative fee and premium rates. While these enrollment assumptions are the System's best estimate of plan year 2012-2013 enrollment and will be utilized to facilitate proposal analysis, the vendor must recognize that a variety of factors will influence actual enrollment. These factors include, but are not limited to, increases in employee salary, changes in other payroll deduction amounts, etc.

**Important: The System will not guarantee a minimum participation for the UT SELECT Dental plan. Therefore, the vendor cannot require a minimum enrollment for either the self-funded group dental plan at the proposed administrative fee or the fully insured supplemental group dental plan at the proposed rates during the initial enrollment period in July 2012 or at any subsequent time during the period of this Contract.**

#### 13.1.2 Premium Taxes

In accordance with the Texas Insurance Code, no premium, maintenance or administrative services taxes will be levied on the vendor selected to underwrite and administer the coverages described herein. Therefore, the proposed administrative fee and/or premium rates should not include provision for premium and maintenance taxes or fees.

#### 13.1.3 Administrative Fee and Premium Rate Guarantees and Adjustments

- a) In rating the self-funded group dental plan, it is required that the proposed administrative fee contained in the vendor's response be guaranteed for a three-year period commencing on September 1, 2012 through August 31, 2015.
- b) In rating the optional fully insured supplemental group dental plan, it is required that the proposed premium rates contained in the vendor's response be guaranteed for a three-year period commencing on September 1, 2012 through August 31, 2015.

#### 13.1.4 No Loss/No Gain

The vendor must certify that no person currently covered by the System plan will experience a loss of benefits or a loss of coverage as a result of a change of vendor. An employee or retired employee must be able to maintain all coverage(s) in effect as of August 31, 2012 during the 2012-2013 plan year without being required to fulfill any evidence of insurability, active service, or preexisting condition requirements.

#### 13.1.5 Legislative or Regulatory Mandates

If, subsequent to the submission of a response prepared in accordance with these specifications, federal or state legislation or regulations are enacted or interpreted in a manner which materially impacts the coverages which are the subject of this RFP, the System shall enter into good faith negotiations with the vendor selected to administer the program to arrive at mutually agreeable adjustments to the

administrative fee submitted in response to these specifications so as to appropriately reflect the anticipated impact of such legislation.

### 13.1.6 Administrative Fee and Premium Rate Format

The proposed monthly administrative fee and premium rates in the charts in Sections 13.2 and 13.3 of this RFP must be submitted with two (2) digits to the right of the decimal point rounded to the nearest \$0.01.

13.2 PROPOSED MONTHLY ADMINISTRATIVE FEE FOR SELF-FUNDED GROUP UT  
SELECT DENTAL PLAN

*September 1, 2012 – August 31, 2015*

Monthly Rate per Subscriber\* \_\_\_\_\_

\* The proposed administrative fee rate for the self-funded group dental plan (known as UT SELECT Dental and described in Appendix A) is guaranteed for the 36-month period beginning September 1, 2012 through August 31, 2015. The fee applies to each active employee, retired employee, surviving dependent, and COBRA subscriber enrolled in the self-funded UT DENTAL SELECT plan on the last day of each month. This single rate applies regardless of the number of dependents covered by a subscriber.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title of Signer

### 13.3 PROPOSED MONTHLY PREMIUM RATES FOR FULLY-INSURED SUPPLEMENTAL GROUP DENTAL PLAN

September 1, 2012 – August 31, 2015

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(Name of Organization)

Using the following rate proposal chart, provide proposed monthly rates guaranteed for a fully insured supplemental Schedule of Benefits\* for the 36-month period beginning 9/1/2012 through 8/31/2015. In order for the vendor’s proposal to be in compliance with this RFP, proposed rates must be provided for each of the coverage levels. All rates are derived from the “Subscriber Only” rate based on the applicable rating formula.

	<i>RATING CATEGORY</i>	<i>RATING FORMULARY</i>	<i>MONTHLY RATE**</i>
<b>1</b>	<i>Subscriber Only</i>	<i>1.0</i>	
<b>2</b>	<i>Subscriber &amp; Spouse</i>	<i>1.9 x (1)</i>	
<b>3</b>	<i>Subscriber &amp; Child(ren)</i>	<i>2.1 x (1)</i>	
<b>4</b>	<i>Subscriber &amp; Family</i>	<i>3.0 x (1)</i>	
<b>5</b>	<i>Spouse Only ***</i>	<i>(2) – (1)</i>	
<b>6</b>	<i>Child(ren) Only ***</i>	<i>(3) – (1)</i>	
<b>7</b>	<i>Spouse &amp; Child(ren) ***</i>	<i>(4) – (1)</i>	

\* A description of the required Schedule of Benefits is in Appendix B of this RFP.

\*\* Rates are rounded to the nearest \$0.01.

\*\*\* Rates used for surviving dependents of deceased active or retired employees only. For COBRA rates, the vendor should add a 2% administrative fee.

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Signature of Authorized Officer

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Date

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Name of Organization

# 14.0 SIGNATURE PAGE

## 14.1 SELF-FUNDED GROUP DENTAL PLAN

In accordance with the attached proposal(s), \_\_\_\_\_

(Print Name of Organization)

hereby agrees, if selected by The University of Texas System, to enter into negotiations for a Contract to administer a self-funded group dental plan (known as UT SELECT Dental) for at least the three year period beginning September 1, 2012. I have read the RFP from which this page is taken and verify that the above named organization can meet the requirements outlined.

T

The Number of Addenda reviewed is \_\_\_\_\_.

The Primary Contact Person regarding this proposal is:

Title

Mailing Address

Telephone #

Fax #

Printed Name of Individual Signing this Form:

Title

Mailing Address

City

State

Zip

I hereby certify that I have the authority to bind the above named organization.

Signature

Date

Title



## 14.2 FULLY INSURED SUPPLEMENTAL GROUP DENTAL PLAN

In accordance with the attached proposal(s), \_\_\_\_\_

(Print Name of Organization)

hereby agrees, if selected by The University of Texas System, to enter into negotiations for a Contract to administer a fully insured supplemental group dental plan for at least the three year period beginning September 1, 2012. I have read the RFP from which this page is taken and verify that the above named organization can meet the requirements outlined.

T

The Number of Addenda reviewed is \_\_\_\_\_.

.....

The Primary Contact Person regarding this proposal is:

Title

Mailing Address

Telephone #

Fax #

.....

Printed Name of Individual Signing this Form:

Title

Mailing Address

City

State

Zip

.....

I hereby certify that I have the authority to bind the above named organization.

Signature

Date

Title

## 15.0 APPENDICES

- APPENDIX A:** Current Schedule Of Benefits for Self-funded Group UT SELECT Dental PPO Plan
- APPENDIX B:** Schedule of Benefits for Optional Fully Insured Supplemental Group Dental Plan
- APPENDIX C:** Dataset Requirements
- Benefit Enrollment And Maintenance Transaction Set (ASC X12N 834)
  - Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820)
  - OEB Premium Billing Dataset
- APPENDIX D:** Enrollment and Plan Experience Data
- Enrollment and Premium Rate History
  - Claims and Utilization Experience – Self-funded PPO Plan
  - Claims Paid by Dollar Category - Self-funded PPO Plan
  - Network Provider Utilization – Self-funded PPO Plan
  - Utilization by Procedure Code – Self-funded PPO Plan
  - Claims Paid Report – Supplemental Plan
- APPENDIX E:** Provider Fee Schedules for General Dentists and Specialty Dentists by Procedure Code and Zip Code (to be completed by vendor)
- APPENDIX F:** Chapter 1601, Texas Insurance Code
- APPENDIX G:** Administrative Performance Report Template
- APPENDIX H:** Sample Contracts
- APPENDIX I:** Historically Underutilized Business (HUB) Program
- HUB Policy, Check List and Forms (to be completed by vendor)
- APPENDIX J:** Electronic and Information Resources (EIR) Accessibility Requirements
- EIR Checklist (to be completed by vendor)