



State of West Virginia
Public Employees Insurance Agency

Medicare Advantage- (MA)
Request for Proposal
July 15, 2009

CHAPTER 1: INTRODUCTION

1.1 Program Background

The Public Employees Insurance Agency (PEIA) is responsible for administering health care benefits on behalf of approximately 37,000 Medicare retirees and dependents. The PEIA currently manages a Medicare Advantage Prescription Drug (MA) program for these covered Medicare primary members.

1.2 Clarification of Procurement Offering

The State of West Virginia is seeking proposals to provide a Medicare Advantage (MA) program to its Medicare primary policyholders. This request for proposal (RFP) will result in the State's retirees having sufficient access to Medicare providers across the country with the benefits as outlined in Appendix A available to them.

All MA proposals must be based on the benefits described in Appendix A with absolutely no variation permitted. It is understood that if CMS requires a certain benefit level that is superior to a benefit listed in Appendix A, then the CMS benefit should be applied. All benefits described in this Appendix A are subject to change. This RFP is written to allow for a provider fee for service plan (PFFS) and/or a preferred provider organization plan offerings (PPO), any reference to physician networks, accessibility, level of specialists, etc., is in regards to PPO plans.

Subcontracting will be permitted as long as all subcontractors meet CMS standards. All subcontracts must be in place prior to bidding. The MA plan must certify to PEIA that all subcontracts have been signed, are currently in effect and are consistent with CMS standards. The bidder is the primary point-of-contact and the contract with PEIA will be with the bidder and not the sub-contractors. Pending contracts are not acceptable.

PEIA reserves the right to allow its members, who are currently enrolled in the existing PEIA managed care plans to be grandfathered into those managed care plans rather than being covered under the MA plan.

While the PEIA is providing this RFP in a Word format as a convenience to the vendors for the submission of proposals, this RFP in .pdf format retained at the WV PEIA offices will be the controlling document should questions arise about the wording, bid requirements or intend of the RFP.



1.3 Participation Standards

1.3.1 Capitation

Chapter Three contains more information regarding capitation rates.

1.3.2 Contracts Issued

The PEIA will execute contracts with successful bidder independent of the WV Purchasing Division.

1.3.3 Contract Term

PEIA's plan year runs from July 1 to June 30 of each year. PEIA's intent is to enter into an initial contract for twelve (12) or eighteen (18) months, whichever is deemed by both parties to be more advantageous, effective January 1, 2010.

It is the intent of the PEIA to execute annual contract renewals rather than conduct a new procurement for the subsequent plan years. PEIA does reserve the right to conduct new procurement in subsequent years.

The successful MA vendor must provide updated claim experience information and capitation requirements prior to a capitation rate renewal or contract renewal. Taking into consideration CMS' volatile payment rates, the MA plan must be able to supply PEIA with an annual, percentage range of increases for the capitation rates. Capitation rates may be renegotiated annually.

1.4 General Information for Applicants

The procurement officer for PEIA will be:

J. Michael Adkins
Deputy Director
West Virginia Public Employees Insurance Agency
601 57th St., S.E., Suite 2
Charleston, WV 25305-2345
Telephone: (304) 957-2630
Fax: 304/558-4969
E-mail: michael.adkins@wv.gov

Prospective bidders must provide the procurement officer a single point-of-contact (POC) with that individual's mailing address, telephone number, e-mail address and fax number. Any RFP amendments, responses to written questions and addendums will be provided to the POC only.



1.5 Procurement Schedule

The schedule below presents key milestone dates for the procurement. Additional information regarding procurement activities can be found in Chapter Four.

Proposed RFP Key Milestone Dates

<u>Milestone</u>	<u>Date/Time</u>
RFP Release	July 15, 2009
Bidder's Conference (PEIA Offices or by Teleconference) (Phone Number: 1-866-206-0240) (Participant PIN: 535656#)	July 22, 2009 10:00 AM EST
Deadline for Submission of Written Questions	July 24, 2009 4:00 PM EST
Response to written Questions	July 28, 2009
RFP Addendum (if necessary)	July 28, 2009
Proposal Submission Deadline	August 12, 2009 4:00 PM EST
Proposal Evaluations and Recommendation to Director	August 21, 2009
Contract Negotiations	August 28, 2009
Contract Effective Date	January 1, 2010
MA Coverage Effective Date	January 1, 2010



CHAPTER 2: MA PARTICIPATION STANDARDS

2.1 General

This chapter describes the operational and financial standards with which The MA plan must comply in full. These standards reflect extensive efforts undertaken by the PEIA to align the requirements for The MA plan that serve the needs of the members of the PEIA. Proposals must confirm their adherence to all provisions set forth in this chapter.

2.2 Licensure/Certification/Accreditation

Participation in this procurement is limited to organizations that are properly certified by CMS to offer an MA on an at-risk, prepaid basis. Documentation of CMS accreditation must be submitted to PEIA.

The successful bidder must also meet all applicable State and Federal laws, rules, and licensure requirements. PEIA requires the successful bidder to be capable of enrolling all PEIA Medicare primary retirees in the U.S.

Response:

The vendor has provided a copy of the documentation of CMS accreditation and does meet all applicable State and Federal law, rules and licensure requirements.

Yes _____ No _____

2.3 Health Plan Administration

MA Plan must maintain sufficient administrative staff and organizational components to comply with all the standards of CMS and those in this RFP.

The MA Plan provider must confirm its commitment to a January 1, 2010, implementation date. A detailed implementation plan for a January 1, 2010, go live with deliverable dates due to the short timeframe must be included with the proposal.

Response:

The vendor understands that it must commit to a January 1, 2010, implementation date and has provided a detailed implementation plan with a January 1, 2010, go live date.

Yes _____ No _____

(Insert the Implementation Plan here.)



The MA plan must, at a minimum, have an Account Representative located in Charleston, WV.

The vendor agrees that, at a minimum, there will be an Account Representative located in Charleston, WV.

Yes _____ No _____

2.4 Eligibility

The categories of PEIA policyholders eligible for enrollment in the MA are described below. The PEIA is solely responsible for determining an individual's eligibility for participation in its health care programs. The MA plan is considered a program controlled by the PEIA.

Response:

The vendor understands that the WV PEIA is solely responsible for determining an individual's eligibility for participation in its health care programs.

Yes _____ No _____

2.4.1 Covered Lives

The PEIA will make available both medical and pharmacy incurred claims data from July 1, 2007, to March 31, 2009, with paid claims to May 31, 2009, to any applicant who requests it and completes the limited data use agreement (Appendix E). The data can be obtained by completing the agreement and submitting it to J. Michael Adkins at the address listed in section 1.4. The data will be available upon receipt of a signed Limited Data Use Agreement. Fully completed Limited Data Use Agreements may be submitted by fax or scanned and provided by e-mail to J. Michael Adkins at michael.adkins@wv.gov.

2.4.2 Enrollment of Dependents

If there are two, or more, Medicare primary PEIA members in one family, each member will be enrolled as a policyholder. Dual eligible individuals shall be enrolled consistent with CMS requirements.

Response:

The vendor will comply with these requirements.

Yes _____ No _____



2.4.3 Member Termination

Generally, PEIA may terminate a member due to non-payment of premiums or upon the member's request, consistent with CMS rules.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.5 Member Marketing and Enrollment Materials

Plan must comply with all applicable State, CMS and agency-specific laws, rules, policies or requirements regarding marketing. This includes, but is not limited to:

- Benefit Booklets
- Evidence of coverage
- Identification Cards
- Rights and responsibilities of enrollees
- Information regarding appeals

Marketing and promotional materials, with the exception of correspondence specific to an individual enrollee, must be submitted to PEIA for review and written approval prior to distribution. Materials must be pre-approved, in writing, by PEIA. Plans must allow PEIA at least 10 days for review and comment after draft materials are submitted. Any material problems or errors identified at any time in materials must be corrected by the MA plan as soon as the problems are identified. The MA plan will be responsible for all costs associated with printing and distribution.

Response:

The vendor will comply with these requirements.

Yes _____ No _____



2.6 Covered Services

The MA plan must promptly provide or arrange to provide all medically necessary services included in the covered benefit package and assume financial responsibility for the provision of the services. The MA will also be responsible for the administration of the Medicare Part B covered drugs. The definition of medical necessity shall be consistent with that of CMS.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.6.1 Member Liability

The MA plan cannot hold an enrollee liable for the following:

- The debts of the health plan if it should become insolvent;
- Payment for services (except for allowable cost sharing amounts) provided by the MA plan if the MA plan has not received payment from the PEIA or CMS, or if the provider, under contract or other arrangement with the MA plan, fails to receive payment from the MA plan; or
- Payments to providers that furnish covered services under a contract or other arrangement with the MA plan that are in excess of the amount that normally would be paid by the enrollee if the service had been received directly from the MA plan.

The MA plan is permitted to charge copayments and other cost sharing in amounts approved by the PEIA consistent with proposed benefit grid, included herein.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.6.2 Preventive Services

The MA plan must provide clinical preventive services, consistent with CMS standards, as appropriate for age, sex and other risk factors and as recommended by the U.S. Preventive Services Task Force.



In addition to the required services, the MA plan is encouraged to provide supplemental preventive health and wellness services to their members. The PEIA has identified the following preventive services as priorities:

- General health/fitness dietary classes with targeted outreach for members at risk of cancer and heart disease or any other condition that could improve with lifestyle changes;
- Pneumonia and influenza immunizations for “at risk” populations.
- Screening for depression for members with chronic disease

Response:

The vendor will comply with these requirements.

Yes _____ No _____

(Insert list of disease management programs included in this proposal here)

2.6.3 Coordinated Care and Disease Management

In addition to the Preventive Services, Coordinated Care and Disease Management Programs are also a priority of PEIA. The MA plan must provide disease management programs consistent with CMS standards and PEIA priorities. The proposal must list disease management programs being offered with the MA product.

In addition, the MA plan must be willing to assume the PEIA Face-to-Face program, when appropriate. Costs associated with the Face-to-Face program are available in the claims data being provided under HCPCS/CPT Codes S0315 and S0316. A complete description of the Face-to-Face program, including waived lab services and codes, can be accessed at <http://www.peiaf2f.com/>.

Response:

The vendor does provide the disease management programs required and is willing to assume the PEIA Face-to-Face program, when appropriate

Yes _____ No _____



2.7 Provider Network (Where Applicable, Preferred Provider Organization Plan Networks)

If the MA plan is not a non-contracted PFFS model, the MA plan must establish and maintain provider networks with a sufficient number of providers and in geographically accessible locations for the populations they serve consistent with the CMS standards. The MA plan must provide out-of-network benefits equal to the in-network benefit for PEIA members to insure consistent coverage nationwide. Please list any known gaps in access to care geographically (example; Mayo Clinic, Jacksonville, FL) and include the number of members in each area unable to obtain access to care. The vendor should use the table in Appendix G to illustrate PEIA member access and coverage.

The vendor will agree and confirm to establish an access response team to facilitate PEIA members in getting provider access in service gap areas.

Response:

The vendor confirms that it will establish an access response team to facilitate PEIA members in getting provider access in service gap areas.

Yes _____ No _____

2.7.1 Physicians

The MA plan must meet the minimum CMS requirements for the number of board-certified physicians within their network if a PPO plan is offered.

Response:

The vendor does meet the minimum CMS requirements for board-certified physicians within their network.

Yes _____ No _____



2.7.2 Primary Care Physicians

The insured’s Primary Care Physician (PCP) can be a general practice doctor, family practice doctor, internist, pediatrician, geriatrician, or, for women in the plan, an OB/GYN. PCP copayments will be set at \$10. Office visit copayments for specialists will be \$20.

The MA plan must actively encourage the beneficiaries to utilize one PCP with the intent to connect insureds with a physician who can oversee and coordinate all of their care.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.7.3 Member-to-Provider Ratios

Member-to-Provider ratios must comply with applicable CMS certification criteria based on geographic access and CMS travel time requirements.

Response:

The vendor will comply with this requirement.

Yes _____ No _____

2.7.4 Regarding Network Changes (Where Applicable)

In the event that the MA Plan has a significant change in its network and must report this change to CMS, it must concurrently report the event to PEIA.

Response:

The vendor will comply with this requirement.

Yes _____ No _____



2.8 Complaint, Grievance and Appeals Resolution

The MA plan must develop internal procedures to address organization determinations, complaints, grievances, and appeals consistent with applicable State and Federal Laws and CMS standards.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.9 Medical Management and Quality Improvement

PEIA will have the right to conduct other on-site reviews to assess plan performance. PEIA also may, at its discretion, accept the findings of CMS or a national review organization (in lieu of a separate review) in any areas where a national review organization has found the plan to be in full compliance with its accreditation standards.

Response:

The vendor understands the requirements and agrees them.

Yes _____ No _____

2.9.1 Medical Records Standards

The MA plan must have policies and procedures in place consistent with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) standards for privacy and security of protected health information and any other applicable state or Federal law related to the privacy or security of information.

Response:

The vendor will comply with these requirements.

Yes _____ No _____



2.9.2 Utilization Review Procedures

The MA plan must develop and have in place utilization review policies and procedures, consistent with CMS requirements, which include protocols for prior approval and denial of services, hospital discharge planning, physician profiling, and retrospective review of both inpatient and ambulatory claims meeting pre-defined criteria. Plans also must develop procedures for identifying and correcting patterns of over- and under-utilization on the part of their enrollees.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.9.3 Case Management and Care Coordination

The MA plan must have systems in place to ensure care coordination, consistent with CMS standards.

The MA plan must provide coordination services to assist enrollees in arranging, coordinating and monitoring all medical and support services. The health plan must also designate an individual or entity to monitor and supervise enrollees with ongoing medical conditions, including coordination of hospital admission/discharge planning, post-discharge care and continued services.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.9.3.1 Special Provisions for Members with Complex or Chronic Conditions

PEIA policyholders with complex and chronic conditions will enroll in the MA. Therefore, plans must have chronic care improvement plans in place consistent with the CMS standards.

Response:

The vendor will comply with these requirements.

Yes _____ No _____



2.9.4 Quality Indicator Measures and Clinical Studies

In addition to the CMS requirements for quality, PEIA will establish performance standards consistent with those described in Appendix C.

Response:

The vendor understands that PEIA will establish performance standards as described in Appendix C and will accept those standards.

Yes _____ No _____

2.9.4.1 Clinical and Non-Clinical Quality Improvement Projects

All clinical and non-clinical quality improvement programs must be conducted consistent with the CMS requirements for QI projects.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.9.4.2 Medical Director

The MA plan must designate a Medical Director with responsibility for the development, implementation, and review of the internal quality assurance plan.

The Medical Director must be licensed to practice medicine in their respective state and must be board-certified in his or her area of specialty.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.9.5 Confidentiality

All enrollee information, medical records, data and data elements collected, maintained or used in the administration of this contract shall be protected by the health plan from unauthorized disclosure. The MA plan must provide safeguards that restrict the use or disclosure of information concerning enrollees to purposes directly connected with the administration of this contract. The MA Plan selected will be considered part of an Organized Health Care Arrangement as defined in



45 CFR §160.103. As a result of this arrangement, “Protected Health Information” about the enrolled PEIA members can be disclosed by MA Plan to PEIA for "treatment," "payment," or "healthcare operations." These terms are defined in 45 CFR §164.501.

Response:

The vendor understands the requirements stated above and will comply with them.

Yes _____ No _____

2.9.6 Records Retention

The MA plan must maintain books and records relating to their West Virginia PEIA managed care program services and expenditures, including reports to PEIA and source information used in preparation of these reports. These reports include but are not limited to financial statements, records relating to quality of care and medical records. In addition, The MA plan must agree to permit inspection of their records.

All financial and programmatic records, supporting documents, statistical records and other records of enrollees, which are required to be maintained by the terms of the contract, shall be retained for the entire period required by State and Federal law. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the required retention period, the records shall be retained until completion of the action and resolution of all issues which arise from it or until the end of the regular five years period, whichever is later. The health plan must agree to retain the source records for its data reports for a minimum of five years and must have written policies and procedures for storing this information.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.9.7 External Monitoring and Evaluation

The PEIA and authorized representatives of the State, including, but not limited to, the State Auditor and other State and/or any applicable federal agencies providing funds, shall have the right, during the MA plan’s normal operating hours, and at any other time a MA plan function or activity is being conducted, and within the provisions set forth under the requirements of HIPAA, to monitor and evaluate, through inspection or other means, the MA plan’s performance and that of its network providers. During the contract period, access will be provided at all reasonable times. During the five-year post-contract period, delivery of and



access to records will be at no cost to the PEIA. This includes, but is not limited to, assessments of the quality, appropriateness, and timeliness of services provided to PEIA enrollees, as well as focused clinical studies of acute and chronic health conditions determined to be of high priority to the PEIA, and audits of financial records. This also includes the performance of periodic medical audits and collection of management data to be conducted at least once per year. A thirty (30) day notice will be given prior to onsite visit.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.10 Operational and Financial Data Reporting

The MA plan must provide the PEIA with uniform utilization, quality assurance, claims, grievance and other data on a regular basis as required by PEIA and/or CMS requirements.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.11 Ownership of Data

Any data, member specific or otherwise, or any reports collected or prepared by The MA plan, in the course of performing their duties and obligations under this program, will be deemed to be owned by PEIA at all times. This provision is made in consideration of The MA plan's use of public funds in collecting and preparing such data, information, and reports. In addition, all proposals submitted in response to this RFP become the property of the PEIA and will not be returned.

Response:

The vendor understands and agrees that PEIA will retain ownership of any data, member specific or otherwise, at all times.

Yes _____ No _____



2.12 Detailed Claims Data Submission

The MA plan must submit member level detailed claims payment data to the PEIA data warehouse consultant on a monthly basis. These data must be submitted in an electronic format stipulated by PEIA. The MA plan will be required to provide adequate information to allow for appropriate data mapping into PEIA’s data warehouse.

Response:

The vendor will comply with these requirements.

Yes _____ No _____

2.13 Disclosure of Ownership and/or Control

The MA plan must report ownership and control and any other related information to PEIA. Please identify your total Medicare MA membership by group and individual products. What percentage of your total membership would PEIA constitute if awarded this business?

Response:

The vendor will comply with these requirements.

Yes _____ No _____

The total Medicare MA membership by group and individual products are:

PPO _____ PFFS _____ Total _____

The percentage of PEIA as a total book-of-business. _____%

2.14 Solvency Requirements

The MA plan must maintain a fiscally sound operation as demonstrated by the following:

- Licensed and in good standing with respective insurance regulatory authority.
- Maintaining adequate liquidity to meet all obligations as they become due for services performed under the provider agreement;



- Maintaining a positive net worth in every annual reporting period as evidenced by total assets being greater than total liabilities based on the health plan's audited financial statement. If the health plan fails to maintain a positive net worth, the plan must submit a financial corrective action plan outlining how a positive net worth will be achieved by the next annual reporting period; and
- Maintaining a net operating surplus in every annual reporting period based on the annual audited financial statement. If the health plan fails to earn a net operating surplus, it must submit a financial corrective action plan outlining how it will achieve a net operating surplus within available financial resources by the end of the next annual reporting period.
- The MA plan must also submit the names of the three (3) largest contracts as well as the three (3) largest terminated contracts. This information should be provided using the forms in Appendix B.

(Insert completed Appendix B here)

If insolvency insurance protection is carried as a rider to an existing reinsurance policy, the conditions of the coverage must not exclude the MA plan's PEIA line of business.

The MA plan must notify PEIA within sixty (60) days if any changes are made to their insolvency protection arrangement.

Response:

The vendor will comply with these requirements.

Yes _____ No _____



2.15 MA Association with PEIA

2.15.1 Capitation Payments

The MA plan will be capitated, and therefore is at risk, for all services listed in the prepaid benefit package. PEIA will maintain records of all its respective enrollees and issue payment to the health plan for enrollees on a monthly basis. Payment will be issued based upon verified PEIA eligibility data. In the event of subsequent corrections to the number of enrollees, adjustments will be made in the month such errors are discovered, without interest.

Response:

The vendor understands the conditions of capitation payments and agrees to them.

Yes _____ No _____

2.15.2 Member Contribution to Premiums

2.15.2.1 Employees

Active employees will not be covered under this program.

2.15.2.2 Retired Employees

If retired employees share in the premium cost of the program, regular deductions from pension will be made or direct billing to the retiree will occur. The PEIA will issue payment to the MA plan.

The MA will be required to comply with and perform the CMS requirements of the Low-Income Premium Subsidies (LIPS) and Low Income Cost Sharing Subsidies (LICS) programs.

Response:

The vendor understands these conditions and agrees to them.

Yes _____ No _____



2.15.2.3 Prohibition Against Billing Members

The MA plan and its sub-contractors or its contracted providers or providers that accept assignment (i.e. PFFS or PPO) shall not charge a PEIA enrollee for any covered service (subject to the appropriate authorization requirements) except for any cost identified as the enrollee’s responsibility in the cost sharing schedule.

Response:

The vendor will comply with this requirement.

Yes _____ No _____

2.15.3 Third Party Liability

Pursuit of third party payment for services covered in the capitated benefit package is the responsibility of the MA plan, and MA health plan capitation rates will be established accordingly. The MA plan should utilize and require their subcontractors to utilize or pursue, whenever available, covered medical and hospital services or payments for PEIA enrollees available from other public or private sources. This responsibility includes accident and trauma cases that occur when a PEIA member is enrolled in the health plan. The MA plan will retain all funds collected as part of this activity.

Third party liability information must be submitted to the PEIA on an annual basis.

Response:

The vendor understands the conditions stated above and agrees to them.

Yes _____ No _____

2.15.4 Prohibition of Balance Billing

Any provisions regarding balance billing and assignment acceptance from CMS shall also be enforced by the MA plan.

Response:

The vendor will comply with these requirements.

Yes _____ No _____



2.16 MA Benefits

The MA must submit their proposals based on the benefits outlined in Appendix A with no variance. The MA must be responsible for the administration of the Medicare Part B covered drugs. It is understood that if CMS requires a certain benefit level that is superior to a benefit listed in Appendix A, then the CMS benefit should be applied. All benefits described in this Appendix A are subject to change.

In the event your proposal entails a PPO or specific provider network, the out of network benefits and must match the in-network benefits.

The PEIA also offers premium and benefit assistance programs to its retiree members who are at or below 250% of the Federal Poverty Level. See Appendix A.

Response:

The vendor understands and agrees to the conditions stated above.

Yes _____ No _____

2.17 Vendor Summary:

Provide a **brief** summary of why your company considers itself the best candidate to assume the contract for MA services to the PEIA Medicare eligible retirees. This summary will be in 12 pt. font, may not exceed 1,200 words and should not include marketing graphics or photos.

(Insert Vendor Summary here)

2.18 Litigation Bond/Litigation Waiver

Each proposer responding to this request for proposal **is required** to submit a litigation bond in the amount of 5% of the total contract amount, made payable to the West Virginia PEIA. This bond must be issued by a surety company licensed to do business in the State of West Virginia with the West Virginia Insurance Commission, on a form acceptable to the PEIA, and countersigned by a West Virginia Resident Agent. The only acceptable alternatives to the bond are (1) a company certified check (not an individual); (2) a cashier’s check; or (3) the bidder’s completion and submission of Appendix H hereto.

The purpose of the litigation bond is to discourage unwarranted or frivolous law suits pertaining to the award of a contract from this request for proposal. Secondly, the bond provides a mechanism for the State of West Virginia, the



Agency, its officers, employees, or agents thereof to recover damages, including (but not limited to) attorney fees, loss of revenue, loss of grants or portions thereof, penalties imposed by the federal government and travel expenses which may result from any such litigation. A claim against the bond will be made if the proposer contests the award in a court of competent jurisdiction and the grounds are found to be unwarranted or frivolous based on the facts of the award or applicable law as determined by the court. The bidder's completion of Appendix H will be accepted in lieu of a bond or other security.

The bond or alternate form must remain in effect for two years from the proposal submission date. After six (6) months, each proposer may request, and the Agency anticipates granting, a release of the litigation bond. However, the proposer will be required to provide a release (signed and notarized in a form that is acceptable to the PEIA) prior to release of the bond which states that the proposer will not in any way challenge the award.

The PEIA may also establish a procedure for the waiver of the ability of the proposer to challenge the award in lieu of a bond.

Failure to submit an appropriate bond or alternative to the bond with the proposal at the time of proposal opening will result in automatic disqualification of the proposer's proposal and the proposal will be considered non-responsive.

2.19 Debt Affidavit

West Virginia State Code §5A-3-10a-(3)(d) requires that all proposers submit an affidavit of debt which certifies that there are no outstanding obligations or debts owed the State of West Virginia. The Debt Affidavit is attached to this request for proposal as an attachment and *must* be completed, signed and returned *with* your proposal. (Appendix I).



CHAPTER 3: CAPITATION

3.1 PEIA Capitation Rates

3.1.1 General

Applicants must submit rate proposals, as described in Chapter Four, against which the PEIA contribution will be applied.

3.1.2 Determination of Member Contribution

PEIA retiree member premiums are presently adjusted to the years of service of the policyholder, the date the individual retired and current financial condition, when applicable. The MA must pass 100% of the risk adjusted direct PMPM subsidy the MA receives from CMS as well as the Low-Income Premium Subsidies (LIPS) and Low Income Cost Sharing Subsidies (LICS) to PEIA and the members, respectively.

3.1.3 Paid Claims Data

The PEIA will make available both medical and pharmacy incurred claims data from July 1, 2007, to March 31, 2009, with paid claims to May 31, 2009, to any applicant who requests it and completes the limited data use agreement (Appendix E). The data can be obtained by completing the agreement and submitting it to J. Michael Adkins at the address listed in section 1.4. The data will be available upon receipt of a signed Limited Data Use Agreement. Fully completed limited data use agreements may be submitted by fax or scanned and provided by e-mail to J. Michael Adkins at michael.adkins@wv.gov.



CHAPTER 4: PROPOSAL SUBMISSION REQUIREMENTS

4.1 Procurement Process Overview

4.1.1 Delivery

The procurement officer for PEIA will be:

J. Michael Adkins
Deputy Director
West Virginia Public Employees Insurance Agency
601 57th St., S.E., Suite 2
Charleston, WV 25305-2345
Telephone: (304) 957-2630
Fax: 304/558-4969
E-mail: michael.adkins@wv.gov

Applicants are responsible for ensuring the timely delivery of their proposals to PEIA office. Proposals delivered only to a mail room or to a ground floor reception desk, and not delivered to PEIA offices by 4:00 PM on Wednesday, August 12, 2009, will be subject to disqualification.

4.1.2 RFP Amendments

The PEIA reserves the right to amend this RFP at any time prior to the proposal due date by issuing written amendments.

Prospective bidders must provide the procurement officer a single point-of-contact (POC) with that individual's mailing address, telephone number, e-mail address and fax number. Responses to RFP amendments, written questions and addendums will be provided to the POC only.

4.1.3 Bidder's Conference

The bidder's conference will be held at the PEIA at the address shown in Section 4.1.1 above. The purpose will be to allow the PEIA to respond to questions concerning the RFP, both technical and capitation. Bidders do not have to be registered vendors with the State of West Virginia to submit proposals, however, if their product is selected the vendor must become registered prior to the execution of the contract.

Applicants are permitted to submit written questions for the conference prior to it. Questions may be mailed, faxed, e-mailed or hand delivered to the address shown above in Section 4.1.1 in both hard copy and computer diskette (IBM compatible, Microsoft Word 2007 or earlier or WordPerfect Version 11.0 or earlier). All



questions should be cross-referenced to the Section number of the RFP to which they relate.

The PEIA will distribute written answers to questions submitted in writing. The PEIA will also take questions at the conference itself. Questions that were answered at the bidder's conference will be available by a digitally recorded file and will not be reproduced in writing. Requests for the digitally recorded file of the bidder's conference should be made to J. Michael Adkins, Deputy Director.

4.1.4 Contact with PEIA Representatives

Applicants are prohibited from communicating with any PEIA representatives regarding this procurement, except for the contact listed in Chapter One. This provision is not intended to restrict existing contractors from communicating with PEIA staff regarding ongoing operational matters.

4.1.5 Cost of Preparing Proposals

Applicants are solely responsible for the costs incurred in preparing and submitting their proposals.

4.1.6 Acceptance of Proposals

The PEIA will accept for evaluation all proposals that are complete and timely submitted. PEIA reserves the right to:

- Reject any proposals found to be incomplete or substantially non-responsive to the requirements described herein;
- Waive minor irregularities in proposals, provided such action is in the best interest of the PEIA. Where such waivers are granted, they will in no way modify the requirements of the RFP or the obligations of The MA plan awarded contracts through it;
- Award a contract(s), with or without negotiations, based on the terms, conditions, and premises of this RFP and the proposals of selected applicants;
- Request clarification or correction of proposals; and/or
- Reject any or all proposals received, or cancel part or all of this procurement, according to the best interest of the PEIA and its members.

4.1.7 Disposition of Proposals

Successful proposals will be incorporated into resulting contracts and will be a matter of public record. All materials submitted by bidders become the property



of the PEIA, which may dispose of them as it sees fit. The PEIA shall have the right to use all concepts described in proposals, whether or not such proposals are accepted.

4.1.8 Proposal Composition and Copies

Health plan proposals will consist of two (2) parts under separate cover:

- General Technical including a description of MA Plan and Benefits
- Capitation Cost Proposal

Applicants must submit one original, six (6) bound copies (three-ring binders are acceptable), one (1) unbound copy of their proposals and (1) electronic copy in a disk format. The original proposal should be identified as such on the cover. *All signatures in the original must be made in blue ink.*

Proposals must be returned in same format as the RFP with responses included in each section for which a response is required. The Capitation Cost Proposal Form (Appendix E) must be submitted exactly as provided.

4.2 General Technical Proposal

4.2.1 Format

Proposals must be returned in same format as the RFP with responses included in each section for which a response is required.

4.2.2 Transmittal Form

The Transmittal Form must be signed by an individual duly authorized to make commitments on the applicant's behalf.

Reminder: *All original signatures must be signed in blue ink.*

4.2.3 Confidentiality of Proprietary Data

The MA plan must clearly identify which data are considered proprietary. If the PEIA receives a FOIA request for data, labeled by the MA plan as proprietary, the PEIA will notify the MA plan, in writing, of the request to allow the MA plan time to obtain the appropriate court order to prevent the release of the information. Otherwise, the PEIA will be compelled by state law to release such information.



4.3 Capitation Proposal

In this section, applicants must provide capitation rates for PEIA. Capitation rates must be reported in the format provided in Capitation Cost Proposal Form.

4.3.1 Health Plan Financial Information

Prior to award of the contract the successful bidder must provide any requested information for the organization holding a license to operate as a health plan in West Virginia.

4.3.2 Capitation Rate Proposal and Benefit Package

4.3.2.1 Rate Submission

Applicants must submit capitation rates for the PEIA Medicare Primary Single Policyholder Plan. The MA plan also must disclose the actual CMS risk factors on a quarterly basis, or as requested by PEIA. The Capitation Cost Proposal Form (Appendix F) must be used to submit the capitation rate proposal and must be submitted under separate cover. The Capitation Cost Proposal Form will be reviewed separately from the Technical Proposal.

4.3.2.2 Benefit Package

The PEIA is requiring applicants to develop a premium and submit benefits based on the benefit grid as outlined in Appendix A. It is understood that if CMS requires a certain benefit level that is superior to a benefit listed in Appendix A then the CMS benefit should be applied. All benefits described in this Appendix A are subject to change.

4.3.2.3 PFFS/PPO

Applicants should clearly delineate on capitation forms whether the proposal being submitted is for a MA Private Fee-for-Service (FFS), a PPO product or both and if it is network or non-network.



4.4 Proposal Evaluation

4.4.1 General

The PEIA will establish an evaluation committee to review proposals received in response to this RFP. Technical proposals will be evaluated on including, but not limited to, the following criteria:

- Geo Access – Adequate services available for all Medicare beneficiaries. This will be evaluated using the response provided in Section 2.7. *This section will be worth a maximum of 20 points of the 50 technical points possible.*
- Implementation Plan – Demonstrated ability to effectively and efficiently take over coverage of Medicare eligible members as provided in Section 2.3. *This section will be worth a maximum of 15 points of the 50 technical points possible.*
- Oral presentations and site visits – PEIA reserves the right to require an oral presentation and site visit.
- Response to Participation Standards – *This section will be worth a maximum of 15 points of the 50 technical points possible.*

4.4.2 Evaluation Criteria

The purpose of this section is to explain the criteria that will be used in evaluating the proposals. PEIA reserves the right to choose a vendor based on these criteria. Each proposing entity will be evaluated using these criteria, regardless of whether multiple vendors are chosen. As stated earlier, each proposing entity will submit the following items to be evaluated:

- Response to Participation Standards (Technical Proposal)
- Signature Page (See Appendix B)
- Capitation Cost Proposal (to be submitted sealed under separate cover)
- Signature Page (to be submitted under separate cover with the cost proposal)

The technical section of the proposals will be evaluated by a team of individuals determined by the PEIA Director. Consensus scoring will determine the final score for each proposal. This means that each member of the evaluation team must agree on the score for each and every item before the score is assigned.

The Capitation Cost Proposal must be submitted under separate cover and will be evaluated separately using the form in Appendix F. Vendors wishing to request preference for residency status must complete the Vendor Preference Certificate in Appendix D.

A point evaluation system has been designed. A total score of 100 points is possible for the technical and cost proposals combined. The technical proposal



will represent 50 points (50%) of the total evaluation score while the cost proposal will represent 50 points (50%). Finalist presentations and site visits may be used to validate the information presented in the proposal. As such, information obtained during oral presentations and/or site visits may be used to adjust the technical scores.

Proposing entities may be selected for the finalist presentation if they obtain a minimum acceptable score for the service(s) they propose. The minimum acceptable score for each technical proposal will be set at 75% (50 points X 75% = **37.5 points**) of the total technical score.

4.4.3 Best Interest of the PEIA

Notwithstanding the evaluation process outlined herein, PEIA reserves the right to make award decisions based upon the best interest of the PEIA and its members.

4.4.4 Miscellaneous Provisions

The following provisions will be incorporated into any agreement entered into between PEIA and the successful bidder. The successful bidder will be asked to sign a form accepting the provisions described below.

4.4.4.1 Arbitration

Any references to arbitration contained in the agreement are hereby deleted. Claims against PEIA or the State of West Virginia arising out of the agreement shall be presented to the West Virginia Court of Claims.

4.4.4.2 Hold Harmless

Any clause requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety. The successful bidder must indemnify and hold harmless the State of West Virginia and PEIA for its acts or omissions arising out of the contract.

4.4.4.3 Governing Law

The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other State's governing law.

4.4.4.4 Taxes

Provisions in the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from Federal, State, and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or reports on behalf of Vendor or any other party.



4.4.4.5 Payment

Any references to prepayment are deleted. Payment will be in arrears.

4.4.4.6 Interest

All other references to interest or late charges are deleted.

4.4.4.7 Recoupment

Any language in the agreement waiving the Agency's right to set-off, counterclaim, recoupment, or other defense is hereby deleted.

4.4.4.8 Fiscal Year Funding

Service performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature or otherwise being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.

4.4.4.9 Statute of Limitation

Any clauses limiting the time in which the Agency may bring suit against the Vendor, lessor, individual, or any other party are deleted.

4.4.4.10 Similar Services

Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.

4.4.4.11 Attorney Fees

The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.

4.4.4.12 Assignment

Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or



commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.

4.4.4.13 Limitation of Liability

The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages or limiting the Vendor's liability under a warranty to a certain dollar amount or to the amount of the agreement is hereby deleted. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.

4.4.4.14 Right to Terminate

Agency shall have the right to terminate the agreement upon Ninety (90) Days written notice to Vendor.

4.4.4.15 Termination Charges

Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term. Upon termination of this agreement, or any extension thereto, the MA Plan has the duty to continue to provide any reports required by the agreement or any law or regulation. In addition, the MA plan is required to pay all claims incurred from the effective date of the agreement through the termination date, regardless of when the claims are received.

4.4.4.16 Renewal

Any reference to automatic renewal is hereby deleted. The agreement may be renewed only upon mutual written agreement of the parties.

4.4.4.17 Insurance

The vendor must carry a minimum of \$1 million professional and general liability coverage.

Any provision requiring the Agency to insure equipment or property of any kind and name the Vendor as beneficiary or as an additional insured is hereby deleted.

4.4.4.18 Right to Notice

Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.



4.4.4.19 Acceleration

Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.

4.4.4.20 Amendments

All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties.



APPENDICES



APPENDIX A – Benefit Grid

First Half of Plan Year 2010 (July 1, 2009 – December 31, 2009)		
	Standard Benefit (without benefit assistance)	Benefits (with benefit assistance)
Medical Benefits		
Medical out of pocket maximum	\$750	\$300
Office visit copayment	\$10	\$2
Specialist office visit copayment	\$20	\$5
Emergency Room	\$50	\$50
Outpatient & Office Surgery	\$50	\$50
Hospital Inpatient Care (per admit)	\$100	\$100
Part B Drugs	\$0	\$0
Trimming of nail (members with diabetes)	\$0	\$0
Other Services	\$0	\$0
Prescription Drug Benefits		
Generic (30-day supply)	\$5	\$3
Generic (90-day supply) mail order or retail maintenance network	\$10	\$6
Preferred Brand (30-day supply)	\$15	\$10
Preferred Brand (90-day supply) mail order or retail maintenance network	\$30	\$20
Non-preferred Brand (30-day supply)	\$50	\$50
Specialty Drugs (30-day supply)	\$50	\$50
Non-preferred Brand (90-day supply) mail order or retail maintenance network	\$100	\$100
Prescription Out-of-Pocket Maximum	\$1,750	\$250

All benefits described above are subject to change.



APPENDIX B – Transmittal Forms

B-1 Transmittal Form

I hereby attest to the following on behalf of _____:

- We have read, understand, and are able and willing to comply with all standards and participation requirements described in the RFP for the programs in which we are applying to participate, as well as in the corresponding contracts;
- All of the information contained in this proposal is accurate and truthful to the best of our knowledge;
- If proposing to participate in the PEIA program, our capitation rates have been approved by the CMS (or respective state’s insurance regulatory authority, if applicable) and were developed independently, without collusion, conflict of interest, consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such rates with any other applicant, prospective applicant or competitor. Our capitation rates further have not been knowingly disclosed prior to award, either directly or indirectly, to any other applicant or competitor;
- This proposal will be held firm until at least December 31, 2009; and
- Neither we, nor any of our representatives have paid, agreed to pay, or will pay directly or indirectly to any person, firm, or corporation any money or valuable consideration for assistance in procuring or attempting to procure the agreement(s) referred to herein.

Signature

Name (Print)

Title

Date

Applicant point of contact regarding proposal:

Name: _____

Title: _____

Tel: _____

Fax: _____



B-2 – Top Three Clients Form

Instructions to Applicants: Complete the chart, listing your top 3 clients/groups starting with the largest number of covered lives (other than PEIA). Include current phone number and address for contact persons. Points will be deducted for failure to provide contact information.

	Client/Group	Number of Enrollees	Initial Offer Date	Contact Name	Address	Telephone Number
1						
2						
3						



B-3 – Terminated Contracts Form

Instructions to Applicants: Complete the chart below, listing the 3 largest all groups with 25 or more enrollees that have terminated their contracts with your plan since December 31, 2003. Include current phone number and address for of cooperative contact persons. Points will be deducted for failure to provide contact information.

	Client/Group	Number of Enrollees	Initial Offer Date	Contact Name	Address	Telephone Number
1						
2						
3						



B-4 – Plan Management Form

Instructions to Applicants: Identify the Account Team that will be devoted to PEIA. Also indicate whether the position is salaried or contracted. Include up-to-date resume for each individual (or a job description for vacant positions) behind this form.

Position	Name	Implementation Team Member?	% FTE PEIA	Check the Appropriate Box	
				Salaried	Contracted
CEO/Executive Director					
CFO					
Medical Director					
QA/QI Director					
UM Director					
Member Services Director					
Provider Services Director					
Complaints/Grievances Director					
Claims Director					
MIS Director					
Other:					



B-5 – Staffing Form

Instructions to Applicants: Indicate the number of non-clerical, non-secretarial FTEs employed or contracted in each of these areas. Also indicate the number of additional FTEs anticipated for hire/contracting if awarded a contract in all regions bid.

Function	Current FTE Count	Additional to Hire	Total	% of Total to be Devoted to PEIA
Accounting and Budgeting				
Medical Director's Office				
QA/QI				
Medical Management				
Member Services				
Provider Services				
Complaints/Grievances				
Claims				
MIS				



APPENDIX C – Performance Standards and Penalties

Medical Claims Quality

Financial Error Claim is one either incorrectly settled with respect to dollar amount or incorrectly settled, in whole or in part, with respect to a wrong payee. No claim shall be declared a financial error claim if incorrect (actual) settlement amount differs from corrected (audited) settlement amount by less than one dollar.

Financially Correct Claim is a claim which is not a financial error claim.

Financial Accuracy Amount is 100% for any settled claim, which is not a financial error claim. If a financial error claim is one involving a wrong payee, then the financial accuracy amount is the amount of claim settlement directed to the wrong payee.

Quality performance measurements with respect to financial error claims and related financial accuracy amounts shall be based on MA Plan's quarterly internal audit and shall be reported quarterly to PEIA. MA Plan will audit a statistically valid random sample of all settled claims for each quarterly audit period. Performance measurements reported to the PEIA shall be based on the entirety of that sample. Sample size and performance measurements shall be reported to the PEIA quarterly.

Two quarterly performance measurements shall be calculated each quarter as follows (N denotes the audit sample size):

$$Q1 - \text{Financially Correct Claim Percent} = 100 * (1 - (\text{Number of Financial Error Claims}/N))$$

Financially Correct Claim Percent (Q1) is rounded to two decimals in order to determine the performance standard and penalty amount, if applicable.

$$Q2 - \text{Financial Accuracy Amount Percent} =$$

$$100 * (1 - (\text{Sum of Financial Accuracy Amounts}/\text{Sum of Audit Claim Settlement Amounts}))$$

Financial Accuracy Amount (Q2) is rounded to two decimals in order to determine the performance standard and penalty amount, if applicable.

Timeliness

Claim turnaround time is defined as the number of working days after the date the claim is received until the date the claim is finalized. Finalized claims include those which are read for release of payments, denied, applied to deductible, closed, or referred to PEIA for handling.



For example, a claim received on Tuesday and finalized on the next day, Wednesday, has a turnaround time of one day. Similarly, that same claim finalized, instead, on the Tuesday one week hence, would have a turnaround time of five days.

Claim turnaround time should be calculated by reference to the “Turnaround Days” and “Number of Claims – Cumulative %” columns in a report which will be produced each quarter. For purposes of this performance standard and corresponding measurement, this report will exclude all claims, which are either adjustments or claims which were delayed in processing at the request of the PEIA as a result of PEIA actions or in accordance with the Plan.

The following timeliness performance measurement shall be calculated each quarter:

Percent of Claims Finalized in Twelve (12) Working Days (T1) = Turnaround time (T1) will be rounded to two decimals in order to determine performance standard and penalty amount, if applicable.

Telephone Responsiveness

Telephone responsiveness shall be calculated each quarter under the following three (3) performance measurements:

Abandonment Percentage

Telephone responsiveness for both provider and member customer service inquiries shall be measured by the Summary Abandonment Rate Percentage Report, which will be produced each quarter. The abandonment rate percentage is denoted as A1. The abandonment rate percentage (A1) is rounded to two decimals in order to determine the performance standard and penalty amount, if applicable.

Average Speed of Answer

Telephone responsiveness for both provider and member customer service inquiries shall also be measured by a report using the MA Plan’s call center software. S1 will denote the average speed of answer and will be rounded to two decimals in order to determine the performance standard and penalty amount, if applicable.

Blockage Percentage

Telephone responsiveness for the entire toll free line shall also be measured by a report using the MA Plan’s call center software, which will be produced each quarter. The blockage percentage is denoted as B1. The blockage percentage will be rounded to two decimals in order to determine the performance standard and penalty amount, if applicable.



Penalty Calculations

- The MA Plan shall be subject to penalties for the following performance measurements:
- Financially Correct Claims Percentage (Q1)
- Financial Accuracy Percent (Q2)
- Percent of Claims Finalized in 12 Working Days (T1)
- Telephone Calls Abandonment Percentage (A1)
- Average Speed of Answer in Seconds (S1)
- Blockage Percentage (B1)

The penalty amount is determined by multiplying the average number of members during the quarter by the respective rates described below. Said performance penalties apply only for claims received during the contract. Required performance standards and penalties applied when performance standards are not met are:

<u>Performance Standard</u>	<u>Rating</u>	<u>Penalty</u>	<u>Rating</u>	<u>Penalty</u>
Q1 98%	96%-98%	\$0.35	less than 96%	\$0.50
Q2 At least 99.5%	96%-98%	\$0.35	less than 96%	\$0.50
T1 At least 92%				\$0.50
A1 5% or less				\$0.25
S1 30 seconds or less				\$0.25
B1 1% or less				\$0.25

Consideration will be given the MA PLAN for the 1st quarter’s performance standards with regard to the application of the financial penalties.



APPENDIX D- Vendor Preference Certificate

Certification and application* is hereby made for Preference in accordance with West Virginia Code, §5A-3-37.

West Virginia Code, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the *West Virginia Code*. This certificate for application is to be used to request such preference. PEIA will make the determination of the Resident Vendor Preference, if applicable.

A. Application is made for 2.5% preference for the reason checked:

___ Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification;

or

___ Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification;

or

___ Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification.

B. Application is made for 2.5% preference for the reason checked:

___ Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid;

or

___ Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its



headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid.

Bidder understands if the Secretary of Tax & Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) rescind the contract or purchase order issued; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to PEIA and authorizes the Department of Tax & Revenue to disclose to the PEIA Director appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

*Check any combination of preference consideration(s) in either "A" or "B", request up to the maximum of 5% preference for both "A" and "B".



APPENDIX E – Limited Data Use Agreement

A limited data set is a set of records containing protected health information (PHI), from which direct identifiers have been removed, but in which certain potentially identifying information remains. The use or disclosure of a limited data set is limited to research, public health, and health care operations purposes only.

Name of data recipient:

Description of data: De-identified PEIA Paid Claims Data for its retiree population.

Purpose of use: PEIA will be disclosing a limited data set to health plans that will be submitting bids in response to this RFP as part of its health care operations. The data will be used by bidding health plans to prepare the cost estimate portion of its proposal.

By signing this agreement the recipient agrees:

- Not to further use or disclose any of the information, outside the purpose listed above, without prior written permission from PEIA or as otherwise required by law;
- That any further information requested by Recipient, or its Affiliates, regarding these reports must be made in writing to PEIA.
- Use appropriate safeguards to prevent use or disclosure of the information other than as provided for by the data use agreement;
- Report to PEIA any use or disclosure of the information not provided for by its data use agreement, of which it becomes aware;
- Ensure that any agent, including any affiliates, to whom it provides the limited data set agrees to the same restrictions and conditions that apply to the limited data set recipient with respect to such information; and
- Not to identify the information or to contact the individuals to whom the information pertains, if applicable.
- Properly and completely dispose of all data provided by PEIA upon completion of the project described above in “Purpose of use.”

PEIA may terminate the agreement if it notifies the recipient of a pattern of activity or practice that constitutes a material breach or violation of the data use agreement, or law, unless the recipient cures the breach or ends the violation within a reasonable time, as determined by PEIA. PEIA will take reasonable steps to cure the breach or end the violation and if such steps are unsuccessful PEIA will discontinue disclosure and report the violation to the appropriate authorities.

Signature of Recipient Representative

Date

Signature of PEIA Representative

Date



APPENDIX F – Capitation Cost Proposal Form

PEIA will consider any further risk sharing arrangements offered by the bidder which will allow it a positive financial benefit in the event of successful underwriting experience. The bidder must provide a detailed explanation of any such arrangement that it wishes to propose.

The product being proposed and the pricing provided is a:

Private Fee-for Service _____ PPO _____

	Medical Plan
Medical Claims	
Drug Claims	
Administration Cost	
Profit Allowance	
Total Annual Per	
Medicare Contract	
Monthly Capitation Bid Total	
Less CMS Capitation	
PEIA Capitation Per Contract	

Please explain any capitation renewal methodology and formula that will be used to guarantee future rate setting.



APPENDIX G – PEIA Member Access by State

State	# Members Residing on 7/1/09	# Members Covered Through PPO	# Members Covered Through PFFS	Members With No Access	Unique Access Issues for this State
AL	35				
AR	12				
AZ	37				
CA	46				
CO	5				
CT	4				
DC	4				
DE	10				
FL	516				
GA	97				
HI	3				
IA	5				
ID	5				
IL	23				
IN	32				
KS	1				
KY	147				
LA	7				
MA	13				
MD	151				
ME	1				
MI	22				
MN	7				
MO	21				
MS	5				
MT	2				
NC	260				
NE	3				
NH	12				
NJ	2				
NM	4				
NV	10				
NY	13				
OH	586				
OK	8				



OR	8
PA	235
RI	2
SC	182
SD	4
TN	122
TX	69
UT	6
VA	464
WA	20
WI	6
WV	33552
WY	4



APPENDIX H – Litigation Waiver

Proposer’s Total Waiver of Legal Challenge

_____, hereinafter “Proposer,” wishes to submit a Proposal in response to the Request For Proposal for the Medicare Advantage (the RFP) issued on July 15, 2009, by the Public Employees Insurance Agency for the State of West Virginia (PEIA). The Proposer acknowledges that a mandatory requirement of the RFP is that the Proposer submit a litigation bond with its proposal.

In consideration of the waiver of said litigation bond requirement by the PEIA, and in lieu of such bond, the Proposer agrees:

That the Proposer completely waives and foregoes any and all legal right or ability it may now have, or in the future acquire, to initiate any sort of challenge to or against the selection of a proposer and/or the ultimate award of a contract or contracts pursuant to the RFP. This Waiver is entered voluntarily by a representative authorized to legally bind the Proposer and shall be binding on the Proposer, its successors, assigns, heirs and any others claiming under the legal rights of the Proposer. This Waiver shall apply to any and all types of action, in challenge to or seeking to attack, in any way, the RFP selection process, or the subsequent award of contract(s) to the successful proposer, including but not limited to, administrative, judicial, or collateral actions.

Legal Name of Proposer

By: _____
Authorized Signature

Title: _____
Title of Authorized Signature

Approved:

Public Employees Insurance Agency for the State of West Virginia

By: _____
Authorized Signature



APPENDIX I – Debt Affidavit

AFFIDAVIT

W.Va. Code §5A-3-10a states:

No contract or renewal of any contract may be awarded under this article to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor as defined in this section and the debt owed is an amount greater than five thousand dollars in the aggregate.

Definitions:

“Debt” means any assessment, penalty, fine, tax, or other amount of money owed to the state because of a judgment, fine, permit violation, license assessment, penalty or other assessment presently due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon;

“Debtor” means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions;

“Related party” means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever related to any vendor by blood, marriage, ownership or contract through which the party has a relationship or ownership or other interest with the vendor, so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving the amount that meets or exceeds five percent of the total contract amount.

Exception:

The prohibition does not apply where a vendor has contested any tax administered pursuant to chapter eleven of W.Va. Code, workers’ compensation premium, permit fee or environmental fee or assessment, and the matter has not become final, or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (W.Va. Code § 61-5-3), it is hereby certified that the bidder and all related parties do not owe any debts or, if a debt is owed, that the provisions of the exception clause (above) apply.

Vendor’s Name:	
----------------	--

Authorized Signature:		Date:	
-----------------------	--	-------	--

