

THE UNIVERSITY OF TEXAS SYSTEM
REQUEST FOR PROPOSALS
FOR A FULLY INSURED
GROUP LONG TERM CARE INSURANCE PLAN



TO BE EFFECTIVE
SEPTEMBER 1, 2013

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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 89,700 benefits-eligible employees and close to 20,700 benefits-eligible retired employees. The following table shows the location and the approximate number of benefits-eligible employees and retired employees associated with each institution in the System as of September 2012.

THE UNIVERSITY OF TEXAS SYSTEM			
Location	The University of Texas System Institutions	Benefits-Eligible Employees September 2012	Benefits-Eligible Retired Employees September 2012
Austin	The University of Texas at Austin	17,500	4,612
	The University of Texas System Administration	572	264
Brownsville	The University of Texas at Brownsville	1,095	239
Dallas	The University of Texas at Arlington	4,095	1,017
	The University of Texas at Dallas	3,503	526
	The University of Texas Southwestern Medical Center at Dallas	11,587	1,416
Edinburg	The University of Texas - Pan American	1,769	462

El Paso	The University of Texas at El Paso	3,119	748
Galveston	The University of Texas Medical Branch at Galveston	10,720	4,064
Houston	The University of Texas Health Science Center at Houston	5,469	1,408
	The University of Texas M.D. Anderson Cancer Center	18,936	2,847
Odessa	The University of Texas of the Permian Basin	332	101
San Antonio	The University of Texas at San Antonio	3,859	693
	The University of Texas Health Science Center at San Antonio	5,489	1,465
Tyler	The University of Texas at Tyler	768	206
	The University of Texas Health Science Center at Tyler	840	600
TOTAL		89,653	20,668

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.

1.2 SUMMARY OF CURRENT BENEFIT PLANS

There are approximately 108,000 employees and retired employees plus approximately 104,000 dependents participating in benefit plans through the System’s Uniform Group Insurance Program, a key component of the UT Benefits package which includes insurance, retirement, and wellness programs. In addition, there are approximately 1,600 COBRA participants continuing coverage in various plans within the program. The System offers a self-funded, preferred provider (PPO) health plan (UT SELECT) for eligible participants. Approximately 104,000 employees, retired employees, and COBRA subscribers along with 78,000 dependents are covered by UT SELECT. UT SELECT medical benefits are currently administered by Blue Cross and Blue Shield of Texas, and prescription benefits are currently administered by Express Scripts, Inc. (Express Scripts), formerly Medco Health Solutions.

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. As part of the UT Benefits program, the System also currently offers the following optional benefit plans: a self-funded

dental PPO plan (UT SELECT Dental) currently administered by Delta Dental, a fully insured PPO supplemental plan (UT SELECT Dental Plus) issued by Delta Dental, a fully insured dental health maintenance organization (DeltaCare) currently operated by Delta Dental, voluntary group term life and accidental death and dismemberment insurance currently issued by Dearborn National, dependent group term life and accidental death and dismemberment insurance currently issued by Dearborn National, short- and long-term disability coverage currently issued by Dearborn National, vision care coverage consisting of both a standard and an enhanced benefits plan currently issued by Superior Vision, flexible spending accounts for both health and dependent day care expenses currently administered by PayFlex Inc., and **group long term care insurance currently issued by CNA**. Participation in these optional benefit plans is voluntary, and the premiums are generally paid solely by the participating employees and retired employees.

Premiums for the Group Long Term Care (GLTC) insurance plan are fully paid by enrollees. The approximate enrollment in the GLTC plan as of September 2012 is as follows:

- Standard Guaranteed Benefit: 2,960 employees; 970 retirees and 830 dependents and family members
- Optional Automatic Increase Benefit: 1,720 employees; 460 retirees and 490 dependents and family members

Complete enrollment information for all System insurance plans is available in Appendix C of this RFP.

The System's Office of Employee Benefits (OEB) is located at the System's headquarters in Austin, Texas, and has responsibility for the oversight of all fully-insured and self-funded benefit plans provided as part of the UT Benefits program. Maximizing the benefits and services that eligible System employees, retired employees, and their covered dependents receive for each dollar spent on benefits is a primary objective for OEB.

1.3 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 each of its group insurance plan agreements. Accordingly, as described in this Request for Proposal (RFP), System is soliciting proposals from qualified and appropriately licensed vendors to provide a fully insured GLTC plan, for the three-year period beginning September 1, 2013, through August 31, 2016, 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.

It is the System's intention to select a vendor and begin implementation planning by **March 1, 2013**.

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 Benefits and 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 previous communication or by any nonconforming proposal submitted by a vendor.

2.4 NONDISCRIMINATORY PRACTICE

A vendor shall not discriminate by excluding, seeking to exclude, or otherwise restricting 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 shall notify the System prior to implementing material changes in policies, business practices, and key personnel on the System account management team.

2.9 PARTICIPANT IDENTIFICATION AND CONFIDENTIALITY OF SOCIAL SECURITY NUMBERS

System issues a unique, eight-character, alphanumeric Benefits ID (BID) as the primary reference ID used to identify plan subscribers and their dependents (collectively referred to herein as “participants”). The BID is used across all benefit plans offered by the System, including the GLTC plan. The vendor must be able to identify a participant and the participant’s coverage using the BID. The BID shall be the preferred identifier for use in telephone communication, unencrypted electronic communication, and 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 confidential data, which includes Social Security numbers. The vendor must be able to coordinate with System to fully comply with all applicable laws and System policies relating to the security, protection, and use of plan participants’ personally identifiable information. All System data 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 state and federal laws and regulations including, but not limited to, 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 midyear premium rate increases.

Vendors must agree to collaborate with the System to effect necessary changes and to execute any agreement that may be required as a result. Should a mandated change materially affect the vendor’s obligations under the Contract, the System reserves the right to negotiate with the vendor regarding any 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, or commodities with an expected value of \$100,000 or more, the purchase solicitation must indicate whether 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 probable under this RFP. As identified by the System Office of HUB Development, the HUB Goal for this RFP is 24.6% percent.

For specific questions regarding the HSP, please submit questions through the RFP website and questions will be directed to the UT System Office of HUB Development.

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 G to this RFP, and incorporated for all purposes. The RFP No. for this HSP is 720-2012-UTLTC.

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 nonresponsive 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 nonresponsive.

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 part of the services to be provided in connection with this RFP will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of such services by the vendor is subject to review by System to ensure compliance with the HUB program.

2.11.4 MANDATORY REQUIREMENTS FOR HSP SUBMISSION

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 PRIVACY POLICY COMPLIANCE

For purposes of fully insured health insurance plans, including managed care coverage, the System is considered to be a Plan Sponsor, as defined by 42 CFR 164.501 for purposes 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 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 TERM OF ACCEPTANCE

It is the intent of the System, at this time, to enter into a three-year contract for administration of the GLTC plan beginning September 1, 2013. At the System's option, this Contract may be renewed for an additional three-year period beginning September 1, 2016, subject to terms and conditions acceptable to the System.

2.15 RESERVATION OF RIGHTS

2.15.1 ADDITIONAL INFORMATION

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

2.15.2 VALIDATION OF PROPOSAL MATERIALS

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

2.15.3 REJECTION OF PROPOSALS

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

2.15.4 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.

2.15.5 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.

2.15.6 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.

2.16 REFERENCES

Each vendor must provide a list of current major customers, 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.

In addition, each responding vendor is requested to provide a list of major clients who transitioned to the responding vendor from a prior vendor. The list should include clients who experienced the transfer of reserve process to the responding vendor.

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.

2.17 MATERIALS

A copy of materials to be used by the vendor in administering the GLTC plan 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 premium rates quoted by the vendor.

2.18 COMPENSATION FOR EXPENSES NOT AVAILABLE

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.

2.19 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 included in a separate section.

2.20 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. 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.

2.21 NEWS RELEASES AND PUBLIC COMMUNICATION

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. The contracting vendor must agree not to publicize the Contract 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.

2.22 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 or retired employees 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 services under the GLTC plan, including the provision of such items to lists of System employees or retired employees 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.

2.23 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.

2.24 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 Chapter 1601 is

included as Appendix E to this RFP. System reserves the right to define any other terms used in this RFP.

2.25 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.

2.26 ENROLLMENT, RATE AND UTILIZATION DATA

A variety of exhibits containing historical enrollment, premium rate, and utilization data for the GLTC plan are included in Appendix C to 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 requirements listed in this subsection 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:
 - 1) Detailed responses to each interrogatory;
 - 2) Indicate "Reviewed and Agreed" after each section of the RFP to confirm you have read and understand each portion of the RFP. If you are unable to indicate "Reviewed and Agreed" after each section, please explain under Interrogatory 1, Section 12.1 the reason you are unable to agree.
 - 3) Proposed rates; and
 - 4) 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) on Friday, January 25, 2013**. 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 included in the printed binders must be included with the electronic versions, including exhibits and the separate HUB Subcontracting Plan submission.
- Proposals must be valid for one hundred twenty (120) days following the proposal receipt date.
- The proposed rates must be firm and guaranteed for at least three (3) years beginning September 1, 2013, through August 31, 2016.
- 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.
- 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.
- 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, no questions received after 5:00 p.m. (Central) on **Monday, January 14, 2013**, will be considered or responded to by the System.

2.30 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 Group Long Term Care plan. Vendors will be required to meet the deadline 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	12/21/2012
Last date to submit written questions to the System	01/14/2013
Vendor proposals due to the System	01/25/2013
Target date for vendor selection	02/15/2013
Vendor implementation team designated and tasks assigned	03/01/2013
First planning meeting between the System and vendor	03/13/2013
Contracts finalized and signed	05/01/2013
Drafts of Annual Enrollment materials due to the System	05/01/2013
Drafts of new employee communication materials to the System	05/01/2013
Distribution deadline of Annual Enrollment materials to institutions	06/01/2013
Testing of automated transmission of claims data processing system and electronic Fee Billing Invoice	06/01/2013
System-specific vendor website available for testing	06/01/2013
Setup of SFTP procedures and authorizations for eligibility data exchange	06/19/2013
System-specific GLTC website ready for use	06/23/2012
Benefits & Human Resource Conference in Austin, Texas	06/26-28/2013
Annual Enrollment Period (employee meetings)	07/15-31/2013
Begin testing transmission of data	07/10/2013
New employee materials due to the Institution Benefit Offices	08/01/2013
Begin testing of Electronic Fee Billing Invoice with institutions	08/01/2013
Begin testing of eligibility error dataset transmission from vendor	08/09/2013
First transfer of new plan year enrollment data to the vendor	08/11/2013
Banking arrangements completed	09/01/2013
Plan Year 2013-2014 begins	09/01/2013

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 is included as Appendix F to this RFP. Vendor responses containing proposed substantive changes to the Sample Contract will not be considered. If the vendor cannot confirm that it can agree to the substantive content of the Sample Contract should not submit a Proposal. Accordingly, review by the vendor's legal counsel should occur prior to the vendor's submission of a Proposal.

Important: The vendor should not attempt to modify or sign the Sample Contract. The final Contract will be drafted by System's Office of General Counsel in accordance with applicable System policy.

No Contract will be executed until the System has accepted a vendor's proposal and has notified the vendor of its approval. The Contract will be for a three-year term beginning on September 1, 2013 and will extend through August 31, 2016, to be renewed at the System's option for an additional three-year period. 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 Contract will be provided from September 1, 2013, through August 31, 2016. 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, 2013, and following August 31, 2016, and the Contract 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 Contract 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. Additionally, the vendor shall not attempt to impose "terms of use" or "click through agreements" on plan participants or System employees as a condition of accessing services or coverages under this Agreement that have not been approved as part of the Agreement.

The System has specific contracting requirements that cannot be waived or altered. All vendors should carefully review the Sample Contract included as Appendix F 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 Contract, 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 Contract.

This Contract is for the personal services of the vendor and the vendor's interest in such agreement. Duties assigned to the vendor under the contract may not be assigned or delegated to a third party.

4.1 NOT AN ERISA PLAN

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

4.2 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.

4.3 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 to receive payment.

4.4 AUTHORIZED SIGNATURES

The Chief Executive Officer, General Counsel, or an authorized officer of the vendor must sign the Contract. 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.

4.5 RELATIONSHIP OF PROPOSAL TO CONTRACT

Any contract resulting from the selection of a vendor by the System shall incorporate by reference 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

The GLTC plan is financed on a fully insured basis. The contract to be executed in accordance with this document shall be for total administration of GLTC benefits and services as described within this RFP. 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 Rate Proposal included with the response to this RFP.

5.2 VENDOR FINANCIAL STRENGTH

To be eligible for consideration, the vendor must be financially strong, 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 PREMIUM RATES

The vendor shall propose premium rates which will be guaranteed for three (3) years from September 1, 2013 through August 31, 2016. To the extent that the vendor intends to recover start-up costs through the rates, such recovery should be amortized over the three-year period.

The rates proposed by the vendor should be adequate to cover costs incurred for the performance of all services described within this RFP, both prior to and during the period of the Contract as well as following termination of the Contract.

The vendor must agree that the following conditions apply to the proposed premium rates:

- The vendor must offer this GLTC plan on a "no-loss/no gain" basis and accept any existing benefit assignments;
- The vendor's quotation must be offered on an ex-commission basis;
- The vendor must agree to a no minimum participation requirement for the GLTC plan;
- The vendor must confirm that the State premium tax is not reflected in the proposed rates; and
- The vendor's proposed rates must include a breakout of charges for administrative costs as a distinguishable figure and must enumerate what services will be paid for by this administrative cost.

Any future renewal rate adjustments are subject to approval of the System in accordance with information contained in these specifications.

5.4 DETERMINATION OF RENEWAL PREMIUM RATES

During the third Fiscal Year of guaranteed premium rates (September 1, 2015 – August 31, 2016), the vendor will be required to conduct good faith discussions with the System prior to February 1, 2016 (120 days prior to the beginning of the new contract period), for the premium rates for the succeeding three-year period from September 1, 2016 through August 31, 2019. If there is no agreement reached by March 1, 2016, the System reserves the right to submit the contract to competitive bidding.

The renewal rating procedure to be used in the determination of 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 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 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.

5.5 PREMIUM PAYMENT METHODOLOGY

GLTC premiums shall be collected monthly through payroll deductions by the institutions on behalf of the employees and their covered spouses who elect such coverage and be remitted by the institutions directly to the contracting vendor.

The vendor must agree to and confirm its 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. The vendor must agree to a 90-day grace period for payment of premiums from the institutions.

GLTC premiums for retired employees, spouses of retired employees, surviving spouses, certain non-employee graduate students and post-doctoral fellows eligible for System group insurance benefits

under TIC 1601.1021, and parents, parents-in-law, grandparents, and grandparents-in-law of eligible employees and retired employees shall be remitted directly to the contracting vendor.

5.6 TRANSFER OF RESERVES

5.6.1 Transfer of Current Reserves

In the event of a change in the vendor for the GLTC plan, the current contract provides for a transfer of reserves to the new vendor on behalf of “those who elect coverage under an equivalent new GLTC program sponsored by the System that charges premiums based on the Insured’s age at enrollment in the current plan.” The current vendor would transfer reserves to a new vendor that utilizes a premium credit or other methodology that did not charge premiums based on age at entry in the current plan, provided that the new plan provides equivalent or better coverage, with guaranteed issue, and that the new vendor applies all transferred reserves to the benefit of transferring participants.

The current vendor calculates the transferable reserve balance as the net level GAAP benefit reserve for each transferring individual minus the unamortized acquisition expense, plus a market value adjustment, if any. For the component of coverage originally issued, this calculation is based on the actuarial assumptions at original issue of the insured’s certificate. For incremental plan changes, such as purchase of additional coverage amounts, the current vendor will establish reserve amounts for each additional coverage amount based on the assumptions in effect at the time of the purchase of the additional coverage.

5.6.2 Vendor’s Responsibility for Future Transfers

The vendor that assumes the current GLTC plan must be prepared to transfer reserves to any new vendor selected by System, upon termination of the current contract as follows:

- Vendor must transfer its reserves utilizing a premium credit or other methodology that did not charge premiums based on age at entry in the current plan, provided that the new plan provides equivalent or better coverage, with guaranteed issue, and that the new vendor applies all transferred reserves to the benefit of transferring participants. The amount of reserves transferred shall be equal to bullet “A”) (below) minus bullet “B” (below), summed over all current participants who elect to transfer to the new carrier. For purposes of this Section:
 - “A” equals the net level benefit reserve based on the actuarial assumptions at original issue of the certificate. For incremental plan changes, such as purchase of additional coverage amounts, the transferring vendor will establish the reserve for each additional coverage amount based on the assumptions in effect at the time of the purchase of the additional coverage; and
 - “B” equals the unamortized acquisition expense, based on the actuarial assumptions at original issue of the certificate. For incremental plan changes, such as purchase of additional coverage

amounts, the transferring will calculate the unamortized acquisition expense for each additional coverage amount based on the assumptions in effect at the time of the purchase of the additional coverage.

If records are passed to the succeeding vendor using the transferring standard formats, there will be no deduction from the reserve amount for expenses incurred in transferring the records. However, if special record formats or additional information are reasonably required, the actual cost to develop such special formats and information will be deducted from the amount otherwise transferred. Reserves will be transferred within 90 days after all Transfer of Reserve requirements are completed.

5.7 PREMIUM APPLICABLE TO PARTICIPANTS TRANSFERRING COVERAGE

In the case of a participant who transfers coverage from the current plan to the new plan, the proposing vendor must utilize a premium credit or other methodology that (a) applies any reserve transferred on behalf of the participant; and (b) produces a premium for the transferred coverage that is less than the premium that otherwise would be charged based on age at entry in the new plan.

5.8 ANNUAL EXPERIENCE REPORT

Within 120 days after the end of each Contract Year, the vendor shall provide the System with an annual report of the GLTC plan experience for the prior plan year. The report shall include detail regarding enrollment, revenue, paid claims, reserves and any other experience information that the System may reasonably require.

5.9 FIDUCIARY LIABILITY

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

5.10 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 contracting vendor's rates. The named person should be capable of responding to inquiries concerning the rates and must cooperate with requests for information made by the System or its consulting actuaries.

6.0 BENEFITS AND PROGRAM REQUIREMENTS

6.1 INTRODUCTION

The System currently offers a fully insured GLTC plan to benefits eligible employees, retired employees, surviving spouses and eligible dependents, non–employee graduate students and post–doctoral fellows who are benefits eligible pursuant to TIC 1601.1021, and certain family members (see Section 6.3.1 for a list of eligible dependents and family members). System requires that the vendor be able to effectively provide the benefits being provided under the current GLTC contract, as described in this RFP and Appendix A to this RFP. 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 premium rates.

The purpose of this RFP and the subsequent review process is to select the vendor that the System considers to be most qualified to provide the most effective, efficient and high–quality services, supplies, and products to System and the fully insured GLTC plan participants. The System views the relationship with the vendor as a cooperative one, and will continue to seek to improve the plan.

The vendor must agree to act in good faith in connection with all such efforts and in performing all of its services, duties, and provisions of coverage related to the fully insured GLTC plan.

6.2 THE BENEFIT (OR PLAN) YEAR

The UT Group Insurance Plan Year 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 (TIC), a copy of which is attached as Appendix E to this RFP, establishes eligibility criteria and enrollment requirements for the GLTC plan.

6.3.1 ELIGIBILITY

Section 1601.101 of the Texas Insurance Code provides 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 employee group insurance benefits. System makes GLTC coverage available to all employee group insurance benefits eligible employees. Certain non–employee graduate students and post–doctoral fellows who are eligible to participate in System’s employee group insurance program pursuant to TIC 1601.1021 are also eligible for GLTC.

In accordance with TIC Section 1601.102, retired employees of the System are eligible for GLTC benefits.

In addition, System permits the following individuals with a dependent or family relationship to a benefits eligible UT employee or retiree to participate in the GLTC plan:

- spouse and surviving spouse;
- child age 25 or older;
- parents and parents-in-law; and
- grandparents and grandparents-in-law.

6.3.2 BASIC COVERAGE

System offers a basic package for benefits-eligible employees which includes employee-only coverage under UT SELECT, \$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 coverage under UT SELECT and \$6,000 basic GTL.

Important: The Basic Coverage Package does not include Group Long Term Care 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. For the current biennium, premium sharing is funded to cover the total cost of the basic package for full-time employees, half the cost for part-time employees and 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.

Important: GLTC coverage is not eligible for such premium sharing.

6.3.4 ENROLLMENT

System policies, in accordance with TIC Chapter 1601, define the enrollment process for the System's UT Group Insurance Program. Annual Enrollment for all insurance plans is held each year during the month of July. During the 2013 Annual Enrollment period for the initial plan year in which benefits for the GLTC plan will be administered by the vendor, any eligible System employee or retired employee may apply for GLTC coverage. However, Evidence of Insurability (EOI) may be required, and any EOI requirements and exceptions will be described in Section 6.5 of this RFP.

If the System selects the current vendor to continue to administer the GLTC plan, employees, retired employees and other UT participants who are enrolled in the GLTC plan as of August 31, 2013, will continue enrollment in the GLTC plan at the same rate and level of coverage under the new Contract that takes effect on September 1, 2013.

If a new vendor is selected, each participant in the current LTC plan shall be provided the following options:

- (a) retain his/her current coverage with the current vendor and decline coverage with the new vendor;
- (b) transfer his/her current coverage to the new vendor; or
- (c) keep his/her current coverage with the current vendor and enroll in new coverage with the new vendor.

During the initial 2013 Annual Enrollment period in July, active employees and non-employee graduate students and post-doctoral fellows who are benefits eligible under TIC 1601.1021 and who were previously eligible for GLTC coverage, but did not enroll during their initial 31 days of eligibility (the first 31 days of employment) or their first 31 days in a benefits-eligible position, may enroll in the GLTC plan without Evidence of Insurability (EOI) during the July 2013 Annual Enrollment period with an effective date of September 1, 2013.

Beginning September 1, 2013, all newly benefits-eligible active employees and non-employee graduate students and post-doctoral fellows who are benefits eligible pursuant to TIC 1601.1021 will have the opportunity to purchase GLTC coverage without EOI during their initial 31 days of eligibility. Thereafter, EOI will be required for employees or non-employee graduate students and post-doctoral fellows who are benefits eligible pursuant to TIC 1601.1021 to enroll in the GLTC plan during any subsequent Annual Enrollment period or following a qualified change of status event during the plan year.

Eligible retired employees, spouses, surviving spouses, children age 25 or over, parents, parents-in-law and grandparents must always submit satisfactory EOI to enroll in the GLTC plan, including during the July 2013 Annual Enrollment period.

Technical and data exchange requirements related to eligibility and enrollment are detailed in a separate section of this RFP.

6.4 GROUP LONG TERM CARE BENEFIT DESIGN

The Schedule of Benefits and features provided under the GLTC plan currently being offered to eligible System employees, retired employees, non-employee graduate students and post-doctoral fellows who are benefits eligible pursuant to TIC 1601.1021, and certain dependents and family members is located in Appendix A of this RFP. In response to this RFP, vendors must submit premium rates in accordance with this Schedule of Benefits using the form in Section 13 of this RFP.

Proposals must match the current schedule of benefits and features. However, if the vendor has additional value-added enhancements for consideration by System, the vendor should include this information in their proposal.

The following list highlights many of the required benefits and features. However, it is the vendor's responsibility to review the documents in Appendix A to ensure that its Proposal matches the current plan benefits and features:

- Elimination Period: Ninety (90) days
- Daily Maximum Benefit (DMB) – Nursing Facility: A choice of \$100, \$125, \$150, or \$200
- Daily Maximum Benefit – Home Care: 50% of DMB
- Maximum Lifetime Benefit: 1,825 X DMB
- Benefit Period: Five (5) years Nursing Facility; Ten (10) years Home Care not to exceed Maximum Lifetime Benefit.
- Optional Inflation Protection Benefit: Five percent (5%) compound interest
- Optional Periodic Increase Benefit: The amount offered is based on 5% compound interest at each offer, and not specifically based on \$25 for each offer.
- Premium Waiver: Yes
- Non–forfeiture Option: None
- Return Premium Option: No
- Guaranteed Renewable Coverage: Coverage shall be guaranteed and can be cancelled only for non–payment of premium or when benefits are exhausted.
- Eligible participants include employees, retirees, spouses, surviving spouses, children age 25 and over, parents, parents–in–law, and grandparents.
- Active employees and non–employee graduate students and post–doctoral fellows who are benefits eligible pursuant to TIC 1601.1021 enrolling during the initial enrollment period (including the July 2013 Annual Enrollment period, their first 31 days of employment, or their first 31 days in a benefits–eligible position) will be offered coverage on a guaranteed–issue basis without having to provide satisfactory evidence of insurability and without preexisting condition limitations.
- Spouses, surviving spouses, children age 25 and over, parents, parents–in–law, and grandparents of employees and retirees will be required to submit satisfactory evidence of insurability to the vendor.

6.5 ALTERNATIVE GROUP LONG TERM CARE BENEFIT DESIGN

All prospective vendors must submit a proposal based on the current benefit design as described in Appendix A of this RFP. Prospective vendors may also submit an alternative GLTC benefit design, other than as described in Appendix A, which may be considered by the System. Any alternative Schedule of Benefits must be at least comparable to the current benefits in Appendix A. Premium rates proposed for an alternative benefits plan should be submitted using the form in Section 13 of this RFP.

The System reserves the right to make the final decision as to the benefit plan to be offered to System participants.

6.6 EVIDENCE OF INSURABILITY (EOI)

Evidence of Insurability (EOI) is required for eligible participants to enroll in GLTC coverage except for the following exceptions:

- During the initial 2013 Annual Enrollment period prior to the beginning of the new contract period effective September 1, 2013, EOI will not be required for enrollment by current benefits-eligible active employees and non-employee graduate students and post-doctoral fellows eligible for System group insurance benefits under TIC 1601.1021.
- Beginning September 1, 2013, EOI will not be required for enrollment in GLTC for newly benefits-eligible employees and non-employee graduate students and post-doctoral fellows eligible for System group insurance benefits under TIC 1601.1021 during their initial 31-day enrollment period.

6.7 STATUTORY COMPLIANCE

The plan must comply with all applicable state and federal statutes, rules, and regulations, including the Privacy and Security requirements of the Health Insurance Portability and Accountability Act (HIPAA) and the Age Discrimination in Employment Act (ADEA), and all amendments thereto.

6.8 CONTINUITY OF COVERAGE

The current GLTC plan is portable. Employees who leave the UT System can continue coverage by paying premiums directly to the vendor, rather than through payroll deduction. All participants in the current GLTC plan shall be eligible to transfer coverage to the new vendor without being required to satisfy a new pre-existing condition limitation period and without providing evidence of insurability. Participants in the current GLTC plan shall not lose coverage nor experience a reduction in coverage solely by reason of the change in insurers.

A participant in the current GLTC plan, who elects to retain coverage with the current vendor, will not be eligible to continue paying premiums through payroll deduction if the current vendor does not retain the GLTC contract. It is anticipated that current participants who utilize payroll deduction will transfer coverage to the new vendor.

6.9 PROCESS FOR GRIEVANCE AND APPEALS

The vendor must have in place a claims review and appeals process that has been approved by the Texas Department of Insurance. Details of the current vendor's grievance and appeal process for the GLTC plan are included in Appendix A of this RFP. The current vendor is responsible for all grievances and appeals submitted in connection with services rendered on or before August 31, 2013.

6.10 PERIODIC BUY-UP OPTION

Every three (3) years during an Annual Enrollment period the vendor must offer the opportunity for UT participants currently enrolled in the Guaranteed Benefit Option to increase their maximum daily and lifetime benefit without Evidence of Insurability. The offered increase will be not less than a compounded annual five percent (5%) rate. If a new vendor is approved by System to administer the GLTC plan, the next buy-up option period will be during the 2016 Annual Enrollment period.

Please describe your organization's buy-up option process in Section 12.9.

6.11 OTHER FACTORS

A 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. Effective on or shortly after September 1, 2013, several UT institutions will move to a new payroll system giving the System up to 14 payroll systems. 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 GLTC plan in a manner consistent with all applicable laws and regulations, as well as with the requirements set forth in this RFP. 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 compliance with the requirements described in this section only by making provision for such cost in the proposed premium rates.

7.1 GENERAL REQUIREMENTS

- a) The vendor shall provide general administrative support as required in the operation of the GLTC plan.
- b) The vendor shall provide legal and technical assistance as it relates to the operation and administration of the GLTC plan.

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, 2013**. 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, 2013**, 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. (excluding national holidays).

The vendor's Implementation and Account Management Teams must each include a designated information technology (IT) contact with the technical knowledge and expertise to efficiently and effectively collaborate with System's IT team regarding data transmission, data integrity, and timely processing of data. The designated IT contact should be appropriately positioned within the vendor's organization to allow for direct management 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 one (1) annual review to the System per year regarding the utilization and performance of the GLTC plan, including cost saving recommendations and updates regarding ongoing operational activities. The System may also require quarterly operational meetings (in person or via telephone conference), as needed.
- b) The system strongly believes that the account service relationship is the critical link in developing and maintaining a strong partnership dedicated towards the achievement of plan objectives. As such, the vendor must be committed to provide the System with service attention that is at the highest levels in the industry, and fully consistent with expectations. The vendor and the System shall define the criteria for measurement and evaluation of service performance.

- c) The vendor shall notify the System prior to implementing material changes in policies, business and key personnel on the System account management team.
- d) The vendor's customer service unit should be staffed and trained adequately to handle questions specific to the GLTC plan and benefits. The vendor's customer service hours should include, at a minimum, Monday through Friday from 7:00 a.m. to 5:00 p.m. (Central Time);
- e) Customer Service call centers serving the GLTC plan must be located within the United States, preferably within 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:
 - Average abandonment rate of 5% or less; and,
 - Average time to answer of 30 seconds or less.
- f) During and following System's Annual Enrollment period each year, the vendor shall, as needed, dedicate additional staff members, as needed, to update System-related records and accounts and to provide additional help for the GLTC customer service team.

7.4 CLAIMS PROCESSING AND ADMINISTRATION

- a) The vendor shall process and administer all required GLTC claims incurred in connection with services rendered on or after September 1, 2013, and throughout the term of the Contract. General requirements for claims processing include the following:
 - 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 GLTC plan;
 - The vendor shall process claims submitted by System participants, including Coordination of Benefits claims for which the GLTC plan pays secondary benefits. The vendor must submit samples of all claim forms as an attachment to the Proposal for the System's review and approval;
 - GLTC claims filed by participants must be processed within fifteen (15) calendar days of submission to the vendor unless additional information or investigation is required;
 - The vendor must process and pay GLTC claims using its own funds.
- 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;
- c) 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.

7.5 COST CONTAINMENT INITIATIVES

The vendor shall maintain effective automated systems to detect fraud and misuse of the program, overpayments, wrongful or incorrect payments, unusual or extraordinary charges, verification of enrollment and unnecessary GLTC treatment. The vendor shall also conduct thorough, diligent, and timely investigations with regard to fraudulent or suspicious claims and report quarterly all such claims to the System. The vendor must include a written description of its comprehensive fraud detection plan with its response.

The vendor understands that System may develop further policies in connection with the detection and prevention of fraud or abuse of the GLTC plan. The vendor shall comply with all applicable laws and regulations and shall also comply with all 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 claims data, is required to support the System's ability to proactively monitor trends and to identify and 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 D to this RFP, for examples of this type of reporting.

7.6.2 GLTC PLAN STATISTICS

The vendor shall accumulate claims payment statistics and develop reports for the GLTC 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 upon request by 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, Rudd and Wisdom, on insurance matters. The consulting actuary, who is a Business Associate of the UT SELECT Medical plan, assists and

advises System staff on benefit plan design, proposal review, 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 GLTC 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.

8.0 TECHNICAL AND DATA EXCHANGE REQUIREMENTS

8.1 ENROLLMENT FILES

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, with the total increasing up to as many as 14 on or after September 1, 2013.

Currently, all new LTC enrollments are made by UT participants directly to the vendor, and the vendor submits enrollment files to each affected institution for payroll deduction for participants who are employees on an ongoing basis. The vendor is required to collect the enrollment data and submit billing statements to the applicable institutions on a monthly basis. The vendor is also required to report enrollment data to the System on a monthly basis. The reporting will be in the form of an electronic dataset that must be transmitted via the internet using Secure File Transfer Protocol (SFTP). See Appendix B of this RFP.

Premiums for active employees and their covered spouses may be collected via payroll deduction from their employing institution. Retirees are eligible for the GLTC plan but must be direct billed. However, the retiree participants and their covered spouses in the GLTC plan must also be included on the monthly enrollment datasets sent from the vendor to System.

8.2 PREMIUM PAYMENT REQUIREMENTS USING BILLING DATASET

The selected vendor will produce a bill for each UT institution by the first day of each month for LTC premiums for the institution's enrolled employees and spouses due for the upcoming month (billing month). A standard billing dataset layout is preferred but some UT institutions may have individual preferences. The bills can be in an agreed premium billing format or in the HIPAA-approved "Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820)" format (see Appendix B of this RFP). The dataset will be transmitted via SFTP over the Internet to an FTP server. The bill will reflect detail for the billing month plus adjustments.

8.3 SECURE FILE TRANSFER PROTOCOL (SFTP) OVER THE INTERNET

A vendor's ability to use SFTP over the Internet and to work with System's preferred dataset layouts will be important requirements in the System's evaluation of the proposals.

8.4 SYSTEM DATA SECURITY REQUIREMENTS

For the purpose of this RFP, System data is defined as any and all information maintained, created, or received by or on behalf of System including all data maintained, created, or received by or on behalf of the GLTC plan.

Responding vendors must maintain a robust security program capable of protecting the integrity, confidentiality, appropriate accessibility, and security of System data. Questions included in Section 12.23 of this RFP are designed to elicit specific information about the vendor's security program and must be thoroughly and accurately completed.

8.5 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. The vendor must agree to accept the IdP's assertion that identifies the individual using the Benefits Identification (BID) number, which may be the sole 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 participant-specific data to only the authenticated participant, 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.

8.6 ENROLLMENT AND BILLING DATA

8.6.1 SECURITY PROTOCOLS

For electronic transmissions, the vendor must be able to accept and/or transmit data via Secure File Transfer Protocol (SFTP) over the Internet. Responses must affirmatively state that the vendor agrees to use SFTP.

8.6.2 ENROLLMENT TRANSMISSION

The enrollment dataset that the vendor will send to System each month will include benefit plan and level information for each current participant. The enrollment dataset will also include information for each participant indicating the participant's billing type – either payroll deduction or direct remittance. Each participant's eligibility category should also be included –either System employee, retired System employee or the specific relationship to a System employee that made the participant eligible.

8.6.3 BILLING TRANSMISSION

Because of the different payroll systems being used by the institutions, the vendor may be required to submit premium billing information back to the institutions via encrypted electronic transmission or web billing. The vendor will be required to transmit and receive billing data via either of these methods.

8.7 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 H 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.

8.8 AD HOC REQUESTS AND ISSUE RESOLUTION

The vendor shall provide the System with priority positioning for delivery of ad hoc system service requests and 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 systems request or issue presented by System.

It is the expectation that the vendor will make every effort to deliver a resolution within 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 or eligibility processing requirements must be reviewed, responded to, and approved by the vendor within 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 or benefits project, including required testing within 45 days of Systems' approval.

9.0 COMMUNICATION REQUIREMENTS

The vendor will be required to communicate information regarding GLTC plan design using only communications 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 GLTC plan must be clear and concise, using terminology familiar to participants as specified by System. For purposes of this Section 9, a communication includes any “click through agreement” or other “terms of use” agreement the vendor seeks to impose on System employees or System GLTC plan participants as a condition of access to a vendor website or other portal to access GLTC plan services provided under this Agreement.

The vendor will be required to develop GLTC 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 premium rates.

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 GLTC website;
- Mobile applications;
- Presentations to institution Benefits Staff and participants;
- Online videos (or participation in System’s video development process as needed);
- Scripted responses to be used by customer service representatives;
- Advertising materials in association with GLTC enrollment;
- Enrollment and claim forms;
- News releases, including contract signing announcement;
- Participant welcome packet;
- Token giveaways for the annual benefits conference, enrollment fairs and events; and
- Any “click through agreement” or other “terms of use” agreement by which the vendor seeks to impose on System employees or System GLTC plan participants.

Communication materials designed for GLTC 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 GLTC plan.

9.2 SAMPLE COMMUNICATION MATERIALS REQUIRED

Electronic draft copies of proposed Plan Year 2013–2014 printed materials, Benefits Guide, 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.

9.3 ANNUAL ENROLLMENT

Annual Enrollment information must be available to all benefits–eligible employees and retirees. The requirements listed below apply to all Annual Enrollment materials, including information for benefits guides. Annual Enrollment is typically held in July of each year.

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, the appeal process for claim denials, and the vendor's website address.

9.3.2 DESCRIPTION OF BENEFITS

The vendor must provide a Schedule of Benefits that contains the benefits as set forth in Appendix A to this RFP. The summary shall include any additions, limitations and exclusions.

9.3.3 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.

9.3.4 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 GLTC plan. 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).

9.3.5 CUSTOMER SERVICE DURING ANNUAL ENROLLMENT

The vendor's Customer Service Team will be required to assist in answering questions regarding the GLTC plan each year during System Annual Enrollment period(s), including during the July 2013 Annual Enrollment period. Education by the vendor's Customer Service Team must be provided to all current and potential GLTC participants. Customer service should be made available via phone, email, fax or in writing.

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 GLTC plan. The website must meet all requirements as detailed in this section as well as those included in the EIR Warranty described in Section 8 of this RFP.

The vendor's System-specific website must be available to the System for testing no later than June 1, 2013. The final System-approved website for plan year 2013-2014 must be completed by June 23, 2013, 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 be able to provide detailed web activity reports to System monthly, quarterly or upon request. Any proposed "click through agreement" or other "terms of use" agreement the vendor seeks to impose on System employees or System GLTC plan participants shall be void unless the terms are pre-approved by System and reduced to writing as part of the Contract.

9.4.1 CONTENT SPECIFICATIONS

The System-specific website should be kept regularly updated with timely, relevant information for the GLTC 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 GLTC Benefit Guide;
- Customer service information, including phone numbers, mail and claim addresses, hours of operation, and guidelines for the complaint and appeals process;
- Electronic forms or email addresses for customer complaints and questions. Responses 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 forms (e.g. enrollment and claims 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 GLTC plan;

- A link to the System’s Employee Benefits website; and
- If the vendor provides personal account access through which participants may view specific individual information, the site must utilize secured protocol (https://) and require authentication. The site may not use the participant’s Social Security number, in whole or part, as either the user identification or the password.

The Benefits ID may be used as the user identification for participants who are employees or non-employee graduate students and post-doctoral fellows eligible for System group insurance benefits under TIC 1601.1021. 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 current and recent versions of Chrome, Firefox, Internet Explorer, Safari, and Opera browsers;
- Social Security numbers must not be required at any time to access information on the website;
- The logon 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 electronic and information resources (EIR) including website navigation, videos, interactive applications, Adobe Portable Document Format (PDF) files, etc. must conform to the Texas Department of Information Resources (DIR) Accessibility Rules.

9.5 GROUP LONG TERM CARE CERTIFICATE OF COVERAGE

A separate certificate of coverage must be provided for the LTC plan for each plan year. If corrections or amendments are made to the certificate of coverage during a plan year, all System participants must receive an updated certificate of coverage or the appropriate written amendment. The certificate of coverage must include the Schedule of GLTC Benefits as approved by the System. The certificate of coverage shall include any additions, limitations and exclusions, and a description of the appeals process. The certificate of coverage should include a description of current eligibility requirements that complies with the eligibility requirements set forth in Section 1601 of the Texas Insurance Code for the employee, retired employee and their spouses. Additionally, the vendor may offer the plan to any other family member the System determines, in consultation with the vendor, to be eligible under applicable law. Final drafts of any required certificate of coverage must be submitted by the vendor to the System for review by June 1, 2013. Thirty (30) finalized and printed copies must be provided to the System before September 1, 2013.

Prior to September 1 of the initial 2013 Annual Enrollment period and each subsequent Annual Enrollment period of this contract, the vendor must mail certificates of coverage to all participants who enroll in the GLTC plan during the July Annual Enrollment period. After September 1 during the plan year, an average of 90% of certificates of coverage must be mailed to new enrollees within five (5) business days following the date of request from a UT participant or from the date of receipt of enrollment information from the institution.

9.6 PROHIBITIONS; NOTICE OF INQUIRIES FROM THIRD PARTIES

As the administrator for the fully insured GLTC plan, the vendor may receive numerous inquiries from interested third parties relating to the UT GLTC 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 GLTC website.

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

9.7 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 must be mailed in an envelope or packaging designed to secure confidential information from casual viewers.

9.8 TRAINING OF SYSTEM AND INSTITUTION STAFF

The vendor must provide training to System staff and institution HR and Benefits staff regarding the GLTC 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 BHRC is usually scheduled during the month of June. 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. The vendor will provide System with updates on current industry best practices and legislative changes as they relate to non-federal governmental health plans.

10.0 PERFORMANCE STANDARDS AND PENALTIES

The vendor must monitor its administrative performance to ensure compliance with the requirements listed below and must report the specified information to the System on a quarterly basis in an Administrative Performance Report. See the template included as Appendix D to this RFP for the required format for the Administrative Performance Report.

The vendor selected to administer the GLTC 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 GLTC vendor's 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%.

The average speed of answer (ASA) and average abandonment rate (ABR) must be reported on a quarterly basis. System-specific data is strongly 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 longer than 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 CERTIFICATE OF COVERAGE

System Requirement: The vendor must meet all due date requirements as specified in this RFP for mailing of this certificate during 2013 and subsequent Annual Enrollment periods and during the plan year.

Financial Penalty: A penalty of \$4,000 may be assessed for failure to mail certificates of coverage prior to September 1 to all new enrollees during each Annual Enrollment period. A separate \$4,000 may be assessed for each quarter that the vendor did not mail at least 90% of their certificates of coverage to enrollees within five (5) business days from the date the vendor receives the 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; (2) distribution of plan materials; and (3) preparation of plan booklets.

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: The vendor must meet the average time to process and pay claims to be within 15 days from the vendor's receipt of all necessary information.

Reporting: The vendor must include in its quarterly report the total number of claims received from System participants, the total dollar amounts paid and denied, the average processing time (in days)

for payment of these claims, and the percentage processed and paid within 15 days and 30 days, respectively, from date of receipt.

Financial Penalty: A penalty of \$4,000 may be assessed by the System for each quarter in which the average time to process claims exceeds 15 days.

10.8 WRITTEN INQUIRIES

System Requirement: At least 95% of written inquiries received from participants that require a response should be responded to within five (5) business days of receipt.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the overall rate at which the timeliness standard for responding to written inquiries is met falls below 95%.

10.9 COMPLAINTS

System Requirement: The average time to resolve System participants' complaints should not exceed 30 calendar days, with at least 90% resolved within 15 days of the vendor's receipt of all information reasonably necessary to address the complaint.

Reporting: 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 of all reasonably necessary information. 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 of receipt of reasonably necessary information.

10.10 APPEALS

System Requirement: The vendor should average processing claims appeals from System participants within thirty (30) calendar days from the date of receipt of all necessary information.

Reporting: The vendor must report the total number of appeals received from System participants (via mail or email), the number upheld, the number overturned, the average length of time to process the appeals, and the percentage processed within 30 days of receipt of all reasonably necessary information.

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

11.0 PROPOSAL EVALUATION CRITERIA

Proposals submitted in response to this RFP will be evaluated on the basis of criteria described below. While 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 experience and judgment of System staff and their advisors shall also be important in the selection process. The goal of the process will be to determine the organization that will provide the System with the best partner for the administration of the GLTC plan while maintaining a strong emphasis on providing excellent customer service and robust wellness initiatives during the term of the contract.

11.1 VENDOR LICENSURE

To be considered for selection, vendors must be licensed as an insurance carrier to offer GLTC insurance in the State of Texas by 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 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 Board of Regents. 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 Section 3.0 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 F 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 FINANCIAL STRENGTH AND STABILITY

The financial stability and strength of prospective vendors will be evaluated through a review of their most recent audited financial statement.

11.6 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 GLTC plan. All aspects of the services described herein are considered important to this evaluation.

11.7 OPERATIONAL EXPERIENCE

Demonstrated experience with administering and managing comprehensive GLTC plans on behalf of large employers (with more than 10,000 participants), and particularly experience with large public employer plans, will be an important consideration in the overall proposal evaluation process. Prior experience with System will also be considered in the evaluation process.

11.8 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.

11.9 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 report billing data back to the institutions, to report enrollment data to the System as specified in this RFP, and to update vendor records in a timely manner;

- The vendor’s ability to implement SAML-based authentication (v2.0) or, if not, to support authentication via proxy for the vendor’s System-specific website; and
- The availability of a secure website through which System participants can view benefit information such as enrollment status and payment and claims history.

11.10 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 and 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 (generally approximately 25–30 meetings beginning in late June and continuing through the entire month of July) held at institutions locations throughout the state;
- Ability to develop and maintain a customized, System-specific website for the GLTC plan; and,
- Ability to meet the Electronic Information and Resources (EIR) Warranty requirements described in the “Communications Requirements” section of this RFP.

11.11 PREMIUM RATES

The System expects to receive proposals from several highly qualified vendors, all of which can provide high-quality, cost-effective service. For these, a distinguishing factor will be the vendor’s proposed premium rates. While cost is a key consideration, the System is not required to select the proposal with the lowest rates.

11.12 PREMIUM CREDIT METHODOLOGY

The System will evaluate the methodology that would be used to recognize reserves transferred on behalf of participants who transfer current coverage to the vendor in the event of a change in vendor.

11.13 PRIVACY AND SECURITY OF SYSTEM DATA

The vendor must demonstrate its ability to safeguard the privacy and security of System data, collected or maintained by the vendor on System’s behalf, in compliance with applicable law and System’s own privacy and security requirements.

11.14 ELECTRONIC AND INFORMATION RESOURCES (EIR) WARRANTY

The vendor must demonstrate its ability to comply with the accessibility requirements set forth in the Electronic and Information Resources Warranty as described in Section 8 of this RFP.

11.15 OTHER FACTORS

Based on responses provided, other factors will be considered during the evaluation process, including but not limited to the following:

- An organizational structure and a delivery mechanism that have demonstrated the ability to deliver high-quality, cost-effective management and administration of the GLTC plan;
- Information obtained from the vendor's list of references; 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 any such meetings and site visits with selected finalists during the evaluation process.

12.0 INTERROGATORIES

12.1 DEVIATIONS FROM THE RFP

- 1) Identify any provision in your response that does not conform to the standards described in the RFP and the provisions of the sample contract. 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 details:

- 2) The vendor's full legal name, address, telephone number, and the URL for the corporate website.
- 3) The name, title, mailing address, telephone number, fax number, and email address for:
 - a) The vendor's contact person for this RFP;
 - b) The person authorized to execute any contract(s) that may be awarded, include documentation verifying that this individual has the authority to do so;
 - c) The person who will serve as the vendor'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) Names of all officers and directors and percentage of ownership in the company, if applicable.
- 5) 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.
- 6) Type of incorporation (for-profit, not-for-profit, or nonprofit); publicly or privately owned.
- 7) State of incorporation.
- 8) A copy of the vendor's current certificate of authority, issued by the Texas Department of Insurance, to operate in the state of Texas.
- 9) The vendor's 14-digit State of Texas Vendor ID number.
- 10) Is the vendor required to maintain any other license(s)? If so, please describe and confirm the validity of any required license(s).
- 11) Copies of recent ratings and reports issued by independent rating organizations or similar entities (e.g., Best's, Moody's, Standard & Poor's, etc.) regarding the vendor.
- 12) A copy of the vendor's most recent audited financial statement.

12.3 FINANCIAL INTERESTS

- 13) 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.
- 14) 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.
- 15) 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.
- 16) Please disclose any contractual relationships with affiliates that could present a conflict of interest with the vendor's role as administrator of the GLTC plan.
- 17) Identify by name and address all persons or entities that hold a 20% or greater ownership interest in the vendor.

12.4 REFERENCES

- 18) List as references five major employers for whom you provide GLTC services. 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 services you provide for the employer; and,
 - c) The number of employees and dependents for whom GLTC benefits are administered.

Note: Your response to this request officially authorizes System to discuss services provided for these employers and authorizes the employers to provide such information to System.

12.5 LEGAL AND REGULATORY HISTORY

- 19) Describe any litigation, regulatory proceedings, and/or investigations completed, pending or threatened against the vendor 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.

- 20) Describe any investigations, proceedings, or disciplinary actions by any state regulatory agency against the vendor 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; HIPAA COMPLIANCE

- 21) Please provide a detailed description of the vendor's HIPAA Privacy and Security Compliance programs as these would apply to System data. 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. (See section 12.23 for additional questions regarding Information Security.)
- 22) Confirm that the vendor is currently in compliance with all HIPAA requirements, in particular, confirm compliance with the rules and regulations applicable to data transmission and privacy, and the organization's willingness to comply with future changes.
- 23) Provide the name of vendor's HIPAA privacy officer and a description of his or her qualifications.

12.7 HUB POLICY COMPLIANCE

- 24) Confirm that three original versions of the HUB Subcontracting Plan, based on details included within this RFP and requirements included as Appendix G to this RFP, have been completed and submitted with this proposal.
- 25) Provide the name, mailing address, telephone number, fax number, and email address of the person in the vendor who can answer questions from System regarding the submitted HUB documents.

12.8 CONFIRMATION AND ACKNOWLEDGEMENTS

- 26) Confirm that the vendor 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) Substantive Terms of the Sample Contract and Contract Requirements (Section 4.0);
 - c) Financial Requirements (Section 5.0);

- d) Benefits and Program Requirements (Section 6.0);
- e) Operational Requirements (Section 7.0);
- f) Technical and Data Exchange Requirements (Section 8.0);
- g) Communication Requirements (Section 9.0); and,
- h) Performance Standards and Penalties (Section 10.0)

12.9 FINANCIAL REQUIREMENTS

- 27) 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.
- 28) Does the vendor agree to assume responsibility for the escheatment process in accordance with Texas law for any payments disbursed on behalf of the GLTC plan?
- 29) Describe the administrative process associated with monthly billing and remittance with each System institution?
- 30) Describe your reconciliation process for the monthly billing and remittance.
- 31) Describe your direct billing services for GLTC enrollees who no longer have payroll deduction.
- 32) Confirm that you agree to a 90-day grace period for payment of premiums and fees from the institutions.
- 33) Confirm that you agree to a 210-day notice of any future rate adjustments.
- 34) Confirm that you agree to accept this group on a “no-loss/no gain” basis and to accept any existing benefit assignments.
- 35) Confirm that your quotation is provided on an ex-commission basis.
- 36) Do you agree to a no minimum participation requirement for the GLTC plan? If not, describe your requirements.
- 37) Please confirm that your quoted rates include all administrative expenses including, but not limited to process EOI forms, to issue certificates of coverage, attend institutions Annual Enrollment meetings, and to provide enrollment and communication materials.
- 38) Please describe any buy-up program you offer. How often is the buy-up or increase of coverage option offered?
- 39) Please confirm that you retain the liability for incurred waiver of premium claims on covered individuals in the event of the termination of your contract.
- 40) Does your company normally retain all risk associated with a group LTC policy or do you use a reinsurer? If you use a reinsurer, what amount of the risk is assumed by the reinsurer? What

reinsurer do you use? Is the reinsurer involved in the approval of claims? Was the reinsurer involved in the preparation of this proposal?

- 41) What is the standard waiting period (number of days) for a premium waiver? Is there a time limit for application for waiver of premiums?
- 42) Would this plan be experience rated? What level of creditability is given to the claims experience?
- 43) Provide a detailed description of the methodology that you would use to recognize the reserve transferred by the current carrier on behalf of a participant who transfers current coverage to you as the new vendor. What impact would a reserve transfer have on behalf of a participant?
- 44) How would you interact with the current carrier in the reserve transfer process? Describe the logistics that would be involved and how you would work to facilitate such a transfer. What role would you expect the System to play in this regard?
- 45) Describe your standard processes for transfer of reserve funds in the event of a future termination of your relationship with the System.
- 46) Describe all reserve accounts that would be established and how these reserves are credited with interest. How often does the credited interest rate change?
- 47) When establishing a reserve for a disabled employee, do you take into consideration the probability of recovery from the disability? If so, how is this determined? Do you consider the probability of receiving Social Security disability benefits? What is done in regard to the reserves if a disabled employee returns to work? What actuarial table(s) and interest rates are used in establishing your disabled lives reserves?
- 48) Would the System receive a reimbursement of excess reserves? If so, would reimbursement be received during the contract or after termination of the contract?
- 49) Describe your non-forfeiture and/or return-of-premium provision in the plan? Does the plan contain vesting rights should future changes in Medicare or socialized programs include LTC benefits?
- 50) How long after termination of the Contract would the final accounting be completed?
- 51) Would interest be credited on reserves between the termination of the Contract and the final accounting?
- 52) Indicate what percentage of the total earned premium will go towards retention.
- 53) Confirm that premium tax is not reflected in the bid rate.
- 54) Confirm that your bid includes a breakout of charges for administrative costs as a distinguishable figure and to enumerate what services will be paid for by this administrative cost.
- 55) The rates submitted must be guaranteed for at least three years, beginning September 1, 2013 and ending August 31, 2016. The length of the initial contract will be partially based upon the rate guarantees offered in the responses to this RFP.
- 56) Please describe your process for creating and/or arranging for transfer of reserves.
- 57) Insured persons shall not lose coverage solely by reason of a change in insurers. If a new vendor is selected, equal or greater coverage levels must be provided to all existing participants,

including those who are paying premiums on a direct billed basis. Please confirm you accept the intent of the System to ensure no lose in coverage for participants who transfer to a new vendor.

- 58) The current LTC plan is portable, so that participants who leave the System can continue coverage by paying premiums directly to the vendor, rather than through payroll deduction. Please include a description of how this transition process will work, presuming that you will receive terminations from the current vendor on a weekly basis.

12.10 GENERAL ADMINISTRATION

- 59 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.
- 60 Where is the primary administrative facility located?
- 61 Provide the names and titles of the vendor's administrative support staff that will administer the GLTC plan, including the total number of full-time equivalent employees and identifying employees who are located in Texas. What is the turnover rate among this staff for the past two (2) years?
- 62 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.
- 63 Provide a copy of your Evidence of Insurability (EOI) application form(s). Please describe each including who must complete.

12.11 BENEFITS ADMINISTRATION

- 59 How long has the vendor been providing GLTC services? How long has the vendor been providing GLTC services in Texas? What types of GLTC services are provided?
- 60 Provide the vendor's total commercial enrollment as of September 1, 2011, and September 1, 2012. Provide a statement of the vendor's capacity to enroll new participants and the likelihood of any future limitations on enrollment under this contract.
- 61 Confirm that the vendor has the ability to administer the benefits as outlined in Appendix A to this RFP.
- 62 Do you have arrangements with LTC facility networks? If so, are the networks national? Do the networks include facilities located in Texas?
- 63 Do your definitions of Activities of Daily Living comply with Texas Insurance Law, and is the coverage you propose tax-qualified and in accordance with the Health Insurance Portability and Accountability Act of 1996?

- 64 Provide a statement regarding your enrollment assumptions for employees, retirees, spouses, dependent children, parents, parents-in-law, and grandparents. Describe the other family members that are eligible to enroll in this plan, if any.
- 65 Describe your policy lapse provisions including grace period, notification process and reinstatement provisions. Describe how these procedures might vary under payroll deduction billing and direct billing, and how these would vary among actives employees, retirees, and dependents.
- 66 The System's abeyance policy permits faculty and staff to hold coverage in abeyance (freeze coverage) prior to a leave or sabbatical commencing. Upon return to active employment, the staff or faculty member is eligible to pick up coverage without Evidence of Insurability. Is your company willing to accept the System's abeyance provision?
- 67 What types of conversion policies are offered? What is your conversion charge? If the risk meets normal underwriting requirements, will you agree to waive the charge?
- 68 Please describe the portability feature of your GLTC coverage and at what rate does the employee port his or her coverage.
- 69 If the System elects to change to a new GLTC vendor, the selected vendor should describe their transition plan for UT participants enrolled in the current GLTC plan.
- 70 Describe the vendor's process for implementing plan design or benefit changes. How much advance notice is required for a change to be programmed into the vendor's information systems? What quality assurance measures are in place to ensure the accuracy of such programming?
- 71 Describe the facilities, personnel, and procedures the vendor intends to use to service those functions required for the GLTC plan other than the processing of claims. This response should include a description of:
- 72 Personnel that will be available to confer with the System's consulting actuaries concerning financial issues,
- 73 Legal and other expertise available to represent the vendor in the execution of its duties under the Contract, and
- 74 The vendor's internal processes to deal with participant grievances and appeals.

12.12 IMPLEMENTATION AND ACCOUNT TEAMS

- 75 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; and
 - e) Financial functions, including payments and reconciliation.
- 76 If applicable, describe in detail any previous significant issues with contract implementation the vendor has experienced and all measures the vendor took to remedy the situation.
- 77 Provide a list, beginning with the most recent, of any performance assessments incurred by the vendor during the last ten (10) years, or the life of the company if less than ten (10) years. Separate by governmental and nongovernmental clients indicating the reason for the assessment and the amount paid.
- 78 Briefly outline the vendor’s account management philosophy. Please include information about how the team members are compensated by the vendor.
- 79 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?
- 80 What is the vendor’s account manager/executive turnover rate for the last twelve (12) months?
- 81 Describe the overall organization, location, and structure of the Account Management Team that will provide ongoing program support for the GLTC plan. Please provide a résumé for each team member, including current professional responsibilities and length of employment with the vendor.
- 82 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.

12.13 CUSTOMER SERVICE

- 83 Describe the vendor’s customer service unit, including the manner in which it is accessed, days and hours of call center operation, and the location of the customer service call center(s) that will provide service to GLTC participants.
- 84 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.
- 85 Will the vendor provide a separate toll-free telephone number for System participants?
- 86 How many telephone lines and support staff will be designated to customer service and claims processing for the GLTC plan?
- 87 Describe the vendor’s ability to track and monitor customer service metrics on an account-specific basis.

- 88 How are after-hours calls to customer service handled?
- 89 Does the vendor's customer service system support TTY, also known as TDD (Telecommunications Device for the Deaf) technologies?
- 90 How does the vendor's customer service system support Spanish-speaking participants? What other languages can the vendor's customer service system support?
- 91 How will the customer service unit be staffed? What is the turnover rate for vendor's non-management call center staff?
- 92 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).
- 93 How does the vendor ensure that its CSRs are providing timely and accurate information?
- 94 How does the vendor monitor first-call resolution and participant inquiries that do not get resolved?
- 95 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 participants?
- 96 Can CSRs view historical claims information online to assist participants? Will participants be able to view their claims information online via the vendor's System-specific website?
- 97 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?
- 98 Describe how the vendor handles written inquiries. Are they always responded to in writing?
- 99 What is the vendor's current standard for response time with respect to questions requiring written communication?
- 100 Describe the vendor's problem resolution policies.
- 101 Describe the vendor's procedures for handling and escalation of customer service complaints.
- 102 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 participants.
- 103 Describe the customer complaint tracking system that the vendor utilizes. How long has this system been in place?
- 104 Describe any changes that are planned or scheduled within the next 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.

- 105 Explain the process followed when an evidence of insurability (EOI) form is required. What is the average decision time on an EOI form? What factors determine if a medical report is needed? If a report is required, does your organization decide which medical professional is to complete the form? If so, who pays for the medical report and what is the average cost?

12.14 CLAIMS ADMINISTRATION

- 106 Please provide a sample claim form.
- 107 Confirm that System will have a specific high-level contact for issues regarding GLTC claims administration and indicate where this contact will be located.
- 108 Please provide a detailed description of the vendor's facilities and procedures for processing claims, including the following:
- a) The location where claims will be processed and their hours of operation;
 - b) The size and composition of the staff that will be assigned to process GLTC claims;
 - c) Your hiring and training practices for claims examiners, processors, and data entry operators;
 - d) The claims processing system to be utilized and how long the system has been in operation;
 - e) Any procedures used to expedite claims processing, such as electronic claims submission; and
 - f) Any arrangements designed to reduce or eliminate participant responsibility for filing claims.
- 109 Does the plan have a prior hospitalization rule? If yes, when does coverage begin?
- 110 What information will be required to confirm a diagnosis of Alzheimer's disease or biologically based brain disease/serious mental illness?
- 111 Describe your definitions of cognitive impairment and mental or nervous disorders as it relates to participant's eligibility for benefits.
- 112 Does your plan provide benefits to individuals requiring treatment for substance abuse?
- 113 Are benefits extended to participants afflicted with mental retardation?
- 114 Does the GLTC benefit plan coordinate with other benefit plans (such as Medicare, employer-sponsored LTD plans)?
- 115 What parameters are used to determine when detailed audit of a claim is required?
- 116 How long will claims records specific to the GLTC plan be maintained by the vendor?

117 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 2011:

	Company Standard	Actual
Claims payment accuracy rate		
Claims processing accuracy rate		
Average turnaround time (all claims)		

12.15 QUALITY ASSURANCE

118 Describe the vendor’s quality assurance (QA) program. Include or address the following as part of the description:

- a) The name of the designated senior executive responsible for the program;
- b) The vendor’s current QA policies and procedures;
- c) The extent of the Medical Director’s involvement in the program;
- d) The extent of participating health care providers’ involvement in the program;
- e) Quality of clinical care and quality of service issues;
- f) The composition and activities of the quality assurance committee; and
- g) The number and expertise of staff dedicated to quality assurance;

119 Describe the vendor’s processes for monitoring the adequacy of customer service and claims service. How often are surveys specific to these functions conducted? Please provide a copy of the most recent results.

120 Does the vendor currently perform overall participant satisfaction surveys? If so, does an outside organization perform the surveys? Are health care providers notified of the results? Please provide a copy of the latest survey and its results, if applicable, including the percentage of participants who indicated that they were “satisfied” or “very satisfied” with the overall program.

12.16 INFORMATION SECURITY

121 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 might 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 might 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 systems that would hold,

process, or from which Institution data might 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 might 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?

12.17 DATA EXCHANGE AND PROCESSING

- 122 Confirm that the vendor can properly manage key GLTC data using the dataset layouts as described in this RFP.
- 123 Confirm that the vendor has the capability to accept and transmit data via SFTP.
- 124 Confirm that the vendor has the ability to comply with the user-authentication requirements for the System-specific GLTC website as described in this RFP, including the use of SAML-based authentication (v2.0).
- 125 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.
- 126 Describe the vendor's experience with automated enrollment systems, including any specific automated systems that the organization has worked with.
- 127 Explain how data is entered into the vendor's eligibility system. Provide a data flow diagram of the process to receive, audit, and enter enrollment data, 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.
- 128 What 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 vendor's eligibility system or was proprietary software developed in-house?
- 129 Discuss the staffing and capabilities of the vendor's team that would be responsible for managing information systems and data for the GLTC plan.
- 130 On what schedule would billing information be transmitted back to the institution?
- 131 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?
- 132 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?

- 133 Confirm that the vendor will comply with the requirement to provide a monthly dataset to System.

12.18 COMMUNICATIONS

- 134 Provide samples of proposed communication materials to be used in administering the GLTC plan for plan year 2013 – 2014 as required by Section 9.2 of this RFP, along with additional sample communication materials as described.
- 135 Explain in detail the resources and procedures to be applied in connection with GLTC communications and the services that will be available at no additional cost to System regarding development and dissemination of communications materials.
- 136 Discuss the vendor’s experience with the innovative use of communication tools and techniques to improve participant engagement and increase participation in the GLTC plan. Include examples of unique approaches to participant communications and a discussion of how results from specific communication campaigns aimed at increasing engagement are measured.
- 137 Describe any enhanced tools and programs currently offered by the vendor in support of participant communication efforts, such as mobile integration features offered through the vendor’s website (e.g. option to send provider information direct to mobile device), smart phone applications, etc. Include a discussion of applicable direct costs to the plan or participants in conjunction with the use of such tools.
- 138 Confirm that the vendor will provide personnel to 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 vendor personnel be available to attend?
- 139 Confirm that the vendor will assist the System in developing necessary materials for disseminating GLTC plan information to employees and retirees during the System Annual Enrollment period.
- 140 Confirm that the vendor will provide the System with a preview of all communications designed to notify participants of features or issues regarding the GLTC plan prior to disseminating any communications directly to participants.

12.19 ELECTRONIC AND INFORMATION RESOURCES (EIR) WARRANTY

- 141 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 H to this RFP, has been completed and included with this response.

12.20 PERFORMANCE STANDARDS AND REPORTING

- 142 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.
- 143 Confirm that the vendor is able to provide all of the detailed information required in the quarterly Administrative Performance Report template, included as Appendix D to this RFP. Please provide copies of sample administrative performance reports meeting the requirements.
- 144 If the vendor is unable to provide any of the information requested in the Administrative Performance Requirements Report template included as Appendix D to this RFP, please describe in detail any information that cannot be provided and explain why it cannot be provided.
- 145 Describe the vendor's ad hoc reporting capability.
- 146 Describe any unique reporting capabilities that differentiate the vendor from its competitors.
- 147 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.

13.0 GROUP LONG TERM CARE PREMIUM PROPOSAL

PROPOSED MONTHLY PREMIUM RATES FOR GROUP LONG TERM CARE PLAN

September 1, 2013 – August 31, 2016

 (Name of Organization)

Using the following rate proposal chart, provide proposed monthly rates guaranteed for a fully insured Group Long Term Care Plan, with benefits as described in Appendix A of this RFP, for the 36-month period beginning 9/1/2013 through 8/31/2016.

NOTE: Premiums paid under this Program are exempt from Texas premium taxes.

MONTHLY PREMIUM RATE PER \$25 OF COVERAGE		
Issue Age	Basic Benefit with Guaranteed Benefit Increase Option	Basic Benefit with Life Automatic Benefit Increase Option (Inflation Protection)
< 25		
25 to 29		
30 to 34		
35 to 39		
40		
41		
42		
43		
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MONTHLY PREMIUM RATE PER \$25 OF COVERAGE (CONT'D)		
Issue Age	Basic Benefit with Guaranteed Benefit Increase Option	Basic Benefit with Life Automatic Benefit Increase Option (Inflation Protection)
59		
60		
61		
62		
63		
64		
65		
66		
67		
68		
69		
70		
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The percentage of the premium for administration is ____%. Enumerate what services will be paid for by this administrative cost:

The premium rates above are guaranteed for ____ Fiscal Years.

List and explain any other types of fees:

14.0 SIGNATURE PAGE

In accordance with the attached proposal(s), _____ hereby agrees,
(Print Name of Organization)
if selected by The University of Texas System, to enter into negotiations for a Contract to provide Group Long Term Care services for the System for at least the three year period beginning September 1, 2013. I have read the RFP from which this page is taken and verify that the above named organization can meet the requirements outlined.

The number of addenda reviewed before submitting this proposal: _____

The name of the primary contact person regarding this proposal is:

Title: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Telephone #: _____ Fax #: _____

Printed name of the 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