

REQUEST FOR INFORMATION

STATE GROUP DEFINED CONTRIBUTION PLAN (FINANCING AND OUTSOURCING)

RFI NO.: DMS 10/11-005

I. INTRODUCTION

The Department of Management Services (hereinafter “DMS” or “Department”) of the State of Florida (hereinafter the “State”) hereby issues this Request for Information (hereinafter “RFI”) seeking information from interested parties who can offer a defined contribution plan that will provide a single access point for plan participants to select any option available to them through a full cafeteria plan meeting the requirements and regulations of s. 125 of the Internal Revenue Code.

This RFI is being conducted pursuant to the direction provided by the Florida Legislature in Section 4. LOF Ch. 2010-150. Responses received from vendors as a result of this RFI will be submitted to the chair of the Senate Ways and Means Committee and the chair of the House Full Appropriations Council on General Government and Health Care by September 30, 2010.

As used in this document, “Vendor” shall mean the individual submitting the response to this RFI, such person being the owner or controlling agent of the company described in the RFI response or an individual duly authorized to act on behalf of an entity responding to this RFI.

II. PURPOSE OF AN RFI

Rule 60A-1.042, Florida Administrative Code (F.A.C.), provides that an agency may request information by issuing a written RFI. Agencies are authorized to use an RFI in circumstances including, but not limited to, determining whether or not to competitively procure a commodity or contractual service, determining what solicitation process to use for a particular need, or researching general, special, and/or technical specifications for a solicitation. A vendor’s response to an RFI is not an offer and the agency may not use the vendor’s submission to justify a contract with that vendor without otherwise complying with Chapter 287, F.S. and Rule 60A-1.042, F.A.C. Vendors submitting a response to an agency’s RFI are not prohibited from responding to any related subsequent solicitation.

III. BACKGROUND

Pursuant to the authority of Section 110.123, F.S. the Division of State Group Insurance (DSGI), created within the Department of Management Services, provides for all aspects of the purchase of health care for state employees under the state group health insurance plans.

In accordance with Chapter 110.123, Florida Statutes, DSGI offers and manages a package of health and welfare insurance benefits, including a variety of health insurance options, flexible spending and health savings accounts, life insurance, dental insurance and other insurance products for state employees and retirees. DSGI develops public procurements for state employee health insurance services and establishes contracts for health insurance and health care administrative services. DSGI is responsible for the contract management and day-to-day management of the state employee health insurance program, including, but

not limited to, employee enrollment, premium collection, payment to health care providers, and other administrative functions related to the program.

The State currently offers its employees and retirees the opportunity to choose among four medical benefit plan designs. Two of these are Preferred Provider Organization (PPO) plans, while the other two plans are Health Maintenance Organization (HMO) plans. The two PPO plan options are administered by Blue Cross Blue Shield of Florida with pharmacy benefits administered by CVS/Caremark. The HMO plan options are administered by several health plan vendors across the State; however, each vendor administers the same HMO plan designs.

The PPO options are as follows:

- The Standard PPO Plan
- The Health Investor PPO Plan (with an HSA)

The HMO plan options are:

- The Standard HMO Plan
- The Health Investor HMO Plan (with an HSA)

Health insurance premiums are funded primarily through employer contributions and include a fixed employee payroll deduction based on the employees pay plan, coverage tier and choice of standard or high deductible plan with a HSA. A side-by-side comparison of each plan design option can be found in **Attachment A-2011 Plan Design and Relative Value**.

The PPO options are self-funded, with medical benefits administered by a third party administrator (TPA) and pharmacy benefits administered by a Pharmacy Benefits Manager (PBM). The HMO options are fully insured, with medical and integrated pharmacy benefits administered by multiple providers. Procurements for a PBM and a HMO plan(s) will commence this year to establish new contracts for 2012. As part of these procurements DSGI will evaluate both self-funding the HMO program and carving out pharmacy benefits into one pharmacy plan for both PPO and HMO plan participants.

The state group insurance program may be altered by future policy decisions of the Legislature.

In addition to the health plans, the DSGI offers supplemental insurance plans including life, vision, dental, accident and hospitalization. Additional detail, including plan options, current vendors and benefit design may be viewed at http://www.myflorida.com/mybenefits/Health/Health_home.htm.

IV. KEY PROGRAM INFORMATION

For fiscal year 2009/10 (July 2009-June 2010) enrollment, demographic and premium information refer to **Attachment B-Key Program Information**.

V. OVERVIEW AND TECHNICAL INFORMATION

Department seeks information from interested vendors. The information provided should describe a plan for contracting with a single vendor for the financing and outsourcing of a defined contribution plan for the State Group Insurance Program. The plan must provide a single access point for plan participants to select any option available to them through a full cafeteria plan meeting the requirements and regulations of s. 125 of the Internal Revenue Code. The plan should provide for and describe in detail consumer-driven health products and other health insurance options, as well as all other qualified benefits that could be offered through the vendor. The vendor shall include design features for risk pooling which will prevent adverse selection, and shall provide information regarding the effects of these features on the state as well as plan participants.

Eligibility determinations and enrollment administration, the collecting and accounting of payroll deductions or direct-pay benefit contributions, and transfers of employer or employee contributions to a single contracted vendor will remain the responsibility of the Department. Currently the Department contracts with NorthgateArinso (NGA) for an SAP based enrollment system referred to as People First. Vendors are paid monthly according to enrollment provided by NGA. The Vendor's plan must recognize the need for appropriate interfaces with the department's current enrollment and payment systems.

VI. QUESTIONS FOR VENDORS

In response to this RFI, please provide the following information:

TAB 1—Introduction:

Provide a cover letter, the vendor's primary point of contact and contact information (name, title, address, telephone number(s), fax number and e-mail address.)

TAB 2—Requested Information and Responses:

(Please reprint each request with your response.)

- A.** Describe your organization and the types of services you provide. Provide information demonstrating your ability to provide services relevant to this RFI. Include examples of successfully executing a plan for similar services within the past 5 years; provide a description of the client's industry, size and enrollment composition.
- B.** Provide references for each of the examples discussed in your response to question A.
- C.** Provide information describing a detailed plan for providing state employee health benefits through a single vendor. The plan should describe the financing and outsourcing of a defined contribution plan for the State Group Insurance Program. The plan must provide a single access point for plan participants to select any option available to them through a full cafeteria plan meeting the requirements and regulations of s. 125 of the Internal Revenue Code.
- D.** For the plan described in your response to C, provide an implementation timeline ending with a January 1 benefit plan effective date. The timeline should include key decisions to be made by the employer and an open enrollment period.
- E.** Related to the plan described in your response to C, provide details regarding the design features for risk pooling which will prevent adverse selection, and provide information regarding the effects of these features on the state as well as plan participants.
- F.** Explain how the Vendor would accommodate and provide all necessary and appropriate interfaces with the department's current enrollment and payment systems. Include information regarding the Vendor's ability to process multiple enrollment files within a coverage month, up to and including daily file transfers.
- G.** Describe in detail consumer-driven health products and other health insurance options, as well as all other qualified benefits that could be offered through the vendor.

- H. Identify and describe how the vendor can provide or offer an Internet-based decision-support technology.
- I. Describe how the vendor can provide product portability.
- J. Identify and describe how the vendor can provide or offer incentives for healthy behaviors.
- K. Identify and describe how the vendor can provide for the management of chronic diseases and conditions.
- L. Relative to the State Group Insurance Program’s current offerings and structure, please describe the advantages and disadvantages of the plan described in your response to question C.
- M. With respect to transitioning other clients to the plan described in your response to question C, please describe any key issues encountered, lessons learned and outcomes.

TAB 3—Sample Pricing Information:

For the plan described in your response to TAB 2 question C, provide general pricing information (i.e., ranges and variables impacting price; not a specific price quote) and specific details regarding how the vendor is compensated for the services. Include general pricing information for monthly per member administrative fees, other fees and charges, and any additional sources of revenue the vendor would or could receive in connection to the services described (e.g., brokerage fees, override commissions or any other valuable consideration, in any and all forms, from any insurer, insurance agent, insurance broker, or any involved party when such fee proceeds from or may be attributable to the sale of insurance provided to or purchased by or on behalf of participants of the State Group Insurance Program.)

PLEASE DO NOT PROVIDE A SPECIFIC PRICE QUOTE. To preserve your ability to bid on a future procurement related to this RFI it is important to provide general pricing information only (i.e., competitive ranges and variables impacting price; not a specific price quote.)

TAB 4—Additional Information:

Provide additional information vendor believes will be helpful in evaluating whether and how to contract with a single vendor for the financing and outsourcing of a defined contribution plan for the State Group Insurance Program.

VII. TIMELINE

Listed below are important dates/times on which actions must be taken or completed. If the Department finds it necessary to update any of the dates/times noted, it will be accomplished by an Amendment to the RFI. All times listed below are local time in Tallahassee, Florida.

DATE	TIME	
07/26/10		RFI Release
08/09/10	5:00 p.m. ET	Questions are due to the Procurement Officer
08/16/10		Answers to questions received are posted on the Vendor Bid System (VBS)
09/15/10	11:00 a.m. ET	Vendor responses are due

VIII. AMENDMENTS TO THE RFI

The Department will post amendments to this RFI on the Florida Vendor Bid System (VBS) at: http://vbs.dms.state.fl.us/vbs/search.criteria_form. Each Respondent is responsible for monitoring the VBS for new or changing information.

IX. RFI QUESTIONS AND CONTACT WITH THE STATE

Questions regarding this RFI shall be submitted in writing to the Procurement Officer identified in Section XII. by the date and time specified in the Timeline or as amended by the Department. Questions may be submitted via email. Questions will not be answered via telephone. The Department will post answers to questions received on the Vendor Bid System (VBS) by the close of business on the date stated in the Timeline.

Please direct any questions or issues regarding this RFI to the Procurement Officer identified herein.

X. VENDOR RESPONSE SUBMISSION

Please submit three bound hardcopies and one electronic copy on CD via mail to the Procurement Officer noted below no later than the time and date noted in the Section VII. Timeline. Responses must reference the RFI No.: DMS-10/11-005 in the subject line of the e-mail response submission.

The Respondent shall organize their response submittal contents as follows:

- Tab 1** Introduction
- Tab 2** Requested Information and Responses
- Tab 3** Sample Pricing Information
- Tab 4** Additional Information

XI. CONFIDENTIAL, PROPRIETARY OR TRADE SECRET MATERIAL

The Department takes its public records responsibilities as provided under Chapter 119, Florida Statutes and Article I, Section 24 of the Florida Constitution, very seriously. If Respondent considers any portion of the documents, data or records submitted in response to this RFI to be confidential, trade secret or otherwise not subject to disclosure pursuant to chapter 119, Florida Statutes, the Florida Constitution or other authority, Respondent must also simultaneously provide the Department with a separate redacted copy of its RFI and briefly describe in writing the grounds for claiming exemption from the public records law, including the specific statutory citation for such exemption. This redacted copy shall contain the Department's RFI name, number, and the name of the respondent on the cover, and shall be clearly titled "Redacted Copy."

The Redacted Copy shall be provided to the Department at the same time Vendor submits its response to the RFI and must only exclude or obliterate those exact portions which are claimed confidential, proprietary, or trade secret. The Vendor shall be responsible for defending its determination that the redacted portions of its RFI response are confidential, trade secret or otherwise not subject to disclosure. Further, Vendor shall protect, defend, and indemnify the Department for any and all claims arising from or relating to Vendor determination that the redacted portions of its RFI response are confidential, proprietary,

trade secret or otherwise not subject to disclosure. If Vendor fails to submit a Redacted Copy with its response, the Department is authorized to produce the entire documents, data or records submitted by Vendor in answer to a public records request for these records.

XII. PROCUREMENT OFFICER

Lori Anderson, Procurement Officer
Departmental Purchasing
4050 Esplanade Way, Suite 380.9Y
Tallahassee, FL 32399-0950
Telephone No.: 850) 488-0510
Fax No.: (850) 922-6549
E-mail to: lori.anderson@dms.myflorida.com

This contact person is the only authorized individual to respond to RFI comments and questions.