



**State of Oklahoma  
Department of Central Services  
Central Purchasing**

**Solicitation**

**1. Solicitation #:**

**2. Solicitation Issue Date:**

**3. Brief Description of Requirement:**

**4. Response Due Date<sup>1</sup>:**

**Time: 3:00 PM CST/CDT**

**5. Issued By and RETURN SEALED BID TO:**

Personal or Common Carrier Delivery:

Department of Central Services, Central Purchasing  
Will Rogers Building  
2401 N. Lincoln Blvd, Suite 116,  
Oklahoma City, OK 73105

U.S. Postal Delivery:

Department of Central Services, Central Purchasing  
P.O. Box 528803,  
Oklahoma City, Oklahoma 73152-8803

**6. Solicitation Type** (check one below):

- ☐ Invitation to Bid  
☐ Request for Proposal  
☐ Request for Quote

**7. Requesting Agency:**

**8. Contracting Officer:**

Name:

Phone: (405)

Email:

<sup>1</sup> Amendments to solicitation may change the Response Due Date (read GENERAL PROVISIONS, section 3, "Solicitation Amendments")



**State of Oklahoma  
Department of Central Services  
Central Purchasing**

**Responding Bidder Information**

*"Certification for Competitive Bid and Contract" (see page 3) **MUST** be submitted along with the response to the Solicitation.*

**1. RE: Solicitation #** \_\_\_\_\_

**2. Bidder General Information:**

FEI / SSN : \_\_\_\_\_

VEN ID: \_\_\_\_\_

Company Name: \_\_\_\_\_

**3. Bidder Contact Information:**

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Title: \_\_\_\_\_

Phone #: \_\_\_\_\_ FAX#: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

**4. Oklahoma Sales Tax Permit<sup>1</sup>:**

☐ YES – Permit #: \_\_\_\_\_

☐ NO – Exempt pursuant to Oklahoma Laws or Rules

**5. Registration with the Oklahoma Secretary of State:**

☐ YES - Filing Number: \_\_\_\_\_

☐ NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming ([www.sos.ok.gov](http://www.sos.ok.gov) or 405-521-3911).

**6. Workers' Compensation Insurance Coverage:**

Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers' Compensation Act.

☐ YES – include a certificate of insurance with the bid

☐ NO - attach a signed statement that provides specific details supporting the exemption you are claiming from the Workers' Compensation Act (Note: Pursuant to Attorney General Opinion #07-8, the exemption from 85 O.S. 2001, § 2.6 applies only to employers who are natural persons, such as sole proprietors, and does not apply to employers who are entities created by law, including but not limited to corporations, partnerships and limited liability companies.)<sup>2</sup>

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

<sup>1</sup> For frequently asked questions concerning Oklahoma Sales Tax Permit, see <http://www.tax.ok.gov/faq/faqbussales.html>

<sup>2</sup> For frequently asked questions concerning workers' compensation insurance, see [http://www.ok.gov/oid/Consumers/Workers' Compensation Information.html](http://www.ok.gov/oid/Consumers/Workers'_Compensation_Information.html)



**State of Oklahoma  
Department of Central Services  
Central Purchasing**

**Certification for Competitive  
Bid and/or Contract  
(Non-Collusion Certification)**

*A certification shall be included with any competitive bid and/or contract submitted to the State for goods or services.*

Solicitation or Purchase Order #: \_\_\_\_\_

Supplier Legal Name: \_\_\_\_\_

**SECTION I [74 O.S. § 85.22]:**

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
  - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
  - b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
  - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

**SECTION II [74 O.S. § 85.42]:**

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

☐ the competitive bid attached herewith and contract, if awarded to said supplier;

**OR**

☐ the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

\_\_\_\_\_  
Supplier Authorized Signature

\_\_\_\_\_  
Certified This Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email

\_\_\_\_\_  
Fax Number

TABLE OF CONTENTS

A GENERAL PROVISIONS.....5

B. SPECIAL PROVISIONS .....9

C. SOLICITATION SPECIFICATIONS.....15

D. EVALUATION .....29

E. Instructions to suppliers .....30

F. CHECKLIST .....33

G. OTHER .....34

H. PRICE AND COST .....37

## **A. GENERAL PROVISIONS**

### **A.1. Definitions**

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- A.1.1.** "Acquisition" means items, products, materials, supplies, services and equipment a state agency acquires by purchase, lease purchase, lease with option to purchase, or rental pursuant to the Oklahoma Central Purchasing Act;
- A.1.2.** "Bid" means an offer in the form of a bid, proposal or quote a bidder submits in response to a solicitation;
- A.1.3.** "Bidder" means an individual or business entity that submits a bid in response to solicitation;
- A.1.4.** "Solicitation" means a request or invitation by the State Purchasing Director or a state agency for a supplier to submit a priced offer to sell acquisitions to the state. A solicitation may be an invitation to bid, request for proposal, or a request for quotation; and
- A.1.5.** "Supplier" means an individual or business entity that sells or desires to sell acquisitions to state agencies.

### **A.2. Bid Submission**

- A.2.1.** Submitted bids shall be in strict conformity with the instructions to bidders and shall be submitted with a completed "Responding Bidder Information", DCS-FORM-CP-076, and any other forms required by the solicitation.
- A.2.2.** Bids shall be submitted to the Central Purchasing Division in a single envelope, package, or container and shall be sealed. The name and address of the bidder shall be inserted in the upper left corner of the single envelope, package, or container. SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.
- A.2.3.** The required certification statement, "Certification for Competitive Bid and/or Contract (Non-Collusion Certification)", DCS-FORM-CP-004, must be made out in the name of the bidder and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.
- A.2.4.** All bids shall be legibly written or typed. Any corrections to bids shall be initialed. Penciled bids and penciled corrections shall NOT be accepted and will be rejected as non-responsive.
- A.2.5.** All bids submitted shall be subject to the Oklahoma Central Purchasing Act, Central Purchasing Rules, and other statutory regulations as applicable, these General Provisions, any Special Provisions, solicitation specifications, required certification statement, and all other terms and conditions listed or attached herein—all of which are made part of this solicitation.

### **A.3. Solicitation Amendments**

- A.3.1.** If an "Amendment of Solicitation", DCS-FORM-CP-011, is issued, the bidder shall acknowledge receipt of any/all amendment(s) to solicitations by signing and returning the solicitation amendment(s). Amendment acknowledgement(s) may be submitted with the bid or may be forwarded separately. If forwarded separately, amendment acknowledgement(s) must contain the solicitation number and response due date and time on the front of the envelope. The Central Purchasing Division must receive the amendment acknowledgement(s) by the response due date and time specified for receipt of bids for the bid to be deemed responsive. Failure to acknowledge solicitation amendments may be grounds for rejection.
- A.3.2.** No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the solicitation. All amendments to the solicitation shall be made in writing by the Central Purchasing Division.
- A.3.3.** It is the Bidder's responsibility to check the DCS/Central Purchasing Division website frequently for any possible amendments that may be issued. The Central Purchasing Division is not responsible for a bidder's failure to download any amendment documents required to complete a solicitation.

### **A.4. Bid Change**

If the bidder needs to change a bid prior to the solicitation response due date, a new bid shall be submitted to the Central Purchasing Division with the following statement "This bid supersedes the bid previously submitted" in a single envelope, package, or container and shall be sealed. The name and address of the bidder shall be inserted in the upper left corner of the single envelope, package, or container. SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.

### **A.5. Certification Regarding Debarment, Suspension, and Other Responsibility Matters**

By submitting a response to this solicitation:

- A.5.1.** The prospective primary participant and any subcontractor certifies to the best of their knowledge and belief, that they and their principals or participants:
  - A.5.1.1.** Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal, State or local department or agency;

- A.5.1.2.** Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract; or for violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- A.5.1.3.** Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph A.5.1.2. of this certification; and
- A.5.1.4.** Have not within a three-year period preceding this application/proposal had one or more public (Federal, State or local) contracts terminated for cause or default.
- A.5.2.** Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to its solicitation response.

## **A.6. Bid Opening**

Sealed bids shall be opened by the Central Purchasing Division at the Department of Central Services, Will Rogers Building, 2401 N. Lincoln Blvd. First Floor, Suite 116, Oklahoma City, Oklahoma, 73105 at the time and date specified in the solicitation as Response Due Date and Time.

## **A.7. Bids Subject to Public Disclosure**

Unless otherwise specified in the Oklahoma Open Records Act, Central Purchasing Act, or other applicable law, documents and information a bidder submits as part of or in connection with a bid are public records and subject to disclosure. Bidders claiming any portion of their bid as proprietary or confidential must specifically identify what documents or portions of documents they consider confidential and identify applicable law supporting their claim of confidentiality. The State Purchasing Director shall make the final decision as to whether the documentation or information is confidential pursuant to 74 O.S. §85.10.

## **A.8. Late Bids**

Bids received by the Central Purchasing Division after the response due date and time shall be deemed non-responsive and shall NOT be considered for any resultant award.

## **A.9. Legal Contract**

- A.9.1.** Submitted bids are rendered as a legal offer and any bid, when accepted by the Central Purchasing Division, shall constitute a contract.
- A.9.2.** The Contract resulting from this solicitation will consist of the following documents in order of preference: Contract award documents, including but not limited to the Purchase Order, Contract Modifications, required certification statement, affidavit, and change orders; the solicitation including any amendments; and the successful bid to the extent that the bid does not conflict with the requirements of the Contract award documents or solicitation or applicable law. In the event there is a conflict between any of the preceding documents, the Contract award documents prevail over the solicitation, and both the Contract award documents and the solicitation shall prevail over the successful bid.
- A.9.3.** Any contract(s) awarded pursuant to the solicitation shall be legibly written or typed.

## **A.10. Pricing**

- A.10.1.** Bids shall remain firm for a minimum of sixty (60) days from the solicitation closing date.
- A.10.2.** Bidders guarantee unit prices to be correct.
- A.10.3.** In accordance with 74 O.S. §85.40, ALL travel expenses to be incurred by the supplier in performance of the Contract shall be included in the total bid price/contract amount.

## **A.11. Manufacturers' Name and Approved Equivalents**

Unless otherwise specified in the solicitation, manufacturers' names, brand names, information and/or catalog numbers listed in a specification are for information and not intended to limit competition. Bidder may offer any brand for which they are an authorized representative, which meets or exceeds the specification for any item(s). However, if bids are based on equivalent products, indicate on the bid form the manufacturer's name and number. Bidder shall submit sketches, descriptive literature, and/or complete specifications with their bid. Reference to literature submitted with a previous bid will not satisfy this provision. The bidder shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Bids that do not comply with these requirements are subject to rejection.

## **A.12. Clarification of Solicitation**

Clarification pertaining to the contents of this solicitation shall be directed in writing to the Central Purchasing Contracting Officer specified in the solicitation.

### **A.13. Rejection of Bid**

The State reserves the right to reject any bids that do not comply with the requirements and specifications of the solicitation. A bid may be rejected when the bidder imposes terms or conditions that would modify requirements of the solicitation or limit the bidder's liability to the State. Other possible reasons for rejection of bids are listed in OAC 580:15-4-11.

### **A.14. Award of Contract**

- A.14.1.** The State Purchasing Director may award the Contract to more than one bidder by awarding the Contract(s) by item or groups of items, or may award the Contract on an ALL OR NONE basis, whichever is deemed by the State Purchasing Director to be in the best interest of the State of Oklahoma.
- A.14.2.** Contract awards will be made to the lowest and best bidder(s) unless the solicitation specifies that best value criteria is being used.
- A.14.3.** In order to receive an award or payments from the State of Oklahoma, suppliers must be registered. The vendor registration process can be completed electronically through the DCS website at the following link:  
<https://www.ok.gov/dcs/vendors/index.php>.

### **A.15. Contract Modification**

- A.15.1.** The Contract is issued under the authority of the State Purchasing Director who signs the Contract. The Contract may be modified only through a written Contract Modification, signed by the State Purchasing Director.
- A.15.2.** Any change to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the Central Purchasing Division in writing, or made unilaterally by the Supplier, is a breach of the Contract. Unless otherwise specified by applicable law or rules, such changes, including unauthorized written Contract Modifications, shall be void and without effect, and the Supplier shall not be entitled to any claim under this Contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the resultant Contract.

### **A.16. Delivery, Inspection and Acceptance**

- A.16.1.** Unless otherwise specified in the solicitation or awarding documents, all deliveries shall be F.O.B. Destination. The bidder(s) awarded the Contract shall prepay all packaging, handling, shipping and delivery charges and firm prices quoted in the bid shall include all such charges. All products and/or services to be delivered pursuant to the Contract shall be subject to final inspection and acceptance by the State at destination. "Destination" shall mean delivered to the receiving dock or other point specified in the purchase order. The State assumes no responsibility for goods until accepted by the State at the receiving point in good condition. Title and risk of loss or damage to all items shall be the responsibility of the supplier until accepted by the receiving agency. The supplier(s) awarded the Contract shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance.
- A.16.2.** Supplier(s) awarded the Contract shall be required to deliver products and services as bid on or before the required date. Deviations, substitutions or changes in products and services shall not be made unless expressly authorized in writing by the Central Purchasing Division.

### **A.17. Invoicing and Payment**

- A.17.1.** Pursuant to 74 O.S. §85.44(B), invoices will be paid in arrears after products have been delivered or services provided.
- A.17.2.** Interest on late payments made by the State of Oklahoma is governed by 62 O.S. §34.71 and 62 O.S. §34.72.

### **A.18. Tax Exemption**

State agency acquisitions are exempt from sales taxes and federal excise taxes. Bidders shall not include these taxes in price quotes.

### **A.19. Audit and Records Clause**

- A.19.1.** As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any Contract with the State, the successful bidder(s) agree any pertinent State or Federal agency will have the right to examine and audit all records relevant to execution and performance of the resultant Contract.
- A.19.2.** The successful bidder(s) awarded the Contract(s) is required to retain records relative to the Contract for the duration of the Contract and for a period of seven (7) years following completion and/or termination of the Contract. If an audit, litigation, or other action involving such records is started before the end of the seven (7) year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

## **A.20. Non-Appropriation Clause**

The terms of any Contract resulting from the solicitation and any Purchase Order issued for multiple years under the Contract are contingent upon sufficient appropriations being made by the Legislature or other appropriate government entity. Notwithstanding any language to the contrary in the solicitation, purchase order, or any other Contract document, the procuring agency may terminate its obligations under the Contract if sufficient appropriations are not made by the Legislature or other appropriate governing entity to pay amounts due for multiple year agreements. The Requesting (procuring) Agency's decisions as to whether sufficient appropriations are available shall be accepted by the supplier and shall be final and binding.

## **A.21. Choice of Law**

Any claims, disputes, or litigation relating to the solicitation, or the execution, interpretation, performance, or enforcement of the Contract shall be governed by the laws of the State of Oklahoma.

## **A.22. Choice of Venue**

Venue for any action, claim, dispute or litigation relating in any way to the Contract shall be in Oklahoma County, Oklahoma.

## **A.23. Termination for Cause**

- A.23.1.** The supplier may terminate the Contract for default or other just cause with a 30-day written request and upon written approval from the Central Purchasing Division. The State may terminate the Contract for default or any other just cause upon a 30-day written notification to the supplier.
- A.23.2.** The State may terminate the Contract immediately, without a 30-day written notice to the supplier, when violations are found to be an impediment to the function of an agency and detrimental to its cause, when conditions preclude the 30-day notice, or when the State Purchasing Director determines that an administrative error occurred prior to Contract performance.
- A.23.3.** If the Contract is terminated, the State shall be liable only for payment for products and/or services delivered and accepted.

## **A.24. Termination for Convenience**

- A.24.1.** The State may terminate the Contract, in whole or in part, for convenience if the State Purchasing Director determines that termination is in the State's best interest. The State Purchasing Director shall terminate the Contract by delivering to the supplier a Notice of Termination for Convenience specifying the terms and effective date of Contract termination. The Contract termination date shall be a minimum of 60 days from the date the Notice of Termination for Convenience is issued by the State Purchasing Director.
- A.24.2.** If the Contract is terminated, the State shall be liable only for products and/or services delivered and accepted, and for costs and expenses (exclusive of profit) reasonably incurred prior to the date upon which the Notice of Termination for Convenience was received by the supplier.

## **A.25. Insurance**

The successful bidder(s) awarded the Contract shall obtain and retain insurance, including workers' compensation, automobile insurance, medical malpractice, and general liability, as applicable, or as required by State or Federal law, prior to commencement of any work in connection with the Contract. The supplier awarded the Contract shall timely renew the policies to be carried pursuant to this section throughout the term of the Contract and shall provide the Central Purchasing Division and the procuring agency with evidence of such insurance and renewals.

## **A.26. Employment Relationship**

The Contract does not create an employment relationship. Individuals performing services required by this Contract are not employees of the State of Oklahoma or the procuring agency. The supplier's employees shall not be considered employees of the State of Oklahoma nor of the procuring agency for any purpose, and accordingly shall not be eligible for rights or benefits accruing to state employees.

## **A.27. Compliance with the Oklahoma Taxpayer and Citizen Protection Act of 2007**

By submitting a bid for services, the bidder certifies that they, and any proposed subcontractors, are in compliance with 25 O.S. §1313 and participate in the Status Verification System. The Status Verification System is defined in 25 O.S. §1312 and includes but is not limited to the free Employment Verification Program (E-Verify) available at [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify).

## **A.28. Compliance with Applicable Laws**

The products and services supplied under the Contract shall comply with all applicable federal, state and local laws, and the supplier shall maintain all applicable licenses and permit requirements.

## **A.29. Special Provisions**

Special Provisions set forth in SECTION B apply with the same force and effect as these General Provisions. However, conflicts or inconsistencies shall be resolved in favor of the Special Provisions.



## **B. SPECIAL PROVISIONS**

The Third Party Administrator (TPA) must affirm its understanding of all Oklahoma State and Education Employees Group Insurance Board (OSEEGIB) special provisions, provide information where requested and agree to comply with those provisions for the duration of the contract. Any alternative language offered by the TPA to the Special Provisions shall be considered as to whether alternative language is or is not in the best interest of the plan and shall be evaluated accordingly. Alternative language shall be listed by the TPA in the statement of Compliance in Section (F).

### **B.1. Acceptance of Offer**

**B.1.1.** The submission of a proposal shall constitute a binding offer to perform those services described within the proposal. The proposal shall remain in effect for six (6) months after submission. OSEEGIB shall have the option of accepting the proposal at any time within that six (6) month period. If the proposal is accepted more than six (6) months after submission, OSEEGIB and the TPA shall agree to adjust the time lines up to six (6) months. The TPA is advised that its proposal may be accepted any time within that six (6) month period, even if OSEEGIB has accepted another TPA's proposal, but subsequently that contract was terminated.

**B.1.1.1.** This paragraph contradicts and supersedes Department of Central Services (DCS)' General Pricing Provisions at A.10.1

**B.1.2.** By submitting a proposal, the TPA agrees not to make any claims for, or have any right to, damages because of any misunderstanding or misrepresentation of the specifications or because of any misinformation or lack of information.

**B.1.3.** If a TPA fails to notify OSEEGIB of an error, ambiguity, conflict, discrepancy, omission or other error in the Request For Proposal (RFP) known to the TPA, or an error that reasonably should have been known by the TPA, the TPA shall submit a proposal at its own risk; and, if awarded the contract, the TPA shall not be entitled to additional compensation, relief or time by reason of the error or its later correction.

### **B.2. Contractual Term**

**B.2.1.** The Contract shall be awarded for a one (1) year term to be effective July 1, 2013.

**B.2.2.** The Contract shall include a provision for OSEEGIB, in its sole discretion and at the end of each term, to renew the one (1) year term for four (4) additional one-year renewal terms. OSEEGIB intends to renew the Contract for at least two (2) years subject to the terms and conditions of the Contract, pending a determination that the program is effective and funds itself.

### **B.3. Termination**

**B.3.1.** Within thirty (30) days after the date the TPA receives notice of termination, the TPA shall, at no additional cost to OSEEGIB, copy and deliver to OSEEGIB all files and data bases in an agreed upon electronic format, together with necessary and appropriate documentation (including record layouts and data dictionaries of the data bases and systems) used in the administration of the program. Coordination of this transfer is vital to the continuity of OSEEGIB's business and the TPA must do whatever is necessary to facilitate a timely and accurate transfer. Administrative procedures, both internal and external, and other related material necessary to operate the plan shall also be delivered. Between notification of termination and the termination date, additional information must be provided as requested.

**B.3.1.1.** If return of all information in files and data bases is not feasible, the TPA shall continue to extend the protections described in the Contract to such information, and limit further use of Private Health Information (PHI) to those purposes that make the return or destruction of such PHI infeasible. TPA shall destroy the PHI, upon written approval from OSEEGIB. If the TPA elects to destroy the PHI, the TPA shall certify in writing to OSEEGIB that such PHI has been destroyed.

**B.3.2.** The TPA shall give OSEEGIB at least one hundred eighty (180) days written notice prior to cancellation. The TPA shall also provide one hundred eighty (180) days written notice prior to non-renewal. This paragraph contradicts and supersedes DCS' General Pricing Provisions.

**B.3.3.** OSEEGIB and the DCS shall terminate this contract for cause upon giving the TPA thirty (30) days written notice. Termination for cause is defined as the failure of the TPA to maintain the quality of its services provided for by this contract to the satisfaction of OSEEGIB. OSEEGIB and the DCS shall terminate this contract without cause upon giving the TPA one hundred eighty (180) days written notice.

- B.3.4.** Following the effective date of termination, this contract shall be of no further force and effect, except that each party shall remain liable for any obligations or liabilities arising from activities carried on by it hereunder prior to the effective date of termination of this contract.
- B.3.5.** The TPA, OSEEGIB and the DCS shall agree that each party reserves the right to terminate this contract if funds are not available to support the continuation of this benefit program administered by OSEEGIB or if it is otherwise determined by OSEEGIB, at its sole discretion, that it is in the best interest of the State to terminate the contract.

**B.4. Electronic and Information Technology Accessibility (EITA) Standards**

- B.4.1.** All electronic and information technology procurements, agreements, and contracts shall comply with Oklahoma Information Technology Accessibility Standards issued by the Oklahoma Office of State Finance. Electronic Information Standards shall be found at [www.ok.gov/DCS/](http://www.ok.gov/DCS/). The State of Oklahoma information technology Accessibility Standards are based on the standards developed to implement Federal Section 508 of the Rehabilitation Act. Compliance with these standards is required for all software application systems utilized by agencies of the State of Oklahoma.
- B.4.2.** Upon request, the TPA shall provide a description of conformance with the applicable Oklahoma Information Technology Accessibility Standards for the proposed product, system or application development/customization by means of either a Voluntary Product Accessibility Template or other comparable document.
- B.4.3.** The TPA shall indemnify and hold harmless the State of Oklahoma and any Oklahoma governmental entity purchasing the product, system or application developed and/or customized by the TPA from any claim arising out of the TPA's failure to comply with the aforementioned requirements.

**B.5. Confidentiality and HIPAA Requirements**

- B.5.1.** The TPA agrees that it maintains internal practices, policies, books and records, including policies and procedures relating to the use and disclosure of OSEEGIB confidential and protected health information and will provide OSEEGIB a summary description of those policies and procedures upon request. All OSEEGIB member information concerning this RFP is the sole property of the State of Oklahoma and shall remain confidential. It shall not be used by the TPA nor transmitted to others for any reason whatsoever, except as shall be required to administer and implement the Solicitation Specifications described in this RFP, or with prior written approval from OSEEGIB.
- B.5.2.** The TPA must identify its HIPAA compliance officer.
- B.5.3.** The TPA, as a "Business Associate," agrees to the Business Associate Agreement at Section G of this Contract as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) statutes and regulations.

**B.6. Appropriated Funds**

- B.6.1.** The parties understand and agree that none of the sums to be paid under this Contract are appropriated funds. Should there be a revenue shortfall, OSEEGIB shall not seek appropriations and shall not use appropriated funds to pay for this obligation. The most recent financial statement of OSEEGIB is posted on OSEEGIB's website: [www.sib.ok.gov/sib/](http://www.sib.ok.gov/sib/) (go to "About OSEEGIB" 2010 Annual Report Statement).

**B.7. Records**

- B.7.1.** The TPA shall maintain full and adequate records relating to the services it is performing under this Contract and shall allow OSEEGIB to review and copy such records upon request. The TPA shall provide adequate safeguards for all books and records. As part of its response to the RFP, the TPA shall reveal to OSEEGIB the specifics of its safeguarding program.

**B.8. Right to Audit**

- B.8.1.** OSEEGIB, or its designated representatives, including the State Auditor and Inspector and independent third parties, shall be authorized to examine all records, data and systems of the TPA which are directly related to the performance of this contract. All records and data, without regard to form or media, shall be available during normal business hours upon forty-eight (48) hours' notice. Included in this right to audit shall be the following provisions:

- B.8.1.1.** OSEEGIB, or its designated representative, is authorized to visit the TPA's premises and have full access to all records and data including paper documents, electronic documents, policies and procedures, benefit document, imaged and magnetically-stored data which relate to this contract.
- B.8.1.2.** OSEEGIB, or its designated representative, is authorized to review the operational procedures and the evidenced-based medicine treatment guidelines including the clinical logic supporting the guidelines. An operational review includes a review of the policies and procedures, work flow, staffing and training, system capabilities and edits, and disaster recovery plans.
- B.8.1.3.** The TPA shall assist OSEEGIB by promptly providing requested records and data and reasonable access to the TPA's personnel.
- B.8.1.4.** The findings of the audits performed by OSEEGIB or its designated representative shall be conclusive. The TPA shall cooperate with OSEEGIB and implement the recommendations of the audit findings.
- B.8.1.5.** The TPA is required to retain all records relative to this contract for the duration of the contract term and for a period of three (3) years following completion and/or termination of the contract. If an audit, litigation, or other action involving such records is started before the end of the three (3) year period, the records are required to be maintained for three (3) years from the date that all issues arising out of the action are resolved or until the end of the three (3) year retention period, whichever is later.

## **B.9. Ownership of Data**

- B.9.1.** Although OSEEGIB is subject to the Oklahoma Open Records Act, 51 O.S. (2001) § 24A.1, OSEEGIB maintains documents and information that are considered confidential by law, 74 O.S. (2001) § 1322. In connection with this Contract, the TPA will have access to information that is considered confidential, and the TPA warrants and represents that such confidential information shall not be sold, assigned, conveyed, provided, released, disseminated or otherwise disclosed by the TPA, its employees, officers, directors, subsidiaries, affiliates, agents, representatives, assignees, subcontractors, independent contractors, successors, or any other persons or entities without OSEEGIB's express written permission. The TPA shall instruct its agents, representatives, subcontractors and/or independent contractors that they shall not use or disclose such confidential information to any other person or entity without the express written permission of OSEEGIB, except as absolutely necessary for TPA to render services under this Contract or as required by law. The TPA warrants and represents that it has a tested and proven system in effect to protect all confidential information as defined herein.
- B.9.2.** OSEEGIB "Confidential Information" includes the records and resulting data generated from the confidential information of all OSEEGIB members, retirees, and beneficiaries in any plan administered by OSEEGIB and all other related information that is subject to protection from disclosure pursuant to Oklahoma or federal law, including, without limitation all privacy protections as provided in and in the "Privacy Rule" adopted pursuant to HIPAA.
- B.9.3.** The TPA agrees that OSEEGIB possesses exclusive property rights to the records and data designated herein as confidential information on behalf of OSEEGIB members. The TPA shall establish, maintain, and enforce agreements with its officers, directors, employees, subcontractors, independent contractors, affiliates, subsidiaries, assignees, agents and representatives who have access to any confidential information to fulfill the TPA's duties and obligations in this Contract and to specifically prohibit any use, sale, assignment, conveyance, provision, release, disclosure or other dissemination of any confidential information, except as otherwise required by law or authorized by OSEEGIB.
- B.9.4.** The TPA shall immediately report to OSEEGIB any and all unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any confidential information of which it or its subsidiaries, affiliates, employees, officers, directors, assignees, agents, representatives, independent contractors, and subcontractors is aware or have knowledge or reasonably should have knowledge. The TPA shall also promptly furnish to OSEEGIB full details of the unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination, or attempt thereof, and use its best efforts to assist OSEEGIB in investigating or preventing the reoccurrence of such event in the future. The TPA shall cooperate with OSEEGIB in connection with any litigation and investigation deemed necessary by OSEEGIB to protect any confidential information. The TPA further agrees to promptly prevent a

reoccurrence of any unauthorized use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of confidential information.

- B.9.5.** The TPA acknowledges that any improper use, appropriation, sale, assignment, conveyance, provision, release, access, acquisition, disclosure or other dissemination of any confidential information to others may cause immediate and irreparable harm to OSEEGIB and/or HealthChoice members and may violate state or federal laws and regulations. If the TPA or its affiliates, subsidiaries, employees, officers, directors, assignees, agents, representatives, independent contractors, and subcontractors improperly use, appropriate, sell, assign, convey, provide, release, access, acquire, disclose or otherwise disseminate such confidential information to any person or entity in violation of the Contract, OSEEGIB will immediately be entitled to injunctive relief and/or any other rights or remedies available to OSEEGIB under this Contract, at equity or pursuant to applicable statutory, regulatory, and common law without a cure period.
- B.9.6.** During the term of this Contract, the TPA agrees that OSEEGIB is granted access to all OSEEGIB Confidential Information in the possession of the TPA and upon OSEEGIB request the TPA shall deliver to OSEEGIB a copy of any specified OSEEGIB confidential information and data that the TPA prepared, developed and/or stored by the TPA as part of this contract.
- B.9.7.** Prior to the expiration, or upon the earlier termination of this Contract, the TPA shall provide OSEEGIB all confidential information and data as defined herein within the TPA's possession in the form of hard copy and/or electronic storage media. This paragraph does not apply to the TPA's proprietary formats or systems that contain the confidential information or proprietary documents pertaining to the operation of the TPA's business. The TPA may retain copies of those records or documents which it considers necessary for proof of performance.
- B.9.8.** This entire Section shall survive any termination, renewal, extension or amendment of this Contract.

**B.10. Contract Defined**

- B.10.1.** This RFP, together with the TPA's response, exhibits, written questions and clarifications, amendments or revisions signed by both parties and presented to the DCS and the DCS purchase order, constitute the entire and final agreement between OSEEGIB and the TPA relating to the rights granted and the obligations assumed by the parties and is the Contract when the DCS awards the Contract to the successful TPA.
- B.10.2.** Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this RFP and the TPA's response thereto, not expressly set forth, are of no force or effect.

**B.11. License**

To be eligible to submit a proposal under this RFP, an organization must meet all legal requirements for doing business in the State of Oklahoma. The TPA must provide a copy of its administrator's license issued by the Insurance Commissioner for the State of Oklahoma. If the TPA is not currently licensed by the State of Oklahoma, it must act with due diligence in obtaining said license upon notification of award of this contract and give a statement to this effect as part of its response.

**B.12. No Commissions**

**B.12.1. The TPA agrees:**

- B.12.1.1.** To and shall perform all services described in the RFP and the final OSEEGIB/State of Oklahoma contract, strictly according to a fee-for-services basis;
- B.12.1.2.** That absolutely no commissions or finder's fees shall be paid to anyone or any organization resulting from the State of Oklahoma's contract, either arising from an agreement to pay a commission or finder's fee prior to or during the term of this contract; and,
- B.12.1.3.** To provide a statement as part of its response to this RFP, and prior to each contract renewal, that absolutely no commissions or finder's fees are to be paid to any subcontractor, broker, agent or other individual, organization or entity.

**B.13. Conflict**

- B.13.1.** The TPA shall disclose any apparent or potential conflict of interest or affirm that it has none. The TPA shall have no interest, direct or indirect, that could be perceived to conflict in any manner or degree with the performance of services required under the contract. The TPA shall not engage in any conduct that violates or induces others to violate provisions in the Oklahoma Statutes regarding the conduct of public employees.

See: The Anti-Kickback Act of 1974 at 74 O.S. (2001) §3401, et seq., and the Conflict of Interest provision in the Oklahoma Central Purchasing Act at 74 O.S. (2001) §85.3.

**B.14. Lawsuits and Claims**

- B.14.1.** Unless prohibited by securities laws, the TPA must disclose any prior lawsuits and litigation involving alleged or actual violations of administrative rules and hearings, or any lawsuits and litigation threatened or impending, involving itself and the State of Oklahoma or any political subdivisions, and/or any state officer and/or any state employee acting in the capacity of a state employee, and any settlements, compromises (if confidential, a statement of that fact) or Judgments of Record resulting from the foregoing described litigation or administrative proceedings for the past five (5) years or affirm there are none.
- B.14.2.** The TPA shall list and disclose contract cancellations or negligent causes of action that arose from work performed that is the same or similar to work identified in the Scope of Services in this RFP that was initiated by persons or entities other than the TPA and resulted in a settlement with or judgment against the TPA in any jurisdiction in the United States in an amount of One Hundred Thousand Dollars (\$100,000.00) or more within the previous five (5) years, or affirm there are none.
- B.14.3.** The TPA shall disclose any data security breached and specifically HIPAA security breaches.

**B.15. Federal Exclusion List**

- B.15.1.** The TPA affirms and agrees that it complies with the federal statutes and regulations concerning persons who are listed on the Excluded Parties List System maintained by the General Services Administration, or excluded from receiving payment from federal government programs by the Department of Health and Human Services, Office of Inspector General.

**B.16. Fraud, Waste & Abuse Compliance Program**

**B.16.1.** The TPA must acknowledge OSEEGIB's Fraud, Waste & Abuse Compliance Program. The compliance program can be viewed at [www.sib.ok.gov](http://www.sib.ok.gov) (Go to Site Map, click on Fraud, Waste and Abuse Program, then Compliance Program.) The TPA must include in its Fraud, Waste & Abuse training efforts at least one hour annually of training for applicable TPA employees.

**B.17. Office Location**

**B.17.1.** The TPA must currently have or must agree to establish a local office in Oklahoma City that is accessible to OSEEGIB's staff. The office shall maintain an Oklahoma City Post Office Box for mail; however, TPA may also use mailing address outside of Oklahoma for claims correspondence

**B.17.2.** Describe the facilities and locations of facilities that will be used to manage OSEEGIB's account.

**B.17.2.1.** Preference will be given to a TPA who will have a local claims office. Identify the location of the office that will handle the administration of this contract.

**B.17.2.2.** If the office will be located outside of Oklahoma, explain the TPA's plans to interact closely with OSEEGIB.

**B.18. Local Representation**

**B.18.1.** The TPA must describe the management staff including qualifications, experience and resumes. The TPA must identify the local staff person having authority to make decisions for the TPA regarding all aspects of OSEEGIB's account. The local staff must be able to handle correspondence and provide customer services to members and providers for immediate resolution.

**B.19. Hold Harmless**

**B.19.1.** The TPA shall be responsible for the work, direction, and compensation of TPA employees, agents and subcontractors. Neither OSEEGIB nor the State of Oklahoma shall be liable, directly or indirectly, for the work and direction of TPA employees, agents or subcontractors. The TPA agrees to indemnify and hold harmless OSEEGIB, its employees and agents, and the State of Oklahoma from damages, loss, or liability to persons or property arising from claims of any kind, including, but not limited to compensation by TPA employees, agents, and subcontractors of the TPA against the TPA; negligent or willful acts of the TPA its employees or agents in performance of this Contract; acts, omissions or liabilities of the TPA acting in any capacity that relate to the Contract; and damages, costs, fines or penalties arising from HIPAA violations committed by TPA employees, agents or subcontractors. The State of Oklahoma does not waive compromise, concede, surrender, or relinquish any rights, privileges, immunities, or remedies that the State of Oklahoma and its employees possess under State or Federal law.

**B.20. Designation of Personnel**

**B.20.1.** OSEEGIB shall designate personnel or professionals under contract with OSEEGIB to administer any of the terms or conditions of this contract referenced herein, and any and all duties or acts required of OSEEGIB.

**B.21. Severability**

**B.21.1.** The terms and provisions of this contract shall be deemed to be severable one from the other, and any determination at law or in a court of equity that one term or provision is unenforceable, shall have no effect on the remaining terms and provisions of this contract, or any one of them, in accordance with the intent and purposes of the parties hereto.

**B.22. Notice**

**B.22.1.** Any notice required to be given, pursuant to the terms and provisions of the contract, shall be in writing, and delivered either by hand delivery with written receipt, or delivered by the U. S. Postal Service, (USPS) postage prepaid, by certified mail, return receipt requested, to OSEEGIB at 3545 N.W. 58th, Oklahoma City, Oklahoma 73112, or the TPA at the address listed on the DCS purchase order. The USPS notice shall be effective on the date indicated on the return receipt.

**B.23. Supremacy of State Statutes**

**B.23.1.** This Contract is subject to all applicable Federal Regulations and Oklahoma State Statutes, OSEEGIB's Rules and Administrative Directives. Any provision of this contract which is not in conformity with existing or future legislation shall be considered amended to comply with such

legislation. Any interpretation or disputes with respect to contract provisions shall be resolved according to the laws of the State of Oklahoma. Jurisdiction and venue for any litigation between OSEEGIB and the TPA shall occur in either a State or Federal court in Oklahoma County, Oklahoma.

**B.24. Force Majeure**

**B.24.1.** Neither party shall be liable for any delay or failure of performance under this contract due to an act of God, or due to war mobilization, insurrection, rebellion, riot, sabotage, explosion, fire, flood or storm.

**B.25. Assignments**

**B.25.1.** This contract shall not be assigned in whole or in part without written understanding and OSEEGIB approval.

**B.26. Subcontractors**

**B.26.1.** In the event a proposal is jointly submitted by more than one vendor, one of the organizations must be designated as the TPA Prime Contractor. All other entities should be designated as subcontractors. Any planned or proposed use of subcontractors must be clearly documented in the proposal. The prime contractor shall be completely responsible for all contract services to be performed. Prime contractors must demonstrate that all aspects of system integration have been carefully and completely considered.

**B.26.2.** Additionally, those TPA's utilizing subcontractors for this RFP should name the subcontractor, define the relationship, the services to be performed by the subcontractor, and clearly state the years of experience. The TPA shall document procedures implemented allowing the TPA to fully interface with its subcontractors. Failure to adequately demonstrate the ability to timely integrate systems shall result in the elimination of the proposal.

**B.27. Fiduciary**

**B.27.1.** The TPA shall become a fiduciary to OSEEGIB as defined at 74 O. S. (2001) §1305.2.

**C. SOLICITATION SPECIFICATIONS**

The TPA shall comply with all requirements in this section. The TPA must state in its response exactly how it will comply, providing detailed information and stating affirmatively its understanding of the requirement(s). Any alternative method offered by the TPA to the required Scope of Services shall be considered as to whether the alternative method is or is not in the best interest of OSEEGIB, and shall be evaluated accordingly. Said alternative method shall be listed by the TPA in the attached Statement of Compliance.

In the event the TPA proposes a service requirement by different procedures with a similar result, the TPA shall explain in detail and provide the potential impact to OSEEGIB and its members. No such alternative method may be substituted by the TPA without express written approval of OSEEGIB.

All services required in this RFP are all-inclusive, and the TPA shall not charge any additional fees to OSEEGIB including, but not limited to line charges, upgrades, mailings, postage. Any additional services that the TPA intends to provide OSEEGIB, and which are included in the fees quoted in the response to this RFP, should be described in the TPA's response. Any additional services that the TPA intends to provide OSEEGIB, and which are not included in the administrative fees quoted, shall be itemized in the TPA's financial proposal.

**C.1. Issuing Office**

**C.1.1.** This RFP is issued by DCS on behalf of OSEEGIB, a Division of the Office of State Finance (OSF).

**C.2. Statement of Purpose**

**C.2.1.** The Oklahoma State and Education Employees Group Insurance Board, "OSEEGIB," requests proposals from Third Party Administrators, "TPA," to provide claims processing, customer service, reporting, and ancillary services for the HealthChoice Disability Plan, hereinafter "Plan," The Plan is self-insured by OSEEGIB. This Request for Proposal, "RFP," defines the requirements used to determine a qualified TPA and describes requested TPA services.

**C.2.2.** The contract, as defined in B.10, shall be awarded for an initial one-year term, effective July 1, 2013, with the option of four (4) one-year renewals, at the discretion of OSEEGIB and the Oklahoma Department of Central Services, "DCS." The State Purchasing Director may negotiate provisions in the RFP to reduce costs and/or improve the level of service in conjunction with the acquisition of computer technology systems. 74 O.S. (2011) § 85.9 D.

### **C.3. Objectives**

- C.3.1.** OSEEGIB expects its members to receive fast and accurate processing of claims, while containing costs by being innovative and providing cost effective resources and technology. OSEEGIB intends to hire a TPA, with a reputation in the marketplace focusing on quality service. The TPA shall report claims experience in an accurate and useful manner, while maintaining an efficient and friendly customer service program. The TPA shall assist members in obtaining eligibility for Social Security benefits. The TPA shall be HIPAA compliant.

### **C.4. Identification of OSEEGIB**

- C.4.1.** OSEEGIB was established by, and operates pursuant to, the Oklahoma State and Education Employees Group Insurance Act, 74 O.S. (2011) §1301, et seq. The State Employees Disability Program Act, 74 O.S. (2011) § 1333 et seq., was established for the benefit of state employees and employees of other specified state governmental entities and quasi-state governmental entities. OSEEGIB makes decisions on all policy matters affecting the Plan including participant benefits, premium rates and the investment of premiums.
- C.4.2.** Pursuant to legislative authority, OSEEGIB Rules set forth the eligibility, type of participation and benefits guidelines for all participating employers. A copy of the official agency Rules is on file with the Office of the Secretary of State beginning at Oklahoma Administrative Code Title 360:1-1-1, or the Rules may be found at [www.sib.ok.gov/sib](http://www.sib.ok.gov/sib) ("About OSEEGIB")
- C.4.3.** GHS Property & Casualty Company, a subsidiary of Health Care Service Corporation, is the current TPA of disability benefits.

### **C.5. Identification of the Plan**

- C.5.1.** The Plan is self-funded and provides partial income replacement for an employee who incurs a medically disabling condition which will keep him/her off work for at least thirty (30) days. The medically disabling condition may or may not be work related.
- C.5.2.** Disability benefits are available to all active state employees and to those active county employees whose employer chooses to participate in the program.

### **C.6. Disability Plan Benefits**

- C.6.1.** The Plan is an employer-paid plan and consists of short-term and long-term benefits. It is subject to offsets, such as Workers' Compensation, Retirement, Social Security and Sick Leave, etc. Currently, the benefits are paid at 60% of salary, or up to a \$2,500.00 monthly maximum for short-term and 60% of salary with up to a \$3,000.00 monthly maximum for long-term. Disability Plan recipients must file for social security benefits within six (6) months of onset of the disability.

### **C.7. Identification of Membership**

- C.7.1.** As of January 1, 2012 the number of covered lives in the Plan is 36,379.

### **C.8. Identification of Claims History**

SEE EXHIBIT A - Reporting Requirements

### **C.9. Rate Determination**

- C.9.1.** Annually, OSEEGIB reviews its claims payment experience and all other relevant information to adopt premium rates for the Plan. These rates serve as the basis for contributions made on behalf of the members participating in the Plan. All contributions from the State's and local government's employees are maintained in a fund of OSEEGIB, which is a common law trust and a public entity risk pool.

### **C.10. Claims Administration**

- C.10.1.** The TPA shall pay claims utilizing normal processing procedures for a partial income replacement plan unless OSEEGIB has provided written instructions to the contrary. OSEEGIB's statutory authority and Rules are hereby incorporated by reference as part of this agreement. The 2012 HealthChoice Disability benefits may be found on OSEEGIB's website at [www.sib.ok.gov/handbooks.htm](http://www.sib.ok.gov/handbooks.htm). In no instance shall the TPA be obligated to follow other than written instructions regarding processing of claims.

- C.10.1.1.** Describe the TPA's claims processing system, identifying the following information:



- name of system;
- location of data center where eligibility and claims data will be housed;
- internally or externally developed;
- internally or externally maintained;
- licensing agreement (if applicable);
- last major update and detail of update;
- last minor update and detail of update;
- location of programmers;
- date and detail of any planned modification and/or enhancements; and, date system was operational.

- C.10.1.2.** Identify the location of the office that will handle the administration of this contract.
- C.10.1.3.** Describe the job responsibilities of the claims examiners and provide the goals for the examiner.
- C.10.1.4.** What options can the TPA offer currently, or in the near future, for other forms of claims submissions, which will minimize the amount of paper exchange?
- C.10.1.5.** Explain in detail the procedures for handling correspondence accompanied by a claim and correspondence submitted separately. The explanation must include tracking and retrieving.
- C.10.1.6.** Describe in detail how active and closed claims are stored and handled, such as paper files, microfilmed or scanned image files.
- C.10.1.7.** Describe the TPA's procedures for archiving and retrieving claims and other related documents.
- C.10.2.** The TPA shall provide a timeline for implementing benefit plan changes in the system or other updates as needed to administer the OSEEGIB Disability Plan.
  - C.10.2.1.** Provide a sample timeline.
- C.10.3.** Prior to payment of benefits, the TPA shall review all new disability claims for completeness of documentation, including the signed reimbursement agreement, calculation of benefit, and the existence of offsetting benefits. The reimbursement agreement is the employee's agreement to reimburse the plan for any money overpaid.
  - C.10.3.1.** Describe all claims processing procedures from receipt of application (or claim form) to payment, including:
    - mail control;
    - preparation of claims for processing;
    - pre-audit procedures;
    - member communications;
    - claim edits;
    - payment procedures;
    - EOBs;
    - override conditions;
    - responding to member inquiries;
    - quality assurance program; and, fraud detection, investigation and resolution
  - C.10.3.2.** Describe how the TPA proposes to identify claims appropriate for:
    - Long-term disability;
    - Duplicate payment edits;
    - Fraud;
- C.10.4.** The TPA shall issue and mail at its own expense an Explanation of Benefits (EOB) acceptable to OSEEGIB that accurately reflects and explains OSEEGIB's plan of benefits. The TPA shall reproduce EOBs upon request.
  - C.10.4.1.** The TPA shall provide a sample copy of the EOB.
  - C.10.4.2.** If the TPA can customize EOBs for OSEEGIB, describe any options available.
- C.10.5.** The TPA shall obtain Independent Medical Examinations (IMEs) or Functional Capacity Exams (FCEs) to document the presence or lack of disability for claims. These Independent Medical Examinations and/or Functional Capacity Examinations must be pre-approved by OSEEGIB and will be paid for by the OSEEGIB.
  - C.10.5.1.** The TPA shall affirm its understanding of this requirement.
  - C.10.5.2.** Describe the criteria to identify the necessity of an Independent Medical Evaluation (IME) or a Functional Capacity Exam (FCE).
- C.10.6.** The TPA shall institute a formal vocational rehabilitation program to include evaluation, in-depth assessment and job placement assistance upon approval of OSEEGIB. The TPA shall provide an initial rehabilitation review performed by the TPA for all eligible recipients of the disability program as

part of routine claims processing by the sixth (6th) month of disability. The TPA shall re-evaluate claimants as necessary and at regular intervals as approved by OSEEGIB.

**C.10.6.1.** Describe the formal vocational rehabilitation program in detail for all areas of services provided.

**C.10.6.2.** Describe any programs that work with employers to help encourage employees to return to work.

**C.10.6.3.** Describe the procedures utilized by the TPA to initially evaluate a claimant for a rehabilitation program.

- C.10.7.** The TPA shall actively pursue Social Security benefits on behalf of the member by the seventh (7th) month of disability. The TPA agrees to pursue these benefits for each claimant to the best of its ability, in a timely manner, utilizing to the utmost its Social Security background and expertise. The TPA may utilize an associate for assisting claimants in obtaining social security disability benefits. The TPA shall:
- Screen, counsel, and assist the member in obtaining Social Security eligibility;
  - Assure that the member's application for Social Security is made and filed with the Social Security Administration;
  - Assist the member, when possible and appropriate, in completing forms, providing translation and interpretation, and any other assistance necessary to obtain eligibility for Social Security benefits;
  - Obtain and develop medical, legal, and vocational evidence to support the member's claim in accordance with Social Security laws and regulations. The TPA must arrange for medical and/or vocational examinations, as well as reports, testimony, interviewing, consulting and corresponding with the treating and examining physicians;
  - Monitor the progress of the applications made for Social Security until a determination is made. In the event an award is granted, the TPA will recalculate the claim to determine the overpaid amount. In the event of a denial, the TPA shall prepare the appeal and act as the member's representative through the appeal process;
  - The TPA shall conduct bimonthly regular and systematic contact with the Social Security Administration to verify if benefits have been awarded to the member.
- C.10.7.1.** Describe the procedures the TPA will utilize to assist the disabled members in obtaining eligibility for Social Security and include the appeal processes.
- C.10.7.2.** Describe in detail the TPA's experience in working with the Social Security Administration, including all appeal processes.
- C.10.7.3.** Describe how the TPA proposes to identify claims appropriate for Social Security.
- C.10.8.** The TPA shall conduct bimonthly regular and systematic contact with the Workers' Compensation Court (WCC), and to verify if benefits have been awarded to the member.
- C.10.8.1.** Describe in detail the TPA's experience in working with the WCC.
- C.10.8.2.** Does the TPA agree to these requirements?
- C.10.9.** The TPA shall conduct bimonthly regular and systematic contact with the Retirement Systems to verify if benefits have been awarded to the member.
- C.10.9.1.** Does the TPA agree to these requirements?
- C.10.9.2.** Describe in detail the TPA's experience in working with Retirement Systems.
- C.10.10.** The TPA shall investigate claims, which, because of the nature of the claim, indicate possible subrogation.
- C.10.10.1.** Does the TPA agree to these requirements?
- C.10.10.2.** Describe in detail how the TPA shall identify and investigate such claims.
- C.10.11.** The TPA shall provide approved investigative services, at the expense of OSEEGIB, for appropriate recipients when needed to document the validity of a claim.
- C.10.11.1.** Describe the TPA's procedure in identifying the appropriateness of utilizing investigative services for a disability recipient.
- C.10.12.** The TPA shall monitor disability recipients by conducting personal home visits by a licensed nurse, if needed, to determine the presence or lack of continued disability. Reassessment will be at regular intervals or as agreed upon by OSEEGIB.
- C.10.12.1.** Describe the manner in which the TPA identifies the necessity of home visits and identify the personnel the TPA will have conduct the home visits.
- C.10.13.** The TPA shall monitor short-term and long-term disability claims by obtaining monthly Attending Physician Reports (APRs) with the members' health care providers to verify continued disability. Monthly APRs are required unless OSEEGIB agrees in writing to a different interval. Typically, the APRs are sent in by the physician.

- C.10.13.1.** Describe the procedures the TPA will utilize to obtain this medical information.
- C.10.14.** The TPA shall request in writing any required information needed for processing claims. All members shall be notified of all requested information from the provider. The TPA shall send a second request for any outstanding information within thirty (30) calendar days from the original request. If the requested information is not received the TPA shall close the claim within sixty (60) calendar days. The member shall be notified of the closed claim. The TPA shall review any request from the provider, member, or OSEEGIB regarding a claim that was denied in part or in whole. Written correspondence shall be sent to the member and/or provider within ten (10) calendar days from the request, explaining the disposition of this review.
- C.10.14.1.** Describe in detail the process for handling the evaluation and release of pended claims. Explain the TPA's follow-up for subsequent information once a claim is pended.
- C.10.15.** For disabled members who remain active employees, the TPA shall send a monthly letter of inquiry to the member's employer regarding the member's employment and leave status.
- C.10.15.1.** Describe the written procedure that will be utilized to contact each employer to obtain employee status (active, terminated) and leave of absence status.
- C.10.16.** The TPA shall require a signed W-4 which shall be utilized to calculate the appropriate tax withholdings for each member. The TPA shall make adjustments to withheld amounts, as necessary, due to member reimbursements from overpayments, to comply with Internal Revenue Service regulations.
- C.10.16.1.** Describe the process utilized by the TPA to withhold appropriate tax withholdings.
- C.10.16.2.** Does the claims system systematically handle this?
- C.10.17.** The TPA shall comply with requirements for sick pay as defined by OSEEGIB in accordance with the Department of the Treasury Internal Revenue Service Circular E, Employer's Tax Guide.
- C.10.17.1.** The TPA shall state its understanding of this requirement.
- C.10.18.** The TPA shall have a case management system that assists in managing the disability recipients.
- C.10.18.1.** Describe the case management system.
- C.10.18.2.** Describe how the TPA proposes to identify claims appropriate for case management.
- C.10.19.** The TPA shall notify and advise claimants as to other benefit programs available to the disabled member, such as: Social Security, Workers' Compensation, Retirement and the Department of Rehabilitation Services.
- C.10.19.1.** Describe in detail the procedure utilized by the TPA to notify and advise the disability recipients of other available benefit programs.
- C.10.20.** The TPA shall advise OSEEGIB and its medical claims processing TPA of the disability recipient's eligibility for Medicare prior to the eligibility date any time this information is available.
- C.10.20.1.** Describe the procedures used to advise OSEEGIB and the Medical claims processing TPA of the member's Medicare eligibility.
- C.10.21.** The TPA shall notify OSEEGIB of all changes of addresses indicated on forms and/or correspondence from plan participants. . The TPA shall mail EOBs and all correspondence to the address provided by OSEEGIB and shall not change or modify addresses without the specific consent from the member or OSEEGIB.
- C.10.21.1.** Does the TPA agree to this requirement?
- C.10.22.** The TPA shall provide educational information as requested by OSEEGIB for inclusion in those materials that OSEEGIB sends to members and Benefits/Insurance Coordinators.
- C.10.23.** The TPA shall be responsible for all activities associated with the recovery of overpayments resulting from other benefits that are recognized offsets to the plan. All cash repayments of retroactive awards shall be made payable to OSEEGIB. The TPA shall be responsible for overpayments made that are a direct result of the TPA's error.
- C.10.23.1.** The TPA shall notify OSEEGIB of all unresolved payment errors to members within thirty (30) calendar days after the first identification of any such errors.

**C.10.23.2.** If it has been determined that any payment has been made to a member that is less than the correct amount, the TPA shall, in the next payment cycle, make appropriate adjustments and initiate correct payment. All adjustments must balance the financial record of the plan with that of the claims history file.

**C.10.23.3.** When a payment has been made for more than the correct amount, the TPA shall, within fourteen (14) calendar days of discovery of the payment error, generate a letter asking for reimbursement of the overpayment as agreed to in the required Reimbursement Agreement. Benefits shall be reduced to recover any outstanding overpayment until the overpayment is reimbursed. If no benefits are available to the member and the member does not reimburse the overpayment, a second letter will be automatically sent in thirty (30) days. Collection efforts will continue as directed by OSEEGIB.

**C.10.23.4.** The TPA shall set up and timely maintain at all times a computer-based account receivable tracking file that shall track all member payment errors, the amount of the error, the date of identification of the error, amounts withheld against the amounts due to the members and any other information requested by OSEEGIB.

**C.10.23.5.** OSEEGIB shall deduct from the TPA's monthly administrative fee any outstanding overpayment errors not collected within six (6) months of identification of the error when the error is due to negligence on the part of the TPA.

C.10.23.5.1. Describe the overpayment recovery procedures.

C.10.23.5.2. Describe in detail the TPA's process to recover overpayments and settlement for OSEEGIB.

**C.10.24.** The TPA agrees that the benefit determination shall be at the sole discretion of OSEEGIB and that no additional charges shall be made to OSEEGIB for administrative services as a result of changes in the benefits.

**C.10.24.1.** Does the TPA agree to this requirement?

**C.10.25.** The TPA shall respond to all written inquiries from members within three (3) days and to all telephone inquiries within two (2) working days. The TPA shall be responsible for responding to inquiries from OSEEGIB or the Insurance Commissioner's Office regarding the payment of claims, within three (3) calendar days. Upon request, the TPA shall provide OSEEGIB the status of any claim. The TPA shall provide any claim file documents before the close of business on the first working day following the day the request was made by OSEEGIB.

**C.10.25.1.** Describe in detail the TPA's procedures and response time.

**C.10.26.** The TPA shall assist OSEEGIB in intercepting Oklahoma State tax refunds and will provide the necessary information in a format acceptable to the Oklahoma Tax Commission.

**C.10.26.1.** Does the TPA agree to this requirement?

**C.10.27.** The TPA shall be responsible for all costs related to claims investigation, travel expenses, and appeal/approval processes.

**C.10.27.1.** Does the TPA agree to be responsible for these costs?

## **C.11. Customer Service**

**C.11.1.** A toll free number shall be provided at the expense of the TPA. The TPA shall provide, maintain and train staff for communications with a TDD.

**C.11.1.1.** Does the TPA agree to provide a toll free number?

**C.11.1.2.** Describe the TPA's procedures for maintaining and training staff on the TDD.

**C.11.2.** The TPA's customer service representatives shall provide staff dedicated to OSEEGIB's Disability Plan for telephone or in-office inquiries concerning verification of eligibility, plan benefits, status of claims, and explanation of claims and payment of benefits. Telephone communication systems should track calls for response time, abandonment rate, incoming/outgoing calls and routing of overflow calls.

**C.11.2.1.** Describe the telephone system and its reporting capability.

**C.11.2.2.** Describe how telephone and walk-in inquiries are tracked.

**C.11.2.3.** Where are overflow calls routed?

**C.11.2.4.** OSEEGIB, its pharmacy benefits manager, managed care administrator, health and dental claims administrators and authorized HMOs each have customer service departments. Indicate how the TPA will integrate the information from each of these entities to resolve global customer service issues, identify trends and refer telephone calls to the specific customer service department that handles the issues.

**C.11.3.** The TPA's customer service office representatives shall be staffed from 8:00 a.m. to 5:00 p.m., Central Time Zone, Monday through Friday. The TPA shall adequately staff for any holidays it observes that are not holidays of the State of Oklahoma. Toll free numbers shall be provided at the expense of the TPA for out-of-state and in-state lines.

**C.11.3.1.** Describe in detail the goals and job description of the customer service representatives.

**C.11.3.2.** Provide the customer service representatives business hours for work days and any holidays.

**C.11.4.** The customer service representatives shall have on-line access to all areas of the eligibility and claims system.

**C.11.4.1.** Does the TPA have an automated, on-line service and if so, describe the functions offered.

**C.11.4.2.** Describe how the TPA's customer service representatives access the claims system.

**C.11.5.** The TPA shall not provide members and/or providers written information about plans offered or administered by OSEEGIB regarding benefits and/or claim filing procedures, unless the document has previously been approved by OSEEGIB.

**C.11.5.1.** State the TPA's understanding of this requirement.

**C.11.5.2.** Describe the services the TPA can provide to OSEEGIB to accommodate special populations, such as hearing and visually impaired.

**C.11.6.** The TPA shall have no more than a three-percent (3%) telephone abandonment rate and shall answer ninety-eight percent (98%) of the calls within 20 seconds.

**C.11.6.1.** Indicate the abandonment rate and average answering speed for the most recent twelve-month period.

## **C.12. Reporting**

**C.12.1.** The TPA shall file all required reports to the Internal Revenue Service and the applicable states regarding benefit payments made to members and providers.

**C.12.1.1.** State the TPA's agreement to file these reports.

**C.12.2.** Requests for additional information not specified in this RFP and in a format other than provided by the software shall be at the expense of OSEEGIB. However, any report, once developed, shall become a part of said software and shall not be billed as an additional charge.

**C.12.2.1.** Should OSEEGIB desire additional reports beyond those specifically identified in this RFP, describe the options available for standard and ad hoc reporting.

**C.12.3.** The TPA must meet all of OSEEGIB's reporting requirements. These reporting requirements are listed in Exhibit A. The TPA is required to provide the reports in the manner and output specified by OSEEGIB. OSEEGIB and its other contracted vendors shall rely upon the timeliness, accuracy and completeness of the required reports.

**C.12.3.1.** Describe the TPA's ability to provide comparative reporting in analyzing claims data as it relates to regional, national and/or industry norms.

**C.12.3.2.** Describe how the TPA will maintain the confidentiality of data.

**C.12.3.3.** Describe the TPA's ability to encrypt information such as reports and e-mail via the Internet.

**C.12.4.** The TPA shall provide claim benefit totals for all claims to be paid, indicating the total gross dollar amount, all deductions and the net dollar amount, one (1) working day prior to the distribution of checks, so that funds can be transferred to the proper account by OSEEGIB.

**C.12.4.1.** Describe the process to facilitate this requirement.

## **C.13. Quality Assurance/Performance Standards**

**C.13.1.** The TPA shall utilize a formal internal claim auditing process for ongoing verification of appropriateness of claims processing and measuring the TPA's compliance or noncompliance with the performance standards as specified in this RFP. Such audits shall be performed on a quarterly basis by the TPA's internal audit staff that shall be independent of the claims processing and customer service functions. The TPA shall provide documentation of its findings to OSEEGIB within fifteen (15) calendar days following the end of the quarter.

**C.13.1.1.** Provide a copy of the internal performance standards, the resources from which they were developed, and the company-wide results as measured by those standards for the last two (2) years.

**C.13.1.2.** Provide a detailed description of the internal audit program for all claims examiners and customer service representatives.

**C.13.1.3.** Describe the initial and ongoing training programs for customer service representatives, claims examiners, quality assurance auditors, and those individuals making financial adjustments.

**C.13.1.4.** Describe how claims are selected for review and audit.

**C.13.2.** If the TPA procures an external audit or review of operations, adjudication systems or internal controls from an independent auditing firm or other third party reviewer, the TPA shall provide a copy of such report of findings to OSEEGIB within thirty (30) calendar days of issuance.

**C.13.2.1.** Does the TPA agree to this requirement?

**C.13.3.** The TPA shall be responsible for the following levels of performance, as determined by a statistically valid sample of claims:

- financial accuracy of 98%;
- document accuracy of 96% (documentation accuracy refers to obtaining all documentation required by the plan throughout the disability period);
- statistical accuracy of 93% (statistical accuracy refers to all items such as data entry errors and correspondence);
- disability claim forms mailed to members within three (3) working days of the receipt of a valid request;
- appropriate claim processing and/or communication initiated within three (3) working days of receipt of claims; and,
- response to phone inquiries within two (2) working days, and written correspondence answered within three (3) working days.

**C.13.3.1.** Does the TPA agree to this requirement?

**C.13.4.** A semiannual supervisor or quality assurance department review of each disability claim shall be documented in the file. This review should cover accuracy of calculations, up-to-date proof of continued disability, and up-to-date offset inquiries.

**C.13.4.1.** Does the TPA agree to this requirement?

**C.13.5.** The TPA shall be responsible for submitting to the proper authority all reports listed in Exhibit A by the due date.

**C.13.5.1.** Does the TPA agree to this requirement?

**C.13.6.** Performance standards shall be evaluated under a quality control program that has been previously reviewed and approved by OSEEGIB. The quality control program shall provide that at a minimum 20% of new claims processed and 5% of continuing claims shall be reviewed. The evaluation shall be performed by the independent internal audit staff of the TPA. The results of this evaluation shall be submitted to OSEEGIB on a quarterly basis.

**C.13.6.1.** Does the TPA agree to this requirement?

**C.13.7.** OSEEGIB shall have the right to audit the internal audit results reported by the TPA. OSEEGIB shall have the right to determine damages based on the results of such audits.

**C.13.7.1.** Does the TPA agree to this requirement?

**C.13.8.** The TPA shall adhere to the performance standards included in this RFP. These standards do not exceed industry norms and impact OSEEGIB's daily workflow. Failure to maintain any of the



performance levels, as assessed on a quarterly basis, shall constitute a breach of this contract and may result in termination, liquidated damages and/or disqualification from bidding on any future procurement issued by the State of Oklahoma for a period not to exceed three (3) years. Failure to meet the minimum performance standards shall result in an assessment of actual damages, provided actual damages can be calculated; otherwise, liquidated damages will be assessed in accordance with this paragraph for the sole purpose of compensating OSEEGIB an amount of money sustained by the TPA's breach of contract. Liquidated damages shall be calculated at Five Hundred Dollars (\$500.00) per instance, not to exceed Five Thousand Dollars (\$5,000.00) per category, for each quarter.

**C.13.8.1.** Does the TPA agree to the performance standards detailed in this section?

**C.13.8.2.** Is the TPA willing to offer performance standards, incentives and/or pay damages that are not otherwise described in this RFP?

- C.13.9.** The TPA must provide to the Insurance Board within thirty (30) days after contract execution, the original of a performance bond in the amount of Five Hundred Thousand Dollars (\$500,000.00). In lieu of the performance bond, the TPA may provide an irrevocable letter of credit in the amount of Five Hundred Thousand Dollars (\$500,000.00) for breach in performance. If the TPA is a subsidiary of another corporation, the parent corporation must additionally guarantee and indemnify the performance of the subsidiary. The bond and/or irrevocable letters of credit shall be issued from a reliable surety company or national bank that is acceptable to the Insurance Board.

Additionally, the TPA shall contemporaneously furnish a Certificate of Insurance from an insurer to the Insurance Board, certifying that such coverage is in effect, the Insurance Board is the sole beneficiary and that the policy cannot be canceled within twenty (20) days of prior written notice to the Insurance Board.

#### **C.14. General Administration**

- C.14.1.** The TPA shall provide and issue warrants or drafts. The drafts shall be drawn upon a designated OSEEGIB account on which claim payments are to be made. The drafts shall be drawn pursuant to the requirements of the State Treasurer of Oklahoma and the Office of State Finance. These warrants or drafts are payable through the Federal Reserve System.
- C.14.1.1.** Does the TPA agree to this requirement?
- C.14.1.2.** Describe the security procedures for signature stamps, check stocks and laser checks.
- C.14.2.** The TPA shall provide a file to the Oklahoma Office of the State Treasurer (OST) in the format specified by the OST, listing all warrants issued. The file must be received by the OST on or before the day the warrants are mailed.  
SEE Exhibit C Treasury Issue File Record Layout
- C.14.2.1.** Does the TPA agree to this requirement?
- C.14.3.** The TPA shall provide a file to the OST in the format specified by the OST listing all direct deposits issued. The file must be received one business day prior to the effective date of the deposit.
- C.14.3.1.** Does the TPA agree to this requirement?
- C.14.4.** The TPA shall post all incoming checks, money orders, offsets or other payments on a daily basis. The TPA shall endorse checks and money orders with the appropriate stamp and deliver them to OSEEGIB on a daily basis.
- C.14.4.1.** Does the TPA agree to this requirement?
- C.14.5.** The TPA shall solicit direct deposit information from participants to be used in place of check writing. Issue records and direct deposit shall comply with the OST.
- C.14.5.1.** Does the TPA agree to this requirement?
- C.14.6.** The TPA shall be responsible for the preparation of W-2s and all other tax information required by the Internal Revenue Service or Oklahoma Tax Commission, including issuing corrected W-2s when necessary, filing quarterly 941s and making monthly and quarterly tax deposits.
- C.14.6.1.** Does the TPA agree to this requirement?
- C.14.7.** The TPA shall electronically transmit W-2 information to the Social Security Administration in accordance with Treasury Regulations.

- C.14.7.1.** Does the TPA agree to this requirement?
- C.14.8.** The TPA shall be responsible for penalties and interest associated with delinquent tax remittance when the delinquency is due to the TPA's failure to be accurate or timely.
- C.14.8.1.** The TPA shall agree to this requirement in writing.
- C.14.9.** The TPA must be able to effectively interface electronically and operationally with OSEEGIB's eligibility system. It is preferred that the TPA receive and process eligibility electronically, maintaining an accurate representation of OSEEGIB member data on its system, providing timely and detailed error reporting in an electronic batch form as deemed acceptable to OSEEGIB. The TPA shall accept monthly eligibility and enrollment data from OSEEGIB. The TPA shall use the eligibility data in the file format provided in Exhibit B. An alternative to the eligibility file would be for TPA staff to utilize OSEEGIB's web eligibility for confirmation of member participation in the disability plan. (This doesn't have to be included but this is how it is done now, we do not send GHS files. This works well because they always have current eligibility information.)
- C.14.9.1.** Does the TPA agree to this requirement?
- C.14.9.2.** If the TPA offers an alternative to the proposed electronic data interface, the TPA must provide a written detailed description as to why it is unable or unwilling to adapt to the prescribed electronic procedure and provide a detailed description of the alternative recommended process.
- C.14.9.3.** If the TPA offers an alternative to the eligibility layout as described in Exhibit B, the TPA must provide a written detailed description as to why it is unable or unwilling to adapt to the layout described.
- C.14.9.4.** Provide the TPA's policies and procedures for accepting monthly eligibility and enrollment data.
- C.14.9.5.** State how long detailed claim and eligibility records are maintained online.
- C.14.10.** All operational data, including but not limited to batch eligibility files, reports and pre-edits may be transmitted electronically. The TPA shall use appropriate security and encryption to protect the confidentiality of OSEEGIB's data. OSEEGIB currently uses Pretty Good Privacy (PGP) as its standard encryption application.
- C.14.10.1.** Does the TPA agree to this requirement?
- C.14.10.2.** Describe the TPA's security and encryption standards and preferred method.
- C.14.11.** The TPA shall have the ability to receive and transmit mail via the Internet. Email containing personal or confidential member information must not be transmitted across the internet in plain text. All e-mail containing personal or confidential member information shall be encrypted between the TPA and OSEEGIB. The TPA shall make available an experienced networking specialist to serve as a liaison to OSEEGIB for network related issues.
- C.14.11.1.** Does the TPA agree to these requirements?
- C.14.11.2.** Provide the TPA's network specialist liaison's title, relevant skills and years of experience.
- C.14.12.** The TPA shall provide claim payments by Electronic Funds Transfer "EFT."
- C.14.12.1.** Describe in detail the TPA's ability for handling EFTs from the TPA to the members.
- C.14.13.** The TPA shall provide a primary technical contact for OSEEGIB. The technical contact must be an experienced developer with extensive knowledge of the TPA's eligibility system. The technical contact must be reasonably available to assist with any modifications necessary to OSEEGIB's eligibility export process at any time during the life of the contract. The TPA shall additionally designate an alternate contact with the same or similar credentials. The primary contact shall be available to work with OSEEGIB and at OSEEGIB's site during critical phases and throughout an implementation if necessary.
- C.14.13.1.** Provide the TPA's technical contact title, relevant skills and years of experience.
- C.14.13.2.** Describe the size, qualifications and experience of the TPA's Information Technology staff and how they will provide support to OSEEGIB.

- C.14.14.** The TPA must verify and commit that during the length of the contract, it shall not undertake a major conversion for, or related to, the system used to deliver services to OSEEGIB without specific written notice to OSEEGIB and offered no less than six (6) months prior to use in production. Notice of minor program changes, fixes, modifications and enhancements that may impact the exchange of eligibility must be provided to OSEEGIB no less than thirty (30) days prior to use in production.
- C.14.14.1.** Does the TPA agree to this requirement?
- C.14.14.2.** The TPA shall briefly describe its business recovery strategy to restore full business functionality in the event of a disruption in service or disaster.
- C.14.15.** The TPA shall provide all documentation and witnesses requested by OSEEGIB for grievance hearings and litigation arising from disability claims.
- C.14.15.1.** Does the TPA agree to provide necessary documentation and witnesses for grievance hearings arising from disputed claims?
- C.14.16.** The TPA shall be represented at any meeting or function as requested by OSEEGIB.
- C.14.16.1.** Does the TPA agree to be represented at meetings and functions?
- C.14.17.** OSEEGIB will allow the insurer to view its eligibility files remotely to assist with eligibility and benefit determination. Access will be restricted to read-only and made available via the Internet utilizing a Microsoft Internet Explorer compatible browser. Should be moved up to be placed after C.14.9.4
- C.14.17.1.** Does the TPA agree to this requirement?
- C.14.18.** The TPA shall have access to member information via web based Workflow. OSEEGIB Workflow application is an intuitive application allowing OSEEGIB staff and the TPA staff to track member issues from identification through resolution. The application is accessible remotely using a Microsoft Internet Explorer compatible browser and a connection to the Internet.
- C.14.18.1.** Does the TPA agree to this requirement?
- C.14.19.** The TPA shall receive all material through a designated post office box in which the TPA shall maintain solely for the purposes of OSEEGIB's account. The TPA shall be responsible for the cost of postage on all mailings.
- C.14.19.1.** Does the TPA agree to this requirement?
- C.14.20.** The TPA shall submit a monthly invoice for services rendered in accordance with the contract awarded. The monthly invoice shall provide a detailed accounting for all amounts due.
- C.14.20.1.** Does the TPA agree to this requirement?
- C.14.21.** The TPA shall have at least one Registered Nurse on staff and an adequate number of claims analysts to process the claims in accordance with this RFP and OSEEGIB's Rules.
- C.14.21.1.** Describe the staff, providing biographical information for all medical consultants including whether the person is:
- Board-certified;
  - Licensed in the State of Oklahoma; and,
  - Experienced with a health care company.
- C.14.21.2.** The TPA shall supply an organizational chart and resumes of key personnel.
- C.14.21.3.** The TPA shall provide the anticipated staffing levels for the following:
- |  |       |
|--|-------|
| Management                                 | _____ |
| Supervisor's                               | _____ |
| Medical Personnel                          | _____ |
| Claim Processors                           | _____ |
| Dedicated Customer Service Representatives | _____ |
| Other Support Personnel                    | _____ |
- C.14.22.** The TPA shall retain a medical doctor for consulting purposes. The TPA's consultant shall be Board-certified. The TPA's medical consultant shall review questionable claims and provide recommendations in accordance with OSEEGIB's guidelines; review and provide recommendations for appeals, contested

cases and litigation; and, confer with OSEEGIB's consultants. All final decisions shall be made by OSEEGIB.

**C.14.22.1.** Does the TPA agree to this requirement?

**C.14.23.** The TPA shall promptly notify OSEEGIB of any current or prospective "significant event" on an ongoing basis to the extent permitted by law. As used in this provision, a "significant event" is any occurrence or anticipated occurrence which might reasonably be expected to have a material effect upon the TPA's ability to meet its obligations including, but not limited to, any of the following:

- disposal of major assets;
- any major computer software conversion, enhancement or modification to the operating systems, security systems, and application software, used in the performance of this contract;
- termination or modification of any contract or subcontract if such termination or modification may have a material effect on the TPA's obligations under this contract;
- the TPA's insolvency or the imposition of, or notice of, the intent to impose a receivership, conservatorship or special regulatory monitoring;
- the withdrawal of, or notice, of the intent to withdraw any license required under state or federal law;
- default on a loan or other financial obligations;
- impairment of the security offered as a performance guarantee;
- strikes, slow-downs or substantial impairment of the TPA's facilities or of other facilities used by the TPA in the performance of this contract;
- changes in background information about the TPA or its subcontractor(s);
- reduction in key personnel and any fluctuation of claims examiners, customer service representatives or claims adjusters;
- known or anticipated merger, takeover or acquisition;
- known, planned or anticipated stock sales;
- any reorganization; and,
- any litigation filed by a member against the TPA
- any sale or corporate merger or name change

**C.14.24.** The TPA shall describe the organization, its history, legal structure, ownership, affiliations and related

**The TPA shall effectively interface with the:**

- OSEEGIB;
- Medical and dental claims Administrator;
- Treasurer's Office of the State of Oklahoma;
- State Auditor and Inspector's Office; and,
- Any other applicable department or entity as designated hereafter by the OSEEGIB.

**C.14.24.1.** Describe in detail the TPA's experience in interfacing with non-affiliated vendors.

**C.14.25.** The TPA shall work directly with employers to attempt to return the employee to work as quickly as possible.

**C.14.25.1.** Describe in detail procedures utilized by the TPA to facilitate an employee's early return to work.

**C.14.26.**

The TPA shall be responsible for a final implementation plan that shall ensure that claims processing shall begin pursuant to this contract by July 1, 2013, and will ensure that this contract is operational by July 1, 2013. The implementation plan must be submitted to OSEEGIB for its approval no later than thirty (30) calendar days after the contract has been awarded. The implementation plan shall be developed and executed in a manner to minimize disruption of the ongoing services performed by OSEEGIB's current TPA.

It is the intention of OSEEGIB for the TPA to assume all processing functions on July 1, 2013, for new claims received as well as ongoing and run-in claims. The TPA shall be responsible for processing, within fourteen (14) calendar days of the contract date, all outstanding unprocessed or pended disability claims received from the former TPA and for administrative services to resolve outstanding adjustments, returned checks, correspondence and overpayments.

**C.14.26.1.** Describe in detail the TPA's procedure to meet the above objective.

**C.14.27.** The TPA shall provide a detailed business plan, with time commitments for each objective and task specific to OSEEGIB's current status. The TPA shall demonstrate its understanding of the complexities

involved in converting and implementing a large public sector account. The business plan shall include identification of all steps that the TPA considers necessary to commence claims processing on July 1, 2013, including, but not limited to:

- transfer of claims history file;
- eligibility;
- coordinating with OSEEGIB and other contractors for requirements of this RFP, including the transfer of functions performed by the current TPA under contract with OSEEGIB;
- establishing communications and satisfactory computer interface with OSEEGIB and its other contractors;
- providing all hardware, software and telecommunications equipment required to adjudicate claims; and,
- Expanding the TPA's business where necessary to administer the contract.

**C.14.27.1.** Provide the TPA's detailed business plan.

## **D. EVALUATION**

### **D.1. Evaluation and Award**

- D.1.1.** Proposals will be evaluated on the "best value" determination in accordance with 74 O.S. (2011) §85.2 (2)
- D.1.2.** The State reserves the right to request demonstrations and clarifications from any or all responding bidders.
- D.1.3.** The State reserves the right to accept or reject any or all proposals or portions thereof.
- D.1.4.** The State reserves the right, at its sole discretion, to request clarifications of technical proposals or to conduct discussions for the purpose of clarification with any or all bidders. The purpose of any such discussion shall be to ensure full understanding of the proposal. If clarifications are made because of such discussion, the supplier shall put such clarification in writing.

### **D.2. Competitive Negotiations of Proposals**

- D.2.1.** The State of Oklahoma reserves the right to negotiate with one, selected few, all, or none of the bidders responding to this solicitation to obtain the best value for the State. Negotiations could entail discussions on product services, pricing, contract terminology or any other issue that mitigate the state's risks. The State will consider all issues to be negotiable and not artificially constrained by internal corporate policies. Negotiation shall be with one or more bidders, for any and all items in the bidder's proposal. Vendors that contend it lacks flexibility because of its corporate policy on a particular negotiation item will face a significant disadvantage and may not be considered.
- D.2.2.** All proposals will be evaluated for compliance with Minimum Requirements of this RFP. Proposals clearly failing to meet minimum requirements or proposals needing substantial clarifications to determine compliance will be eliminated from future consideration or evaluation. TPAs whose proposals need minor clarification will be allowed to clarify those points. Only bids meeting all Minimum Requirements will be evaluated further.
- D.2.3.** OSEEGIB reserves the right to consider historical information and facts, whether gained from the TPA's proposal, question and answer conferences, references, or any other source in the evaluation process.
- D.2.4.** The TPA is cautioned that it is the TPA's sole responsibility to submit information pertinent to the evaluation and that OSEEGIB is under no obligation to solicit such information if it is not included with the TPA's proposal. Failure to submit such information may cause an adverse impact on the evaluation of the TPA's Proposal.
- D.2.5.** Negotiations will only be conducted with potentially acceptable proposals. The State reserves the right to limit negotiations to those proposals that received the highest rankings during the initial evaluation phase, if the negotiation does not result in modifications to the proposal the TPA will be scored based on the initial submitted proposal. Negotiations may be conducted in person, in writing or by telephone.
- D.2.6.** Terms, conditions, prices, methodology, or other features of the TPA's proposal shall be subject to negotiations and subsequent revision. As part of the negotiations, the TPA shall be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.
- D.2.7.** BEST and FINAL – The state shall request best and final offers if deemed necessary, and will determine the scope and subject of any best and final request. However, the supplier should not expect

that the state will ask for best and finals to give the TPA an opportunity to enhance its proposal. Therefore, the TPA should submit its best offer based on the terms and conditions set forth in this solicitation.

### **D.3. Selection Criteria**

**D.3.1. Minimum Requirements**

**D.3.2. Compliance with Special Provisions**

**D.3.3. Experience performing Solicitation Specifications**

**D.3.4. Quality of Response regarding Solicitation Specifications**

**D.3.5. Price and Cost**

## **E. INSTRUCTIONS TO SUPPLIERS**

### **E.1. Proposal Process**

- E.1.1.** All proposals must be submitted in accordance with the policies, procedures, requirements and dates set forth herein. No late proposal shall be accepted. An original, ten (8) copies, and one (1) electronic copy on CD in a searchable PDF format allowing full text searches of the TPA's response language, including exhibits when possible must be submitted by 3:00 p.m., Thursday, April 26, 2012.
- E.1.2.** The TPA shall submit with its proposal an executive summary no longer than two (2) pages, outlining significant features of the proposal. The summary should highlight the TPA's philosophy, its experience with similar programs and the administrative approach presented in the proposal. The summary must also include a description of the TPA's understanding of OSEEGIB's RFP along with organizational and conceptual approaches to be used.
- E.1.3.** The proposal will be received by the Department of Central Services. After opening, it will be reviewed by the DCS for conformation with the Proposal Submission Requirements. Non-conforming proposals will not be considered further. DCS will then forward the acceptable proposals to OSEEGIB.
- E.1.4.** OSEEGIB's Evaluation Committee will in turn review for compliance with Minimum Requirements. Proposals that do not meet Minimum Requirements shall not be considered further.
- E.1.5.** OSEEGIB will then review the acceptable proposals in their entirety. That process will result in the identification of proposals, which, in the opinion of OSEEGIB would result in an acceptable TPA. References will then be checked and OSEEGIB will invite selected TPAs to its office for discussions and demonstrations or OSEEGIB may request a site visit to the TPA's offices.
- E.1.6.** If OSEEGIB determines that one of the proposals is preferred and acceptable, the DCS will be notified and the negotiations with that TPA will begin. If the TPA and OSEEGIB cannot conclude this negotiation phase, OSEEGIB shall begin negotiations with the next ranked highest TPA. If one proposal is not preferred, OSEEGIB shall simultaneously negotiate with more than one TPA.
- E.1.7.** When negotiations are finished, the DCS will complete its processes, likely resulting in a contract award and all TPAs submitting responses will be notified.

### **E.2. Proposal Format**

- E.2.1.** Proposals shall be prepared in the format described below. Failure to comply with the specified format shall lead to a TPA's proposal being declared non-responsive. OSEEGIB is especially concerned that the format of the proposal sequentially responds to the RFP: Special provisions, Solicitation Specifications, Minimum Requirements, Statement of Compliance and Business Associates Agreement. The TPA should restate the service, requirement, or question and then state its response. The TPA shall assign consecutive page numbers in its response.
- E.2.2.** Appendices should be similarly sequential. Any other information thought to be relevant, but not applicable to the prescribed format, should be provided as appendices to the proposal. If a TPA supplied a publication to respond to a requirement, the response should include references to the publication and page number. Proposals without this reference shall be considered to have no reference materials included.
- E.2.3.** An official copy of the RFP is obtainable only through the DCS.

- E.2.4. The proposal shall be configured to arrive at the designated office in one physical container (the "Outer Container"). FAX or electronic submissions are not acceptable.
- E.2.5. The Oklahoma Constitution prohibits the inclusion of clauses in any State contract which limit the liability of the vendor. Bids containing Limitation of Liability clauses may be rejected as non-responsive.

**E.3. Proposals Are Subject to Oklahoma Open Records Act**

- E.3.1. To the extent permitted by the Oklahoma Open Records Act, 51 O. S. (2001) § 24A.1-27, the TPAs' proposals will not be disclosed, except for purposes of evaluation, prior to approval by the Department of Central Services of the resulting contract. All material submitted becomes the property of the State of Oklahoma. Proposals will not be considered confidential after a contract is awarded.
- E.3.2. Submitted proposals may be reviewed and evaluated by any person designated by OSEEGIB, other than one associated with a competing bidder. OSEEGIB reserves the right to use any and all ideas presented in any response to the RFP. Selection or rejection of a proposal does not affect this right.
- E.3.3. Proposals are subject to public disclosure in accordance with DCS General Provisions A.7.  
PROPOSALS MARKED AS PROPRIETARY and/or CONFIDENTIAL SHALL NOT BE CONSIDERED.

**E.4. Restrictions on Communication with OSEEGIB Staff**

- E.4.1. From the issue date of this RFP until a TPA is selected, TPAs are not allowed to discuss this RFP with any OSEEGIB Board member, employee or any Consultant to OSEEGIB unless the discussion is part of the DCS negotiation process. Any violation of this restriction shall result in disqualification.

**E.5. Sole Contact**

- E.5.1. If the TPA has questions regarding any proposal requirements of the RFP, the contact is:

Lisa Bradley, CPO  
DCS/Central Purchasing Division  
Will Rogers Building, First Floor, Suite 116  
Oklahoma City, Oklahoma 73152-8803  
405-522-4480 (phone)  
Email: Lisa\_Bradley@dcs.state.ok.us

**E.6. Information from One Supplier Concerning Another Is Prohibited**

- E.6.1. TPAs are advised that OSEEGIB is not interested in, nor will it consider, allegations of lack of qualification or of impropriety made or initiated by any TPA concerning another TPA at any point during the competitive bid process. Inclusion of such information in the RFP response or communication of such information to any state officials, state staff or its contractors after proposal submission shall be grounds for disqualification. This clause in no way limits the right to file a protest or appeal under the laws or rules governing the State of Oklahoma.

**E.7. Revisions to the RFP and/or Responses**

- E.7.1. OSEEGIB shall at any time hereafter supplement the RFP, the proposal and the resulting contract for purposes of enumerating, defining, and clarifying services, duties and functions, but not to add new services, duties or functions unless approved by the Department of Central Services.
- E.7.2. During the evaluation period, the TPAs may be requested to present supplemental information clarifying its proposal. This supplemental information will be requested by DCS and the information must be submitted in writing to DCS and will be included as a formal part of the TPA's proposal.

**E.8. Proposal Withdrawal**

- E.8.1. Before the proposal opening date and time, a submitted proposal shall be withdrawn by a written request signed by the proposer to the sole source contact.

**E.9. Incurred Expenses**

- E.9.1. OSEEGIB shall not be responsible for any costs a proposing TPA may incur in preparing and submitting a proposal, making an oral presentation, providing a demonstration, or performing any other related activities.

**E.10. Notification of Award**

- E.10.1.** Notification will be made to the successful TPA by issuance of a purchase order. Public information releases pertaining to this project shall not be made without prior written approval by OSEEGIB and then only in conjunction with OSEEGIB.

**E.11. Schedule of Events**

OSEEGIB reserves the right to alter these dates, issue amendments to this RFP, cancels, or re-issue this RFP at any time for any reason. The TPA must agree to make any of its facilities available to OSEEGIB if it is determined that an on-site visit would be beneficial and utilized as part of the final evaluation process.

- E.11.1 Department of Central Services Releases RFP ..... Wednesday, March 14, 2012
- E.11.2 Notice of Intent to Bid/Questions ..... Friday, March 30, 2012
- E.11.3 OSEEGIB Responds to Questions ..... Thursday, April 5, 2012
- E.11.4 Proposals due ..... Thursday, April 26, 2012
- E.11.5 Pre-Award On-Site Visits (if necessary) ..... May, 2012
- E.11.6 Negotiation Meeting(s) (if necessary) ..... May, 2012
- E.11.7 OSEEGIB's Recommendation to Department of Central Services ..... May 18, 2012
- E.11.8 Implementation Period ..... June, 2012 – June, 2013
- E.11.9 Intended Contract Effective Date ..... July 1, 2013

**E.12. Minimum Requirements**

The TPA shall comply with all requirements in this section and provide proper documentation in its response to each Minimum Requirement. The TPA's compliance with the requirements in this section shall be determined according to the sole discretion of OSEEGIB. The TPA must state in its proposal exactly how it shall comply, provide detailed information and affirm its understanding of the requirement and its agreement to comply with the requirement for the duration of the contract. Proposals failing to meet Minimum Requirements shall not be considered.

**E.12.1. Financial Information**

- E.12.1.1.** The TPA must demonstrate financial stability by providing OSEEGIB with copies of audited financial statements for the TPA's last three (3) fiscal years immediately preceding the date of its response. OSEEGIB shall exercise its sole unrestricted discretion in evaluating financial information. If the TPA is a wholly owned subsidiary of a parent organization, this requirement may be fulfilled by the audited financial statement of the parent organization, provided that the parent organization agrees to have the same legal and financial responsibilities under the contract as the TPA.

**E.12.2. Experience**

- E.12.3.** The TPA shall demonstrate that it has been performing the requested services for a minimum of five (5) years. The TPA must have at least 25,000 employee lives that are covered by disability plans administered by the TPA. The TPA must demonstrate experience in working with Social Security Administration, the Workers' Compensation Court and all other entities providing related benefits and/or reimbursement.
- E.12.4.** The TPA shall demonstrate that it has successfully converted and successfully serviced at least two (2) group disability clients to the TPA's existing claims processing system.
- E.12.5.** The TPA shall provide the total number of enrollees directly contracting for disability claims processing services as of January 1, 2012 and the total number of dollars paid by the organization for disability claims for the most recent twelve month period.

**E.13. References**

- E.13.1.** Provide contact names of at least three (3) non-affiliated clients, addresses, telephone numbers, email addresses, fax numbers, types of services provided, and the number of participants.



## F. CHECKLIST

### F.1. Statement of Compliance

- F.1.1.** Certain conditions may preclude the TPA's strict compliance with a term specified in this RFP. The TPA shall describe its method of compliance to accomplish the requirements of the specific term and OSEEGIB reserves its unrestricted discretion to determine, whether an alternative method offered by the TPA is acceptable to OSEEGIB.
- F.1.2.** Any alternative method or exceptions to terms, conditions or other requirements in any part of the RFP must be clearly described in both the appropriate section of the solicitation and listed as an attachment to the Statement of Compliance and shall be made a part of this RFP. Otherwise, OSEEGIB shall consider that all items offered are in strict compliance with the RFP and the TPA shall be responsible for compliance. OSEEGIB shall specify at the time of the awarding of the contract what, if any, optional, alternative methods are accepted.
- F.1.3.** Notwithstanding anything to the contrary, OSEEGIB maintains the unrestricted discretion to make any decision as to suitability, competency, ability to perform, conflicts of interest or the appearance thereof, responsiveness of the TPA's proposal, acceptability of such proposal, or other decisions concerning qualifications.
- F.1.4.** Each TPA shall be required to submit a response to this Request for Proposal as it is written. Any TPA who wishes to propose exceptions or alternatives to any term, condition, or requirement of this RFP must specify the exception and/or alternative and submit a response for each deviation. If a Statement of Compliance is not returned to OSEEGIB with the Consultant's original bid, the response shall be excluded from further consideration. If a Statement of Compliance is submitted with deviations, OSEEGIB will consider such exceptions and/or alternatives in the evaluation process or such exception and/or alternative may constitute grounds for rejection of the proposal.

☐ The solicitation submitted to OSEEGIB is in strict compliance with this RFP, and if selected as a TPA, the TPA will be responsible for meeting all requirements of this RFP.

☐ The solicitation submitted to OSEEGIB contains deviations from the specifications of this RFP. The deviations are attached.

Name:\_\_\_\_\_

Company:\_\_\_\_\_

Signature:\_\_\_\_\_

Address:\_\_\_\_\_

Title:\_\_\_\_\_

\_\_\_\_\_

Phone:\_\_\_\_\_

Fax:\_\_\_\_\_

## **G. OTHER**

### **G.1. Business Associate Agreement**

**G.1.1.** The TPA, as a "Business Associate," agrees to the following 'Business Associate Agreement' between OSEEGIB and the TPA as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) statutes and regulations.

### **G.2. Definitions:**

- a) "Business Associate" shall have the meaning given to Business Associate under the Privacy Rule, including, but not limited to, 45 CFR § 160.103.
- b) "Contract" shall mean the definition of contract as defined in Paragraph B.11
- c) "Data Aggregation" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 164.501.
- d) "Designated Record Set" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 164.501.
- e) "Health Care Operations" shall have the meaning given to such term under the Privacy Rule including, but not limited to, 45 CFR § 164.501.
- f) "HIPAA" means Health Insurance Portability and Accountability Act of 1996.  
**"HITECH" means the Health Information Technology for Economic and Clinical Health Act.**
- g) "Individual" shall have the same meaning as the term "individual" as used in 45 CFR § 164.501 and shall include a person who qualifies as a "personal representative" in accordance with 45 CFR § 164.502(g), and shall also mean the person or "individual" who is the subject of information that constitutes PHI, and has the same meaning as the term "individual" as used in 45 CFR § 160.103
- h) "OSEEGIB" shall have the meaning given to the term 'Covered Entity' under the Privacy Rule including, but not limited to, 45 CFR § 160.103 for purposes of this Business Associate Agreement only and to the extent required by law.
- i) "Privacy and Security Rule" shall mean the HIPAA Regulations codified at 45 CFR Parts 160 through 164.
- j) "Protected Health Information" or "PHI" means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 160.103 [45 CFR §§160.103 ]
- k) "Protected Information" shall mean PHI provided by OSEEGIB to or created or received by the TPA on OSEEGIB's behalf.
- l) "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR §164.103
- m) "Security Incident" shall have the same meaning as "security incident" in 45 CFR §164.304.

### **G.3. Obligations of the TPA**

- a) Permitted Uses. The TPA shall not use Protected Information except for the purpose of performing the TPA's obligations under the Contract and as permitted under the Contract. Further, the TPA shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule if so used by OSEEGIB, except that the TPA shall use Protected Information (i) for the proper management and administration of the TPA, (ii) to carry out the legal responsibilities of the TPA, or (iii) for Data Aggregation purposes for the Health Care Operations of OSEEGIB, and also as permitted in Section (3) of this Business Associate Agreement [45 CFR §§ 164.504(e)]
- b) Permitted Disclosures. The TPA shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule if disclosed by OSEEGIB, except that the TPA shall disclose Protected Information (i) in a manner permitted pursuant to the Contract (ii) for the proper management and administration of the TPA, (iii) as required by law, or (iv) for Data Aggregation purposes for the Health Care Operations of OSEEGIB and as permitted in the Business Associate Agreement. Unless agreed otherwise herein, to the extent that the TPA discloses Protected Information to a third party, the TPA must obtain, prior to making any such disclosure, (i) reasonable assurance from such third party that such Protected Information shall be held confidential and secure and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) an agreement from such third party to notify the TPA of any breaches of confidentiality or security of the Protected Information, to the extent it has obtained knowledge of such breach. [45 CFR § 164.504(e)]
- c) Appropriate Safeguards. The TPA shall use appropriate safeguards and train its workforce according to TPA procedures as necessary to prevent the use or disclosure of Protected Information; and ensure the integrity and availability of electronic protected information that the TPA creates, receives, maintains or transmits. The TPA shall implement administrative, technical and physical safeguards that are reasonable and appropriate to the

size and complexity of the TPA's operations and the nature and scope of its activities. [45 CFR § 164.504(e)] [45 CFR § 164.306(a)] add space here

- d) TPA's Agents. The TPA shall ensure that any agents, including subcontractors to whom it provides Protected Information, agree to the same restrictions and conditions that apply to the TPA with respect to such PHI. [45 CFR § 164.504(e)(2)(ii)(D)] The TPA shall maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate the effects of any such violation. [45 CFR § 164.530(e)(1) and 164.530(f)]
- e) Access to Protected Information. The TPA shall make Protected Information, maintained in a Designated Record Set by the TPA or its agents or subcontractors, available to OSEEGIB for inspection and copying within ten (10) days of a request by OSEEGIB to enable OSEEGIB to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.524. [45 CFR § 164.504(e)(2)(ii)(E)]
- f) Amendment of PHI. Within ten (10) days of receipt of a request from OSEEGIB for an amendment of Protected Information in a Designated Record Set or other record about an individual, the TPA or its agents or subcontractors shall make such Protected Information, within its possession, available to OSEEGIB for amendment and incorporate any such amendment to enable OSEEGIB to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR § 164.526. If any individual requests an amendment of Protected Information directly from the TPA or its agents or subcontractors, the TPA must notify OSEEGIB in writing within five (5) days of the request. Any denial of amendment of Protected Information maintained by the TPA or its agents or subcontractors shall be the responsibility of OSEEGIB. [45 CFR § 164.504(e)(2)(ii)(F)]
- g) Accounting Rights. The TPA agrees to implement a process to prepare an accounting of a member's Protected Information that is collected and maintained by the TPA and its agents or subcontractors, subject to the exceptions, if any, to enable OSEEGIB to respond to a request for an accounting of disclosures. At a minimum, such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. The TPA and its agents or subcontractors shall make the accounting available to OSEEGIB, within a reasonable time or the time allowed by the applicable Privacy Rule, to enable OSEEGIB to fulfill its obligations under the Privacy Rule, as amended. In the event that the request for an accounting is delivered directly to the TPA or its agents or subcontractors, the TPA shall process the request according to the current Privacy Rule (s) as amended, and forward a copy to OSEEGIB.
- h) Governmental Access to Records. The TPA shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining OSEEGIB's compliance with the Privacy Rule. [45 CFR § 164.504(e)(2)(ii)(H)] The TPA agrees to notify OSEEGIB with the date it provides access to OSEEGIB Protected Information to the Secretary and a general description of any OSEEGIB Protected Information it provides to the Secretary.
- i) Minimum Necessary. The TPA and its agents or subcontractors shall only request, use and disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [45 CFR § 164.514(d)(3)]
- j) Data Ownership. The TPA acknowledges that the TPA has no ownership rights with respect to the Protected Information.
- k) Retention of Protected Information. The TPA and its subcontractors or agents shall transmit the Protected Information described in the Contract to OSEEGIB on a scheduled basis according to Contract terms. The TPA shall maintain all Protected Information that has not been previously transmitted to OSEEGIB for a period of six (6) years after the date it was created or the last effective date, whichever is later or transmit it to OSEEGIB for receipt and storage. [See, 45 CFR §§ 164.530 (j)(1)(2)]
- l) Notification of Breach. During the term of this RFP, TPA agrees to notify OSEEGIB within three (3) days of discovery of any use or disclosure of PHI not authorized by this agreement or the terms of the Contract, of which the TPA becomes aware. Within thirty (30) days after the date discovered, TPA agrees to report to OSEEGIB the following: the nature of the non-permitted use or disclosure; the OSEEGIB PHI used or disclosed; who made the non-permitted or violating use or received the non-permitted or violating disclosure; what corrective actions TPA has taken or will take to prevent further non-permitted or violating uses or disclosures; and what TPA did or will do to mitigate any deleterious effect of the non-permitted or violating use or disclosure. The TPA shall also notify OSEEGIB of a finding or stipulation that the TPA has violated any standard or requirement of the HIPAA Regulations or other security or privacy laws arising from any administrative or civil proceeding in which the TPA has been joined. The TPA agrees that OSEEGIB and the TPA will investigate an actual breach; however, the TPA shall coordinate with OSEEGIB to control the investigation or any notification procedures related to the incident. TPA agrees and acknowledges CMS Guidance and special notifications to HHS and the CMS/OSEEGIB Account Representative in the event of a security or privacy breach of Medicare beneficiaries' protected health information.

With regard to implementation of the HIPAA Security Rule, 45 CFR Part 164, Subpart C, Oklahoma Statute 74 O.S. § 3113.1 and the occurrence of a Security Incident, TPA agrees to report to OSEEGIB any successful (i) unauthorized access, use, disclosure, modification, or destruction of OSEEGIB electronic PHI or (ii) interference with TPA system operations that contain OSEEGIB member information of which TPA becomes aware. TPA shall make such report to the OSEEGIB HIPAA Security Officer immediately after TPA learns of any successful Security Incidents. To avoid unnecessary burden on either party, TPA will only be required to report, upon OSEEGIB's request, attempted, but unsuccessful unauthorized access, use, disclosure, modification, or destruction TPA electronic PHI or interference with system operations in TPA information systems that involve OSEEGIB electronic PHI of which TPA becomes aware, provided that OSEEGIB's request shall be made no more often than is reasonable based upon the relevant facts, circumstances and industry practices.

- m) Audits, Inspection and Enforcement. Upon request, the TPA agrees that OSEEGIB or its designee, shall conduct a reasonable inspection of TPA facilities, systems, books, records, policies and procedures relating to the use or disclosure of Protected Information pursuant to the Contract for the purpose of determining whether the TPA has complied with HIPAA; provided, however, that (i) the TPA and OSEEGIB shall mutually agree in advance upon the scope, timing and location of such an inspection, (ii) OSEEGIB shall protect the confidentiality of all confidential and proprietary information of the TPA to which OSEEGIB has access during the course of such inspection; and (iii) OSEEGIB shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by the TPA. The fact that OSEEGIB inspects, or fails to inspect, or has the right to inspect, the TPA's facilities, systems, books records, policies and procedures does not relieve the TPA of its responsibility to comply with these terms of the Contract between TPA and OSEEGIB. OSEEGIB's failure to detect deficiencies or failure to notify the TPA or require the TPA's remediation of any unsatisfactory practices does not constitute acceptance of such practices or a waiver of OSEEGIB's enforcement rights under the Contract between TPA and OSEEGIB.

#### **G.4. Special Uses and Disclosures**

- a) TPA shall create, receive, use, or disclose PHI related to OSEEGIB Plan members only in a manner that is consistent with the terms of the Contract and the Privacy Rule, and only in connection with providing the services to OSEEGIB that are related to the administration of prescription drug benefits and/or identified in the Contract. TPA shall de-identify OSEEGIB PHI, provided TPA complies with 45 CFR §164.514(b); does not violate the Privacy Rule if done by OSEEGIB; and the TPA provides written assurances to OSEEGIB regarding use and disclosure of the de-identified data.
- b) TPA shall, consistent with the Privacy Rule, use or disclose PHI that a Business Associate receives in its capacity as manager of prescription drug benefits and in its capacity as a Business Associate to OSEEGIB if such use relates to the proper management and administration of the Business Associate or to carry out legal responsibilities of the Business Associate under the RFP. "Legal responsibilities" of the Business Associate used herein shall mean responsibilities imposed by law or regulation, but (unless otherwise expressly permitted by OSEEGIB) shall not mean obligations the TPA shall assume pursuant to contracts, agreements, or understandings other than the terms of the Contract.
- c) TPA shall engage in "data aggregation services" related to OSEEGIB in a manner permitted by the Privacy Rule at 45 CFR § 164.504(e)(2)(i)(B) and that complies with the terms of the Contract. "Data aggregation services" as used herein shall mean the combining of PHI by TPA with PHI received by the TPA in its capacity as a Business Associate of another covered entity, to permit analysis of data that relates to the health care operations of OSEEGIB or another covered entity.
- d) TPA shall use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR § 164.502.
- e) Any right of the TPA to create, use, or disclose PHI pursuant to this Agreement shall not include the right to 'de-identify' or aggregate PHI, except as provided for in this Business Associate Agreement or as expressly permitted by OSEEGIB or the Privacy Rule, provided that such use or disclosure would not violate the Privacy Rule if done by OSEEGIB.

#### **G.5. Obligations of OSEEGIB**

- a) OSEEGIB shall be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to the TPA pursuant to this RFP, in accordance with the standards and requirements of the Privacy and Security Rules, until such PHI is received by the TPA.
- b) OSEEGIB shall notify TPA of any limitation(s) in its notice of privacy practices of OSEEGIB in accordance with 45 CFR § 164.520, to the extent that such limitations shall affect TPA use or disclosure of PHI, and shall also notify TPA of any material change in privacy practices and procedures of OSEEGIB.
- c) OSEEGIB shall notify TPA of any changes in, or revocation of, permission by an Individual to use or disclose PHI to the extent such changes shall affect TPA use and disclosure of PHI.
- d) OSEEGIB shall notify TPA of any restrictions in the use or disclosure of PHI that OSEEGIB has agreed to in accordance with 45 CFR § 164.522, to the extent such restriction shall affect TPA use or disclosure of PHI.

Prior to agreeing to any restriction, OSEEGIB will consult with TPA regarding whether the proposed restriction will affect its functions, activities, or services under the Contract.

- e) If OSEEGIB or TPA receives a request from an Individual for confidential communication of PHI by alternative means or at alternative locations in accordance with 45 CFR 164.522(b), both OSEEGIB and TPA will accommodate the request to the extent feasible
- f) OSEEGIB shall not request TPA to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if such use or disclosure were made by OSEEGIB.

#### **G.6. Termination**

- I. **Material Breach.** A breach by the TPA of any material provision of the terms of the Business Associate Agreement Section of the Contract shall constitute a material breach of the Contract and provide grounds for immediate termination of the Contract by OSEEGIB pursuant to Termination Section of the Contract. [45 CFR § 164.504(e)(2)(iii)]
- II. **Reasonable Steps to Cure Breach.** If OSEEGIB knows of a pattern of activity or practice of the TPA that constitutes a material breach or violation of the TPA's obligations under the provisions of the terms of the Business Associate Agreement Section, OSEEGIB shall provide TPA with an opportunity to cure the breach and end the violation. If TPA does not cure the breach with ninety (90) days after OSEEGIB notifies TPA of the opportunity to cure, then, within the sole discretion of OSEEGIB, OSEEGIB shall take reasonable steps to cure such breach or end such violation, as applicable. If OSEEGIB's efforts to cure such breach or end such violation are unsuccessful, OSEEGIB shall either (i) terminate the Contract, if feasible or (ii) if termination of this the Contract is not feasible, OSEEGIB shall report the TPA's breach or violation to the Secretary of the Department of Health and Human Services. [45 CFR § 164.504(e)(1)(ii)]
- III. **Compliance with the HITECH Act.** Sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), and 164.316 (policies and procedures and documentation requirements) of title 45, Code of Federal Regulations the Security Rule, shall apply to a Business Associate in the same manner that such sections apply to a Covered Entity. The additional requirements of Title XXXIII of the "Health Information Technology for Economic and Clinical Health Act" or the "HITECH Act" contained in Public Law 111-005 that relate to security and that are made applicable with respect to covered entities shall also be applicable to a Business Associate and shall be and by this reference hereby are incorporated into this Business Associate Agreement.  
**Business Associate shall use and disclose Protected Health Information that a Business Associates obtains or creates only if such use or disclosure, respectively, is in compliance with each applicable requirement of Section 164.504(e) of Title 45, Code of Federal Regulations, the Privacy Rule, relating to business associate contracts. The additional requirements of Subtitle D of the "Health Information Technology for Economic and Clinical Health Act" or the "HITECH Act" contained in Public Law 111-005 that relate to privacy and that are made applicable with respect to covered entities shall also be applicable to Business Associate and shall be and by this reference hereby are incorporated into the Business Associate Agreement. Business Associate agrees that HIPAA and HITECH civil and criminal penalties for data security and privacy violations apply to Business Associate when acting on behalf of OSEEGIB to the extent the penalties apply to OSEEGIB.**
- IV. **Effect of Termination.** Upon termination of the terms of the Business Associate Agreement for any reason, the TPA shall return all OSEEGIB Protected Information to OSEEGIB that the TPA or its agents or subcontractors still maintain in any form according to paragraph B.3 of the RFP.

#### **H. PRICE AND COST**

- H.1. **OSEEGIB will ONLY accept financial proposals calculated on a per primary member per month basis for the administration of disability claims. However, the Social Security Administration process may be calculated separately and the Vocational Rehabilitation Program must be calculated separately. When calculating the aforementioned primary member per month cost, the population to be used shall be the Plan members as described in the Identification of Membership section of this RFP, that population as of January 1, 2012 was 36,379. OSEEGIB will consider a minimum pricing factor of 35,000 members should the eligible population fall below that number and claims don't coincidentally decline at the same percentage.**
- H.2. **The TPA may offer a per member per month fee or any other appropriate method of reimbursement for the service fees to be charged in regard to the social security assistance provisions.**
- H.3. **Provide the rates for the formal vocational rehabilitation program.**
- H.4. **The TPA shall not charge separate start-up costs.**
- H.5. **The TPA shall bid and guarantee its bid for the initial term of this contract and the four (4) additional one-year renewals.**

**ADMINISTRATION SERVICES for OSEEGIB Disability Claims**

	2013	2014	2015	2016	2017	
Claims Processing	\$_____	\$_____		\$_____	\$_____	\$_____
Social Security Assistance	\$_____	\$_____		\$_____	\$_____	\$_____
(If not included in above prices)						
Vocational Rehabilitation Program	\$_____	\$_____		\$_____	\$_____	\$_____
Per Hour Custom Programming Charges	\$_____	\$_____		\$_____	\$_____	\$_____

**H.6. Provide, as delineated below, documentation demonstrating how the cost proposal was determined. Include the following:**

- Overall cost estimate methodology (including the specific elements of the bid);
- Assumptions used in pricing elements of the bid; and,
- Inflation factor used for out-year bid quotes.



# SOLICITATION REQUEST

☐ Request for Quote☐ Request for Proposal☐ Request for Bid**Dispatch via Print**

**State & Educ Empl Grp Ins Bd**  
**EMPLOYEES GROUP INSURANCE BOARD**  
**PURCHASING**  
 3545 NW 58TH STREET SUITE 1000  
 OKLAHOMA CITY OK 73112

**Vendor: NAME**

Address: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ ST: \_\_\_\_\_ ZIP: \_\_\_\_\_

Request Quote ID.	Date	Buyer	Page
5160000050	02/23/2012	Gai Hunter (580)	1
Payment Terms	DateTime Quote Open	Closing	
0 Days	03/09/2012 03:49 PM	04/26/2012 03:00 PM	
Requisition Number Reference: From Req ID - 5160000153			

**Ship To:** EMPLOYEES GROUP INSURANCE BOARD  
 LANDMARK TOWERS  
 3545 NW 58TH 6TH FLOOR SUPPLY ROOM  
 OKLAHOMA CITY OK 73112

**Bill To:** EMPLOYEES GROUP INSURANCE BOARD  
 ACCOUNTS PAYABLE  
 PO BOX 57820  
 OKLAHOMA CITY OK 73157

**Supplier Responses**

Line	Cat CD / Item # - Descr	Qty.	UOM	Unit Cost	Ext. Cost
1	84131608 / 1000010236 Contract for claims processing, customer service, reporting, and ancillary services for the HealthChoice Disability Plan in accordance with the attached request for proposal. Contract period: July 1,2013	1	YR		

**Freight Terms:** FOB DEST**Ship Via:** COMMON

Lead Time: \_\_\_\_\_

**Supplier Remarks:**

COMMENTS:

**This is NOT AN ORDER**

All returned quotes and related documents must be identified with our request for quote Number.

**Authorized Signature**