



# THE UNIVERSITY of TEXAS SYSTEM

*Nine Universities. Six Health Institutions. Unlimited Possibilities.*

## Office of Employee Benefits

702 Colorado St., Suite 2.100  
Austin, Texas 78701  
Phone: (512) 499-4616 Fax: (512) 499-4620  
Web: [www.utsystem.edu/benefits](http://www.utsystem.edu/benefits)

February 22, 2012

To Qualified Student Health Insurance Organizations:

The Office of Employee Benefits (OEB) of The University of Texas System (System) is issuing a Request for Proposals (RFP) to select a vendor to provide fully-insured Student Health Insurance, Study Abroad Insurance, and Special Events coverage for students, fellows, visiting scholars and dependents attending System academic and health institutions to be effective September 1, 2012.

Aon Hewitt is assisting System in understanding specific issues that are unique to University sponsored student health insurance coverage, including changes that are required to the University's plan due to the enactment of the Affordable Care Act. System will remain solely responsible for the evaluation of all proposals and the selection process. However, there will be some differences to this RFP format, as well as the way System will require proposing vendors to submit their responses to this particular RFP. This RFP is available on the Aon Hewitt website at <http://www.hewitthealthresource.com> and vendors should complete the "Hewitt Health Resource Request for Proposal."

The enclosed specifications and appendices have been developed to describe in detail the required administration services, data, proposed coverage, and other information needed to respond to this RFP. It is the intent of the System to select only one qualified vendor to provide the coverages and related services.

The HUB Subcontracting Plan (HSP) (Appendix E2) is required of each vendor and should be submitted separately to UT System for review via U.S. Mail, courier or hand delivery on or before **March 20, 2012 at 5:00 PM Central Time** to:

Laura C. Chambers, Director  
Office of Employee Benefits

The University of Texas System  
702 Colorado Street, Suite 2.100  
Austin, Texas 78701

System will not accept electronic delivery or late delivery of the HSP.

The rest of the proposal should be received electronically on the Aon Hewitt website also on or before **March 20, 2012 at 5:00 PM Central Time**. The Aon Hewitt website is at <http://www.hewitthealthresource.com>. Proposals that are received after that time will not be considered.

All questions regarding the RFP will be submitted to UT System through the link on the Aon Hewitt website. To ensure that all replies can be provided to all prospective vendors prior to the deadline for submission of proposals, questions received after **5:00 PM Central Time on February 29, 2012** will not be considered or responded to by the System.

Thank you for your interest in the System's Student Health Insurance plans.

Sincerely,  
Laura C. Chambers, Director  
Office of Employee Benefits

[www.utsystem.edu](http://www.utsystem.edu)

## 1.0 The University of Texas System Student Health Insurance RFP—February 2012 Introduction & Requirements

### Notice to All Respondents

The University of Texas System (“System”) is accepting proposals to contract for a fully insured Student Health Insurance Plan (“Plan”) and for coverage for visiting scholars and fellows, in accordance with the terms, conditions and requirements set forth in this Request for Proposal. The Student Health Insurance Plan is intended to be fully insured and administered solely by the contracting carrier. The Student Health Insurance Plan is **not** affiliated with the Uniform Group Insurance Program that is administered for the benefit of System employees on behalf of the System by the Office of Employee Benefits.

Aon Hewitt is assisting System on a consulting basis in the RFP process for the Plan. As a result, the proposal submission instructions differ from RFPs that have been issued for the Plan in the past. This RFP is available on the Aon Hewitt website. Vendors *must* complete and include the following items with your submission (via the Aon Hewitt online Health Resource Request for Proposal):

- Detailed responses to each interrogatory; and
- The signature page, verifying the vendor’s ability to meet all requirements

It is System’s desire to have a signed contract in place for the requested coverage no later than May 1, 2012. However, System reserves the right to reject all proposals regardless of whether one or more proposals submitted meets the minimum requirements set forth in this RFP.

System does not guarantee that a contract will be issued as the result of this RFP. As noted in Section 2.13 of this RFP, System agrees for the limited purpose of this RFP, to acceptance of signature pages for each proposal electronically. However, System does not agree to transact the execution of any contract issued as the result of this RFP by electronic means.

No compensation of any kind will be provided to respondents for any expenses incurred in preparation of a proposal or for any demonstrations or conferences involving a proposal. Respondents submit proposals at their own risk and expense.

**RESPONDENTS ARE CAUTIONED TO CAREFULLY REVIEW ALL OF THE INFORMATION CONTAINED IN THIS RFP AND TO SUBMIT A COMPLETE RESPONSE TO ALL REQUIREMENTS AND QUESTIONS AS DIRECTED. NON-RESPONSIVE PROPOSALS WILL NOT BE ACCEPTED; VENDORS UNABLE OR UNWILLING TO COMPLY WITH THE REQUIREMENTS OF THIS RFP SHOULD NOT SUBMIT PROPOSALS.**

## 1.1 Objectives of the RFP Student Health Insurance Program (SHIP)

The University of Texas System endeavors to make low cost, high quality health insurance coverage available to its students and their eligible dependents on a fully-insured basis. Students at Academic Institutions (with the exception of certain international students holding non-immigrant visas) are not required, but are encouraged, to have comprehensive health insurance coverage. Texas Education Code Section 51.952 authorizes System to require all students at medical and dental units to have health insurance or coverage. Federal regulations and Regents’ Policy require certain international students holding non-immigrant visas and living in the United States to maintain approved comprehensive health insurance or coverage while enrolled at U. T. System institutions. Coverage for international students must include repatriation and medical evacuation sufficient to meet the requirements of 22 CFR § 62.14. The decision to elect to participate in the coverage offered by System to fulfill the System’s requirements for student coverage by enrolling in the System sponsored health insurance

program is made by the student. However, institutional policies may require students required by law and/or policy to have comprehensive health coverage and those who fail to provide proof of comparable coverage from another source may be enrolled in the System plan as a default. Neither System nor its institutions fund any portion of the premium for students who elect to participate in the program. Accordingly, the System requests proposals from carriers licensed by the Texas Department of Insurance to offer insurance under a policy or certificate that can be issued to a college, school or other institution of learning covering students and to continue to make fully insured group health insurance available to its students and their eligible dependents on a voluntary basis. The proposal must provide uniform benefits to all eligible participants and the premium rates will not vary from institution to institution.

The proposal must also include coverage, through a separate policy if necessary, to conform with Texas Department of Insurance requirements, for non-student visiting scholars and postdoctoral fellows at System institutions at the same level of benefits and the same premium as the coverage offered to students.

The proposal may also include a rider to provide optional coverage for special student events and study abroad. To be eligible for consideration, a vendor must submit a proposal to the System that meets all of the criteria set forth in this RFP. All interested vendors, including the current contracting vendor, are invited to submit a proposal for these plans in response to this RFP.

These proposals should demonstrate that the carrier can:

- Ensure market competitive offering;
- Achieve the best value for U.T. students;
- Present effective overall program management;
- Offer excellent customer service to U.T. students;
- Provide quality account management to U.T. students with professional, timely, and flexible resolution of issues. The account manager and assigned clinical resource are expected to be proactive, innovative, and consultative in their approach; and
- Effectively evaluate the cost of risk associated with the Plan.

## 1.2 Description of the University of Texas System

The Texas Constitution of 1876 provided that “the Legislature shall, as soon as practical, establish, organize and provide for maintenance, support and direction of a university of the first class, to be located by vote of the people of this State, and styled ‘The University of Texas.’” In 1881, the 17th Texas Legislature passed an act to establish The University of Texas. Later that year, voters determined that the Main System was to be located in Austin and the Medical School was to be located in Galveston.

Today, The University of Texas System (System) includes nine (9) academic institutions in Arlington, Austin, Brownsville, Dallas, Edinburg (Pan American), El Paso, Odessa (Permian Basin), San Antonio and Tyler, plus six (6) health institutions in Dallas, Galveston, Houston (2), San Antonio and Tyler. In addition, the main System Administration office is located in Austin; however, many of the operations of System Administration are decentralized and therefore located in numerous areas of Texas, as well as in Washington, D.C. University of Texas Academic and Health Institutions

The table below lists UT System’s nine academic and six health institutions, abbreviations, and the location of each institution in Texas.

<b>THE UNIVERSITY OF TEXAS SYSTEM COMPONENT INSTITUTIONS</b>	
<b>Academic Institutions</b>	<b>Location in Texas</b>
The University of Texas at Arlington (UTA)	Arlington
The University of Texas at Austin (U. T. Austin)	Austin
The University of Texas at Brownsville (UTB or UTB/TSC)	Brownsville
The University of Texas at Dallas (UTD)	Dallas
The University of Texas at El Paso (UTEP)	El Paso
The University of Texas-Pan American (UTPA)	Edinburg
The University of Texas of the Permian Basin (UTPB)	Odessa
The University of Texas at San Antonio (UTSA)	San Antonio
The University of Texas at Tyler (UTT)	Tyler
<b>Health Institutions</b>	<b>Location in Texas</b>
The University of Texas Southwestern Medical Center at Dallas (UTSWMC)	Dallas
The University of Texas Medical Branch at Galveston (UTMB)	Galveston
The University of Texas Health Science Center at Houston (UTHSC-H)	Houston
The University of Texas Health Science Center at San Antonio (UTHSC-SA)	San Antonio
The University of Texas M. D. Anderson Cancer Center (UTMDACC)	Houston
The University of Texas Health Center at Tyler (UTHSC-T)	Tyler

## **2.0 UT System RFP Requirements and General Information**

### **2.1 Conflict of Interest**

No member of the System Board of Regents or System employees (including the Chancellor, Executive Vice Chancellor for Business Affairs, Assistant Vice Chancellor for Employee Services, and Office of Employee Benefits management) may have any direct interest in the awarding of the Contract or any direct or indirect conflict of interest involving the vendor, including but not limited to any financial interest.

### **2.2 Nonresponsive Proposals**

The System will not accept for consideration any proposal that does not comply with the criteria set forth herein. Failure to address any of the RFP requirements may result in rejection of a proposal.

### **2.3 Representations Binding**

Representations made within the proposal will be binding on the vendor. The System will not be bound to act by any previous communication or by any nonconforming proposal submitted by a vendor.

### **2.4 Nondiscriminatory Practice**

A vendor shall not discriminate by excluding, seeking to exclude, or otherwise restricting services or benefits on the basis of gender, race, national origin, religion, age, sexual orientation, veteran status, disability, or pregnancy.

### **2.5 Binding Arbitration Clause Exclusion**

Each proposal must specify that the vendor will not impose a binding arbitration requirement upon a plan participant. Any proposal containing a requirement that plan participants must agree to engage in binding arbitration will not be accepted by the System.

### **2.6 Modification Prohibited**

No proposal may be changed, amended, or modified after submission to the System except to correct an inadvertent error.

### **2.7 Vendor Initiated Changes**

The vendor must notify the System in writing prior to making any significant changes in operating policies or business practices, including material changes to its network agreements, key personnel on the designated SHIP Account Management Team, or any other aspect of the vendor's operations that could affect the SHIP. The System reserves the exclusive right to determine if such potential changes may be applied to the System, and if so, when they shall be applied.

### **2.8 Member Identification, Confidentiality of Social Security Numbers, and Encryption of Data**

Vendors must be able to comply with all applicable federal and Texas state legislation, as well as System policy, applicable to the protection and use of Social Security numbers, including limitations placed on the use of Social Security numbers on ID cards and plan documents by Section 35.58 of the Texas Business and Commerce Code, CONFIDENTIALITY OF SOCIAL SECURITY NUMBER. The vendor must be able to coordinate with the System to fully comply with all applicable laws and System policies relating to the security, protection and use of plan participants' Social Security numbers. All sensitive System data, including Social Security numbers, must be encrypted whenever transmitted over the Internet.

## 2.9 Compliance with Legal Requirements and Future Changes

All proposals must comply with all currently applicable laws and regulations including, but not limited to, the following:

- State and federal laws and regulations including the Family Education Records Privacy Act of 1974 (FERPA) as applicable; and
- Rules promulgated by the Texas Department of Insurance.

The requirements of applicable laws and regulations, as well as future program appropriations made by the Texas Legislature, are subject to change and such changes may affect overall plan design and/or administrative responsibilities. The System requires a good faith effort on the part of the vendor to comply with any additional responsibilities imposed by changes in state or federal laws or regulations, or by future court or administrative rulings, without requiring midyear administrative fee increases.

Vendors must agree to collaborate with the System to effect necessary changes and to execute any agreement that may be required as a result. Should a mandated change materially affect the vendor's obligations under the Contract, the System reserves the right to negotiate with the vendor regarding any administrative fee adjustment that may be appropriate under the circumstances, as provided in the Contract.

## 2.10 Responses, Ordering of Contents, Deviations

Unless a deviation is specifically noted in a response, it will be assumed that the vendor agrees to meet all specifications exactly as set forth in this RFP. Proposals containing deviations, items not called for herein, or irregularities of any kind are subject to disqualification at the System's option.

## 2.11 HIPAA and Other Privacy and Security Compliance requirements

The vendor will be required to comply with all applicable provisions of the Health Insurance Portability and Accountability Act, codified at 42 USC § 1320d through d-8 (HIPAA), and any regulations, rules, and mandates pertaining to the HIPAA privacy and security rules, as well as with any applicable state medical privacy requirements. The plan offered must also comply with FERPA as applicable, as well as the System's privacy and applicable information technology security policies. In response to the related interrogatories included in Aon's online RFP resource of this RFP, the vendor must describe in detail its HIPAA Privacy and Security programs as well as its information security program.

## 2.12 Signature Page

Pursuant to Texas Business and Commerce Code Section 322.005, System agrees to accept the signed signature page by electronic means. An authorized officer of a vendor submitting a proposal must certify that the proposal complies with the RFP specifications by completing the Signature Page included in the Word document entitled, "UT Introduction & Requirements" and submitting the signed document with the original copy of vendor's complete proposal in PDF format as specified in the instructions for submitting a proposal. However, System specifically declines to agree to accept any contract issued by System as the result of this proposal electronically. The originals of any such contract must be signed by the authorized legal representative of the selected vendor in ink, and delivered to System via overnight carrier pursuant to instructions to be issued by System as part of the contracting process, in order to be accepted for final execution by System.

## 2.13 Term of Acceptance

It is the intent of the System, at this time, to enter into a three-year contract for administration of the SHIP beginning September 1, 2012. At the System's option, this Contract may be renewed for an additional three-year period beginning September 1, 2015, subject to terms and conditions acceptable to the System.



## **2.14 Reservation of Rights**

### **2.15.1 Additional Information**

System reserves the right to request additional documentation and vendor agrees to provide the information requested.

### **2.15.2 Validation of Proposal Materials**

The System reserves the right to audit and validate all materials and responses submitted with the vendor's proposal.

### **2.15.3 Rejection of Proposals**

The System retains the right to reject any or all proposals submitted and to call for new proposals.

### **2.15.4 Vendor Negotiations**

The System reserves the right to enter into discussions and negotiations with one or more vendors selected at its discretion to determine the best and final terms. The System is not under obligation to hold these discussions or negotiations with each vendor that submits a proposal.

### **2.15.5 Finalist Interview**

Following the initial review of the RFP Proposals, if a vendor is selected as a finalist in the vendor selection process, the System may, at its sole option, request that personnel from the vendor, at the vendor's expense, attend a meeting at a System-designated location to clarify responses and to answer questions regarding the vendor's Proposal. If the System deems necessary, a site visit to the vendor may be conducted during the RFP review period at the System's expense.

### **2.15.6 Revision of Provisions**

The System specifically reserves the right to revise any or all RFP or Contract provisions set forth at any time prior to the System's execution of a Contract.

### **2.15.7 Execution of Contract**

The System is under no legal obligation to execute a Contract on the basis of this RFP or upon receipt of a proposal.

## **2.15 Confidential Status and Disclosure of Proposal Contents**

As a state institution of higher education, the System is subject to the Texas Public Information Act ("the Act"), Chapter 552 of the Texas Government Code, and has no authority to enter into a confidentiality agreement in contravention of the Act. In response to any public information requests under the Act that are submitted during the RFP process, the System shall deem and argue to the State Attorney General that during the bidding process all proposals submitted in response to the RFP are confidential under the Act. However, once the RFP process has concluded, this exception will no longer apply.

Vendors should be aware that the Texas Attorney General may determine that full or partial disclosure is required for information deemed to be confidential or proprietary by a vendor. It is

the sole obligation of a vendor to advocate for the confidential or proprietary nature of any information provided in or along with its proposal. The System shall not advocate for the confidentiality of the vendor's material to the Texas Attorney General or to any other person or entity. Upon receipt of any public information request involving a submitted proposal after the conclusion of the RFP process, the System shall, pursuant to the Act, make a good faith effort to notify the vendor of the request.

For any such request, the vendor will be responsible for submitting written justification to the State Attorney General detailing why particular information should be withheld, such as the exception applicable to certain commercial information. To ensure its ability to claim exemption from the release of information contained in a submitted proposal, a vendor should clearly designate within its proposal and accompanying materials any information that it believes to be exempt from disclosure and provide legal justification for each instance.

Additionally, vendors should be aware that, pursuant to the Act, upon request from a member of the Legislature and where needed for legislative purposes, the System may be required to release a vendor's entire proposal, including information designated by the vendor to be confidential or proprietary. By submitting a proposal, a vendor acknowledges its understanding and agreement that System shall have no liability to the vendor or to any other person or entity for any disclosure of information made in accordance with the Act.

This section applies regardless of whether a contract is awarded as the result of this RFP.

## **2.16 News Releases**

Written approval by the System will be required prior to the issuance of any news release or other public communication regarding any Contract awarded to a vendor.

## **2.17 Use of System Information for Solicitation is Prohibited**

The vendor must explicitly agree never to use any information received from any source about System for any marketing purpose or to solicit business of any other type. This agreement extends to all forms of discussions, advertisement, distribution, or other marketing by the vendor (or a parent or subsidiary) for coverage, products, or materials other than those explicitly relating to the vendor's services under the SHIP. This prohibition is also applicable to any use of the vendor's System-specific website. This prohibition continues subsequent to termination of the Contract.

## **2.18 Agent of Record**

The System will not designate an Agent of Record or any other such company employee or commissioned representative to act on behalf of either the System or the vendor. Requests for the System to provide such designation shall be rejected. Vendors are specifically instructed to submit proposals as specified herein in separate sections detailing HUB Subcontracting Plan submission requirements and overall proposal submission requirements. Proposals submitted in any other manner will not be accepted.



### **3.0 System's Historically Underutilized Business (HUB) Program**

The System is committed to providing full and equal opportunity for all businesses to provide goods and services needed in support of the System's missions. The System's Historically Underutilized Business (HUB) Program formalizes the System's commitment to carry out this effort. The HUB program ensures compliance with state HUB laws and serves to educate both the university and business communities about the benefits of using HUB vendors. In all contracts entered into for professional services, contracting services, or commodities with an expected value of \$100,000 or more, the purchase solicitation must indicate whether the System has determined that subcontracting opportunities are probable in connection with the contract. If so, a HUB Subcontracting Plan is a required element of the vendor response to this RFP.

#### **3.1 Subcontracting Opportunities Determination**

System has reviewed this RFP in accordance with Title 34, Texas Administrative Code, Section 20.13 (a), and has determined that subcontracting opportunities are probable under this RFP. As identified by the System Office of HUB Development, the HUB Goal for this RFP is **24.6%** percent.

For specific questions regarding the HSP, please submit questions through the Aon Hewitt RFP website which will then be directed to the UT System Office of HUB Development.

#### **3.2 HUB Subcontracting Plan (HSP) Required for Consideration**

A HUB Subcontracting Plan ("HSP") is required as part of vendor's proposal. The HSP will be developed and administered in accordance with System's Policy on Utilization of Historically Underutilized Businesses, attached as Appendix E2 and incorporated for all purposes.

Each vendor must complete and return the HSP in accordance with the terms and conditions of this RFP, including System's Policy on Utilization of Historically Underutilized Businesses. Vendors that fail to do so will have their proposals considered nonresponsive to this RFP in accordance with Section 2161.252, Texas Government Code.

The Contractor will not be permitted to change its HSP unless: (1) the Contractor completes a newly modified version of the HSP in accordance with the terms of System's Policy on Utilization of Historically Underutilized Businesses that sets forth all changes requested by the Contractor, (2) the Contractor provides System with such a modified version of the HSP, (3) System approves the modified HSP in writing, and (4) all agreements or contractual arrangements resulting from this RFP are amended in writing by System and the Contractor to conform to the modified HSP.

#### **3.3 Good Faith Effort Required**

All agencies of the State of Texas are required to make a good faith effort to assist historically underutilized businesses (each a "HUB") in receiving contract awards. The goal of the HUB program is to promote full and equal business opportunity for all businesses in contracting with state agencies. Pursuant to the HUB program, if under the terms of any agreement or contractual arrangement resulting from this RFP the Contractor subcontracts any of the services to be provided, then the Contractor must make a good faith effort to utilize HUBs certified by the Procurement and Support Services Division of the Texas Comptroller of Public Accounts. Proposals that fail to comply with the requirements contained in this section will constitute a material failure to comply with advertised specifications and will be rejected by System as nonresponsive.

Additionally, compliance with good faith effort guidelines is a condition precedent to awarding any agreement or contractual arrangement resulting from this RFP. Proposing vendor acknowledges that, if selected by System, its obligation to make a good faith effort to utilize HUBs when subcontracting any part of the services to be provided in connection with this RFP will continue throughout the term of all agreements and contractual arrangements resulting from this RFP. Furthermore, any subcontracting of such services by the vendor is subject to review by System to ensure compliance with the HUB program.

### 3.4 Mandatory Requirements for HSP Submission

Each vendor must submit to the System three (3) original copies of the HSP along with, but packaged separately from, its complete proposal. The three (3) originals of the HSP must be submitted under separate cover in a clearly marked envelope (the "HSP Envelope") that is attached to the outside of the box containing the other proposal materials submitted by the vendor or must otherwise be provided contemporaneously with the other proposal materials. The top outside surface of the HSP Envelope when attached to the exterior of the packaging for the vendor's other proposal materials must clearly show:

- the RFP title (as noted on the cover page) and the Submittal Deadline, both marked in the lower left hand corner of the front of the envelope,
- the name and return address of the proposing vendor, and,
- the phrase "HUB Subcontracting Plan."

It is the vendor's sole responsibility to ensure that the HSP arrives concurrently with the other proposal materials as specified above. System will open a vendor's HSP Envelope prior to authorizing Aon Hewitt to review the proposal submitted by the vendor, to ensure that the vendor has submitted the number of completed and signed originals of the vendor's HSP that are required.

A vendor's failure to submit the required number of completed and signed originals of the HSP will result in rejection of the proposal as nonresponsive due to material failure to comply with advertised specifications; without exception, any such proposal will be returned to the vendor unopened.

**Note:** The requirements regarding submission of the HSP outlined above are separate from and do not affect a vendor's obligation to provide the specified number of copies of the complete proposal as specified elsewhere within this RFP.

### 3.5 Use of Subcontractors

Any planned or proposed use of subcontractors by the vendor must be clearly disclosed and documented in the submitted proposal and agreed to by the System. The vendor shall be completely responsible for all services performed and for the fulfillment of its obligations under the Contract, even if such services are delegated to a subcontractor. Any proposal to utilize subcontracting must be addressed in the vendor's Subcontracting HUB Plan, as described in a separate section.

## 4.0 The Contract and Other Legal Requirements

The Contract shall be in the format specified by the System. The Contract will incorporate this RFP, the policy or policies issued by the vendor for the coverage to be provided, the vendor's proposal thereto, and any other information the vendor may be required to provide. Until a Contract has been executed and signed, the RFP and the vendor proposal will be binding. A Sample Contract is included as Appendix D to this RFP. Vendor responses containing proposed changes to the Sample Contract will not be considered.

Important: The vendor should not attempt to modify or sign the Sample Contract. The actual Contract will be prepared by the System Office of General Counsel and signed by the vendor prior to September 1, 2012.

### 4.1 General

No Contract will be executed until the System has accepted a vendor's proposal and has notified the vendor of its approval. The Contract will be for a three-year term beginning on September 1, 2012 and will extend through August 31, 2015, to be renewed at the System's option for an additional three-year period unless terminated as provided herein or in the Contract. If the current vendor submits a proposal and is not selected, the current vendor shall continue to perform in good faith all obligations under its existing contract with the System.

The System and the contracting vendor shall agree and acknowledge, as applicable, that the benefits and coverage to be provided under the Contract will be provided from September 1, 2012, through August 31, 2015. However, the System and the contracting vendor shall also agree and acknowledge that there are duties and obligations specified by the RFP to be performed prior to September 1, 2012, and following August 31, 2015, and the Contract will specify that the parties agree to perform all such duties and obligations, and that all applicable damage provisions shall be in effect as to these duties and obligations.

The Contract and the policy or policies issued by the contracting vendor shall comprise the complete and exclusive statement of each agreement between the System and the contracting vendor and supersede all prior or contemporaneous agreements, negotiations, course of prior dealings, and oral representations relating to the subject matter hereof.

The System has specific contracting requirements that cannot be waived or altered. All vendors should carefully review the Sample Contract included as Appendix D to this RFP, including but not limited to the provisions on Indemnification, Auditing, and the EIR Warranty. The vendor should include in their written submission all alternate requirements, terms, or conditions they wish to have considered. However, the vendor should not assume that an opportunity exists to add such matters through the contract negotiation as a part of the RFP process. Unacceptable terms and conditions added by the vendor may result in the rejection of the vendor's proposal, despite other factors to be evaluated. In addition, the vendor should not strike-through or otherwise alter anything in the Sample Contract. Submission of an altered Sample Contract as part of a response may result in rejection of the vendor's proposal, despite other factors to be evaluated.

In the event that a contracting vendor fails or refuses to perform any of its duties or obligations as provided by the Contract, the System, without limiting any other rights or remedies it may have by law, equity or under contract, will have the right to terminate the Contract immediately. Notwithstanding such termination, certain obligations of the vendor shall survive the termination of the Contract.

At any time during the term of a Contract and for a period of four (4) years thereafter, the System or a duly authorized audit representative of the System, or the State of Texas, at its expense and at reasonable times, reserves the right to audit the contracting vendor's records and books relevant to all services provided under the Contract. In the event such an audit reveals any errors or overpayments by the System, the contracting vendor will be required to refund the full amount of such overpayments within thirty (30) days of such audit findings, or the System may, at its option, reserve the right to deduct such amounts from any payments due the vendor.

The contracting vendor must agree not to publicize the Contract or disclose, confirm or deny any details thereof to third parties or use any photographs or video recordings of the System's employees or use the System's name in connection with any sales promotion or publicity event without the prior express written approval of the System.

This Contract is for the personal services of the vendor and the vendor's interest in such agreement. Duties assigned to the vendor under the contract may not be assigned or delegated to a third party.

#### **4.2 Failure to Comply**

Failure to comply with the procedures required by the RFP or any other applicable guidelines shall be cause for immediate suspension or cancellation of the Contract. A suspended or canceled vendor that provides coverage or services will not be permitted to accept new enrollees, but must continue to provide coverage for those individuals whose effective date was prior to the date of suspension or cancellation. Any suspension will remain in effect until System is satisfied that circumstances resulting in suspension have been corrected. Upon the loss of the contracting vendor of any licensure or certification required by Texas law to provide a service required under the Contract, or the filing of a petition for bankruptcy, or upon judgment of bankruptcy or insolvency by or against the contracting vendor, the System may terminate the Contract for cause without notice.

#### **4.3 Compliance with Applicable Law and Texas Department of Insurance Rules**

Carrier will be required at all times to comply with all applicable laws and the applicable rules promulgated by the Texas Department of Insurance.

#### **4.4 Vendor ID Numbers**

A vendor must obtain a Vendor Identification Number issued by the Comptroller of Public Accounts of the State of Texas.

#### **4.5 Authorized Signatures**

The Chief Executive Officer, General Counsel, or an authorized officer of the vendor must sign the Contract. The proposal must state the name and office of the individual who will sign the Contract on behalf of the vendor and include documentation verifying that the individual has the authority to do so.

## 5.0 Fall 2011 Student Enrollment by Institution

Institution	FALL 2011 TOTAL STUDENT ENROLLMENT
U. T. Arlington	33,439
U. T. Austin	51,112
U. T. Brownsville	14,912
U. T. Dallas	18,864
U. T. El Paso	22,582
U. T. Pan American	19,034
U. T. Permian Basin	3,831
U. T. San Antonio	30,968
U. T. Tyler	6,628
U. T. Southwestern Medical Center – Dallas	2,456
U. T. Medical Branch – Galveston	2,825
U. T. Health Science Center – Houston	4,600
U. T. Health Science Center – San Antonio	3,294
U. T. M. D. Anderson Cancer Center	316
U.T. Health Science Center – Tyler	Does not enroll students

### 5.1 Student Eligibility

An enrolled student at a System institution, who has paid all applicable fees, is eligible for the insurance.

### 5.2 Students

In general, any enrolled undergraduate or graduate student and eligible dependents living with the student are eligible.

Students who are participating in the System's Employee Uniform Group Insurance Program as an employee are not eligible to enroll in this plan

### 5.3 Students at Medical and Dental Institutions

System requires students enrolled at its health science centers to maintain approved comprehensive health insurance coverage. Institutional policy requires such students to enroll in the coverage provided under the plan unless the student provides proof of comparable coverage under another policy valid in the United States.

### 5.4 International Students

For purposes of this RFP, an international student is defined as a student holding a nonimmigrant visa and living in the United States must maintain approved comprehensive health insurance or coverage while enrolled at U. T. System institutions with the exception of students from a bordering nation attending an institution in a county adjacent to the nation in which the student legally resides. The proposal must include repatriation and medical evacuation benefits that can be purchased by international students.

An international student is required to enroll in the coverage provided under the plan unless the student provides proof of comparable coverage under another policy as set forth in the applicable rule promulgated by the System Board of Regents.

## 5.5 Visiting Scholars and Fellows

For purposes of the RFP, a visiting scholar or fellow includes foreign scholars and professors who have been granted the status of a scholar or fellow by a System institution for the purpose of gaining experience, studying, or doing research in their respective fields at a System institution; and who are not employees of, and/or not required to enroll as students, of the institution.

Foreign visiting scholars and fellows may have visa requirements that require proof of the same level of health insurance, includes the repatriation and medical evacuation coverage, provided to students under the System's group student health insurance plan. Otherwise, enrollment is voluntary.

## 5.6 Dependent Eligibility

For purposes of the plan, eligible dependents must include:

- the spouse of the Named Insured;
- unmarried dependent children of the Named Insured, including any adopted child or child for which suit is filed for adoption, any dependent child under age 26;
- any child the Named Insured is required to insure under a court order to provide medical coverage;
- any biological or adopted child of the spouse of the Named Insured who resides with the Named Insured;
- any grandchild of a Named Insured who resides with the Insured who is claimed as a dependent of the Insured for federal income tax purposes; and
- any child of the Named Insured of any age who lives with the Named Insured and is incapacitated due to mental retardation or physical disability and is dependent on the Named Insured for care and support.

Eligibility for newborn children will be governed by applicable Texas Department of Insurance regulations.

Any eligible dependent of a Named Insured who is also a enrolled as a student at a System component or visiting scholar or fellow may be insured as Named Insured or as a family member of a Named insured, but not as both.

## 5.7 Enrollment and Coverage Model

Enrollment of students in the plan is at the option of the student, except for certain students enrolled at System health science center and certain international students. Such students are required to enroll unless they can provide proof of comparable coverage. Enrollment of visiting scholars and fellows in the coverage is optional. Enrollment of any dependent is optional. The effective date of coverage for students is the later of the first day of class or the date premium is received. The plan must provide an option that allows international students to enroll at least one month prior to the first day of class.



## 6.0 Plan Specifications

### 6.1 Coverage Periods

The plan must offer the following coverage periods for students:

- Annual Enrollment for the Academic Year (Consecutive enrollment for both fall and spring semesters)
- Semester Enrollment (Enrollment for either fall semester or spring semester)
- Spring and Summer Enrollment (Consecutive enrollment for both spring and summer semesters)
- Summer Enrollment (Enrollment for summer-only semester)

The coverage period for visiting scholars and fellows (and their eligible dependents) should include monthly rates in addition to the other coverage periods such as Annual, Fall, Spring, Spring/Summer, Summer. Enrollment on a month-to-month basis is available only for visiting scholars and fellows and only upon the approval of the institution and may require additional premium. Eligibility for enrollment ends when the individual ceases to engage in the activity for which the System institution granted visiting scholar or fellow status or the System no longer recognizes the individual as having visiting scholar or fellow status, whichever occurs first.

### 6.2 Extension Of Insurance

Health benefits will be extended for a maximum of ninety (90) days after termination of the insurance if a covered student or dependent is hospitalized on the date the insurance terminates. This extension will apply only to expenses due to the sickness and injury which caused the disability and only if such sickness or injury was diagnosed or treated prior to termination of the insurance.

### 6.3 Conversion to Individual Insurance Policy

The proposal will include a conversion privilege for individuals previously covered under the plan but no longer eligible for student coverage. The benefits and provisions of the individual policy may differ from those of the student health plan and premiums will be underwritten independently of the student plan premiums.

### 6.4 Enrollment Periods

The respondent will be required to work with each institution to set a date on which each enrollment period will commence. The enrollment period shall run from that date through the twelfth day after classes begin for the semester. Eligibility for coverage of student insureds is contingent upon enrollment as a student for that semester

### 6.5 Enrollment after the Applicable Enrollment Period

Eligible students will not be allowed to enroll in the plan after the applicable enrollment period unless:

- 1) financial aid is late arriving,
- 2) proof is furnished that the eligible student became ineligible for coverage under another group insurance plan during the thirty (30) days immediately preceding the date of the request for late enrollment.

In such cases, the cost will be the same as it would have been at the beginning of that period but the effective date will be the date the student enrolls and the required payment is received by the insurance company.

## 6.6 Dependent Enrollment

Students who enroll for the student insurance plan may also enroll eligible dependents and make the required premium payment during the specified enrollment period or within thirty (30) calendar days after a new dependent is acquired.

Cost for the addition of dependents will be the same as it would be at the beginning of that period but the effective date will be the date of enrollment and payment of the required premium and will not be effective prior to that of the insured student or extend beyond that of the insured student. 10.8.3 Insurance Card Requirements.

The respondent is required to provide within five (5) days of successful enrollment in the plan, an insurance ID card which includes co-payment information and expiration date.

## 6.7 Plan Website

The respondent must have a website that allows students to enroll electronically. The respondent must provide a link to the System's student insurance Plan within respondents website and the link must include on-line enrollment capabilities, a link to the prescription formulary list, summary of benefits, a link to the System's summary plan description and a link to the network provider listing. Enrolled individuals as well as student insurance coordinators at the various System institutions will use the link. The System's website must comply with System Electronic Information Resource policy on access for individuals with disabilities. See Section 7, Technical Requirements, for a complete description of this requirement.

## 6.8 Materials

The respondent must also provide printed enrollment materials, including schedule of benefits and primary care selection forms to be sent to each component institution by approximately July 1, 2012. The System institutions will assist with the distribution of materials to students. The cost for preparation of such materials for the term of the Contract should be accounted for in the proposed administrative fees quoted by the vendor,

Sample copies of materials to be used by the vendor in administering the SHIP benefits must be provided as requested in the "Requested Attachments" section of this RFP dealing with communications requirements. The vendor is required to submit proposed marketing and other informational materials in the specified format and according to deadlines set by the System. System must approve all enrollment materials prior to their distribution or use. Enrollment materials must clarify that the plan is not administered by System.

## 6.9 Plan Benefits & Terms

The System would like to evaluate your pricing based on the current plan design as well as pricing for a proposed plan design that is compliant with the federal Affordable Care Act (“ACA”) compliant. The current plan design assumes the System maintains their current outlined plan design for 2012/2013 except for changes required by regulation or legislation. The proposed/ACA compliant plan design assumes the System will offer this plan which is ACA compliant. Please see separate “Rate Exhibit” for providing your quotes for the two designs.

In addition, for the current and proposed design, you are required to complete the attached, “Rate Impact Exhibit” which outlines deviations and the rate decrement to each change.

Respondents should be prepared to notate and provide explanations to any deviations from the terms and definitions set forth in this RFP and to provide detailed description of each such deviation from this RFP.

Only one student health insurance plan will be made available to students at all System institutions. The plan must offer the same benefits for all participants.

For Study Abroad, the proposed benefit plan is attached as Appendix C3. A copy of the current Study Abroad plan is attached as Appendix C2.

For Special Events, a copy of the current Special Events plan is Appendix C4. Please note that the Special Events plan is the same as the regular policy – just on a short term basis. The same benefits / exclusions pertain to this special events coverage.

## 6.10 Medical Services Offered to Students through Campus Student Health Centers

Respondent should be aware that some System institutions offer varying levels and types of care to students through campus student health centers. Some of Systems’ institutions have campus health centers which provide certain services free of charge to students, regardless of whether the student has health care coverage, pursuant to a fee imposed on all students. Such services can not be billed through the SHIP. Some of these student centers also offer services to eligible dependents. Other institutions do not have a student health center on campus. See Appendix G for a table describing services available through some Student Health Centers.

The following services may be offered at no charge to students at some institutions that have student health centers on campus:

- Health education, including nutritional counseling, alcohol and substance abuse counseling, wellness services, sexual health services.
- Acute general medical care (primary care, minor injury treatment), including physical examinations associated with an episode of care.
- Primary care services focused on women's health.
- Administration of immunizations and injections.
- Mental health services, including assessment and psychiatric consultation for at least two visits.

## 6.11 Premium Tiers

Responses must include premium rates for each of the following levels:

- Student only
- Student plus spouse
- Student plus eligible children
- Student plus family
- Premium rates for the repatriation and medical evacuation coverage option

## 6.12 Prescription Benefits

The Respondent must provide an outpatient prescription benefit manager and a network of retail pharmacies in close proximity to the dominant student housing areas in the cities previously noted. Should the Respondent contract for outpatient prescription benefit management, the contracted entity must be identified. If the System health institution or student health center operates a licensed pharmacy, that pharmacy must be included in the retail network. The plan website must contain a link to any separate prescription benefit manager's site that describes the prescription benefits available under the plan and must include a link to the formulary list, if applicable.

## 6.13 Termination

Termination of coverage for non-medical reasons will be on the last day of period for which premium was paid, except that coverage will extend to midnight of the day before the first day of class for the following semester. Dependent eligibility expires concurrently with that of the Insured student.

## 7.0 Technical Requirements

### 7.1 Electronic Information Resources Warranty Required

The website and any other electronic information resources (EIR) provided by the vendor for use by plan participants, System employees and the general public must be accessible to individuals with disabilities as required by System's EIR Accessibility Requirements as set forth in Chapter 2054, Subchapter M of the *Texas Government Code*, Title 1, Section 206.70 of the *Texas Administrative Code*, and Title 1, Chapter 213, Subchapter C of the *Texas Administrative Code*. In order for System to ensure that the EIRs offered by each Proposer responding to this RFP are in compliance with the EIR Accessibility Requirements, Proposer must include all of the following in its proposal:

#### 7.1.1 Compliance With This Statute and These Rules Is Not Optional and Their Applicability Cannot Be Waived

1. The vendor must warrant that the website complies with the requirements set forth in Title 1, Rules §§ 206, 213.30 and 213.36 of the *Texas Administrative Code* (as authorized by Chapter 2054, Subchapter M of the *Texas Government Code*). The proposal must provide that to the extent vendor becomes aware that the website does not satisfy the EIR Category Warranty, vendor will, at no cost to System, perform all necessary remediation to make the website satisfy the EIR Category Warranty.
2. Vendor is required to submit a completed Electronic and Information Technology (EIR) Accessibility Checklist (included as Appendix F1 to this RFP) along with proposals. Proposals or bids without a completed checklist will be disqualified.
3. Vendor must provide a written explanation for each of its responses to the requirements in the Checklist with respect to the website:
  - a. If Proposer determines that the website ***complies*** with an applicable accessibility requirement in the Checklist, Proposer's written response to that requirement must identify how Proposer made such a determination (merely responding with "Complies" or similar non-explanatory language is ***not acceptable***).
  - b. If the vendor determines that the website ***does not or will not comply*** with an applicable accessibility requirement in the Checklist, Proposer's written response to that requirement must identify the cause of such non-compliance and the ***specific*** efforts and costs that Proposer would need to assume in order to remedy such non-compliance (merely stating "Does not comply" or similar non-explanatory language is ***not acceptable***).
  - c. If Proposer determines that an accessibility requirement in the Checklist ***is not applicable*** to the website, then Proposer's written response to that requirement must identify the reason for such inapplicability (merely stating "N/A" or similar non-explanatory language is ***not acceptable***).
4. All vendor Proposals must:
  - a. Agree to authorize UT System to engage in product accessibility conformance testing prior to and after completion of purchase.
  - b. Provide the name and contact information of the individual responsible for addressing accessibility questions and issues about the product.
  - c. Describe the vendor's capacity to respond to and resolve any complaint regarding accessibility of products or services provided pursuant to this RFP.

## **8.0 Proposal Evaluation**

Important consideration in evaluating proposals submitted in response to this RFP are described below. The criteria, which should not be assumed to be listed in order of importance, are intended to provide the basis for an objective evaluation of each proposal.

The evaluation process will focus on the selection of a vendor who, in the judgment of the System, demonstrates the ability to consistently and effectively partner with System to provide comprehensive services during the contract period. Of primary importance to System is the development of a meaningful partnership with the vendor that allows eligible participants to obtain SHI benefits on a cost-efficient and timely basis, with a strong emphasis on providing excellent customer service.

### **8.1 Compliance with the RFP**

Proposals containing deviations are strongly discouraged. If included, deviations must be specifically identified and described in detail to be considered. While a proposal with minor deviations from the RFP specifications will not be disqualified, preference will be given to prospective vendors whose proposals contain the fewest and least significant deviations from the requirements presented herein. Information about proposed unique or value-added benefits and programs that would enhance or supplement the current benefit offering specified within this RFP are welcome when presented in conjunction with confirmation that the vendor agrees to the requirements as presented in this RFP.

The System will interpret all responses to be indicating agreement with the specifications contained herein except in cases where deviations are specifically noted and described as required. Deviations will not be included in the final contract unless expressly accepted and agreed to by the System in writing and accepted by the Board of Regents. In all cases, this RFP, the vendor's RFP response, and the contract terms shall be binding.

### **8.2 Implementation Timeline and Critical Deadlines**

The vendor's ability to meet the required dates for critical implementation tasks as specified in the section of this RFP entitled "Implementation Timeline," will be an important consideration in the evaluation of vendor proposals.

### **8.3 The Contract**

All proposals must include an affirmation of the vendor's willingness to accept the provisions set forth in the System's Sample Contract, included as a separate attachment within the Appendix D to this RFP. Proposals indicating that a vendor is unwilling to sign a contract in the format prescribed by System and containing the essential terms set forth in the Sample Contract, without deviations, will not be considered.

### **8.4 Administrative Capability**

Vendors will be evaluated on the basis of their demonstrated ability to provide high-quality services to the System in the management and administration of the SHIP. All aspects of the services described herein are considered important to this evaluation.

### **8.5 Account Management Team**

A vendor's commitment to a strong and consistent Account Management Team will be an important consideration in the evaluation process.



The System considers the account service relationship to be a critical link in developing and maintaining a strong partnership dedicated towards the achievement of plan objectives. Vendors must be prepared to provide the System with account service that is at the highest levels in the industry and that is fully consistent with the System's expectations. The vendor and the System will mutually define the criteria to be used for measurement and evaluation of account service performance.

System considers the following criteria to be essential to a vendor developing and maintaining a strong partnership:

1. Provides effective support in preparing for, and conducting enrollment or implementation events/sessions.
2. Provides client with timely notification of issues impacting members.
3. Responds to issues & questions in a timely, comprehensive manner.
4. Develops, follows through on action plans; effective coordination to resolve open issues.
5. Is accessible and attends scheduled meetings.
6. Delivers agreed upon reports and communication of program results in timely manner.
7. Is knowledgeable about the student health insurance product and services.
8. Demonstrates strategic planning and ideas to better manage the plan.
9. Satisfaction level with the implementation of any new programs or members.
10. Overall, did the Account Management Team meet all expectations?

## **8.6 Customer Service**

Evaluation of the vendor's ability and willingness to provide customer service according to the standards specified in this RFP will include consideration of the vendor's:

- Customer service capabilities;
- Ability to provide general administrative services;
- Willingness to commit to specified service and quality performance levels; and
- Ability to develop and maintain a customized, System-specific website for the SHIP.

## **8.7 SHIP Price Proposal**

The System expects to receive proposals from several highly qualified vendors, all of which can provide high-quality, cost-effective service. For these, a distinguishing factor will be the vendor's SHIP Price Proposal. While cost is a key consideration, the System is not required to select the proposal with the lowest price.

## **8.8 Privacy and Security of System Data**

The vendor must demonstrate its ability to safeguard the privacy and security of System data, collected or maintained by the vendor on System's behalf, in compliance with applicable law and System's own privacy and security requirements.

## **8.9 Other Factors**

Based on responses provided, other factors will be considered during the evaluation process, including the following:

- An organizational structure and a delivery mechanism that have demonstrated the ability to deliver high-quality, cost-effective management and administration of a student health insurance plan;
- Information obtained from the vendor's list of references;

System also reserves the right to request that representatives from vendors determined to be finalists meet with System representatives (at a location to be determined by System) to clarify responses and answer questions related to this RFP. System may also choose to conduct site visits with selected finalists. System will utilize information gained during any such meetings and site visits with selected finalists during the evaluation process.

**9.0 Signature Page**

In accordance with the attached proposal(s), \_\_\_\_\_  
(Print Name of Organization)

hereby agrees, if selected by The University of Texas System, to enter into negotiations for a Contract to provide Student Health Insurance for at least the three year period beginning September 1, 2012. I have read the RFP from which this page is taken and verify that the above named organization can meet the requirements outlined.

The number of addenda reviewed before submitting this proposal: \_\_\_\_\_

The name of the primary contact person regarding this proposal is:

\_\_\_\_\_

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

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

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

Telephone #: \_\_\_\_\_ Fax #: \_\_\_\_\_

Printed name of the individual signing this form:

\_\_\_\_\_

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

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

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

I hereby certify that I have the authority to bind the above named organization.

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

## 10.0 Timetable of Activities

It is critical to U.T. that the following timetable be met. Your ability to meet these deadlines will be considered in U.T.'s analysis of your capabilities.

### Timing

<b>Activity</b>	<b>Timing</b>
Release RFP to bidders	February 21, 2012
Bidders' written intentions to bid/questions submitted to Aon Hewitt	February 29, 2012
Proposals due	March 20, 2012
Select finalists	Mid/Late April
Finalist interviews	Early/Mid May
Vendor selection	May/June
Implementation kick-off meeting	May/June
Coverage begins	August 1, 2012 or September 1, 2012; some earlier or later start dates may apply