

**NOTICE OF INTENDED DECISION
TO ENTER INTO A SINGLE SOURCE CONTRACT
(PUR 7778)**

This notice of intended decision to enter into a single source contract is posted in accordance with section 287.057(3)(c), Florida Statutes.

AGENCY: Agency for Workforce Innovation (AWI)

TITLE: Health Coverage Tax Credit (HCTC) Program Services

Short description of the commodity or service desired: The Trade Reform Act of 2002, (P.L. 107-210) created a federal tax credit to help pay for the private health insurance coverage for displaced workers certified to receive certain Trade Adjustment Assistance (TAA) benefits and for individuals receiving benefits from the Pension Benefit Guaranty Corporation (PBGC). The credit is referred to as the Health Coverage Tax Credit (HCTC).

CONTACT

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Internal tracking number, if any: SS-11-031-SS

DMS Single Source number, if applicable:

Date posted: 01/26/2011

Time Posted: 09:30 A.M.

Commodity or Service Required (commodity class and group, manufacturer, model, and description, as appropriate): 477-090

The Agency believes that Blue Cross/Blue Shield of Florida (BCBSFL) is the only insurance provider that can provide services under the HCTC Program by providing enrollment information to the Internal Revenue Service, responding to participants' inquiries regarding coverage and premium payment status, signing-up with the Internal Revenue Service for Electronic Funds Transfer, signing-up with the Internal Revenue Service for Advice Internet Delivery, and receiving payment and the Payment Detail Reports from the Internal Revenue Service.

Requestor (division, bureau, office, individual, as appropriate): Larry McIntyre, One Stop Program Support

Performance and/or Design Requirements (intended use, function or application, compatibility etc. requirements; reference to policy, rule, statute or other act of the Legislature, etc., as appropriate):

The Trade Reform Act of 2002, (P.L. 107-210) created a federal tax credit to help pay for the private health insurance coverage for displaced workers certified to receive certain Trade Adjustment Assistance (TAA) benefits and for individuals receiving benefits from the Pension Benefit Guaranty Corporation (PBGC). The credit is referred to as the Health Coverage Tax Credit (HCTC). The American Recovery and Reinvestment Act (ARRA) expanded the federal tax credit from 65 percent to 80 percent of the coverage amount paid by the eligible individual for health insurance coverage for the individual and qualifying family members. The ARRA change will expire on December 31, 2010 unless extended by Congress. If the ARRA changes expire and the legislation is not extended, the HCTC Program will revert to the pre-ARRA coverage of 65 percent. Those individuals who already have health insurance through COBRA, spousal and individual plans are eligible to continue coverage with their existing insurance provider through the HCTC Program. However, those eligible individuals who do not have insurance coverage at the time of employment loss or do not maintain insurance coverage prior to enrolling in the HCTC Program would not be able to participate in the program unless the state creates a state-qualified health plan.

All plans that are submitted for consideration as a state-qualified health plan must be reviewed and approved by the Office of Insurance Regulation to ensure that they meet both the federal HCTC criteria and Florida's insurance laws. The state-qualified plans must include the following four criteria for individuals who have had at least three months of creditable coverage prior to seeking enrollment:

1. **Guaranteed issue:** Qualifying individuals must be guaranteed enrollment regardless of medical status and must be permitted to remain enrolled as long as they pay the premium.
2. **No pre-existing condition restrictions:** No pre-existing condition restriction may be imposed on qualifying individuals.
3. **Nondiscriminatory premium:** The premium charged for a qualifying individual may not be greater than the premium for a similarly situated person who is not receiving the same credit.
4. **Benefits are the same:** Under coverage provided to similarly situated persons who are not qualifying individuals, the benefits are the same (or substantially the same).

Also health insurance providers desiring to participate in the HCTC Program must agree to:

- (1) Provide enrollment information to the Internal Revenue Service;
- (2) Respond to participants' inquiries regarding coverage and premium payment status;
- (3) Sign-up with the Internal Revenue Service for Electronic Funds Transfer;
- (4) Sign-up with the Internal Revenue Service for Advice Internet Delivery; and
- (5) Receive payment and the Payment Detail Reports from the Internal Revenue Service.

To expand access of coverage to more individuals, the Agency has notified all eligible major medical insurers of the opportunity to submit a new plan or to modify an existing plan to serve HCTC eligible-individuals under a state-qualified arrangement. Blue Cross Blue Shield of Florida was the only respondent to the offering. Consequently, it is the Agency's belief that BCBSFL, the current HCTC provider, is the only insurance provider that can provide HCTC coverage based on the federal/state programmatic and administrative requirements.

Intended source (vendor, contractor): Blue Cross Blue Shield of Florida (BCBSFL)

Price: The resulting state agreement with Blue Cross Blue Shield of Florida will be a non-financial agreement. However, the total estimated premiums that could be collected by the insurance provider from the participants are \$8,064,000 (600 individuals x \$560/ monthly premium x 24 months).

Justification for single source acquisition (what is necessary and unique about the product, service or source; steps taken to confirm unavailability of competition, as appropriate):

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Approved By (names & titles, as appropriate, e.g., requestor, requestor management, information systems, budget, purchasing, DMS approver)

Larry McIntyre, Special Projects and Operations Coordinator, One Stop Program Support
Kevin Neal, Director, Workforce Service
Lois Scott, Program Manager
Laura Jennings, Purchasing Manager
Sonja Strickland, Purchasing Specialist

Failure to file a protest within the time prescribed in section 120.57(3), Florida Statutes, or failure to file a bond or other security within the time allowed for filing a bond, shall constitute a waiver of proceedings under Chapter 120, Florida Statutes.