

**State of Nebraska (State Purchasing Bureau)
REQUEST FOR PROPOSAL FOR
CONTRACTUAL SERVICES FORM**

RETURN TO:
State Purchasing Bureau
301 Centennial Mall South, 1st Fl
Lincoln, Nebraska 68508
OR
P.O. Box 94847
Lincoln, Nebraska 68509-4847
Phone: 402-471-2401
Fax: 402-471-2089

SOLICITATION NUMBER	RELEASE DATE
RFP 3822Z1	October 28, 2011
OPENING DATE AND TIME	PROCUREMENT CONTACT
December 16, 2011 2:00 p.m. Central Time	Suzanne Siemer Connie Heinrichs

This form is part of the specification package and must be signed and returned, along with proposal documents, by the opening date and time specified.

PLEASE READ CAREFULLY!

SCOPE OF SERVICE

The State of Nebraska, Administrative Services (AS), Materiel Division, Purchasing Bureau, is issuing this Request for Proposal, RFP Number 3822Z1 for the purpose of selecting a qualified contractor to provide Administrative and Support Services for the State of Nebraska Employee Health Care Benefit Plans.

Written questions are due no later than November 14, 2011, and should be submitted via e-mail to matpurch.dasmat@nebraska.gov. Written questions may also be sent by facsimile to (402) 471-2089.

Bidder should submit one (1) original and ten (10) copies of the entire proposal. In the event of any inconsistencies among the proposals, the language contained in the original proposal shall govern. Proposals must be submitted by the proposal due date and time.

PROPOSALS MUST MEET THE REQUIREMENTS OUTLINED IN THIS REQUEST FOR PROPOSAL TO BE CONSIDERED VALID. PROPOSALS WILL BE REJECTED IF NOT IN COMPLIANCE WITH THESE REQUIREMENTS.

1. Sealed proposals must be received in State Purchasing by the date and time of proposal opening indicated above. No late proposals will be accepted. No electronic, e-mail, fax, voice, or telephone proposals will be accepted.
2. This form "REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES" MUST be manually signed, in ink, and returned by the proposal opening date and time along with bidder's proposal and any other requirements as specified in the Request for Proposal in order to be considered for an award.
3. It is the responsibility of the bidder to check the website for all information relevant to this solicitation to include addenda and/or amendments issued prior to the opening date. Website address is as follows: <http://www.das.state.ne.us/materiel/purchasing/>
4. It is understood by the parties that in the State of Nebraska's opinion, any limitation on the contractor's liability is unconstitutional under the Nebraska State Constitution, Article XIII, Section 3, and that any limitation of liability shall not be binding on the State of Nebraska despite inclusion of such language in documents supplied with the contractor's bid or in the final contract.

BIDDER MUST COMPLETE THE FOLLOWING

By signing this Request For Proposal For Contractual Services form, the bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the terms and conditions (see Section III) and certifies bidder maintains a drug free work place environment.

FIRM: _____

COMPLETE ADDRESS: _____

TELEPHONE NUMBER: _____ FAX NUMBER: _____

SIGNATURE: _____ DATE: _____

TYPED NAME & TITLE OF SIGNER: _____

TABLE OF CONTENTS

REQUEST FOR PROPOSAL FOR CONTRACTUAL SERVICES FORM.....	i
TABLE OF CONTENTS.....	ii
GLOSSARY OF TERMS.....	v
I. SCOPE OF THE REQUEST FOR PROPOSAL	1
A. PART I – MEDICAL ADMINISTRATION (ONLY);.....	1
B. PART II – PHARMACY BENEFIT MANAGER (PBM) (ONLY); and/or	1
C. PART III – MEDICAL ADMINISTRATION AND PHARMACY BENEFIT MANAGER (COMBINED).	1
A. SCHEDULE OF EVENTS	1
II. PROCUREMENT PROCEDURES	2
A. PROCURING OFFICE AND CONTACT PERSON	2
B. GENERAL INFORMATION.....	2
C. COMMUNICATION WITH STATE STAFF	2
D. WRITTEN QUESTIONS AND ANSWERS.....	3
E. ORAL INTERVIEWS/PRESENTATIONS AND/OR DEMONSTRATIONS.....	3
F. SUBMISSION OF PROPOSALS	4
G. PROPOSAL OPENING.....	4
H. LATE PROPOSALS.....	4
I. REJECTION OF PROPOSALS.....	5
J. EVALUATION OF PROPOSALS	5
K. EVALUATION COMMITTEE	5
L. MANDATORY REQUIREMENTS	6
M. REFERENCE CHECKS AND ADDITIONAL REPORTING.....	6
N. SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS	7
O. VIOLATION OF TERMS AND CONDITIONS	7
III. TERMS AND CONDITIONS	8
A. GENERAL.....	8
B. AWARD.....	8
C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION	9
D. PERMITS, REGULATIONS, LAWS	9
E. OWNERSHIP OF INFORMATION AND DATA.....	9
F. INSURANCE REQUIREMENTS PART I – MEDICAL ADMINISTRATION.....	10
G. INSURANCE REQUIREMENTS PART II – PHARMACY BENEFIT MANAGER.....	12
H. COOPERATION WITH OTHER CONTRACTORS	14
I. INDEPENDENT CONTRACTOR	14
J. CONTRACTOR RESPONSIBILITY	14
K. CONTRACTOR PERSONNEL.....	14
L. STATE OF NEBRASKA PERSONNEL RECRUITMENT PROHIBITION	15
M. CONFLICT OF INTEREST	15
N. PROPOSAL PREPARATION COSTS	15
O. ERRORS AND OMISSIONS.....	15

P.	BEGINNING OF WORK.....	15
Q.	ASSIGNMENT BY THE STATE.....	15
R.	ASSIGNMENT BY THE CONTRACTOR.....	16
S.	DEVIATIONS FROM THE REQUEST FOR PROPOSAL.....	16
T.	GOVERNING LAW.....	16
U.	ATTORNEY'S FEES.....	16
V.	ADVERTISING.....	16
W.	STATE PROPERTY.....	16
X.	SITE RULES AND REGULATIONS.....	16
Y.	NOTIFICATION.....	16
Z.	EARLY TERMINATION.....	17
AA.	FUNDING OUT CLAUSE OR LOSS OF APPROPRIATIONS.....	18
BB.	BREACH BY CONTRACTOR.....	18
CC.	ASSURANCES BEFORE BREACH.....	18
DD.	PENALTY PART II – PHARMACY BENEFIT MANAGER.....	19
EE.	PERFORMANCE BOND PART I – MEDICAL ADMINISTRATION.....	19
FF.	PERFORMANCE BOND PART II – PHARMACY BENEFIT MANAGER.....	19
GG.	PERFORMANCE BOND PART III – MEDICAL ADMINISTRATION and PHARMACY BENEFIT MANAGER.....	19
HH.	FORCE MAJEURE.....	20
II.	PROHIBITION AGAINST ADVANCE PAYMENT.....	20
JJ.	PAYMENT.....	20
KK.	INVOICES.....	20
LL.	AUDIT REQUIREMENTS.....	20
MM.	TAXES.....	21
NN.	INSPECTION AND APPROVAL.....	21
OO.	CHANGES IN SCOPE/CHANGE ORDERS.....	21
PP.	SEVERABILITY.....	21
QQ.	CONFIDENTIALITY.....	21
RR.	PROPRIETARY INFORMATION.....	22
SS.	CERTIFICATION OF INDEPENDENT PRICE DETERMINATION/COLLUSIVE BIDDING.....	22
TT.	PRICES.....	23
UU.	BEST AND FINAL OFFER.....	23
VV.	ETHICS IN PUBLIC CONTRACTING.....	23
WW.	INDEMNIFICATION.....	24
XX.	NEBRASKA TECHNOLOGY ACCESS STANDARDS.....	24
YY.	ANTITRUST.....	25
ZZ.	DISASTER RECOVERY/BACK UP PLAN.....	25
AAA.	TIME IS OF THE ESSENCE.....	25
BBB.	RECYCLING.....	25
CCC.	DRUG POLICY.....	25
DDD.	NEW EMPLOYEE WORK ELIGIBILITY STATUS.....	25
EEE.	CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND INELIGIBILITY.....	26
IV.	PROJECT DESCRIPTION AND SCOPE OF WORK.....	27
A.	PROJECT OVERVIEW.....	27
B.	PROJECT ENVIRONMENT.....	28
PART I - MEDICAL ADMINISTRATION.....	30

A.	PROJECT OBJECTIVES	30
B.	SUBROGATION REQUIREMENT	31
C.	GENERAL PLAN INFORMATION	31
D.	VENDOR ACCOUNTABILITY AND PERFORMANCE GUARANTEES	32
E.	PLAN DESIGN	32
F.	COST INFORMATION	33
G.	REPORTING	33
H.	DATA ANALYTICS TOOL	35
I.	ADMINISTRATION - CLAIMS	35
J.	ADMINISTRATION – BEHAVIORAL HEALTH	38
K.	ADMINISTRATION – CUSTOMER SERVICE	39
L.	ADMINISTRATION – ELIGIBILITY/MEMBERSHIP	40
M.	ADMINISTRATION – CONTRACT TERMINATION.....	41
N.	ADMINISTRATION – WEB ACCESS.....	41
O.	ADMINISTRATION – PROVIDER NETWORK	41
P.	QUALITY ASSURANCE	45
Q.	UTILIZATION MANAGEMENT/CASE MANAGEMENT	45
R.	DISEASE MANAGEMENT	46
S.	HIPAA COMPLIANCE.....	47
T.	CURRENT AND FUTURE INNOVATIVE INITIATIVES	47
U.	ONSITE CLINIC	47
V.	ONSITE WELLNESS FACILITY	47
W.	WELLNESS PROGRAM(S)	48
X.	PLAN REQUIREMENTS.....	48
Y.	OTHER INFORMATION	50
PART II – PHARMACY BENEFIT MANAGER		52
A.	PROJECT OBJECTIVES	52
B.	TECHNICAL REQUIREMENTS.....	54
PART III – MEDICAL ADMINISTRATION AND PHARMACY BENEFIT MANAGER		56
A.	PROJECT OBJECTIVES	56
V. PROPOSAL INSTRUCTIONS.....		57
A.	TECHNICAL PROPOSAL	57
B.	COST PROPOSAL REQUIREMENTS.....	61
C.	PAYMENT SCHEDULE	62
Form A Bidder Contact Sheet.....		63
Part I - Attachment B State of Nebraska Health Insurance Performance Standards		64
Part I - Attachment C Procedure For Filing An Appeal		66
Part II - Exhibit One Examples of Subcontracted and/or Outsourced Services		70

GLOSSARY OF TERMS

Acceptance Test Procedure: Benchmarks and other performance criteria, developed by the State of Nebraska or other sources of testing standards, for measuring the effectiveness of products or services and the means used for testing such performance.

Accreditation: The process by which an organization recognizes a provider, a program of study or an institution as meeting predetermined standards. Two organizations that accredit managed care plans are the National Committee for Quality Assurance (NCQA) and the Joint Commission on Accreditation of Health Care Organizations (JCAHO). JCAHO also accredits hospitals and clinics.

Addendum: Something added or deleted.

Agency: Any state agency, board, or commission other than the University of Nebraska, the Nebraska State colleges, the courts, the Legislature, or any officer or agency established by the Constitution of Nebraska.

Agent: A person authorized by a superior or organization to act on their behalf.

Amend: To alter or change by adding, subtracting, or substituting. A contract can be amended only by the parties participating in the contract. A written contract can only be amended in writing.

Amendment: Written correction or alteration.

Annual Open Enrollment Period: A period during which members can elect to change from plan to plan without providing evidence of insurability.

Appropriation: Legislative authorization to expend public funds for a specific purpose. Money set apart for a specific use.

Average Wholesale Price (AWP): The price determined by a nationally recognized source that is utilized by pharmacies to determine the drug discount at the point of service in accordance with the contract with a particular Pharmacy Benefit Manager (PBM).

Award: All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the Request for Proposal. The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal, and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State.

Best and Final Offer (BAFO): A second-stage bid in a public procurement for services.

Bid: The executed document submitted by a bidder in response to a Request for Proposal.

Bid Bond: A bond given by a surety on behalf of the bidder to ensure that the bidder will enter into the contract as bid and is retained by the State from the date of the bid opening to the date of contract signing.

Bidder: Any person or entity submitting a competitive bid response to a solicitation.

Business: Any corporation, partnership, individual, sole proprietorship, joint-stock company, joint venture, or any other private legal entity.

Business Day: Any weekday, excepting public holidays.

Calendar Day: Every day shown on the calendar; Saturdays, Sundays and State/Federal holidays included. Not to be confused with "Work Day".

Certificate of Coverage: A document given to a member that describes the benefits, limitations and exclusions of coverage.

Collusion: A secret agreement or cooperation between two or more persons or entities to accomplish a fraudulent, deceitful or unlawful purpose.

Competition: The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery and/or service.

Confidential Information: Unless otherwise defined below, "Confidential Information" shall also mean proprietary trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Nebraska Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would provide.

Contract: An agreement between two or more persons to perform a specific act or acts.

Contract Administration: The Management of various facets of contracts to assure that the contractors total performance is in accordance with the contractual commitments and obligations to the purchaser are fulfilled.

Contract Management: Includes reviewing and approving of changes, executing renewals, handling disciplinary actions, adding additional users, and any other form of action that could change the contract.

Contractor: Any person or entity that supplies goods and/or services.

Conversion Period: A period of time not to exceed six (6) months, during which the State converts to a new Operating System under "Conversion" as per this RFP.

Copyright: A grant to a writer/artist that recognizes sole authorship/creation of a work and protects the creator's interest(s) therein.

Coordination of Benefits (COB): A provision in the contract that applies when a person is covered under more than one medical plan. It requires that payment of benefits be coordinated by all plans to eliminate over insurance or duplication of benefits.

CPU: Any computer or computer system that is used by the State to store, process, or retrieve data or perform other functions using Operating Systems and applications software.

Critical Program Error: Any Program Error, whether or not known to the State, which prohibits or significantly impairs use of the Licensed Software as set forth in the documentation and intended in the contract.

Default: The omission or failure to perform a contractual duty.

Deviation: Any proposed change(s) or alteration(s) to either the contractual language or deliverables within the scope of this Request for Proposal.

Discount Off Allowed: The difference between the amount allowed under the plan and the amount paid, either by the plan itself or the member. The amount allowed under the plan is the net amount after excluding amounts for duplicate charges, coordination of benefits, etc. that are not allowable charges under the plan.

Documentation: The user manuals and any other materials in any form or medium customarily provided by the contractor to the users of the Licensed Software which will provide the State with sufficient information to operate, diagnose, and maintain the Licensed Software properly, safely, and efficiently.

Evaluation Committee: A committee (or committees) appointed by the requesting agency that advises and assists the procuring office in the evaluation of proposals.

Evaluation of Proposal: The process of examining a proposal after opening to determine the bidder's responsibility, responsiveness to requirements, and to ascertain other characteristics of the proposal that relate to determination of the successful bidder.

Explanation of Benefits (EOB): A detailed statement sent to an insured that shows each treatment or medication submitted as part of a health insurance claim, an insurer's decision concerning payment of each charge, any amount that is considered as a deductible or a co-payment, an explanation of any charge for which part or all of the charge will not be paid, and the total amount sent to a health care provider.

Extension: A provision, or exercise of a provision, of a contract that allows a continuance of the contract (at the option of the State of Nebraska) for an additional time according to contract conditions. Not to be confused with "Renewals."

F.O.B. Destination: Free on Board. The delivery charges have been included in the quoted price and prepaid by the vendor. Vendor is responsible for all claims associated with damages during delivery of product.

Foreign Corporation: A foreign corporation is a corporation that was formed (i.e. incorporated) in another state but transacting business in Nebraska pursuant to a certificate of authority issued by the Nebraska Secretary of State.

Health Employer Data and Information Set (HEDIS): A set of standard performance measures that can give you information about the quality of a health plan. You can find out about the quality of care, access, cost, and other measures to compare managed care plans.

HIPAA: A federal law passed in 1996 that allows persons to qualify immediately for comparable health insurance coverage when they change their employment or relationships. It also creates the authority to mandate the use of standards for the electronic exchange of health care data; to specify what medical and administrative code sets should be used within those standards; to require the use of national identification systems for health care patients,

providers, payers (or plans), and employers (or sponsors); and to specify the types of measures required to protect the security and privacy of personally identifiable health care. Full name is “The Health Insurance Portability and Accountability Act of 1996.”

In-Network: Providers or health care facilities which are part of a health plan’s network of providers with which it has negotiated a discount. Insured individuals usually pay less when using an in-network provider, because those networks provide services at lower cost to the insurance companies with which they have contracts.

Installation Date: The date when the procedures described in “Installation by Contractor, and Installation by State”, as found in the RFP, are completed.

Late Proposal: A proposal received at the place specified in the solicitation after the date and time designated for all proposals to be received.

Licensed Software: Any and all software and documentation by which the State acquires or is granted any rights under the contract.

Mandatory: Required, compulsory or obligatory.

Maximum Allowable Cost (MAC): A predetermined amount assigned by the Pharmacy Benefit Manager (PBM) for each generic drug category.

May: Denotes discretion.

Module: A collection of routines and data structures that perform a specific function of the Licensed Software.

Must: Denotes the imperative, required, compulsory or obligatory.

Network: A group of doctors, hospitals and other health care providers contracted to provide services to insurance company’s customers for less than their usual fees. Provider networks can cover a large geographic market or a wide range of health care services. Insured individuals typically pay less for using a provider network.

Opening Date: Specified date and time for the public opening of received, labeled and sealed formal proposals. Not to be confused with “Release Date”.

Operating System: The control program in a computer that provides the interface to the computer hardware and peripheral devices, and the usage and allocation of memory resources, processor resources, input/output resources, and security resources.

Out-of-Plan Out-of-Network: This phrase usually refers to physicians, hospitals or other health care providers who are considered nonparticipants in an insurance plan (usually a PPO). Depending on an individual’s health insurance plan, expenses incurred by services provided by out-of-plan health professionals may not be covered, or covered only in part by an individual’s insurance.

Outsourcing: Acquiring computing or related services from a source outside of the State of Nebraska which may include programming and/or executing the State’s Licensed Software on the State’s CPU’s, programming, and/or executing the State’s programs and Licensed Software on the contractor’s CPU’s or any mix thereof.

Outsourcing Company: A company that provides Outsourcing Services under contract to the State.

Per Employee Per Month (PEPM): This refers to the unit of measure for the fees, costs or other representation of information or analysis of data. This is based on employees only and does not include spouse and/or dependents, if they are covered under the plan.

Performance Bond: A bond given by a surety on behalf of the contractor to ensure the timely and proper (in sole estimation of the State) performance of a contract.

Per Member Per Month (PMPM): This refers to the unit of measure for the fees, costs or other representation of information or analysis of data. This is based on members and does include spouse and/or dependents, covered under the plan.

Performance Guarantees: Commitment of a level of performance that must be delivered and continue to be delivered up to or above certain guarantee target.

Platform: A specific hardware and Operating System combination that is different from other hardware and Operating System combinations to the extent that a different version of the Licensed Software product is required to execute properly in the environment established by such hardware and Operating System combination.

Point of Service (POS): The primary care doctors in a POS plan usually make referrals to other providers in the plan. However, in a POS plan, members can refer themselves outside the plan and still get some coverage. If the doctor makes a referral outside the network and the service is covered by the plan, you will have to pay coinsurance.

Preferred Provider Organization (PPO): A PPO is a form of managed care that has contracts with doctors, hospitals, and other providers of care who offer medical services to enrollees on a fee-for-service basis. As a result, members may use any provider within or outside of the PPO network, but have a financial incentive to stay within the network.

Pre-Proposal Conference: A meeting scheduled for the purpose of providing clarification regarding a Request for Proposal and related expectations.

Product: A module, a system, or any other software-related item provided by the contractor to the State.

Program Error: Code in Licensed Software which produces unintended results or actions, or which produces results or actions other than those described in the specifications. A program error includes, without limitation, any "Critical Program Error."

Program Set: The group of programs and products, including the Licensed Software specified in the RFP, plus any additional programs and products licensed by the State under the contract for use by the State.

Project: The total of all software, documentation, and services to be provided by the contractor under this contract.

Proposal: The executed document submitted by a bidder in response to a Request for Proposal.

Proprietary Information: Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, proof that information is proprietary requires identification of specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive.

Protest: A complaint about a governmental action or decision related to a Request for Proposal or the resultant contract, brought by a prospective bidder, a bidder, a contractor, or other interested party to AS Materiel Division or another designated agency with the intention of achieving a remedial result.

Public Proposal Opening: The process of opening proposals, conducted at the time and place specified in the Request for Proposal, and in the presence of anyone who wishes to attend.

Quality Assurance: An organized program to protect or improve quality of care by evaluating medical care, correcting problems and monitoring corrective actions.

Recommended Hardware Configuration: The data processing hardware (including all terminals, auxiliary storage, communication, and other peripheral devices) to the extent utilized by the State as recommended by the contractor.

Release Date: Date of release of the Request for Proposal to the public for submission of proposal responses. Not to be confused with "Opening Date".

Renewal: Continuance of a contract for an additional term after a formal signing by the parties.

Representative: Includes an agent, an officer of a corporation or association, a trustee, executor or administrator of an estate, or any other person legally empowered to act for another.

Request for Proposal (RFP): All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals.

Responsible Bidder: A bidder who has the capability in all respects to perform fully all requirements with integrity and reliability to assure good faith performance.

Responsive Bidder: A bidder who has submitted a bid which conforms in all respects to the solicitation document.

Rural: Are areas that are not urbanized and are described country towns and smaller cities. They have a low [population](#) density, and typically much of the land is devoted to [agriculture](#).

Self Insure: A group insurance plan in which the group sponsor, not an insurance company, is financially responsible for paying the claims of the group insured's.

Self Insured Group Plan: A group insurance plan in which the group sponsor, not an insurance company, is financially responsible for paying the claims of the group insureds. A group may be partially or fully self-insured.

Shall: Denotes the imperative, required, compulsory or obligatory.

Should: Indicates an expectation.

Solicitation: The process of notifying prospective bidders or offerors that the State of Nebraska wishes to receive proposals for furnishing services. The process may consist of public advertising, posting notices, or mailing Request for Proposals and/or Request for Proposal announcement letter to prospective bidders, or all of these.

Solicitation Document: Request for Proposal.

Specifications: The information provided by or on behalf of the contractor that fully describes the capabilities and functionality of the Licensed Software as set forth in any material provided by the contractor, including the documentation and User's Manuals described herein.

Specialist: A doctor or other health professional whose training and expertise are in a specific area of medicine, such as cardiology or dermatology.

Suburban: Refers to a [residential](#) area that is a separate community within commuting distance of a city.

System: Any collection or aggregation of two (2) or more Modules that is designed to function, or is represented by the contractor as functioning or being capable of functioning as an entity.

Termination: Occurs when either party pursuant to a power created by agreement or law puts an end to the contract. All obligations which are still executory on both sides are discharged but any right based on prior breach or performance survives.

Trademark: A distinguishing sign, symbol, mark, word, or arrangement of words in the form of a label or other indication, that is adopted and used by a manufacturer or distributor to designate its particular goods and which no other person has the legal right to use.

Trade Secret: Information, including, but not limited to, a drawing, formula, pattern, compilation, program, device, method, technique, code, or process that; (a) derives independent economic value, actual or potential, from not being known to, and not being ascertainable by proper means, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy (see Neb. Rev. Stat. §87-502(4)).

Transparent: The services requested will be provided on a pass through basis to the State at the lowest cost available. This includes pricing to the retail pharmacies, mail order pharmacies and specialty pharmacies. In addition, all manufacturer revenue tied to the utilization for the State will be passed on to the State. Any and all costs are reported and available to the State in order to confirm pricing.

Upgrade: Any improvement or change in the Software that improves or alters its basic function.

Urban: An urban area is a higher population density in comparison to areas surrounding it.

Utilization Review (UR): A formal review of utilization for appropriateness of health care services delivered to a member on a prospective, concurrent, or retrospective basis. In a hospital, this includes review of the appropriateness of admissions, services ordered and provided, length of stay, and discharge practices, both on a concurrent and retrospective basis. UR is a method of tracking, reviewing and rendering opinions regarding care provided to patients. Usually UR involves the use of protocols, benchmarks or data with which to compare specific cases to an aggregate set of cases. Those cases falling outside the protocols or range of data are reviewed individually. UR involves the review of patient records and patient bills primarily but may also include telephone conversations with providers.

Vendor: An actual or potential contractor; a contractor.

Will: Denotes the imperative, required, compulsory or obligatory.

I. SCOPE OF THE REQUEST FOR PROPOSAL

The State of Nebraska, Administrative Services (AS), Materiel Division, Purchasing Bureau (hereafter known as State Purchasing Bureau), is issuing this Request for Proposal, RFP Number 3822Z1 for the purpose of selecting a qualified contractor to provide Administrative and Support Services for the State of Nebraska Employee Health Care Benefit Plans.

A contract resulting from this Request for Proposal will be issued for a period of two (2) years effective July 1, 2012 through June 30, 2014, with the option to renew for four (4) additional one (1) year periods as mutually agreed upon by all parties. Within the initial contract period, and any of the renewal periods, the contractor must provide the State with a minimum of 180 days written notice of its intent not to renew the contract. The initial contract period shall mean from July 1, 2012 through June 30, 2014.

Bidders should note that this RFP is being bid as follows:

- A. PART I – MEDICAL ADMINISTRATION (ONLY);
- B. PART II – PHARMACY BENEFIT MANAGER (PBM) (ONLY); and/or
- C. PART III – MEDICAL ADMINISTRATION AND PHARMACY BENEFIT MANAGER (COMBINED).

ALL INFORMATION PERTINENT TO THIS REQUEST FOR PROPOSAL CAN BE FOUND ON THE INTERNET AT: <http://www.das.state.ne.us/materiel/purchasing/rfp.htm>

A. SCHEDULE OF EVENTS

The State expects to adhere to the tentative procurement schedule shown below. It should be noted, however, that some dates are approximate and subject to change.

ACTIVITY		DATE/TIME
1.	Release Request for Proposal	October 28, 2011
2.	Last day to submit written questions	November 14, 2011 09:00 a.m. Central Time
3.	State responds to written questions through Request for Proposal "Addendum" and/or "Amendment" to be posted to the Internet at: http://www.das.state.ne.us/materiel/purchasing/rfp.htm	November 28, 2011
4.	Proposal opening Location: Nebraska State Office Building State Purchasing Bureau 301 Centennial Mall South, Mall Level Lincoln, NE 68508	December 16, 2011 2:00 PM Central Time
5.	Review for conformance of mandatory requirements	December 16, 2011
6.	Evaluation period	December 19, 2011 – January 13, 2012
7.	"Oral Interviews/Presentations and/or Demonstrations" (if required)	TBD
8.	Post "Letter of Intent to Contract" to Internet at: http://www.das.state.ne.us/materiel/purchasing/rfp.htm	January 31, 2012
9.	Performance bond submission	TBD
10.	Contract award	March 1, 2012
11.	Contractor start date	July 1, 2012

II. PROCUREMENT PROCEDURES

A. PROCURING OFFICE AND CONTACT PERSON

Procurement responsibilities related to this Request for Proposal reside with the State Purchasing Bureau. The point of contact for the procurement is as follows:

Name: Suzanne Siemer/Connie Heinrichs
Agency: State Purchasing Bureau
Address: 301 Centennial Mall South, Mall Level
Lincoln, NE 68508

OR

Address: P.O. Box 94847
Lincoln, NE 68509
Telephone: 402-471-2401
Facsimile: 402-471-2089
E-Mail: matpurch.dasmat@nebraska.gov

B. GENERAL INFORMATION

The Request for Proposal is designed to solicit proposals from qualified vendors who will be responsible for providing administrative and support services for the State of Nebraska employee health care benefit plans at a competitive and reasonable cost. Proposals that do not conform to the mandatory items as indicated in the Request for Proposal will not be considered.

Proposals shall conform to all instructions, conditions, and requirements included in the Request for Proposal. Prospective bidders are expected to carefully examine all documentation, schedules and requirements stipulated in this Request for Proposal, and respond to each requirement in the format prescribed.

A fixed-price contract will be awarded as a result of this proposal. In addition to the provisions of this Request for Proposal and the awarded proposal, which shall be incorporated by reference in the contract, any additional clauses or provisions required by the terms and conditions will be included as an amendment to the contract.

C. COMMUNICATION WITH STATE STAFF

From the date the Request for Proposal is issued until a determination is announced regarding the selection of the contractor, contact regarding this project between potential contractors and individuals employed by the State is restricted to only written communication with the staff designated above as the point of contact for this Request for Proposal.

Once a contractor is preliminarily selected, as documented in the intent to contract, that contractor is restricted from communicating with State staff until a contract is signed. Violation of this condition may be considered sufficient cause to reject a contractor's proposal and/or selection irrespective of any other condition.

The following exceptions to these restrictions are permitted:

1. written communication with the person(s) designated as the point(s) of contact for this Request for Proposal or procurement;
2. contacts made pursuant to any pre-existing contracts or obligations; and

3. state-requested presentations, key personnel interviews, clarification sessions or discussions to finalize a contract.

Violations of these conditions may be considered sufficient cause to reject a bidder's proposal and/or selection irrespective of any other condition. No individual member of the State, employee of the State, or member of the Evaluation Committee is empowered to make binding statements regarding this Request for Proposal. The buyer will issue any clarifications or opinions regarding this Request for Proposal in writing.

D. WRITTEN QUESTIONS AND ANSWERS

Any explanation desired by a bidder regarding the meaning or interpretation of any Request for Proposal provision must be submitted in writing to the State Purchasing Bureau and clearly marked "RFP Number 3822Z1; administrative and support services for the State of Nebraska employee health care benefit plans Questions". It is preferred that questions be sent via e-mail to matpurch.dasmat@nebraska.gov. Questions may also be sent by facsimile to 402-471-2089, but must include a cover sheet clearly indicating that the transmission is to the attention of Suzanne Siemer/Connie Heinrichs, showing the total number of pages transmitted, and clearly marked "RFP Number 3822Z1; administrative and support services for the State of Nebraska employee health care benefit plans Questions".

Written answers will be provided through an addendum to be posted on the Internet at <http://www.das.state.ne.us/materiel/purchasing/rfp.htm> on or before the date shown in the Schedule of Events.

E. ORAL INTERVIEWS/PRESENTATIONS AND/OR DEMONSTRATIONS

The Evaluation Committee(s) may conclude after the completion of the Technical and Cost Proposal evaluation that oral interviews/presentations and/or demonstrations are required in order to determine the successful bidder. All bidders may not have an opportunity to interview/present and/or give demonstrations; the State reserves the right to select only the top scoring bidders to present/give oral interviews in its sole discretion. The scores from the oral interviews/presentations and/or demonstrations will be added to the scores from the Technical and Cost Proposals. The presentation process will allow the bidders to demonstrate their proposal offering, explaining and/or clarifying any unusual or significant elements related to their proposals. Bidders' key personnel may be requested to participate in a structured interview to determine their understanding of the requirements of this proposal, their authority and reporting relationships within their firm, and their management style and philosophy. Bidders shall not be allowed to alter or amend their proposals. Only representatives of the State and the presenting bidders will be permitted to attend the oral interviews/presentations and/or demonstrations.

Once the oral interviews/presentations and/or demonstrations have been completed the State reserves the right to make a contract award without any further discussion with the bidders regarding the proposals received.

Detailed notes of oral interviews/presentations and/or demonstrations may be recorded and supplemental information (such as briefing charts, et cetera) may be accepted; however, such supplemental information shall not be considered an amendment to a bidders' proposal. Additional written information gathered in this manner shall not constitute replacement of proposal contents.

Any cost incidental to the oral interviews/presentations and/or demonstrations shall be borne entirely by the bidder and will not be compensated by the State.

F. SUBMISSION OF PROPOSALS

The following describes the requirements related to proposal submission, proposal handling and review by the State.

To facilitate the proposal evaluation process, one (1) original, clearly identified as such, and ten (10) copies of the entire proposal should be submitted. The copy marked "original" shall take precedence over any other copies, should there be a discrepancy. Proposals must be submitted by the proposal due date and time. A separate sheet must be provided that clearly states which sections have been submitted as proprietary or have copyrighted materials. All proprietary information the bidder wishes the State to withhold must be submitted in accordance with the instructions outlined in Section III, Proprietary Information. Proposal responses should include the completed Form A, Bidder Contact Sheet. In addition, three (3) electronic copies of the proposal should be submitted on separate CD's and packaged as required below in section RR. Proprietary Information. Any discrepancy between the written proposal and the electronic proposal will be governed by the written copy. Proposals must reference the request for proposal number and be sent to the specified address. Container(s) utilized for original documents should be clearly marked "ORIGINAL DOCUMENTS". Please note that the address label should appear as specified in Section II part A on the face of each container or bidder's bid response packet. Rejected late proposals will be returned to the bidder unopened, if requested, at bidder's expense. If a recipient phone number is required for delivery purposes, 402-471-2401 should be used. The request for proposal number must be included in all correspondence.

Emphasis should be concentrated on conformance to the Request for Proposal instructions, responsiveness to requirements, completeness and clarity of content. If the bidder's proposal is presented in such a fashion that makes evaluation difficult or overly time consuming, it is likely that points will be lost in the evaluation process. Elaborate and lengthy proposals are neither necessary nor desired.

The Technical and Cost Proposals should be packaged separately (loose-leaf binders are preferred) on standard 8 ½" by 11" paper, except that charts, diagrams and the like may be on fold-outs which, when folded, fit into the 8 ½" by 11" format. Pages may be consecutively numbered for the entire proposal, or may be numbered consecutively within sections. Figures and tables must be numbered and referenced in the text by that number. They should be placed as close as possible to the referencing text. The Technical Proposal must not contain any reference to dollar amounts. However, information such as data concerning labor hours and categories, materials, subcontracts and so forth, shall be considered in the Technical Proposal so that the bidder's understanding of the scope of work may be evaluated. The Technical Proposal shall disclose the bidder's technical approach in as much detail as possible, including, but not limited to, the information required by the Technical Proposal instructions.

G. PROPOSAL OPENING

The sealed proposals will be publicly opened and the bidding entities announced on the date, time and location shown in the Schedule of Events. Proposals will be available for viewing by those present after the proposal opening. Vendors may also contact the State to schedule an appointment for viewing proposals after the opening date.

H. LATE PROPOSALS

Proposals received after the time and date of the proposal opening will be considered late proposals. Rejected late proposals will be returned to the bidder unopened, if requested, at bidder's expense. The State is not responsible for proposals that are late or lost due to mail service inadequacies, traffic or any other reason(s).

I. REJECTION OF PROPOSALS

The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part. The State reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State.

J. EVALUATION OF PROPOSALS

All responses to this Request for Proposal which fulfill all mandatory requirements will be evaluated. Each category will have a maximum possible point potential. The State will conduct a fair, impartial and comprehensive evaluation of all proposals in accordance with the criteria set forth below. Areas that will be addressed and scored during the evaluation include:

1. Executive Summary;
2. Corporate Overview shall include but is not limited to;
 - a. the ability, capacity and skill of the bidder to deliver and implement the system or project that meets the requirements of the Request for Proposal;
 - b. the character, integrity, reputation, judgment, experience and efficiency of the bidder;
 - c. whether the bidder can perform the contract within the specified time frame;
 - d. the quality of bidder performance on prior contracts;
 - e. such other information that may be secured and that has a bearing on the decision to award the contract;
3. Technical Approach; and
4. Cost Proposal for
 - a. PART I – MEDICAL ADMINISTRATION (ONLY);
 - b. PART II – PHARMACY BENEFIT MANAGER (ONLY);
 - c. PART III – MEDICAL ADMINISTRATION and PHARMACY BENEFIT MANAGER (COMBINED).

Evaluation criteria will become public information at the time of the Request for Proposal opening. Evaluation criteria and a list of respondents will be posted to the State Purchasing Bureau website at <http://www.das.state.ne.us/materiel/purchasing/rfp.htm> Evaluation criteria will not be released prior to the proposal opening.

K. EVALUATION COMMITTEE

Proposals will be independently evaluated by members of the Evaluation Committee(s). The committee(s) will consist of staff with the appropriate expertise to conduct such proposal evaluations. Names of the members of the Evaluation Committee(s) will not become public information.

Prior to award, bidders are advised that only the point of contact indicated on the front cover of this Request For Proposal For Contractual Services Form can clarify issues or render any opinion regarding this Request for Proposal. No individual member of the State, employee of the State or member of the Evaluation Committee(s) is empowered to make binding statements regarding this Request for Proposal.

L. MANDATORY REQUIREMENTS

The proposals will first be examined to determine if all mandatory requirements listed below have been addressed to warrant further evaluation. Proposals not meeting mandatory requirements will be excluded from further evaluation. The mandatory requirement items are as follows:

1. signed Request For Proposal For Contractual Services form;
2. Executive Summary;
3. Corporate Overview;
4. Technical Approach along with the following documents:
Part II - Attachment A: Questionnaire and Pricing Workbook
 - a. A - Questionnaire
 - b. B - Explanation
 - c. C - Organization Changes
 - d. D - Plan Design
 - e. E - Experience Data
 - f. F - RX-Pricing, Transparent
 - g. G - Specialty Drugs
 - h. H - Network Access
 - i. I - Account Management Plan
5. Cost Proposal(s).

M. REFERENCE CHECKS AND ADDITIONAL REPORTING

The State reserves the right to check any reference(s), regardless of the source of the reference information, including but not limited to, those that are identified by the company in the proposal, those indicated through the explicitly specified contacts, those that are identified during the review of the proposal, or those that result from communication with other entities involved with similar projects.

Information to be requested and evaluated from references may include, but is not limited to, some or all of the following: project description and background, job performed, functional and technical abilities, communication skills and timeliness, cost and schedule estimates and accuracy, problems (poor quality deliverables, contract disputes, work stoppages, et cetera), overall performance, and whether or not the reference would rehire the firm or individual. Only top scoring bidders may receive reference checks and negative references may eliminate bidders from consideration for award.

The State reserves the right to obtain a current Dunn & Bradstreet, Inc. DNBⁱ™ Comprehensive Report. Information obtained through Dunn & Bradstreet, Inc. may be used to augment the bidder's proposal response. If bidder has their Dunn & Bradstreet, Inc. number, it should be provided in the Corporate Overview section of the technical proposal response.

N. SECRETARY OF STATE/TAX COMMISSIONER REGISTRATION REQUIREMENTS

All bidders are expected to comply with any statutory registration requirements. It is the responsibility of the bidder who is the recipient of an Intent to Award to comply with any statutory registration requirements pertaining to types of business entities (e.g. a foreign or Nebraska corporation, non-resident contractor, limited partnership, or other type of business entity). The bidder who is the recipient of Intent to Award will be required to certify that it has so complied and produce a true and exact copy of its registration certificate, or, in the case registration is not required, to provide the reason as to why none is required. This must be accomplished prior to the award of contract.

O. VIOLATION OF TERMS AND CONDITIONS

Violation of the terms and conditions contained in this Request for Proposal or any resultant contract, at any time before or after the award, shall be grounds for action by the State which may include, but is not limited to, the following:

1. rejection of a bidder's proposal;
2. suspension of the bidder from further bidding with the State for the period of time relative to the seriousness of the violation, such period to be within the sole discretion of the State.

III. TERMS AND CONDITIONS

By signing the "Request For Proposal For Contractual Services" form, the bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the terms and conditions and certifies bidder maintains a drug free work place environment.

Bidders are expected to closely read the Terms and Conditions and provide a binding signature of intent to comply with the Terms and Conditions; provided, however, a bidder may indicate any exceptions to the Terms and Conditions by (1) clearly identifying the term or condition by subsection, (2) including an explanation for the bidder's inability to comply with such term or condition which includes a statement recommending terms and conditions the bidder would find acceptable. Rejection in whole or in part of the Terms and Conditions may be cause for rejection of a bidder's proposal.

Bidders should note that this RFP is being bid as PART I – MEDICAL ADMINISTRATION, PART II – PHARMACY BENEFIT MANAGER, and/or PART III – MEDICAL ADMINISTRATION AND PHARMACY BENEFIT MANAGER. The terms and conditions apply to both services. In addition there are specific terms that apply to Medical Administration and specific terms that apply to Pharmacy Benefit Manager.

A. GENERAL

Accept
& Initial

The contract resulting from this Request for Proposal shall incorporate the following documents:

1. the signed Request For Proposal form;
2. the original Request for Proposal document;
3. any Request for Proposal addenda and/or amendments to include questions and answers;
4. the contractor's proposal;
5. any contract amendments, in order of significance; and
6. contract award.

Unless otherwise specifically stated in a contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) the contract award, 2) contract amendments with the latest dated amendment having the highest priority, 3) Request for Proposal addenda and/or amendments with the latest dated amendment having the highest priority, 4) the original Request for Proposal, 5) the signed Request For Proposal form, 6) the contractor's proposal.

Any ambiguity in any provision of this contract which shall be discovered after its execution shall be resolved in accordance with the rules of contract interpretation as established in the State of Nebraska.

Once proposals are opened they become the property of the State of Nebraska and will not be returned.

B. AWARD

Accept
& Initial

All purchases, leases, or contracts which are based on competitive proposals will be awarded according to the provisions in the Request for Proposal. The State reserves the right to reject any or all proposals, wholly or in part, or to award to multiple bidders in whole or in part, and at its discretion, may withdraw or amend the Request for Proposal at any time. The State

reserves the right to waive any deviations or errors that are not material, do not invalidate the legitimacy of the proposal, and do not improve the bidder's competitive position. All awards will be made in a manner deemed in the best interest of the State. The Request for Proposal does not commit the State to award a contract. If, in the opinion of the State, revisions or amendments will require substantive changes in proposals, the due date may be extended.

By submitting a proposal in response to this Request for Proposal, the bidder grants to the State the right to contact or arrange a visit in person with any or all of the bidder's clients.

Once an intent to award decision has been determined, it will be posted to the Internet at: <http://www.das.state.ne.us/materiel/purchasing/rfp.htm>

Grievance and protest procedure is available on the Internet at: <http://www.das.state.ne.us/materiel/purchasing/agencyervicesprocurementmanual/ProtestGrievanceProcedureForServices.doc>

Any protests must be filed by a vendor within ten (10) calendar days after the intent to award decision is posted to the Internet.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION

Accept
& Initial

The contractor shall comply with all applicable local, State and Federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits contractors of the State of Nebraska, and their subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions or privileges of employment because of race, color, religion, sex, disability, or national origin (Neb. Rev. Stat. §48-1101 to 48-1125). The contractor guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The contractor shall insert a similar provision in all subcontracts for services to be covered by any contract resulting from this Request for Proposal.

D. PERMITS, REGULATIONS, LAWS

Accept
& Initial

The contractor shall procure and pay for all permits, licenses and approvals necessary for the execution of the contract. The contractor shall comply with all applicable local, state, and federal laws, ordinances, rules, orders and regulations.

E. OWNERSHIP OF INFORMATION AND DATA

Accept
& Initial

The State of Nebraska shall have the unlimited right to publish, duplicate, use and disclose all information and data developed or derived by the contractor pursuant to this contract.

The contractor must guarantee that it has the full legal right to the materials, supplies, equipment, and other rights or titles (e.g. rights to licenses transfer or assign deliverables) necessary to execute this contract. The contract price shall, without exception, include compensation for all royalties and costs arising from patents, trademarks and copyrights that are in any way involved in the contract. It shall be the responsibility of the contractor to pay for all royalties and costs, and the State must be held harmless from any such claims.

Accept
& Initial

F. INSURANCE REQUIREMENTS PART I – MEDICAL ADMINISTRATION

The contractor shall not commence work under this contract until he or she has obtained all the insurance required hereunder and such insurance has been approved by the State. If contractor will be utilizing any subcontractors, the contractor is responsible for obtaining the certificate(s) of insurance required herein under from any and all subcontractor(s). Contractor is also responsible for ensuring subcontractor(s) maintain the insurance required until completion of the contract requirements. The contractor shall not allow any subcontractor to commence work on his or her subcontract until all similar insurance required of the subcontractor has been obtained and approved by the contractor. Approval of the insurance by the State shall not limit, relieve or decrease the liability of the contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the contractor elects to increase the mandatory deductible amount, the contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

1. WORKERS' COMPENSATION INSURANCE

The contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the contractor shall require the subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. This policy shall include a waiver of subrogation in favor of the State. The amounts of such insurance shall not be less than the limits stated hereinafter.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect contractor and any subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an occurrence basis, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury and Contractual Liability coverage. The policy shall include the State, and others as required by the Contract Documents, as an Additional Insured. This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered excess and non-contributory. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned and Hired vehicles.

3. INSURANCE COVERAGE AMOUNTS REQUIRED

a. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY

Coverage A	Statutory
Coverage B	
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

b. COMMERCIAL GENERAL LIABILITY

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 any one person
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Fire Damage	\$50,000 any one fire
Medical Payments	\$5,000 any one person

c. COMMERCIAL AUTOMOBILE LIABILITY

Bodily Injury/Property Damage	\$1,000,000 combined single limit
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d. UMBRELLA/EXCESS LIABILITY

Over Primary Insurance	\$1,000,000 per occurrence
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e. PROFESSIONAL LIABILITY: PART I – MEDICAL ADMINISTRATION

Per Claim	\$10,000,000
Aggregate	\$10,000,000

Professional Liability Insurance must cover Medical Management decisions, Professional Malpractice, and Provider Contracting.

4. EVIDENCE OF COVERAGE

The contractor should furnish the State, with their proposal response, a certificate of insurance coverage complying with the above requirements to the attention of the Buyer, Administrative Services, State Purchasing Bureau, 301 Centennial Mall S, 1st Fl, Lincoln, NE 68508 (facsimile 402-471-2089). These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration and amounts and types of coverage afforded. If the State is damaged by the failure of the contractor to maintain such insurance, then the contractor shall be responsible for all reasonable costs properly attributable thereto.

Notice of cancellation of any required insurance policy must be submitted to Administrative Services State Purchasing Bureau when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

Separate Certificates of Insurance will be required when bidding PART I – MEDICAL ADMINISTRATION and/or PART II – PHARMACY BENEFIT MANAGER.

Accept
& Initial

G. INSURANCE REQUIREMENTS PART II – PHARMACY BENEFIT MANAGER

The contractor shall not commence work under this contract until he or she has obtained all the insurance required hereunder and such insurance has been approved by the State. If contractor will be utilizing any subcontractors, the contractor is responsible for obtaining the certificate(s) of insurance required herein under from any and all subcontractor(s). Contractor is also responsible for ensuring subcontractor(s) maintain the insurance required until completion of the contract requirements. The contractor shall not allow any subcontractor to commence work on his or her subcontract until all similar insurance required of the subcontractor has been obtained and approved by the contractor. Approval of the insurance by the State shall not limit, relieve or decrease the liability of the contractor hereunder.

If by the terms of any insurance a mandatory deductible is required, or if the contractor elects to increase the mandatory deductible amount, the contractor shall be responsible for payment of the amount of the deductible in the event of a paid claim.

1. WORKERS' COMPENSATION INSURANCE

The contractor shall take out and maintain during the life of this contract the statutory Workers' Compensation and Employer's Liability Insurance for all of the contractors' employees to be engaged in work on the project under this contract and, in case any such work is sublet, the contractor shall require the subcontractor similarly to provide Worker's Compensation and Employer's Liability Insurance for all of the subcontractor's employees to be engaged in such work. This policy shall be written to meet the statutory requirements for the state in which the work is to be performed, including Occupational Disease. This policy shall include a waiver of subrogation in favor of the State. The amounts of such insurance shall not be less than the limits stated hereinafter.

2. COMMERCIAL GENERAL LIABILITY INSURANCE AND COMMERCIAL AUTOMOBILE LIABILITY INSURANCE

The contractor shall take out and maintain during the life of this contract such Commercial General Liability Insurance and Commercial Automobile Liability Insurance as shall protect contractor and any subcontractor performing work covered by this contract from claims for damages for bodily injury, including death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by the contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than limits stated hereinafter.

The Commercial General Liability Insurance shall be written on an occurrence basis, and provide Premises/Operations, Products/Completed Operations, Independent Contractors, Personal Injury and Contractual Liability coverage. The policy shall include the State, and others as required by the Contract Documents, as an Additional Insured. This policy shall be primary, and any insurance or self-insurance carried by the State shall be considered excess and non-contributory. The Commercial Automobile Liability Insurance shall be written to cover all Owned, Non-owned and Hired vehicles.

3. INSURANCE COVERAGE AMOUNTS REQUIRED

a. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY

Coverage A	Statutory
Coverage B	
Bodily Injury by Accident	\$100,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$100,000 each employee

b. COMMERCIAL GENERAL LIABILITY

General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000
Personal/Advertising Injury	\$1,000,000 any one person
Bodily Injury/Property Damage	\$1,000,000 per occurrence
Fire Damage	\$50,000 any one fire
Medical Payments	\$5,000 any one person

c. COMMERCIAL AUTOMOBILE LIABILITY

Bodily Injury/Property Damage	\$1,000,000 combined single limit
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d. UMBRELLA/EXCESS LIABILITY

Over Primary Insurance	\$1,000,000 per occurrence
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e. PROFESSIONAL LIABILITY: PART II – PHARMACY BENEFIT MANAGER

Per Claim	\$5,000,000
Aggregate	\$20,000,000

Professional Liability Insurance must cover Medical Management decisions, Professional Malpractice, and Provider Contracting.

4. EVIDENCE OF COVERAGE

The contractor should furnish the State, with their proposal response, a certificate of insurance coverage complying with the above requirements to the attention of the Buyer, Administrative Services, State Purchasing Bureau, 301 Centennial Mall S, 1st Fl, Lincoln, NE 68508 (facsimile 402-471-2089). These certificates or the cover sheet shall reference the RFP number, and the certificates shall include the name of the company, policy numbers, effective dates, dates of expiration and amounts and types of coverage afforded. If the State is damaged by the failure of the contractor to maintain such insurance, then the contractor shall be responsible for all reasonable costs properly attributable thereto.

Notice of cancellation of any required insurance policy must be submitted to Administrative Services State Purchasing Bureau when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

Separate Certificates of Insurance will be required when bidding PART I – MEDICAL ADMINISTRATION and/or PART II – PHARMACY BENEFIT MANAGER.

H. COOPERATION WITH OTHER CONTRACTORS

Accept
& Initial

The State may already have in place or choose to award supplemental contracts for work related to this Request for Proposal, or any portion thereof.

1. The State reserves the right to award the contract jointly between two or more potential contractors, if such an arrangement is in the best interest of the State.
2. The contractor shall agree to cooperate with such other contractors, and shall not commit or permit any act which may interfere with the performance of work by any other contractor.

I. INDEPENDENT CONTRACTOR

Accept
& Initial

It is agreed that nothing contained herein is intended or should be construed in any manner as creating or establishing the relationship of partners between the parties hereto. The contractor represents that it has, or will secure at its own expense, all personnel required to perform the services under the contract. The contractor's employees and other persons engaged in work or services required by the contractor under the contract shall have no contractual relationship with the State; they shall not be considered employees of the State.

All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination against the contractor, its officers or its agents) shall in no way be the responsibility of the State. The contractor will hold the State harmless from any and all such claims. Such personnel or other persons shall not require nor be entitled to any compensation, rights or benefits from the State including without limit, tenure rights, medical and hospital care, sick and vacation leave, severance pay or retirement benefits.

J. CONTRACTOR RESPONSIBILITY

Accept
& Initial

The contractor is solely responsible for fulfilling the contract, with responsibility for all services offered and products to be delivered as stated in the Request for Proposal, the contractor's proposal, and the resulting contract. The contractor shall be the sole point of contact regarding all contractual matters.

If the contractor intends to utilize any subcontractors' services, the subcontractors' level of effort, tasks and time allocation must be clearly defined in the contractor's proposal. The contractor shall agree that it will not utilize any subcontractors not specifically included in its proposal, in the performance of the contract, without the prior written authorization of the State. Following execution of the contract, the contractor shall proceed diligently with all services and shall perform such services with qualified personnel in accordance with the contract.

K. CONTRACTOR PERSONNEL

Accept
& Initial

The contractor warrants that all persons assigned to the project shall be employees of the contractor or specified subcontractors, and shall be fully qualified to perform the work required herein. Personnel employed by the contractor to fulfill the terms of the contract shall remain under the sole direction and control of the contractor. The contractor shall include a similar provision in any contract with any subcontractor selected to perform work on the project.

Personnel commitments made in the contractor's proposal shall not be changed without the prior written approval of the State. Replacement of key personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

The State reserves the right to require the contractor to reassign or remove from the project any contractor or subcontractor employee.

In respect to its employees, the contractor agrees to be responsible for the following:

1. any and all employment taxes and/or other payroll withholding;
2. any and all vehicles used by the contractor's employees, including all insurance required by state law;
3. damages incurred by contractor's employees within the scope of their duties under the contract;
4. maintaining workers' compensation and health insurance and submitting any reports on such insurance to the extent required by governing State law; and
5. determining the hours to be worked and the duties to be performed by the contractor's employees.

Notice of cancellation of any required insurance policy must be submitted to the State when issued and a new coverage binder shall be submitted immediately to ensure no break in coverage.

L. STATE OF NEBRASKA PERSONNEL RECRUITMENT PROHIBITION

Accept
& Initial

The contractor shall not, at any time, recruit or employ any State employee or agent who has worked on the Request for Proposal or project, or who had any influence on decisions affecting the Request for Proposal or project.

M. CONFLICT OF INTEREST

Accept
& Initial

By submitting a proposal, bidder certifies that there does not now exist any relationship between the bidder and any person or entity which is or gives the appearance of a conflict of interest related to this Request for Proposal or project.

The bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or appearance of conflict of interest.

The bidder certifies that it will not employ any individual known by bidder to have a conflict of interest.

N. PROPOSAL PREPARATION COSTS

Accept
& Initial

The State shall not incur any liability for any costs incurred by bidders in replying to this Request for Proposal, in the demonstrations, or oral presentations, or in any other activity related to bidding on this Request for Proposal.

O. ERRORS AND OMISSIONS

Accept
& Initial

The bidder shall not take advantage of any errors and/or omissions in this Request for Proposal or resulting contract. The bidder must promptly notify the State of any errors and/or omissions that are discovered.

P. BEGINNING OF WORK

Accept
& Initial

The bidder shall not commence any billable work until a valid contract has been fully executed by the State and the successful contractor. The contractor will be notified in writing when work may begin.

Q. ASSIGNMENT BY THE STATE

Accept
& Initial

The State shall have the right to assign or transfer the contract or any of its interests herein to any agency, board, commission, or political subdivision of the State of Nebraska. There shall be no charge to the State for any assignment hereunder.

R. ASSIGNMENT BY THE CONTRACTOR

Accept
& Initial

The contractor may not assign, voluntarily or involuntarily, the contract or any of its rights or obligations hereunder (including without limitation rights and duties of performance) to any third party, without the prior written consent of the State, which will not be unreasonably withheld.

S. DEVIATIONS FROM THE REQUEST FOR PROPOSAL

Accept
& Initial

The requirements contained in the Request for Proposal become a part of the terms and conditions of the contract resulting from this Request for Proposal. Any deviations from the Request for Proposal must be clearly defined by the bidder in its proposal and, if accepted by the State, will become part of the contract. Any specifically defined deviations must not be in conflict with the basic nature of the Request for Proposal or mandatory requirements. "Deviation", for the purposes of this RFP, means any proposed changes or alterations to either the contractual language or deliverables within the scope of this RFP. The State discourages deviations and reserves the right to reject proposed deviations.

T. GOVERNING LAW

Accept
& Initial

The contract shall be governed in all respects by the laws and statutes of the State of Nebraska. Any legal proceedings against the State of Nebraska regarding this Request for Proposal or any resultant contract shall be brought in the State of Nebraska administrative or judicial forums as defined by State law. The contractor must be in compliance with all Nebraska statutory and regulatory law.

U. ATTORNEY'S FEES

Accept
& Initial

In the event of any litigation, appeal or other legal action to enforce any provision of the contract, the contractor agrees to pay all expenses of such action, as permitted by law, including attorney's fees and costs, if the State is the prevailing party.

V. ADVERTISING

Accept
& Initial

The contractor agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its services are endorsed or preferred by the State. News releases pertaining to the project shall not be issued without prior written approval from the State.

W. STATE PROPERTY

Accept
& Initial

The contractor shall be responsible for the proper care and custody of any State-owned property which is furnished for the contractor's use during the performance of the contract. The contractor shall reimburse the State for any loss or damage of such property, normal wear and tear is expected.

X. SITE RULES AND REGULATIONS

Accept
& Initial

The contractor shall use its best efforts to ensure that its employees, agents and subcontractors comply with site rules and regulations while on State premises. If the contractor must perform on-site work outside of the daily operational hours set forth by the State, it must make arrangements with the State to ensure access to the facility and the equipment has been arranged. No additional payment will be made by the State on the basis of lack of access, unless the State fails to provide access as agreed to between the State and the contractor.

Y. NOTIFICATION

Accept
& Initial

During the bid process, all communication between the State and a bidder shall be between the bidder's representative clearly noted in its proposal and the buyer noted in Section II, A. Procuring Office and Contact Person of this RFP. After the award of the contract, all notices under the contract shall be deemed duly given upon delivery to the staff designated as the

point of contact for this Request for Proposal, in person, or upon delivery by U.S. Mail, facsimile, or e-mail. Each bidder should provide in its proposal the name, title and complete address of its designee to receive notices.

1. Except as otherwise expressly specified herein, all notices, requests or other communications shall be in writing and shall be deemed to have been given if delivered personally or mailed, by U.S. Mail, postage prepaid, return receipt requested, to the parties at their respective addresses set forth above, or at such other addresses as may be specified in writing by either of the parties. All notices, requests, or communications shall be deemed effective upon personal delivery or three (3) days following deposit in the mail.
2. Whenever the contractor encounters any difficulty which is delaying or threatens to delay its timely performance under the contract, the contractor shall immediately give notice thereof in writing to the State reciting all relevant information with respect thereto. Such notice shall not in any way constitute a basis for an extension of the delivery schedule or be construed as a waiver by the State of any of its rights or remedies to which it is entitled by law or equity or pursuant to the provisions of the contract. Failure to give such notice, however, may be grounds for denial of any request for an extension of the delivery schedule because of such delay.

Z. EARLY TERMINATION

The contract may be terminated as follows:

Accept
& Initial

1. The State and the contractor, by mutual written agreement, may terminate the contract at any time.
2. The State, in its sole discretion, may terminate the contract for any reason upon 30 days written notice to the contractor. Such termination shall not relieve the contractor of warranty or other service obligations incurred under the terms of the contract. In the event of cancellation the contractor shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.
3. The State may terminate the contract immediately for the following reasons:
 - a. if directed to do so by statute;
 - b. contractor has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c. a trustee or receiver of the contractor or of any substantial part of the contractor's assets has been appointed by a court;
 - d. fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its contractor, its employees, officers, directors or shareholders;
 - e. an involuntary proceeding has been commenced by any party against the contractor under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) days; or (ii) the contractor has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the contractor has been decreed or adjudged a debtor;
 - f. a voluntary petition has been filed by the contractor under any of the chapters of Title 11 of the United States Code;
 - g. contractor intentionally discloses confidential information;
 - h. contractor has or announces it will discontinue support of the deliverable;

- i. non-compliance with Federal and/or State Laws;
- j. second or subsequent documented "vendor performance report" form deemed acceptable by the State Purchasing Bureau; and
- k. *Applies to bidders for PART I – MEDICAL ADMINISTRATION AND PART III MEDICAL ADMINISTRATION AND PHARMACY BENEFIT MANAGER* in its sole discretion, the State may terminate the contract upon thirty days written notice to the contractor because of a termination of a participating provider or providers in the preferred provider network (PPO) which results in a projected loss of 5% or more of the in-network claims paid under the plan. The projected loss of in-network claims paid under the plan will be based upon the total in-patient, out-patient and professional services claims paid during the 12 months prior to the termination of the provider(s).
- l. *Applies to bidders for PART II PHARMACY BENEFIT MANAGER AND PART III MEDICAL ADMINISTRATION and PHARMACY BENEFIT MANAGER* in its sole discretion, the State may terminate the contract upon thirty days written notice to the contractor because either an independent contractor or any pharmacy or pharmacies associated with the PBM/contractor has discontinued service which results in greater than 20 percent reduction in the total filled prescriptions over the prior 12 months extended to state employees.

AA. FUNDING OUT CLAUSE OR LOSS OF APPROPRIATIONS

Accept
& Initial

The State may terminate the contract, in whole or in part, in the event funding is no longer available. The State's obligation to pay amounts due for fiscal years following the current fiscal year is contingent upon legislative appropriation of funds for the contract. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal years for which such funds are not appropriated. The State will give the contractor written notice thirty (30) days prior to the effective date of any termination, and advise the contractor of the location (address and room number) of any related equipment. All obligations of the State to make payments after the termination date will cease and all interest of the State in any related equipment will terminate. The contractor shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the contractor be paid for a loss of anticipated profit.

BB. BREACH BY CONTRACTOR

Accept
& Initial

The State may terminate the contract, in whole or in part, if the contractor fails to perform its obligations under the contract in a timely and proper manner. The State may, by providing a written notice of default to the contractor, allow the contractor to cure a failure or breach of contract within a period of thirty (30) days (or longer at State's discretion considering the gravity and nature of the default). Said notice shall be delivered by Certified Mail, Return Receipt Requested or in person with proof of delivery. Allowing the contractor time to cure a failure or breach of contract does not waive the State's right to immediately terminate the contract for the same or different contract breach which may occur at a different time. In case of default of the contractor, the State may contract the service from other sources and hold the contractor responsible for any excess cost occasioned thereby.

CC. ASSURANCES BEFORE BREACH

Accept
& Initial

If any document or deliverable required pursuant to the contract does not fulfill the requirements of the Request for Proposal/resulting contract, upon written notice from the State, the contractor shall deliver assurances in the form of additional contractor resources at no additional cost to the project in order to complete the deliverable, and to ensure that other project schedules will not be adversely affected.

DD. PENALTY PART II – PHARMACY BENEFIT MANAGER

Accept
& Initial

In the event that the contractor fails to perform any substantial obligation under the contract, the State may withhold all monies due and payable to the contractor, without penalty, until such failure is cured or otherwise adjudicated. Failure to meet the dates stipulated in the contract for the deliverables may result in an assessment of penalty due the State of \$1500 dollars per day, until the deliverables are approved. Contractor will be notified in writing when penalty will commence.

EE. PERFORMANCE BOND PART I – MEDICAL ADMINISTRATION

Accept
& Initial

The selected contractor will be required to supply a certified check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the certified check or bond must be an established dollar amount of \$1,000,000. The check or bond will guarantee that the selected contractor will faithfully perform all requirements, terms and conditions of the contract. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or certified check will be returned when the service has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

FF. PERFORMANCE BOND PART II – PHARMACY BENEFIT MANAGER

Accept
& Initial

The selected contractor will be required to supply a certified check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the certified check or bond must be an established dollar amount of \$500,000. The check or bond will guarantee that the selected contractor will faithfully perform all requirements, terms and conditions of the contract. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or certified check will be returned when the service has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

GG. PERFORMANCE BOND PART III – MEDICAL ADMINISTRATION and PHARMACY BENEFIT MANAGER

Accept
& Initial

The selected contractor will be required to supply a certified check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the certified check or bond must be an established dollar amount of \$1,500,000. The check or bond will guarantee that the selected contractor will faithfully perform all requirements, terms and conditions of the contract. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or certified check will be returned when the service has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.

HH. FORCE MAJEURE

Accept
& Initial

Neither party shall be liable for any costs or damages resulting from its inability to perform any of its obligations under the contract due to a natural disaster, or other similar event outside the control and not the fault of the affected party ("Force Majeure Event"). A Force Majeure Event shall not constitute a breach of the contract. The party so affected shall immediately give notice to the other party of the Force Majeure Event. The State may grant relief from performance of the contract if the contractor is prevented from performance by a Force Majeure Event. The burden of proof for the need for such relief shall rest upon the contractor. To obtain release based on a Force Majeure Event, the contractor shall file a written request for such relief with the State Purchasing Bureau. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event and will not suspend performance requirements under the contract.

II. PROHIBITION AGAINST ADVANCE PAYMENT

Accept
& Initial

Payments shall not be made until contractual deliverable(s) are received and accepted by the State.

JJ. PAYMENT

Accept
& Initial

State will render payment to contractor when the terms and conditions of the contract and specifications have been satisfactorily completed on the part of the contractor as solely determined by the State. Payment will be made by the responsible agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §81-2401 through 81-2408). The State may require the contractor to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any services provided by the contractor prior to the Effective Date, and the contractor hereby waives any claim or cause of action for any such services.

KK. INVOICES

Accept
& Initial

Invoices for payments must be submitted by the contractor to the agency requesting the services with sufficient detail to support payment and should not include Personal Health Information (PHI). The terms and conditions included in the contractor's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

LL. AUDIT REQUIREMENTS

Accept
& Initial

All contractor books, records and documents relating to work performed or monies received under the contract shall be subject to audit at any reasonable time upon the provision of reasonable notice by the State. These records shall be maintained for a period of five (5) full years from the date of final payment, or until all issues related to an audit, litigation or other action are resolved, whichever is longer. All records shall be maintained in accordance with generally accepted accounting principles.

In addition to, and in no way in limitation of any obligation in the contract, the contractor shall agree that it will be held liable for any State audit exceptions, and shall return to the State all payments made under the contract for which an exception has been taken or which has been disallowed because of such an exception. The contractor agrees to correct immediately any material weakness or condition reported to the State in the course of an audit.

MM. TAXES

The State is not required to pay taxes of any kind and assumes no such liability as a result of this solicitation. Any property tax payable on the contractor's equipment which may be installed in a state-owned facility is the responsibility of the contractor.

Accept
& Initial

NN. INSPECTION AND APPROVAL

Final inspection and approval of all work required under the contract shall be performed by the designated State officials. The State and/or its authorized representatives shall have the right to enter any premises where the contractor or subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

Accept
& Initial

OO. CHANGES IN SCOPE/CHANGE ORDERS

The State may, at any time with written notice to the contractor, make changes within the general scope of the contract. Changes in scope shall only be conducted with the written approval of the State's designee as so defined by the State from time to time. (The State retains the right to employ the services of a third party to perform any change order(s)).

Accept
& Initial

The State may, at any time work is in progress, by written order, make alterations in the terms of work as shown in the specifications, require the performance of extra work, decrease the quantity of work, or make such other changes as the State may find necessary or desirable. The contractor shall not claim forfeiture of contract by reasons of such changes by the State. Changes in work and the amount of compensation to be paid to the contractor for any extra work so ordered shall be determined in accordance with the applicable unit prices of the contractor's proposal.

Corrections of any deliverable services or performance of work required pursuant to the contract shall not be deemed a modification requiring a change order.

PP. SEVERABILITY

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

Accept
& Initial

QQ. CONFIDENTIALITY

All materials and information provided by the State or acquired by the contractor on behalf of the State shall be regarded as confidential information. All materials and information provided by the State or acquired by the contractor on behalf of the State shall be handled in accordance with Federal and State Law, and ethical standards. The contractor must ensure the confidentiality of such materials or information. Should said confidentiality be breached by a contractor; contractor shall notify the State immediately of said breach and take immediate corrective action.

Accept
& Initial

It is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable to contractors by 5 U.S.C. 552a (m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific

material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

RR. PROPRIETARY INFORMATION

Accept
& Initial

Data contained in the proposal and all documentation provided therein, become the property of the State of Nebraska and the data becomes public information upon opening the proposal. If the bidder wishes to have any information withheld from the public, such information must fall within the definition of proprietary information contained within Nebraska's public record statutes. All proprietary information the bidder wishes the State to withhold must be submitted in a sealed package, which is separate from the remainder of the proposal. The separate package must be clearly marked PROPRIETARY on the outside of the package. Bidders may not mark their entire Request for Proposal as proprietary. Bidder's cost proposals may not be marked as proprietary information. Failure of the bidder to follow the instructions for submitting proprietary and copyrighted information may result in the information being viewed by other bidders and the public. Proprietary information is defined as trade secrets, academic and scientific research work which is in progress and unpublished, and other information which if released would give advantage to business competitors and serve no public purpose (see Neb. Rev. Stat. §84-712.05(3)). In accordance with Attorney General Opinions 92068 and 97033, bidders submitting information as proprietary may be required to prove specific, named competitor(s) who would be advantaged by release of the information and the specific advantage the competitor(s) would receive. Although every effort will be made to withhold information that is properly submitted as proprietary and meets the State's definition of proprietary information, the State is under no obligation to maintain the confidentiality of proprietary information and accepts no liability for the release of such information.

SS. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION/COLLUSIVE BIDDING

Accept
& Initial

By submission of this proposal, the bidder certifies, that he or she is the party making the foregoing proposal that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and further that the bidder has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

TT. PRICES

Accept
& Initial

All prices, costs, terms and conditions outlined in the proposal shall remain fixed and valid commencing on the opening date of the proposal until an award is made (and for bidder receiving award prices shall remain as bid for the duration of the contract unless otherwise so stated in the contract) or the Request for Proposal is cancelled.

Contractor represents and warrants that all prices for services, now or subsequently specified are as low as and no higher than prices which the contractor has charged or intends to charge customers other than the State for the same or similar products and services of the same or equivalent quantity and quality for delivery or performance during the same periods of time. If, during the term of the contract, the contractor shall reduce any and/or all prices charged to any customers other than the State for the same or similar products or services specified herein, the contractor shall make an equal or equivalent reduction in corresponding prices for said specified products or services.

Contractor also represents and warrants that all prices set forth in the contract and all prices in addition, which the contractor may charge under the terms of the contract, do not and will not violate any existing federal, state or municipal law or regulations concerning price discrimination and/or price fixing. Contractor agrees to hold the State harmless from any such violation. Prices quoted shall not be subject to increase throughout the contract period unless specifically allowed by these specifications.

UU. BEST AND FINAL OFFER

Accept
& Initial

The State will compile the final scores for all parts of each proposal. The award may be granted to the highest scoring responsive and responsible bidder. Alternatively, the highest scoring bidder or bidders may be requested to submit best and final offers. If best and final offers are requested by the State and submitted by the bidder, they will be evaluated (using the stated criteria), scored and ranked by the Evaluation Committee. The award will then be granted to the highest scoring bidder. However, a bidder should provide its best offer in its original proposal. Bidders should not expect that the State will request a best and final offer.

VV. ETHICS IN PUBLIC CONTRACTING

Accept
& Initial

No bidder shall pay or offer to pay, either directly or indirectly, any fee, commission compensation, gift, gratuity, or anything of value to any State officer, legislator or employee based on the understanding that the receiving person's vote, actions or judgment will be influenced thereby. No bidder shall give any item of value to any employee of the State Purchasing Bureau.

Bidders shall be prohibited from utilizing the services of lobbyists, attorneys, political activists, or consultants to secure the contract. It is the intent of this provision to assure that the prohibition of state contact during the procurement process is not subverted through the use of lobbyists, attorneys, political activists, or consultants. It is the intent of the State that the process of evaluation of proposals and award of the contract be completed without external influence. It is not the intent of this section to prohibit bidders from seeking professional advice, for example consulting legal counsel, regarding terms and conditions of this Request for Proposal or the format or content of their proposal.

If the bidder is found to be in non-compliance with this section of the Request for Proposal, they may forfeit the contract if awarded to them or be disqualified from the selection process.

WW. INDEMNIFICATION

Accept
& Initial

1. GENERAL

The contractor agrees to defend, indemnify, hold, and save harmless the State and its employees, volunteers, agents, and its elected and appointed officials (“the indemnified parties”) from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses (“the claims”), sustained or asserted against the State, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the contractor, its employees, subcontractors, consultants, representatives, and agents, except to the extent such contractor liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. INTELLECTUAL PROPERTY

The contractor agrees it will at its sole cost and expense, defend, indemnify, and hold harmless the indemnified parties from and against any and all claims, to the extent such claims arise out of, result from, or are attributable to the actual or alleged infringement or misappropriation of any patent, copyright, trade secret, trademark, or confidential information of any third party by the contractor or its employees, subcontractors, consultants, representatives, and agents; provided, however, the State gives the contractor prompt notice in writing of the claim. The contractor may not settle any infringement claim that will affect the State’s use of the Licensed Software without the State’s prior written consent, which consent may be withheld for any reason.

If a judgment or settlement is obtained or reasonably anticipated against the State’s use of any intellectual property for which the contractor has indemnified the State, the contractor shall at the contractor’s sole cost and expense promptly modify the item or items which were determined to be infringing, acquire a license or licenses on the State’s behalf to provide the necessary rights to the State to eliminate the infringement, or provide the State with a non-infringing substitute that provides the State the same functionality. At the State’s election, the actual or anticipated judgment may be treated as a breach of warranty by the contractor, and the State may receive the remedies provided under this RFP.

3. PERSONNEL

The contractor shall, at its expense, indemnify and hold harmless the indemnified parties from and against any claim with respect to withholding taxes, worker’s compensation, employee benefits, or any other claim, demand, liability, damage, or loss of any nature relating to any of the personnel provided by the contractor.

XX. NEBRASKA TECHNOLOGY ACCESS STANDARDS

Accept
& Initial

Contractor shall review the Nebraska Technology Access Standards, found at http://www.nitc.nebraska.gov/standards/accessibility/accessibility_standards.pdf and ensure that products and/or services provided under the contract comply with the applicable standards. In the event such standards change during the contractor’s performance, the State may create an amendment to the contract to request that contract comply with the changed standard at a cost mutually acceptable to the parties.

YY. ANTITRUST

The contractor hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

Accept
& Initial

ZZ. DISASTER RECOVERY/BACK UP PLAN

The contractor shall have a disaster recovery and back-up plan, of which a copy should be provided to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue services as specified under these specifications in the event of a disaster.

Accept
& Initial

AAA. TIME IS OF THE ESSENCE

Time is of the essence in this contract. The acceptance of late performance with or without objection or reservation by the State shall not waive any rights of the State nor constitute a waiver of the requirement of timely performance of any obligations on the part of the contractor remaining to be performed.

Accept
& Initial

BBB. RECYCLING

Preference will be given to items which are manufactured or produced from recycled material or which can be readily reused or recycled after their normal use as per state statute (Neb. Rev. Stat. §81-15, 159).

Accept
& Initial

CCC. DRUG POLICY

Contractor certifies it maintains a drug free work place environment to ensure worker safety and workplace integrity. Contractor agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

Accept
& Initial

DDD. NEW EMPLOYEE WORK ELIGIBILITY STATUS

The Contractor is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal agency authorized to verify the work eligibility status of a newly hired employee.

Accept
& Initial

If the Contractor is an individual or sole proprietorship, the following applies:

1. The Contractor must complete the United States Citizenship Attestation Form, available on the Department of Administrative Services website at www.das.state.ne.us.
2. If the Contractor indicates on such attestation form that he or she is a qualified alien, the Contractor agrees to provide the US Citizenship and Immigration Services documentation required to verify the Contractor's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Contractor understands and agrees that lawful presence in the United States is required and the Contractor may be disqualified or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. §4-108.

EEE. CERTIFICATION REGARDING DEBARMENT, SUSPENSION AND INELIGIBILITY

Accept
& Initial

The contractor, by signature to this RFP, certifies that the contractor is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency from participating in transactions (debarred). The contractor also agrees to include the above requirements in any and all subcontracts into which it enters. The contractor shall immediately notify the Department if, during the term of this contract, contractor becomes debarred. The Department may immediately terminate this contract by providing contractor written notice if contractor becomes debarred during the term of this contract.

IV. PROJECT DESCRIPTION AND SCOPE OF WORK

PART I - MEDICAL ADMINISTRATION (ONLY)

PART II - PHARMACY BENEFIT MANAGER (ONLY)

PART III – MEDICAL ADMINISTRATION AND PHARMACY BENEFIT MANAGER (COMBINED)

The bidder must provide the following information in response to this Request for Proposal.

A. PROJECT OVERVIEW

The State of Nebraska (“State”) is the governing body for Nebraska. The State employs approximately 17,000 individuals and offers them comprehensive health and pharmacy benefits. The State is requesting proposals for the administration of the medical and pharmacy benefits for an initial contract period of two (2) years effective July 1, 2012 through June 30, 2014, with the option to renew for four (4) additional one (1) year periods as mutually agreed upon by all parties. The following self-insured plan designs are currently administered by Blue Cross Blue Shield of Nebraska and Express Scripts, Inc. for the medical administration and pharmacy benefit management programs, respectively:

1. Wellness PPO
2. Regular PPO
3. Blue Choice POS
4. High Deductible Health Plan (not HSA qualified)

Bidders may submit proposals for the following options:

1. PART I – MEDICAL ADMINISTRATION SERVICES ONLY
2. PART II - PHARMACY BENEFIT MANGER SERVICES ONLY
3. PART III - MEDICAL ADMINISTRATION SERVICES AND PHARMACY BENEFIT MANGER SERVICES (COMBINED)

Bidders are encouraged to submit proposals for more than one option listed above. The State will evaluate all proposal options to determine the best option that meets the State’s needs based on the best merged scores of two individual separate bidder’s from options listed above versus a single combined score from above. The Technical requirements of the RFP are identified separately in order for bidders to determine responses for each to complete. Bidders should provide separate complete proposals when bidding as an individual and/or combined.

Information about the current health plans offered to plan members is available at:

<http://www.das.state.ne.us/personnel/benefits/>

Summary Plan Descriptions for each of the plan design are available at:

http://www.das.state.ne.us/personnel/benefits/2012/index_active.html

As part of the proposal, the bidder shall provide an implementation plan detailing the implementation timeline including any implementation phases. Implementation must be completed by May 1, 2012 prior to the State’s Annual Open Enrollment period. The implementation plan(s) shall also define responsibilities assigned to the contractor and responsibilities assigned to the State. Failure to provide this information may be grounds to reject a bidder’s proposal.

Proposals for the administration of the health plans offered by the State of Nebraska must be based on these common plan designs, however, alternative plan designs may be proposed in addition to the standard plans as outlined. All such proposals must be clearly marked as a deviation in accordance with Section III (S), above, and variations in coverage levels or benefits provided must be clearly delineated. A bidder's alternative plan(s) will not be considered unless the bidder has also submitted a proposal in compliance with the current plan options for state employees.

Proposals for wellness vendors are not considered part of this RFP.

Proposals for stop loss reinsurance are not considered part of this RFP.

B. PROJECT ENVIRONMENT

Of the State's approximately 17,000 benefit eligible employees, 13,900 are enrolled in its health plan. These employees are primarily located throughout the State of Nebraska.

Medical Administration requirements, items 1 through 5 listed below are available upon written request from the point of contact listed in Section II.A.

1. Census data for active employees, COBRA participants and pre-65 retirees as of August, 2011;
2. Claim data for the most recent 24 month period ending August, 2011;
3. Enrollment data for the most recent 24 month period ending August, 2011;
4. Large loss information for the most recent 12 month period ending August, 2011;
5. Provider listing for the most recent 12 month period by inpatient, outpatient and professional services ending August, 2011.

Pharmacy Benefit Manager requirements items 1 through 2 listed below are available upon written request from the point of contact listed in Section II. A.

1. Census data for active employees, COBRA participants and pre-65 retirees as of August, 2011;
2. Claim data for the most recent 12 month period ending July 31, 2011.

Each of the two CD's prepared will contain the same information and will not be customized by bidder request. The information will be sent on a CD through U.S. mail. If FedEx or UPS is requested, please provide vendor carrier, billing number information, and the level of priority desired (i.e. Overnight, Standard). If FedEx or UPS delivery is specified, but level of priority desired is not indicated, the State will process the request as standard delivery.

Following is a table representing State employee participation in each health plan by tier and is not an exact match to the Census Data:

Plan/Tier	Wellness PPO	Regular PPO	BlueChoice POS	High Deductible Health Plan	Total
Employee Only	1,762	1,302	2,706	399	6,169
Employee/Spouse	676	560	1,565	117	2,918
Employee/Child(ren)	578	316	626	65	1,585
Family	1,068	626	1,157	128	2,979
Total	4,084	2,804	6,054	709	13,651

In 2009, the State of Nebraska initiated a wellness program for its employees. Eligibility for participation in the Wellness PPO is based achieving specific engagement requirements of the wellness program, which is managed by Health Fitness. The Wellness PPO, now in its third plan year, has grown in enrollment and now accounts for 30% of the total enrollment for the State health plans.

The network of locations that can provide medical services and prescription medications must be in areas where our employees, retirees and COBRA participants live. Bidders must evaluate the information in identifying both In-Network and Out-of-Network locations utilizing data provided by the State as requested by the bidder.

PART I - MEDICAL ADMINISTRATION

PROJECT DESCRIPTION AND SCOPE OF WORK

The State of Nebraska is also interested in bidders providing proposal responses for Medical Administration.

The bidder must provide the following information in response to this Request for Proposal.

A. PROJECT OBJECTIVES

The State has several objectives in requesting proposals. The objectives are to obtain competitive fees commensurate with specified scope of services, employee satisfaction with the plan administrator, fixed administration fees and assistance with controlling expenditures through negotiated provider reimbursement schedules and emerging provider reimbursement methodologies. The contractor shall perform the following services:

1. Provide complete administrative and support services for the medical administration described in this RFP and Part I - attachments, including:
 - a. Access to nationwide network of providers with uniform quality of care and services;
 - b. Cost effective contracting arrangements that can be demonstrated to represent direct savings to the State;
 - c. Comprehensive set of medical management services.
2. Provide complete banking arrangements for claims processing, including the printing and issuing of checks and electronic funds transfer.
3. Administer the plans in compliance with the insurance laws of the State of Nebraska.
4. Responsibility for the provision of all levels of full and fair review of claims, claim denials and appeals made by members. Determination of payment or denial of claims or of appealed claims shall be made by contractor following appropriate analysis and review. Administrative Services - State Employee Benefits may submit to contractor any request it receives for a review of a claim which has been denied, in order that contractor may provide a full and fair review of the claim and in compliance with the Patient Protection and Affordable Care Act appeals process. Administrative Services - State Employee Benefits reserves the right to uphold, overturn or modify any denied claim(s) by contractor.
5. Design communications materials as mutually agreed by the parties to be necessary to communicate the program to members and for use by the State in developing summary plan descriptions, or other program materials. Advise and assist the State in the preparation of forms and other documentation necessary to fulfill reporting and disclosure requirements.

The State is interested in understanding the current and future innovative initiatives of the bidder as described in Section IV. PART I. T. CURRENT AND FUTURE INNOVATIVE INITIATIVES.

B. SUBROGATION REQUIREMENT

Subrogation means the right to recover plan benefit payments made to a participant or a health care provider because of an injury to the participant caused by a third party's wrongful act or negligence for which the participant or health care provider later receives, or is entitled to receive, payment from the third party or the third party's insurer.

Contractor shall enforce the State's right to seek recovery based on subrogation or other theories from third parties, or other insurance carriers, who have caused injury or illness to a covered person or damages to the plan, except when said third party is the State of Nebraska. Contractor shall provide subrogation recovery service at no additional charge to the State. Contractor may engage a subcontractor to perform specialized services for recovery of funds or discovery of overpayment or fraud. If any subrogation services are subcontracted by contractor, approval of subcontractors and contract terms must be obtained from the State prior to contractor entering into an agreement with any such subcontractor(s). Such subcontractors may be reimbursed based on a reasonable basis other than percent of recovery, but cost of such subcontractors shall be the responsibility of contractor and shall not be deducted from the subrogated amount. The State agrees that contractor may settle or release claims to such recoveries and use its discretion to determine amounts recovered on behalf of the State, except to the extent that any such claims are in litigation in a court of law where the State is a party or where the State has notified the contractor in writing that it is pursuing its own interest individually. In the event that the State is a party to litigation regarding any such claims, settlement or release of such claims must be approved by the State. This authority regarding recoveries from third parties or their carriers includes participation in consolidated or class action lawsuits alleging such injuries, if authorized by the State. Any recovery from consolidated or class action suits will be apportioned among all insured and self insured plans or pools in like manner. The proration may be based on number of covered persons, number of injured persons, claims volume, or any other basis determined by contractor and approved by the State.

Recoveries made in the same plan year as the original claim payments are made, will be applied to the State's claims liability by immediate credit to the State. Recoveries made in subsequent years will be credited in total to the State's claim liability at the time recovery is made. The State agrees to cooperate with all such recovery efforts.

C. GENERAL PLAN INFORMATION

Bidders should provide the following information:

1. Organization Name
2. Primary and Secondary Contact with the following information:
 - a. Name
 - b. Title
 - c. Address
 - d. City
 - e. State
 - f. Zip
 - g. Telephone #
 - h. Fax #
 - i. E-mail Address

Should this information change during the pendency of the bid process, bidders should immediately inform the State contact listed in Section II (A) of this RFP.

D. VENDOR ACCOUNTABILITY AND PERFORMANCE GUARANTEES

1. The State will require the successful contractor to develop a mutually agreeable member satisfaction survey, conduct the survey, and collect and report respondent results on an annual basis at no additional cost to the State.
2. The State requires that 30% of the Administrator’s annual ASO Fees be placed at risk annually as a financial penalty for failure to meet the administrative performance guarantees in accordance with Part I - Attachment B, as established by the State of Nebraska. All penalties will be assessed based on these pre-established guarantees against actual State-specific performance results annually, not the bidder’s book of business. The State may at its discretion assign up to 50% of the total Administrator’s annual ASO Fees put at risk as a financial penalty to any single item annually shown in Part I - Attachment B. The State will establish the percentage assigned to each performance guarantee prior to the beginning of each plan year.

Performance guarantees categories are as follows:

- a. Implementation/Annual Open Enrollment
 - b. Claims administration
 - c. Customer service
 - d. Member satisfaction
 - e. Reporting
3. The State requires that 30% of the Administrator’s ASO Fees be placed at risk as a financial penalty for network discount guarantees provided by the bidder. The bidder shall provide the average medical provider discounts (based on allowed amounts) the bidder has under contract as the target network discount guarantee to be used as the basis for this financial penalty. All penalties will be assessed based on the State-specific annual performance results only.

E. PLAN DESIGN

Bidders shall:

1. Ensure its proposal is issued in accordance with the specifications and information, including the full Summary Plan Descriptions (SPD) of each plan offered by the State, referenced in this Request for Proposal. All deviations of your ability to administer the current plan designs and coverage provisions must be identified. The State reserves the right to modify and/or change plan designs on an annual basis at no additional cost to the State. All deviations from the plan design requirements will be scored accordingly. Contractor is required to review each plan SPD provided online at the State of Nebraska website referenced in Section IV (A) for plan design and coverage provisions.
2. Include a concise description of how this health plan covers transitional conditions, such as pregnancy, chemotherapy, etc., if a new member is receiving treatment from a non-participating provider.

3. Describe its capabilities to administer Consumer-Driven Healthcare (CDH) plan designs:
 - a. Health Savings Accounts
 - b. Health Reimbursement Accounts
 - c. Value-Based Plan Designs

F. COST INFORMATION

Bidders shall:

1. Indicate the fees on a Per Employee Per Month (PEPM) basis for an Administrative Services Only (ASO) arrangement to administer the current plan designs for the State of Nebraska as per the Excel Workbook tab included in Part I - Attachment A – Cost Proposal labeled ASO Fees. Any ancillary service relating to the administration of the health plan not specifically identified in bidder's proposal is assumed to be included in the ASO fee.
2. Indicate the fees that will apply to process Run-out claims if the contract were terminated for the State plans as per the Excel Workbook tab included in Part I - Attachment A – Cost Proposal labeled ASO Run-out Fees. The successful contractor should assume a run-out period of 12 months.
3. Contractor shall be forwarded funds for payment of outstanding claims within three (3) business days of State receipt of evidence of contractor's payment for said claims clearing contractor's account. Contractor shall not have access to State accounts for payment of claims.
4. For the self-insured plans requested, bidder agrees that the claim amount paid will be the negotiated amount. In other words, the State will pay actual negotiated amount; none of the savings will be retained by bidder's organization or shared with any other organization.
5. Bidder shall disclose in the Cost Proposal any other costs associated with the administration services provided, whether paid directly or indirectly by the State.

G. REPORTING

Bidders shall, for all items in this subsection:

1. Attach sample management and utilization report(s) that would be prepared for the State.

Items 2 through 11 are minimum reporting requirements for the State:

2. Daily Reporting
The State requires a daily reporting of claims paid in a format acceptable to meet State requirements for vendor reimbursement; such format shall be determined during contract finalization with the specified vendor(s). The following are required data fields for daily reporting and should not include Personal Health Information (PHI):
 - a. Policy/Group/Plan Number
 - b. Claim Number

- c. Payee
 - d. Provider Name
 - e. Claim Expense Incurred Date
 - f. Claim Payment Date
 - g. Claim Process Date
 - h. Claim Billed Amount
 - i. Claim Allowed Amount
 - j. Claim Paid Amount
3. Monthly reporting containing the following information:
- a. Paid claims;
 - b. Administrative/Network Fees (if applicable);
 - c. Individual claims > 50% pooling/stop loss levels;
 - d. Monthly enrollment counts;
 - e. Reconciliation of claim drafts to paid claims;
 - f. ASO reconciliation of monthly PEPM Administrative Fees.
4. Annual Reports
- a. General claim utilization reports by major line of coverage identifying:
 - i. Claims submitted;
 - ii. Claims eligible;
 - iii. Deductible and coinsurance application;
 - iv. Payment reductions due to network negotiated rates;
 - v. Reasonable and Customary cutbacks and savings;
 - vi. COB savings;
 - vii. Ineligible expenses;
 - viii. Net benefits paid by major line of coverage.
5. Consultative Reports
- a. Reports that analyze utilization of healthcare services of plan members:
 - i. Identifies opportunities for plan design or care management interventions, as described in number 16. of Section IV. Part I. X. PLAN REQUIREMENTS.
6. Claim utilization report will show separate experience for:
- a. Members
 - b. Dependents
 - c. COBRA Participants
 - d. Retirees
7. Employee contested claims separated by denial reason.
8. Claim lag report.
9. Network savings reports for each network offered.
10. Most utilized hospitals and physicians reports.

11. A year-end financial accounting for the program within 90 days of the contract anniversary date.
12. Ad Hoc Reporting Capability – both online and paper formats.
13. Describe how your reporting capabilities (other than the ones required in points 2-11 immediately above) would provide value to the State.
14. Any reports should be delivered through an encrypted, secure email system.

H. DATA ANALYTICS TOOL

Bidder shall provide a cost within the Cost Proposal, separate from the administration fee, to provide a data analytics tool to the State. If the bidder does not have the capability to provide a data analytics tool, the State will allow the bidder to subcontract this service. Minimum requirements of the data analytics tool are as follows:

1. State access to develop and run ad hoc reports on each of the plan options offered by the State;
2. Ability to import medical, pharmacy, wellness, and other third party health data;
3. Ability to identify members with gaps in care according to generally accepted disease management protocols;
4. Ability to allow the State staff to perform ad hoc queries on the data.

Describe your proposal to provide a data analytics tool to the State.

I. ADMINISTRATION - CLAIMS

1. The State requires the minimum hours for claims administration operation be from Monday through Friday, 8:00 a.m. to 6:00 p.m. Central Time. Please advise as to additional hours open beyond the core hours described above.
2. Bidder must describe their performance standards with respect to:
 - a. Implementation/Annual Open Enrollment
 - i. Adherence to implementation/annual enrollment timeline
 - ii. Readiness of claims and customer service systems
 - iii. Readiness of eligibility system
 - iv. Completion of plan documents
 - b. Claim Administration
 - i. Claim Accuracy
 - ii. Financial Accuracy
 - iii. Claims Turnaround
 - iv. Overpayment recoveries
 - c. Customer Service
 - i. Telephone call response time
 - ii. First call resolution rate
 - iii. Closure time for open inquiries
 - iv. Timeliness of web inquiries
 - v. Timeliness of resolution for grievances, complaints and appeals

d. Member Satisfaction as described in Section IV. Part I. (D) 1.

Minimum performance standards are included in Part I - Attachment B – State of Nebraska Health Insurance Performance Standards. Bidder must provide these standards measured on State specific data.

- 3.** Bidder shall provide actual performance results for the 2009 and 2010 calendar years to show comparisons for the performance standards shown in Part I - Attachment B when compared to groups similar in size to the State of Nebraska. These should be based on the claims office that will handle the State account.
- 4.** Bidder shall credit overpaid claims upon identification, not upon actual recovery of funds that were the result of bidder error.
- 5.** What percentage of claims are being received electronically in 2011 for:
 - a.** Hospital/Facility services
 - b.** Physician services
 - c.** Laboratory, Radiology, etc.
 - d.** Overall total
- 6.** Bidder shall provide auto-adjudication rate for claims received electronically in 2011 for:
 - a.** Hospital/Facility services
 - b.** Physician services
 - c.** Laboratory, Radiology, etc.
 - d.** Overall total
- 7.** Bidder shall provide quality assurance and internal audit procedures and programs. The successful contractor must provide the State with most recent SAS70 II audit report for the specific entity proposing to the State as well as an annual audit report on the State's claims.
- 8.** Bidder shall provide in detail their procedure for processing claims based on benefit exceptions of denied claims as determined by the State.
- 9.** The State requires claims history be maintained on-line for a minimum of ten (10) years. Bidder shall provide detail on how they meet and/or exceed these requirements.
- 10.** Bidder shall provide detail on how they determine usual, customary and reasonable charges for out-of-network medical, surgical and anesthesia procedures? Answer this question in specific detail by area (Nebraska, national, worldwide). How often is this data updated?
- 11.** Bidder shall provide a sample of proposed claim and Explanation of Benefits (EOB) forms with proposal.
- 12.** Upon request, contractor will provide HEDIS reports or State specific utilization data for health plans for State members.
- 13.** Bidders shall provide detailed information on how their hold-harmless provisions and network agreements are enforced with providers.

14. Bidders shall comply with State Coordination of Benefits (COB) requirements. COB questionnaires shall be sent to all members on an annual basis. No claims shall be paid until the COB questionnaire is completed and returned by the member.
15. Bidder must indicate in their annual report to the State how COB savings are calculated.
16. Bidders shall provide a detailed implementation schedule for completion of the implementation of the State's plans by May 1, 2012. Please indicate the implementation responsibilities of bidder and the State.
17. The successful contractor must be able to load, audit and insure clean eligibility data at least fifteen (15) days prior to program effective date. New cards for members must be issued ten (10) days prior to program effective date to allow such cards to be issued.
18. Bidders shall provide a list of the location(s) of your service centers that would be servicing the State's members and the corresponding geographic areas/regions covered by the respective location.
19. Bidders shall provide a description of premium or administrative fee billing procedures, including information on the timing of billing, billing-payment reconciliations and ability to provide for State self-billing.
20. Bidders shall indicate for any current plan, under what circumstances members are required to submit claim forms and bills:
 - a. In-Network
 - b. Out-of-Network
 - c. Out-of-Area
 - d. Out-of-Country
21. When customized printing is required, contractor must present a proof to the State for approval in a timely manner.
22. The successful contractor shall incur all costs for printing and distribution of:
 - a. Identification Cards (ID)
 - b. Booklets
 - c. Certificates
 - d. Summary Plan Descriptions (SPDs)
23. The contractor shall provide SPDs in an electronic format.
24. The bidder agrees that if they become the successful contractor that no external communications material that mentions the State's benefit plans may be circulated without written approval from the State.

25. In addition to the requirements under section III (LL) above, the State (or its representative(s)) shall have the right to audit claims upon reasonable advance notice. Should the State undertake said audit the contractor's materials and resources necessary for the audit shall be supplied to the State at no additional cost.
26. The State requires that claim payments to providers are reimbursed after checks or electronic transfer of funds are completed, not when they are issued.
27. The State reserves the right to accept or decline the following at no additional cost to the State:
 - a. designated service centers
 - b. designated Account Manager
 - c. designated claims processors
 - d. proposed changes to claims processing systems

J. ADMINISTRATION – BEHAVIORAL HEALTH

1. Is any aspect of the behavioral health program subcontracted?
 - a. If yes, identify the program, the subcontractor, and background on your organization's relationship with the subcontractor
 - b. Describe how plan participants access the behavioral health service through your subcontractor
2. Are specialty case managers used to manage Mental Health/Substance Abuse (MH/SA) cases?
 - a. If yes, what are their credentials
3. Does the same case manager handle the member's care through all levels of care; for example, inpatient, intermediate, and outpatient?
4. How long is a patient monitored after discharge?
5. How frequently are outpatient cases evaluated for case management?
6. Are out-of-network cases considered for case management?
7. What methods does your organization have available to ensure appropriateness of treatment (utilization and duration)?
8. Do MH/SA case managers routinely co-manage cases with medical and/or disease management case managers? Explain.
9. Will you be able to report State-specific outcomes data? If yes, please describe the type of reporting available.

K. ADMINISTRATION – CUSTOMER SERVICE

1. The State requires that the Bidder provide an Account Manager onsite or available by phone conference within two (2) hours after request by the State and at no additional cost to the State. Account Manager must be available no later than May 1, 2012.
2. The successful contractor will dedicate a Customer Service unit to the State. Where will this unit be located? A toll free number must be provided by the successful contractor and the minimum hours for customer service operation for contractor must be from Monday through Friday, 8:00 a.m. to 6:00 p.m., Central Time.
3. Bidder shall provide the appeals procedures for denied claims or authorizations and time frames that a member would follow. Appeal process may be found in Part I - Attachment C – PROCEDURE FOR FILING AN APPEAL.
4. Bidder shall provide detailed information on how it will communicate to the members. Bidder must provide with proposal sample communication materials such as certificate of coverage booklets and provider network directories.
5. Bidder shall provide detailed information on how often provider directories are updated. Both hard-copy and on-line provider directories must be made available by the successful contractor to the State of Nebraska. Bidder must provide hard-copy provider directories to current and prospective members within three business days of request.
6. Bidder shall provide detailed information on how long it will take to print and distribute benefits literature and indicate how long it will take to print and mail identification cards (ID) after receipt of correct eligibility data. During the year, ID cards must be distributed by the successful contractor within two weeks of being notified of the new or changed enrollment by the State.
7. Bidder shall provide detailed information on its procedures and time frame to prepare for annual Open Enrollment. The State will offer an annual Open Enrollment period during which time covered members may switch their plan of coverage. The successful contractor shall provide staff to assist State HR Personnel and Administrative Services – State Employee Benefits with annual Open Enrollment meetings in various locations throughout the State. The successful contractor shall have certificate books ready for distribution prior to the State's annual Open Enrollment; State will provide plan designs electronically to Contractor 30 days prior to annual Open Enrollment.
8. Bidder shall incur all costs for additional open enrollment materials, including:
 - a. Additional custom printing
 - b. Web hosting

L. ADMINISTRATION – ELIGIBILITY/MEMBERSHIP

1. Bidder must have the capability to receive electronic membership files.
2. The successful contractor must be able to accept the electronic eligibility file in place as of the effective date of this contract and any subsequent files on a regular basis.
3. The State determines eligibility for current members and all dependents (e.g., full-time students, disabled dependents, etc.). All participant and dependent additions or terminations will be processed by the State and sent to the successful contractor. The State will require successful contractor to assist with monthly membership reconciliation.
4. Bidder must provide a real-time, on-line capability for the State to add, delete, or change member status.
5. Bidders must provide the services for complete dependent eligibility audits of the dependent enrolled on employee health plans as indicated below. The bidder must identify the incremental cost to their ASO fees for providing these dependent eligibility audits for sections a, b, c and d below on a PEPM basis. If the bidder does not have the capability to perform dependent eligibility audits, the State will allow the bidder to subcontract this service with a third party. The subcontractor must have demonstrated experience in performing dependent eligibility audits for more than 5 years with companies comparable to the number of employees with the State of Nebraska.
 - a. Dependent eligibility audit of dependents added for coverage on the employee's health plan during our annual Open Enrollment period, prior to them having access to coverage July 1 of each year. The State has approximately 200 employees each year that enrolls new dependents in one of the State's health plans during each annual Open Enrollment period.
 - b. Regular dependent eligibility audits of dependents for new hires, prior to them having access to coverage in one of the State's health plans. The State currently hires approximately 1200 employees each year that enrolls in one of the State's health plans with dependents.
 - c. Regular dependent eligibility audits of dependents of employees that have life status changes prior to them having access to coverage in one of the State's health plans. The State currently processes approximately 200 employees with life status changes each year in one of the State's health plans with dependents.
 - d. Random dependent eligibility audits of dependents twice a year of employees currently enrolled in one of the State's health plans. Each random dependent eligibility audit must be performed on 5% of the employees currently enrolled in one of the State's health plans with dependents.

In addition, the bidder must provide the services for one full dependent eligibility audit of all dependents within the next four (4) years of this contract as determined by the State. The State currently has approximately 7,400 employees in one of the State's health plans with dependents. The bidder must include the cost for providing this dependent eligibility audit separate from their ASO fees. The State

reserves the right to accept or reject the option to engage with the bidder for a full dependent eligibility audit.

M. ADMINISTRATION – CONTRACT TERMINATION

1. Bidder must provide confirmation that upon contract termination all records (including the provisions of service, participant and data processing documents) shall become the property and be provided to the State of Nebraska at no additional cost to the State.
2. Bidder must provide confirmation that in the event of contract termination, all records that are the property of the State will be returned to the State within thirty (30) days.

N. ADMINISTRATION – WEB ACCESS

1. Bidder shall provide established standards for web access for Administrative Services employees managing the health plans and State of Nebraska plan members. Any material available through web access must also be made available by hard copy. Please describe in detail:
 - a. Member capabilities, including health plan information and tools available to improve health status
 - i. Request additional or replacement ID cards
 - ii. Print ID cards directly from site
 - iii. Access historical health data
 - iv. Provider directories
 - v. Provider selection where users enter search criteria
 - vi. Claim status review
 - vii. Plan design
 - viii. Ability to email member services
 - ix. Customizable health content tools
 - x. Tools available to evaluate cost and/or quality of healthcare providers
 - xi. On-line access to claim processing status and appeals by the member
 - b. Ability to customize web site for the State
 - c. Ability to hot link to the State's site
 - d. Employer/actuarial consultant inquiry capabilities
 - e. Security/privacy issues
 - f. Future plans/timeframes for enhancements

O. ADMINISTRATION – PROVIDER NETWORK

1. Bidder shall indicate whether the Geo-Access reporting has been completed using the requested parameters below. Please note geo-mapping method used.

Practice Specialty	Number of Providers Available	Miles from Employees Residence
Adult Physicians (Family Practice, General Practice, General Internal Medicine)	2	8
General Pediatricians	2	8
Obstetricians/Gynecologists	2	8
Acute Care Hospitals	1	15

2. An electronic list of providers that have treated State members within the past year is available upon request from the point of contact listed in section II (A). Bidders shall provide in electronic format a listing of whether said providers are in or out of bidder's networks by PPO plan and POS plan.

3. Network / Provider Arrangements
 - a. Bidder shall indicate whether the network proposed for the State is leased or owned or a combination.
 - b. If a combination, bidders shall indicate what percent is leased and what percent is owned.
 - c. If any portion of the network is leased, bidder shall provide the name of network lessee. As the result of this arrangement, the State will require no impact on preauthorization, quality assurance and hold harmless arrangements. Bidder shall indicate how this requirement will be met.
 - i. Bidder shall indicate how negotiated discounts for leased networks are on-line and fully integrated with their claims system
 - d. Bidder's network proposed for the State must be accredited by an organization such as NCQA, JCAHO, etc. Bidder shall indicate which accreditation was selected and give analysis on why said accreditation was selected.
 - e. Bidder must describe in detail any restrictions or exclusive requirements for any provider network included in their bid.
 - f. The successful contractor shall notify the State immediately if the network or any part thereof, loses any accreditation, licenses or liability insurance coverage, security or bonding.
 - g. Bidder shall indicate if they maintain separate provider contracts for PPO and POS networks and shall describe in detail the reasoning and methodology behind such provider contracts.
 - h. Bidder shall indicate how Centers of Excellence are utilized for high intensity procedures:
 - i. List of Centers of Excellence by procedure
 - ii. Method of referral to Centers of Excellence
 - iii. Credentialing process for Center Excellence
 - i. Bidder shall indicate ongoing provider quality monitoring activities, such as physician profiling
 - j. Bidder shall provide the average medical provider discounts (based on allowed amounts) the bidder has under contract for the list of three digit zip codes below:

Discount off allowed amounts for Physician and Hospital In-Patient and Out-Patient for the following locations.

3 Digit Zip Code	Discount off ALLOWED Charges		
	Inpatient Hospital	Outpatient Hospital	Physician
693			
692			
691			
690			
689			
688			
687			
686			
685			
684			
683			
681			
680			

3 Digit Zip Code	Discount off ALLOWED Charges		
	Inpatient Hospital	Outpatient Hospital	Physician
515			
511			

Note: Provide separate table for each proposed network, PPO or POS.

- k. Bidder shall provide the trend rates for the last five years for your PPO plans and your POS plans.
 - i. Trend is defined as the average increase in medical reimbursements by CPT codes that are reflected in your contracts with providers, not including changes in utilization among your groups.
 - l. Bidder shall provide information on average in-network participation by provider and by claims paid for 2009 and 2010 for their clients located in Nebraska.
 - m. Bidder shall indicate its capability to develop and administer a network specifically for the State based upon State-defined criteria.
4. Network / Physician
- a. Bidder shall provide the ratio of physicians to members maintained in the State of Nebraska's provider network.
 - b. Bidder must provide the ratio of participating specialists to physicians in the State of Nebraska's provider network.

- c. Bidder shall indicate if there are any medical services or specialties that are not available in bidder's physician networks in the service areas where there are plan members. Bidder shall indicate what services are not available. Bidder shall indicate what provisions are made for patients requiring these services.
- d. Bidder shall indicate how the State would be informed of the termination of a provider.
- e. Bidder shall indicate the contract period for physicians.
- f. Bidder shall indicate if physicians in their networks bid may limit the number of patients/cases that they accept. If so, bidder shall indicate how the limit is determined and what the limit is.
- g. Bidder shall indicate what percentages of physicians in your provider network bid for the State's health plan are at full capacity.

5. Network / Hospital

- a. Bidder shall indicate what criteria are used to select hospitals and other health care facilities to participate in the bidder's network.
- b. Bidder shall indicate if of the hospitals participating in any network bid are accredited by JCAHO and which are not.
- c. Bidder shall indicate what liability coverage limits the participating hospitals are required to carry.
- d. Bidder shall indicate if any hospitals or other medical facilities have been terminated or dropped from the network bid; if so, bidders shall identify hospital/medical facility and for what reason(s).
- e. Bidder shall indicate what percentage of hospitals/facilities in Nebraska are in bidder's provider network.
- f. Bidder shall indicate what provisions are made for enrolled patients when hospitals/facilities leave the bidder's provider network.
- g. In the event that any of the successful contractor's medical facilities are unable to provide service due to complete or partial destruction, labor disputes, epidemic or other causes, the successful contractor shall make a good faith effort to arrange to have the services (to which a member is entitled) provided by other facilities and providers of services. Bidder shall explain how they intend to comply with this provision.
- h. In addition to the hospitals in the bidder's provider network, bidders shall list all other types of facilities and ancillary providers available through the bidder's hospital provider network and shall indicate how each is paid.
- i. Bidder shall indicate if there are any forms of treatment that cannot be provided by bidder's hospital provider network; if so, bidders shall indicate which ones. Bidder shall indicate what arrangements are made for the provision of these necessary services.
- j. Bidder shall indicate if bidder's negotiated hospital rates are guaranteed for a period of time; if rates are guaranteed, bidder shall indicate the length of such guarantee.
- k. The State requires that when a member or dependent enrollee is admitted in one of the bidder's network facilities at the time the group contract terminates, the normal/usual discount still applies for the entire period of admittance, as if the program had not terminated. Bidder shall indicate how they intend to comply with this provision.

- I. Bidder shall indicate if they have designated facilities for specific specialty care for services such as transplants, etc. and shall describe such arrangements in detail.

P. QUALITY ASSURANCE

1. Bidder is required to have a quality assurance program in place. Bidder must provide quality assurance program in terms of any qualitative and quantitative measures used in the program.
 - a. Describe how these programs are communicated to providers within bidder's network(s).
 - b. Describe how these programs are communicated to health plan members.
2. In addition to the requirements under section III (HH) above, the State reserves the right to conduct a clinical audit of claims processing services upon reasonable advance notice. Should the State undertake said audit, the successful contractor shall supply to the State at no additional cost the necessary materials and resources necessary for the audit shall be supplied to the State at no additional cost.

Q. UTILIZATION MANAGEMENT/CASE MANAGEMENT

Bidders should include Utilization Management/Case Management programs as outlined here in their Administrative Services Only (ASO) Fee.

Utilization management is the evaluation of the appropriateness, medical need and efficiency of health care services procedures and facilities according to established criteria or guidelines and under the provisions of an applicable health benefits plan. It includes new activities or decisions based upon the analysis of a case. It describes proactive procedures, including discharge planning, concurrent planning, pre-certification and clinical case appeals. It also covers proactive processes, such as concurrent clinical reviews and peer reviews, as well as appeals introduced by the provider, payer or patient.

Case management is a managed care technique focusing on delivering personalized services to patients to improve their care. It is a method of managing the provision of health care to members with chronic medical conditions. The goal is to coordinate the care so as to both improve continuity and quality of care and lower costs.

1. Bidders shall describe their preauthorization and utilization review services in detail, including information on the following:
 - a. Location of the office providing preauthorization and utilization review services
 - b. Relationship with any subcontractors and current procedures with them to integrate data, criteria and program results
2. Identify the guidelines that are used to support utilization management/case management decisions.
 - a. Who is responsible for follow up after discharge?
 - b. Does this protocol apply to all discharges or is it limited to those with identified medical needs at discharge?
 - c. How is follow up after discharge tracked?

- d. Processes in place to assist individuals in obtaining qualified medical services at a low cost
3. Bidders shall describe their Utilization management/case management program in detail, including information on the following:
 - a. Identification of complex cases
 - b. Management of complex cases
 - c. Management of special needs cases (traumatic brain injury, co-morbid conditions, neonatal cases, etc.)
 - d. Ratio of case managers per 1,000 members
 - e. Methodology of determining ROI for reporting on direct and indirect savings related to your case management program
 4. Bidders shall describe how their predictive modeling capabilities identify at-risk members and potential interventions the State should consider.
 5. Maintain a process to include individuals in the utilization management/case management program once their paid claims exceed \$50,000.

R. DISEASE MANAGEMENT

The State does not currently utilize disease management services but is interested in understanding the bidder's capabilities. This is to be more than a managed care health service. An effective disease management program requires 'whole system' implementation with a range of activities relevant to the context, clinical professionals willing to act as partners or coaches and on-line resources which are verifiable. This is performed with knowledge sharing through centralized medical records plus knowledge building and a medical community integral to the concept of disease management. It is a population health strategy as well as an approach to personal health. It is a method of managing the provision of health care to members with high-cost medical conditions. The objective is to reduce healthcare costs and/or improve quality of life for individuals by preventing or minimizing the effects of diseases, usually a chronic condition, through knowledge, skills, enabling a sense of control over life (despite symptoms of the disease) and integrative care. Bidders should include optional pricing for Disease Management programs as outlined here in their Cost Proposal – as an incremental cost to the Administrative Services Only (ASO) Fee Schedule Part I - Attachment A – Cost Proposal. This information and corresponding costs will not be part of the scoring of this RFP. Please provide information on the following:

1. Eligibility
2. Conditions managed:
 - a. Core
 - b. Optional
3. Centralized electronic medical records.
4. Medical Community integration processes and program details
5. Education materials
 - a. Web-based
 - b. Print format

6. Identification
7. Risk Stratification
8. Process to include individuals in the disease management program once their paid claims exceed \$50,000.

S. HIPAA COMPLIANCE

The Bidder must provide and describe their capabilities in offering the State an annual HIPAA training seminar to comply with the annual education and training requirements as defined by HIPAA at no cost to the State. In addition the Bidder must provide and describe their capabilities in performing an annual review of the State's HIPAA policies and make recommendations for the State to maintain compliance with HIPAA policies and guidelines at no cost to the State.

T. CURRENT AND FUTURE INNOVATIVE INITIATIVES

The State is interested in understanding the capabilities of the bidder for current and future innovative initiatives in the industry indicated below. Describe any such initiatives currently offered to self-funded groups such as the State. Describe how these initiatives can be implemented in the States health plans and the incremental costs of the ASO fees. If any of these innovative initiatives are in development or in the planning stages for the future, provide any information available to allow the State to understand your concepts for developing each initiative. Include information on the expected implementation of such initiatives in Nebraska, when they are available to the State plans and the expected impact on program costs. Such initiatives may include, but are not limited, to the following:

1. High Performance Networks or narrow networks
2. Patient-Centered Medical Home models
3. Accountable Care Organizations
4. Telemedicine
5. Other value-added services

U. ONSITE CLINIC

The State is considering the development of an onsite clinic to deliver on-site primary care and other complementary services, including pharmacy, to State of Nebraska's active employees and COBRA participants at one location. Bidder shall indicate their capabilities to assist the State in identifying a provider partner to meet the needs of the State and provide reimbursement for the onsite clinic services through the claim administration services provided by the bidder. The State will require that utilization data of the onsite clinic be incorporated into the claim reporting system of the bidder. If the bidder does not have the capability to provide an onsite clinic, the State will allow the bidder to subcontract this service. This information and corresponding costs will not be part of the scoring of this RFP.

V. ONSITE WELLNESS FACILITY

The State is considering the development of an onsite Wellness Facility to include individual and class room exercise capabilities as well as educational programs to State of Nebraska's active employees and COBRA participants at one location. Bidder shall indicate their capabilities to assist the State in identifying a provider partner to meet the needs of the State and provided at no cost to the State through membership and other fees. If the bidder does not have the capability to provide an onsite clinic, the State will allow the bidder to subcontract this service. This information and corresponding costs will not be part of the scoring of this RFP.

W. WELLNESS PROGRAM(S)

The State is interested in learning about the bidder's ability to provide Wellness Programs to employees enrolled in one of the State's four health plans. The State has a current wellness vendor (Health Fitness Corporation) for the programs currently utilized by employees enrolled in one of our four health plans. Provide a description, capabilities, benefits and execution process of all Wellness Programs that could be made available to the State. Provide optional pricing for each of these programs that the State may exercise at its sole discretion. If the State were to elect to engage in one or more of the bidder's wellness programs, the bidder would be required to provide seamless integration for employees and any data into Health Fitness Corporation systems to track and report the progress of individuals through their systems and websites at no additional cost to the State. This information and corresponding costs will not be part of the scoring of this RFP.

X. PLAN REQUIREMENTS

Bidder shall indicate compliance with the following:

1. There will be no restrictions or benefit limitations for pre-existing conditions applied to any members or their dependents under the plan.
2. The plan will contain the birthday rule and will have group to group coordination of benefits provision. The "birthday rule" applies when two parents cover the same dependent children under two different health plans, the parent whose birthday falls earliest in the calendar year will be considered as the primary carrier for the dependent children.
3. The successful contractor shall provide services to all present members (active employees, COBRA participants, early retirees, and eligible dependents) enrolled on the program effective date.
4. Members who are not actively at work due to disablement on program effective date will be covered.
5. Bidder will provide final Summary Plan Documents (SPD's) to the State prior to the Open Enrollment period in May, 2012 and subsequent open enrollments.
6. The State will neither recognize the appointment of any agent, general agent or broker by a bidder nor authorize any payment or remuneration of any kind by the successful contractor to a party not approved in writing by the State.
7. In addition to the requirements found in section III (SS) above, the successful contractor agrees to provide and cover all costs necessary legal defense in the event of litigation.
8. The successful contractor agrees to monitor federal and state legislation affecting the delivery of medical benefits under the plan and to report to the State on those issues in a timely fashion prior to the effective date of any mandated plan changes.
9. Indicate which conversion plans are offered post-COBRA coverage; if offered, indicate the name of insuring entity.

10. Provide information on administrative and/or litigation experience during the past three (3) years, including pending cases, awards, and settlements (both in and out of court).
11. Bidder certifies that it is currently in and will maintain full compliance with HIPAA's:
 - a. administrative simplification standards relating to electronic data transfers.
 - b. regulations protecting the privacy of individually identifiable health information.
12. Bidder certifies that they will not release any information related to the State of Nebraska health plans or claims in detail or in aggregate unless authorized by the Director of Administrative Services.
13. The State currently utilizes a third party Pharmacy Benefit Manager (PBM). Bidder is required to accept data feeds from the State's PBM on a daily basis for reporting and other purposes as needed at no additional cost to the State.
14. The State requires that the Bidder provide an Account Manager onsite or available by phone conference within two (2) hours after a request by the State and at no additional cost to the State. Account Manager must be available no later than May 1, 2012.
16. The successful contractor shall be an advocate for the State to identify cost saving measures. In the proposal response, the bidder shall describe past successes to achieve cost savings related to the management of the plan design. The bidder should also describe methods for finding cost savings, while at the same time maintaining a good working relationship with the State and PBM and quality of the medical administration program by performing the services as indicated in this RFP. These measures will be approved by the State prior to being undertaken.
 - a. Bidder's proposal must include a current comparison to other state and large employers based on the claims data provided and current prescription programs in place at the State. This comparison should include but not be limited to the bidder's suggestions for modifications to existing programs, the addition of new programs and or recommendations for changes in the State's policies on how to improve the State's performance and specific methods to reduce costs.
 - b. The successful contractor must perform a semi-annual, and/or as requested, Comparison Analysis and Strategic review. This analysis and plan should include, but not be limited to, identifying how the State of Nebraska's expenses and policies compare to other states, large employers, and the bidder's innovative concepts for modifications to existing programs, the addition of new programs and or recommendations for changes in the State's policies on how to improve the State's performance and specific methods to reduce costs.
15. Participate in an Annual Vendor Summit to discuss strategic opportunities for the States overall health management program.
16. Participate in the State's annual health fair. The State requires the Administrator to participate in the planning and execution of the annual health fair, assist in

securing ten or more other health fair participants and sponsors, and provide a staffed booth at the annual health fair. The bidder should anticipate underwriting the health fair up to \$3,000 per year.

17. Provide guidance and written documentation within thirty (30) days upon request regarding the Patient Protection and Affordable Care Act and any future issues relating to health care reform including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as they pertain to the State of Nebraska's experience.
18. The successful contractor will provide data feeds to the State's vendor partners, such as their wellness vendor, as requested. The cost for providing data feeds must be included in the bidder's administrative fees.

Y. OTHER INFORMATION

1. Bidder shall provide a copy of a Suggested Employer Contract with a statement that the sample includes all exclusions and limitations that will apply to a policy issued to the State.
2. Bidder shall provide a copy of the bidder's most recent annual report.
3. Bidder shall provide three references of similar size and industry in the network locations that will be serving most of the State's members.
 - a. Reference Information
 - b. Company Name
 - c. Contact Person
 - d. Title
 - e. Telephone #
 - f. Fax #
 - g. E-mail Address
 - h. Network Name
 - i. PPO, POS and other plan types Members Enrolled
4. Bidder must be willing to participate with wellness activities as determined by the State. Such activities may include working with a State wellness coordinator, contributing to a State wellness committee, or to provide wellness resources at no additional cost.
5. Indicate the most recent Financial Rating, Financial Rating Modifiers and the Financial Rating Effective Date you have received by the following organizations. Indicate all changes that have occurred in the last 12 months for each of these ratings.
 - a. A.M.Best
 - b. Standard and Poors
 - c. Moody's
 - d. Fitch

6. Winning bidder(s) must sign the contract with the State within 30 days of posting the intent to award; should said bidder(s) fail to sign within the identified time frame the State reserves the right to withdraw the intent and post intent to award to the next qualified highest scoring bidder(s).

PART II – PHARMACY BENEFIT MANAGER

PROJECT DESCRIPTION AND SCOPE OF WORK

The State of Nebraska is also interested in bidders providing proposal responses for Pharmacy Benefit Management.

The bidder must provide the following information in response to this Request for Proposal.

A. PROJECT OBJECTIVES

The State has several objectives in requesting proposals. The objectives are to obtain competitive rates and fees commensurate with desired service requirements, employee satisfaction with offered plans, fixed administration fees and assistance with controlling expenditures. The contractor shall perform the following services.

1. Provide complete administrative and support services for a pharmacy benefits manager described in this Section IV Part II of the RFP and Part II - attachments.
2. Administer the plans in compliance with the insurance laws of the State of Nebraska.
3. Responsibility for the provision of all levels of full and fair review of claims, claim denials and appeals made by members. Determination of payment or denial of claims or of appealed claims shall be made by contractor following appropriate analysis and review. Administrative Services - State Employee Benefits may submit to contractor any request it receives for a review of a claim which has been denied, in order that contractor may provide a full and fair review of the claim and in compliance with the Patient Protection and Affordable Care Act appeals process. Administrative Services - State Employee Benefits reserves the right to uphold, overturn or modify any denied claim(s) by contractor.
4. Design communications materials as mutually agreed by the parties to be necessary to communicate the program to members and for use by the State in developing summary plan descriptions, or other program materials. Advise and assist the State in the preparation of forms and other documentation necessary to fulfill reporting and disclosure requirements.
5. Provide reports and claim analyses that meet the needs of the State including, but not limited to:
 - a. Key Performance Indicators developed by the State
 - b. Ad Hoc reports
 - c. Benchmarking against peer state clients of the PBM
6. Provide information about emerging trends in the PBM industry and how they may be applied to the State's pharmacy benefits within the constraints of the State's ability to change plan design and employee contribution structures.
7. Participate in an Annual Vendor Summit to discuss strategic opportunities for the States overall health management program.

8. Participate in the State's annual health fair. The State is interested in having their PBM provide a manned booth at the annual health fair.
9. Provide guidance and written documentation within thirty (30) days upon request on the Patient Protection and Affordable Care Act and any future issues as related to health care reform including but not limited to data comparison, analytics, strategic development, timelines, compliance, impact studies and implementation as they pertain to the State of Nebraska's experience.
10. The successful contractor shall be an advocate for the State to identify cost saving measures. In the proposal response, the bidder shall describe past successes to achieve cost savings related to the management of the plan design. The bidder should also describe methods for finding cost savings, while at the same time maintaining a good working relationship with the State and medical administrator and quality of the pharmacy benefit program by performing the services as indicated in this RFP. These measures will be approved by the State prior to being undertaken.
 - a. Bidder's proposal must include a current comparison to other state and large employers based on the claims data provided and current prescription programs in place at the State. This comparison should include but not be limited to the bidder's suggestions for modifications to existing programs, the addition of new programs and or recommendations for changes in the State's policies on how to improve the State's performance and specific methods to reduce costs.
 - b. The successful bidder must perform a semi-annual, and/or as requested, Comparison Analysis and Strategic review. This analysis and plan should include, but not be limited to, identifying how the State of Nebraska's expenses and policies compare to other states, large employers, and the bidder's innovative concepts for modifications to existing programs, the addition of new programs and or recommendations for changes in the State's policies on how to improve the State's performance and specific methods to reduce costs.
11. Bidders should provide samples of all reports requested and any additional reports that would allow the State to better evaluate your capabilities.
12. The State is considering a Medication Therapy Management (MTM) program for our employees. Bidders should provide information about their MTM program that would allow the State to understand the manner in which you feel it would work for the State. The State does not intend to implement an MTM program with this contract but may in the future. Please provide optional pricing for implementing an MTM program as a separate item as this will not be included in the evaluation.
13. The State requires the successful bidder to be available to attend meeting and events at the State when requested at no additional cost to the State. These session may include but not be limited to:
 - a. Face to Face meeting with staff and executives
 - b. Participation in a State sponsored Health Fair
 - c. Open Enrollment meeting

14. The successful bidder will provide data feeds to the State's vendor partners, such as their wellness vendor, as requested. The cost for providing data feeds must be included in the bidders administrative fees.
15. Bidders should disclose any limits on the number of days supply that can be filled through the bidder's mail order facilities, such as controlled substances.

B. TECHNICAL REQUIREMENTS

Bidders must complete all tabs listed below within the workbook:

1. Part II - Attachment A: Questionnaire and Pricing Workbook
 - a. A - Questionnaire
 - b. B - Explanation
 - c. C - Organization Changes
 - d. D - Plan Design
 - e. E - Experience Data
 - f. F - RX-Pricing, Transparent
 - g. G - Specialty Drugs
 - h. H - Network Access
 - i. I - Account Management Plan

Additional plan design detail, utilization summary and plan structure information can be found in Part II - Attachment B – State of Nebraska Rx Plan Design and Plan Structure Data.

The State requires a Transparent Pricing model from their PBM

2. ADDITIONAL INFORMATION

- a. All call centers utilized by the bidder for support of their services for the State shall be located within the contiguous 48 States.
- b. The State will utilize the formulary list provided by the current PBM. The State does not require a custom formulary list.
- c. The pre-implementation audit performed in December of 2008 was completed at a cost of \$45,000.
- d. The State will not be able to provide monthly enrollment numbers or the monthly paid claim amounts for the last three years
- e. All the records provided in the Census data file have zip codes which are included. We have provided 9 digits zip codes if they were available.
- f. The State allows both Union and non-Union employees to be enrolled in one of the four (4) State health plans.
- g. The current PBM administration fee is \$5.95 PEPM
- h. The State has designed its pharmacy plan benefits to minimize the use of manufacturers coupons or savings cards. The State also has many step therapy programs in place that are referenced in Part II - Attachment B.
- i. Therapeutic Class MACs: Where you apply a single generic MAC price for all drugs in the class. For example, you may decide to only pay for omeprazole 20mg, and apply that amount to all drugs in the class, with the member paying the difference. This question is in the RFP to understand if your system is capable of supporting this design should the State consider such a benefit. At this time, the State is not considering this type of benefit.

- j.** The State is not requesting the PBM to assist in pricing “Buy and Bill” drugs at this time.
- k.** The State does not provide ingredient cost or dispensing fee information. AWP information is included in the claim file.
- l.** Zero Balance Claims are claims that have been adjudicated with a “Lower of Usual and Customary Cost or Copay” logic where the plan pays nothing. We are not allowing this “lower of” logic. Instead, this RFP is asking that claims adjudicate with “Lowest of U&C, Copay or Calculated Amount”, so the member will pay the lowest of the three, resulting in additional savings to the member.
- m.** The RFP is looking for a guarantee across all generics. In the above example, should that occur in real life, we are looking for the overall generic discount guarantee of 70%.
- n.** The State does not have post-65 retirees. The MTM program would be considered for pre-65 retirees.
- o.** The State is not looking for vendors to provide Medicare MTM programs other than to answer Medicare Part B and Part D sections of the PBM questionnaire.
- p.** The State is not looking for other retail network options other than the broadest retail network at this time. The State is interested in the capabilities of the PBM to develop narrow networks.
- q.** We expect to see better discounts at mail than retail, as that’s where the marketplace is. We also expect that if a MAC price is implemented, that the same MAC price or better be applied at mail than retail.
- r.** The State does not use a custom formulary.
- s.** The guarantees are component based, i.e. retail brand discount, retail generic discount, retail brand dispensing fee, retail generic dispensing fee, mail brand discount, mail generic discount, mail brand dispensing fee, mail generic dispensing fee, specialty brand discount, specialty dispensing fee, retail rebates and mail rebates.

PART III – MEDICAL ADMINISTRATION AND PHARMACY BENEFIT MANAGER

PROJECT DESCRIPTION AND SCOPE OF WORK

The State of Nebraska is also interested in bidders providing proposal responses for combining Medical Administration and Pharmacy Benefit Management. Bidders submitting proposals for PART III must meet the requirements outlined in Part I – Medical Administration and Part II Pharmacy Benefit Manager, including all attachments, as well as the following requirements:

The bidder must provide the following information in response to this Request for Proposal.

A. PROJECT OBJECTIVES

The State has several objectives in requesting proposals under an approach for a combined medical and PBM under the same contract. The objectives are to obtain competitive fees commensurate with specified scope of services, employee satisfaction with the plan administrator, fixed administration fees and assistance with controlling expenditures through negotiated provider reimbursement schedules and emerging provider reimbursement methodologies. The State anticipates that by having the medical and PBM under the same provider contract, there are efficiencies for claims processing, claims analysis with additional oversight for fraud, waste and abuse. In addition this should result in more efficient support for both the state and employees with a single point of contact.

V. PROPOSAL INSTRUCTIONS

This section documents the mandatory requirements that must be met by bidders in preparing the Technical and Cost Proposal. Bidders should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals; failure to do so may result in disqualification. Failure to respond to a specific requirement may be the basis for elimination from consideration during the State's comparative evaluation.

Proposals are due by the date and time shown in the Schedule of Events. Content requirements for the Technical and Cost Proposal are presented separately in the following subdivisions:

A. TECHNICAL PROPOSAL

The Technical Proposal shall consist of four (4) sections:

1. SIGNED "State of Nebraska Request For Proposal For Contractual Services" form;
2. Executive Summary;
3. Corporate Overview; and
4. Technical Approach along with the following documents:
Part II - Attachment A: Questionnaire and Pricing Workbook
 - a. A - Questionnaire
 - b. B - Explanation
 - c. C - Organization Changes
 - d. D - Plan Design
 - e. E - Experience Data
 - f. F - RX-Pricing, Transparent
 - g. G - Specialty Drugs
 - h. H - Network Access
 - i. I - Account Management Plan

1. REQUEST FOR PROPOSAL FORM

By signing the "Request For Proposal For Contractual Services" form, the bidder guarantees compliance with the provisions stated in this Request for Proposal, agrees to the Terms and Conditions stated in this Request for Proposal and certifies bidder maintains a drug free work place environment.

The Request For Proposal For Contractual Services form must be signed in ink and returned by the stated date and time in order to be considered for an award.

2. EXECUTIVE SUMMARY

The Executive Summary shall condense and highlight the contents of the solution being proposed by the bidder in such a way as to provide the Evaluation Committee with a broad understanding of the Contractor's Technical Proposal.

Bidders must present their understanding of the problems being addressed by implementing a new system, the objectives and intended results of the project, and the scope of work. Bidders shall summarize how their Technical Proposal meets the requirements of the Request for Proposal, and why they are best qualified to perform the work required herein.

3. CORPORATE OVERVIEW

The Corporate Overview section of the Technical Proposal must consist of the following subdivisions:

a. BIDDER IDENTIFICATION AND INFORMATION

The bidder must provide the full company or corporate name, address of the company's headquarters, entity organization (corporation, partnership, proprietorship), state in which the bidder is incorporated or otherwise organized to do business, year in which the bidder first organized to do business, whether the name and form of organization has changed since first organized, and Federal Employer Identification Number and/or Social Security Number. Dunn & Bradstreet, Inc. number (if known).

b. FINANCIAL STATEMENTS

The bidder must provide financial statements applicable to the firm. If publicly held, the bidder must provide a copy of the corporation's most recent audited financial reports and statements, and the name, address and telephone number of the fiscally responsible representative of the bidder's financial or banking organization.

If the bidder is not a publicly held corporation, either the reports and statements required of a publicly held corporation, or a description of the organization, including size, longevity, client base, areas of specialization and expertise, and any other pertinent information must be submitted in such a manner that proposal evaluators may reasonably formulate a determination about the stability and financial strength of the organization. Additionally, a non-publicly held firm must provide a banking reference.

The bidder must disclose any and all judgments, pending or expected litigation, or other real or potential financial reversals, which might materially affect the viability or stability of the organization, or state that no such condition is known to exist.

c. CHANGE OF OWNERSHIP

If any change in ownership or control of the company is anticipated during the twelve (12) months following the proposal due date, the bidder must describe the circumstances of such change and indicate when the change will likely occur. Any change of ownership to an awarded vendor(s) will require notification to the State.

d. OFFICE LOCATION

The bidder's office location responsible for performance pursuant to an award of a contract with the State of Nebraska must be identified.

e. RELATIONSHIPS WITH THE STATE

The bidder shall describe any dealings with the State over the previous twelve (12) months. If the organization, its predecessor, or any party named in the bidder's proposal response has contracted with the State, the bidder shall identify the contract number(s) and/or any other information available to identify such contract(s). If no such contracts exist, so declare.

f. BIDDER'S EMPLOYEE RELATIONS TO STATE

If any party named in the bidder's proposal response is or was an employee of the State within the past twelve (12) months, identify the individual(s) by name, State agency with whom employed, job title or position held with the State, and separation date. If no such relationship exists or has existed, so declare.

If any employee of any agency of the State of Nebraska is employed by the bidder or is a subcontractor to the bidder, as of the due date for proposal submission, identify all such persons by name, position held with the bidder, and position held with the State (including job title and agency). Describe the responsibilities of such persons within the proposing organization. If, after review of this information by the State, it is determined that a conflict of interest exists or may exist, the bidder may be disqualified from further consideration in this proposal. If no such relationship exists, so declare.

g. CONTRACT PERFORMANCE

If the bidder or any proposed subcontractor has had a contract terminated for default during the past three (3) years, all such instances must be described as required below. Termination for default is defined as a notice to stop performance delivery due to the bidder's non-performance or poor performance, and the issue was either not litigated due to inaction on the part of the bidder or litigated and such litigation determined the bidder to be in default.

It is mandatory that the bidder submit full details of all termination for default experienced during the past three (3) years, including the other party's name, address and telephone number. The response to this section must present the bidder's position on the matter. The State will evaluate the facts and will score the bidder's proposal accordingly. If no such termination for default has been experienced by the bidder in the past three (3) years, so declare.

If at any time during the past three (3) years, the bidder has had a contract terminated for convenience, non-performance, non-allocation of funds, or any other reason, describe fully all circumstances surrounding such termination, including the name and address of the other contracting party.

h. SUMMARY OF BIDDER'S CORPORATE EXPERIENCE

The bidder shall provide a summary matrix listing the bidder's previous projects similar to this Request for Proposal in size, scope and complexity. The State will use no more than three (3) narrative project descriptions submitted by the bidder during its evaluation of the proposal.

The bidder must address the following:

- i. Bidder must provide narrative descriptions to highlight the similarities between their experience and this Request for Proposal. These descriptions must include:

- a) the time period of the project;
- b) the scheduled and actual completion dates;
- c) the contractor's responsibilities;
- d) for reference purposes, a customer name (including the name of a contact person, a current telephone number, a facsimile number and e-mail address); and
- e) each project description shall identify whether the work was performed as the prime contractor or as a subcontractor. If a bidder performed as the prime contractor, the description must provide the originally scheduled completion date and budget, as well as the actual (or currently planned) completion date and actual (or currently planned) budget.

ii. Contractor and subcontractor(s) experience must be listed separately. Narrative descriptions submitted for subcontractors must be specifically identified as subcontractor projects.

iii. If the work was performed as a subcontractor, the narrative description shall identify the same information as requested for the contractors above. In addition, subcontractors shall identify what share of contract costs, project responsibilities, and time period were performed as a subcontractor.

- a) Is this an exclusive relationship?
- b) Effective date of Subcontract?

i. SUMMARY OF BIDDER'S PROPOSED PERSONNEL/MANAGEMENT APPROACH

The bidder must present a detailed description of its proposed approach to the management of the project.

The bidder must identify the specific professionals who will work on the State's project if their company is awarded the contract resulting from this Request for Proposal. The names and titles of the team proposed for assignment to the State project shall be identified in full, with a description of the team leadership, interface and support functions, and reporting relationships. The primary work assigned to each person should also be identified. The team shall include, but not be limited, to the following roles:

- i. Overall Account Executive
- ii. Account Manager
- iii. Designated alternate Account Manager*
- iv. Implementation Coordinator
- v. Lead Client Services Representative
- vi. Primary Eligibility Representative
- vii. Primary Customer Service Contact
- viii. Data Management Contact

*Designated alternate Account Manager would be expected to be familiar with all aspects of the State's business as it relates to the State's Health Plan. The Designated alternate Account Manager is not subject to the location requirements, but must be available via a conference call.

The bidder shall provide resumes for all personnel proposed by the bidder to work on the project. The State will consider the resumes as a key indicator of the bidder's understanding of the skill mixes required to carry out the requirements of the Request for Proposal in addition to assessing the experience of specific individuals.

Resumes must not be longer than three (3) pages. Resumes shall include, at a minimum, academic background and degrees, professional certifications, understanding of the process, and at least three (3) references (name, address, and telephone number) who can attest to the competence and skill level of the individual. Any changes in proposed personnel shall only be implemented after written approval from the State.

j. SUBCONTRACTORS

If the bidder intends to subcontract any part of its performance hereunder, the bidder must provide:

- i.** name, address and telephone number of the subcontractor(s);
- ii.** specific tasks for each subcontractor(s);
- iii.** percentage of performance hours intended for each subcontract; and
- iv.** total percentage of subcontractor(s) performance hours.
- v.** advise if exclusive relationship for each subcontractor; and
- vi.** Indicate effective date and expiration date of each Subcontract agreement.

Reference Exhibit One for examples of subcontracted or outsourced services.

4. TECHNICAL APPROACH

The technical approach section of the Technical Proposal must consist of the following subsections:

- a.** understanding of the project requirements;
- b.** proposed development approach;
- c.** technical considerations;
- d.** detailed project work plan; and
- e.** deliverables and due dates.

B. COST PROPOSAL REQUIREMENTS

This section describes the requirements to be addressed by bidders in preparing the Cost Proposal. The bidder must submit the Cost Proposal in a section of the proposal that is a separate section or is packaged separately as specified in this RFP from the Technical Proposal section.

The component costs of the fixed price proposal for providing the services set forth in the Request for Proposal must be provided by submitting forms substantially equivalent to those described below.

1. PRICING SUMMARY

This summary shall present the total fixed price to perform all of the requirements of the Request for Proposal. The bidder must include details in the Cost Proposal supporting any and all costs. These details must include, at a minimum, detailed descriptions and/or specifications of the goods and/or services to be provided, quantities, and timing and unit costs, if applicable.

The State reserves the right to review all aspects of the Cost Proposal for reasonableness and to request clarification of any proposal where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.

C. PAYMENT SCHEDULE

The payment schedule for the project is tied to specific dates and deliverables. Invoices may be submitted by the contractor on specific dates based on the completion and acceptance of related deliverables. No invoice will be approved unless the associated deliverables have been approved. It is the State's policy to pay invoices on a net 45 day basis.

1. ASO Fees

Administrative Services Only (ASO) fees are required to be invoiced separately and only after deliverables are received, meaning that administrative services must be billed after performance of the services, not in advance of provision of the services. The State's payment terms are outlined in Section III (JJ & KK) of this RFP.

2. Payment of Medical Claims

Payment for Medical Claims shall be made as outlined in Section IV PART I – MEDICAL ADMINISTRATION (I) 26. of this RFP.

3. Payment of Prescription Claims

Payment for Paid Prescription Claims shall be made as outlined in "A-Questionnaire" of Part II - Attachment A: Questionnaire and Pricing Workbook.

4. Payment Terms Discounts

Please provide any discounts offered to the State if payment terms are available. The State reserves the right to accept or decline these other available payment options at its sole discretion.

Form A

Bidder Contact Sheet

Request for Proposal Number 3822Z1

Form A should be completed and submitted with each response to this Request for Proposal. This is intended to provide the State with information on the bidder's name and address, and the specific person(s) who are responsible for preparation of the bidder's response.

Preparation of Response Contact Information	
Bidder Name:	
Bidder Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

Each bidder shall also designate a specific contact person who will be responsible for responding to the State if any clarifications of the bidder's response should become necessary. This will also be the person who the State contacts to set up a presentation/demonstration, if required.

Communication with the State Contact Information	
Bidder Name:	
Bidder Address:	
Contact Person & Title:	
E-mail Address:	
Telephone Number (Office):	
Telephone Number (Cellular):	
Fax Number:	

Part I - Attachment B

State of Nebraska Health Insurance Performance Standards

RFP Number 3822Z1

<i>Measure Category</i>	<i>Measurement Criteria</i>
Implementation/Annual Enrollment	
Adherence to implementation timeline	Complete and timely adherence to measurement
Readiness of claims and customer service systems	Complete and timely adherence to measurement
Readiness of eligibility system	Complete and timely adherence to measurement
Completion of plan documents	Complete and timely adherence to measurement
Claims Administration	
Claims accuracy	97.5% of claims processed without payment errors
Financial accuracy	99.35% of claims processed without dollar errors
Turnaround time for claims	93% of claims paid within 15 business days 99% of claims paid within 30 days
Overpayment recoveries	85% recovery in 120 days
Customer Service	
Telephone call response time	85% of all calls answered within 30 seconds
First call resolution rate	95% resolved upon initial contact
Closure time for open inquiries	90% within 48 hours and 95% within 5 business days
Timeliness of web inquiries	90% within 24 hours
Timeliness of resolution for grievances, complaints and appeals	100% resolved within 30 calendar days
Member Satisfaction	
Member survey results	Executed and completed within the 3rd quarter of each plan year
Reporting	
Reporting	Completed with submission of accurate reports as follows: <ul style="list-style-type: none"> • Daily Reporting - By noon the following business day • Weekly Reporting - By end of day of the first business day of the following week • Monthly Reporting - By the 10th business day of the following month • Quarterly Reporting - By the 15th business day of the next month following the end of the quarter • Semi-Annual Reporting - By the end of the first full month following the end of the reporting period • Annual - Reporting - Within 45 business days of the end of the reporting period

Provider Networks	
Provider Discount Savings	The bidder shall provide the average medical provider discounts (based on allowed amounts) the bidder has under contract as the target network discount guarantee to be used as the basis for this financial penalty.

Part I - Attachment C
Procedure For Filing An Appeal
RFP Number 3822Z1

PROCEDURE FOR FILING AN APPEAL

A Covered Person or a person acting on his/her behalf (the "claimant") is entitled to an opportunity to appeal Adverse Benefit Determinations (initial or final). The process for such appeals is outlined below.

1. First Level Appeal:

a. Requesting an Appeal: A request for a first level appeal must be submitted by the claimant within six (6) months of the date the claim was processed, or Adverse Benefit Determination was made. The request should include the following information:

- 1) state that it is a request for an appeal;
- 2) the name and relationship of the person submitting the appeal;
- 3) the reason for the appeal;
- 4) any information that might help resolve the issue;
- 5) the date of service/claim; and
- 6) if possible, a copy of the Explanation of Benefits (EOB).

This information should be submitted to BCBSNE at the address and telephone number listed on the Covered Person's ID card.

b. Decision: If the Adverse Benefit Determination was based on a medical judgment, including a Medical Necessity or Investigative determination, BCBSNE will consult with health care professionals with appropriate training and experience in the field of medicine involved in the medical judgment, to make the appeal determination. Identification of the medical personnel consulted, if any, will be provided to the claimant upon written request. The appeal determination will be made by individuals who were not involved in the original determination. Written notification of the decision will be provided to the claimant:

- 1) for Preservice Claims (other than Urgent Care), within 15 calendar days after receipt; or
- 2) for Postservice Claims, within 30 calendar days after receipt.

c. Expedited Appeal: In the case of an Urgent Care Claim, an expedited appeal may be requested orally or in writing. All information, including the decision, will be submitted by telephone, facsimile or the most expeditious method available.

BCBSNE will make a decision and notify the claimant within 72 hours after the appeal is received. Written notification will be sent within the 72-hour period.

Concurrent Care: A request for an expedited appeal of a concurrent care denial must be made within 24 hours of the denial. If requested within this time period, coverage will continue for the health care services pending notification of the review decision, as may be required by law. The decision timeframe will be the same as for other expedited appeals.

2. Second Level Appeal:

a. Request: If the claimant is not satisfied with the first level determination, he/she has sixty (60) days from the receipt of determination of the first level appeal to submit a written request for a second level appeal. The letter requesting the appeal must be submitted to BCBSNE's Appeals Unit at the address listed on the Covered Person's Identification Card.

b. **Review:** The Covered Person and/or his representative may appear in person to present the case before an appeal committee (panel) appointed by BCBSNE. Supporting material may be submitted both before and at the review.

The majority of the panel will be health care professionals with appropriate expertise when reviewing appeals requiring a medical judgment. Deference will not be given to either the initial Adverse Benefit Determination or the first level appeal decision. The review and decision will be made by individuals who were not involved in the original determination(s).

c. **Decision:** Written notification of the decision will be made:

- 1) for Preservice Claims, within 15 calendar days after receipt; and
- 2) for Postservice Claims, within 30 calendar days after receipt.

d. The decision made pursuant to the second level appeal shall be considered a Final Internal Adverse Benefit Determination.

3. **Rights to Documentation:** A claimant shall have the right to have access to, and request copies of the documentation relevant to the claim and Adverse Benefit Determination(s), including any new evidence or rationale considered or relied upon in connection with the claim on review.

The claimant may submit additional comments, documents or records relating to the claim for consideration during the appeal process.

4. **Request for External Review:**

a. **Standard Review:** The claimant may request that a Final Internal Adverse Benefit Determination be reviewed by an Independent Review Organization (IRO). The claimant must have exhausted all levels of internal appeal review prior to a request for External Review. The request must be submitted in writing within four (4) months after the date of receipt of a notice of a Final Internal Adverse Benefit Determination.

An Adverse Benefit Determination based upon an individual's eligibility for coverage or to participate in a plan is not eligible for External Review as described in this section.

The request for an External Review may be submitted electronically, by facsimile, or U.S. mail, as stated on the Final Internal Adverse Benefit Determination notice (letter).
[Request may be e-mailed to DisputedClaim@opm.gov; Fax to 202-606-0036; Mail to P.O. Box 791, Washington, D.C. 20044]

Upon receipt of a request for an External Review, the IRO and/or BCBSNE shall review the request to determine if it is complete and whether it is eligible for External Review. If it is determined that the request is not complete, or is not eligible for External Review, the claimant will be notified of the reason for ineligibility, or advised of the information needed to make the request complete.

If the request is eligible for External Review, all documentation and information considered in making the initial Adverse or Final Adverse Benefit Determination, including a summary of the claim and explanation for the determination, will be forwarded by BCBSNE to the IRO. The claimant will be allowed an opportunity to submit additional information for

consideration by the IRO. The IRO will provide BCBSNE with any information submitted by the claimant, to allow BCBSNE an opportunity to reconsider its original determination.

The IRO shall complete its review and provide the claimant written notification of its decision within 45 days of receipt of the request for review. No deference shall be given to the prior determinations made by BCBSNE pursuant to the internal appeal process.

b. Expedited External Review: An expedited External Review may be requested at the same time a claimant requests an expedited internal first level appeal (1.c., above) of an Adverse Benefit Determination of an Urgent Care Claim. However, unless otherwise waived by BCBSNE, the claimant must first exhaust the internal appeal process.

An expedited External Review may also be requested following a Final Internal Adverse Benefit Determination, if the claimant has a medical condition where the timeframe for completion of a standard External Review, as described in paragraph 4.a., above, would seriously jeopardize the life or health of the claimant or would jeopardize the claimant's ability to regain maximum function, or if the Final Internal Adverse Benefit Determination concerns an admission, availability of care, continued stay or health care service for which the claimant has received emergency services, but has not been discharged from a facility.

An expedited External Review decision shall be made by the IRO within 72 hours after receipt of the request.

c. The decision of the IRO is the final review decision, and is binding upon BCBSNE, the group health plan and the claimant, except to the extent the claimant has other remedies available under applicable federal or state law.

A Covered Person or his or her representative may not file a subsequent request for External Review involving the same Adverse Benefit Determination for which the Covered Person has already received an External Review decision pursuant to this provision.

Part II - Exhibit One

Examples of Subcontracted and/or Outsourced Services

- Appeals Processing
- Biotech / Specialty Pharmacy Distribution or Management
- Communications
- Customer Service / Call Center
- Data Warehousing / Integration
- Disease Management
- Electronic Claim Processing/Adjudication
- Eligibility Maintenance
- File Backup – System Security
- Formulary Management
- Generic “MAC” List Establishment and Maintenance
- ID Card Production and Distribution
- Mail Order Dispensing/Fulfillment
- Network Pharmacy Credentialing/Recredentialing
- P & T Committee
- Paper Claim Processing
- Pharmacy Auditing
- Reporting
- Utilization Review
- Coordination of Benefits

Note: Services listed above are for example purposes only and are not intended to be a complete listing of services a bidder may be subcontracting or outsourcing. Any areas of services, not included above which are subcontracted or outsourced, should be disclosed by the bidder.