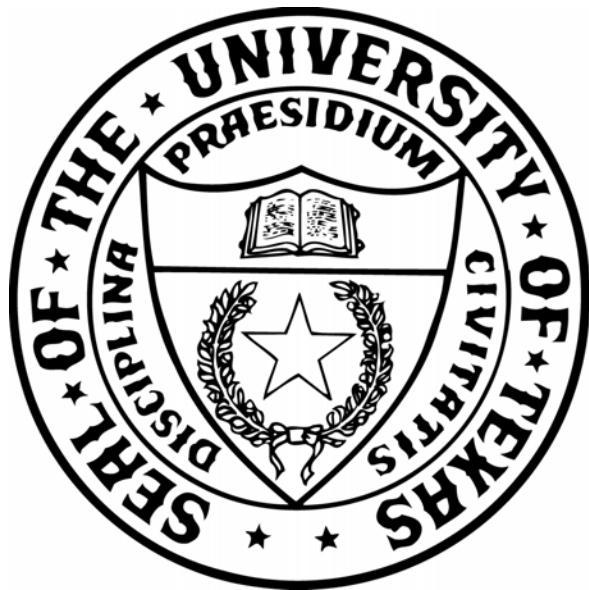


THE UNIVERSITY OF TEXAS SYSTEM
REQUEST FOR PROPOSALS
FOR
FULLY INSURED VISION INSURANCE
FOR THE
EMPLOYEES AND RETIRED EMPLOYEES
OF
THE UNIVERSITY OF TEXAS SYSTEM



to be effective
September 1, 2015

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1.0 INTRODUCTION AND OVERVIEW

1.1 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. Many of the UT institutions have their own payroll systems.

Effective September 1, 2015, the University of Texas at Austin will open a new medical school, to be located in Austin. In addition, System will add a new institution to be known as The University of Texas at Rio Grande Valley (UTRGV), which will include both an academic department and a medical school. At a future date, UT Pan American and UT Brownsville will close and be replaced by UTRGV. At the time of this RFP, System estimates these anticipated organizational changes will result in a slight net increase of less than 2,000 new System employees.

The System has approximately 90,000 benefits-eligible employees who are eligible for Vision insurance coverage. The System has almost 23,000 benefits-eligible retired employees who are eligible for Vision insurance coverage.

Although the majority of employees of The University of Texas Medical Branch (UTMB) are in the Galveston area, UTMB also has employees in the central and eastern parts of Texas who are involved with providing medical care to prisoners at State prisons located in those areas. The University of Texas at Austin also has staff members at a marine biology center in Port Aransas and at an astronomical observatory in Fort Davis. A small number of employees from various institutions also either reside or work outside of Texas.

The following table* shows the name, location and the approximate number of benefits-eligible employees and retirees associated with each institution in the System as of October 2014:

The University of Texas System
October 2014

| Location | Institutions | Benefits-Eligible Employees | Benefits-Eligible Retired Employees |
|-----------------|---|------------------------------------|--|
| Austin | The University of Texas at Austin | 17,162 | 4,958 |
| | The University of Texas System Administration | 665 | 274 |
| Brownsville | The University of Texas at Brownsville | 709 | 298 |
| Dallas | The University of Texas at Arlington | 3,180 | 1,085 |
| | The University of Texas at Dallas | 2,958 | 563 |
| | The University of Texas Southwestern Medical Center at Dallas | 12,891 | 1,654 |
| Edinburg | The University of Texas – Pan American | 1,921 | 476 |
| El Paso | The University of Texas at El Paso | 2,312 | 804 |
| Galveston | The University of Texas Medical Branch at Galveston | 11,186 | 4,376 |
| Houston | The University of Texas Health Science Center at Houston | 6,521 | 1,509 |
| | The University of Texas M.D. Anderson Cancer Center | 19,673 | 3,395 |
| Odessa | The University of Texas of the Permian Basin | 404 | 113 |
| San Antonio | The University of Texas at San Antonio | 3,357 | 782 |
| | The University of Texas Health Science Center at San Antonio | 5,189 | 1,640 |
| Tyler | The University of Texas at Tyler | 838 | 228 |
| | The University of Texas Health Science Center at Tyler | 1,060 | 614 |
| TOTAL | | 90,026 | 22,769 |

1.2 OBJECTIVES OF THIS REQUEST FOR PROPOSAL (RFP)

Section 1601.054 of the Texas Insurance Code requires the System to submit for competitive bidding at least once every six years for each of its group insurance plan arrangements. As described in this Request for Proposal (RFP), the System is soliciting proposals from qualified and appropriately licensed vendors to offer fully-insured Vision insurance plans approved by the Texas Department of Insurance.

The contract for the Vision plans will be for the three-year period beginning September 1, 2015 through August 31, 2018, with the opportunity at System's sole option to renew for an additional three year period, subject to terms and conditions acceptable to the System.

All qualified vendors, including the current contracting vendor, are invited to submit a proposal. It is the System's intention to select one vendor to administer the Vision plan(s) and to have a signed contract in place and begin implementation planning by **March 1, 2015**.

The vendor proposal must demonstrate a commitment to work closely with the System to ensure a seamless transition into the new plan year, particularly in the event the current plan provider is not selected for the new contract period.

Responding vendors should present their proposals for the Vision plan(s), as described in this RFP, in Section 13 of this RFP.

1.3 CURRENT SYSTEM ENROLLMENT

Summaries of current plan enrollment are provided to illustrate the number of potential plan participants eligible for the UT System Vision plans. These plan statistics including enrollment, demographic data, and plan utilization data are available in Appendix C of this RFP.

ENROLLMENT SUMMARY OF ALL CURRENT SYSTEM BENEFIT PLANS

The System currently has about 114,000 employees and retired employees plus approximately 106,000 dependents participating in its Uniform Group Insurance Program (known as UT Benefits). In addition, there are approximately 1,000 COBRA participants continuing coverage in various health plans within the program. The System offers a self-funded preferred provider (PPO) health plan (UT SELECT) for all eligible program participants. Approximately 110,000 employees, retired employees, and COBRA subscribers along with more than 82,000 dependents were covered by UT SELECT during October 2014. UT SELECT medical benefits are currently administered by Blue Cross and Blue Shield of Texas, and prescription benefits are currently administered by Express Scripts. The System's "Living Well" program, currently administered by Provant Health Solutions, is a comprehensive health and wellness initiative available to all UT SELECT participants and is

integrated with both the medical and prescription plans and some voluntary plans such as the dental plan and vision plan.

The System also currently offers the following optional coverages as part of the UT System uniform group employee insurance program: two self-funded dental PPO plans (UT SELECT Dental) currently administered by Delta Dental, a dental health maintenance organization currently offered by Delta Dental, voluntary group term life and accidental death and dismemberment insurance coverage currently issued by Dearborn National, dependent group term life and accidental death and dismemberment coverage currently issued by Dearborn National, medical and dependent care flexible spending accounts currently administered by PayFlex, long term care insurance currently issued by CNA, and short and long term disability coverage currently issued by Dearborn National, and two vision care plans currently issued by Superior Vision. Participation in these optional coverages is voluntary, and generally the premiums are paid solely by the participating employees and retired employees.

The System's Office of Employee Benefits (OEB), located in Austin, Texas, has oversight over all fully and self-funded benefit plans provided by the System through its uniform group insurance program. A primary objective of the UT Benefits Program is to maximize the benefits and services that eligible System employees, retired employees and their covered dependents receive for each dollar spent on insurance benefits. The duties of OEB are described elsewhere in this RFP.

SUMMARY OF CURRENT VISION PLANS

The current fully insured Vision Plan (standard level of coverage) has an enrollment in the UT System group insurance program of approximately 47,086 employees and retirees. The Superior Vision Plus (enhanced level of coverage) plan has an enrollment in the UT System group insurance program of approximately 25,730 employees and retirees.

1.4 SUMMARY OF SERVICES TO BE PROVIDED

The System desires that the selected vendor will offer Vision insurance services on a fully-funded basis to System employees and retirees. It is the intent of the System to select one vendor to offer both levels of coverage through a single contract for the three (3) year period beginning September 1, 2015, with an option to renew for an additional three year period. Responding vendors should submit only one premium rate for each proposed Schedule of Benefits submitted (see Section 13 of this RFP).

The current Superior Vision Standard Plan offered to eligible System employees and retirees is described in Appendix A-1 of this RFP. The Superior Vision Plus Plan (with enhanced benefits) currently offered to eligible System employees and retirees is described in Appendix A-2 of this RFP. Interested vendors must submit a Schedule of Benefits that is equivalent to or exceeds the benefits in each of the current plans with accompanying premium rate proposals.

System does not guarantee that any of the submitted proposals will be accepted.

2.0 GENERAL INFORMATION AND REQUIREMENTS

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 Benefits and Services, and Office of Employee Benefits management) may have any direct interest in the awarding of the Contract or any indirect conflict of interest involving the vendor, including but not limited to any financial interest.

2.2 NON-RESPONSIVE 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 other previous communication of any type or non-conforming proposals submitted by a vendor.

2.4 NONDISCRIMINATORY PRACTICE

A vendor shall not discriminate against eligible System employees by excluding, seeking to exclude, or otherwise imposing restrictions on 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 EXEMPTION FROM STATE TAXES

Coverages provided by the System are exempt from state premium and maintenance taxes.

2.8 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 System Account Team, or in any other aspect of the vendor's operations that could affect the Vision plan(s). 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.

2.9 MEMBER IDENTIFICATION AND CONFIDENTIALITY OF SSNs

The primary reference ID used to identify plan subscribers and their dependents (collectively referred to herein as "participants") is a unique 8-character alphanumeric Benefits ID (BID) that is issued by the Vision plan(s). The vendor must be able to identify a participant and/or the participant's coverage using the BID. The BID shall be the preferred identifier for any telephone communication, unencrypted electronic communication, and in printed reports when referencing specific participants.

Vendors must be able to comply with all 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 when transmitted over the internet.

2.10 CONTINUATION OF COVERAGE (COBRA)

As specified by Title XXII of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the System will at the time of initial enrollment notify employees, spouses and qualified dependent children of their option to continue their group health coverage following certain qualifying events. The System institutions will also send COBRA application forms to each individual who, because of a qualifying event, becomes eligible for continuation of coverage. If such an individual chooses to continue coverage, it is the individual's responsibility to complete the COBRA application form and send it directly to the group vision plan's COBRA administrator.

The vendor will be required to accept eligibility data for COBRA participants and to administer Vision plan benefits for these participants, just as it does with all active plan participants, to ensure that the System remains in full compliance with its COBRA obligations.

Premiums for COBRA coverage will be 102% of the active employee premium rate. If a former employee qualifies to have their COBRA coverage extended beyond the 18-month COBRA period due to a disability, they will be charged 150% of the normal premium during the extended period.

The selected vendor may subcontract with a firm to administer the COBRA program for former System participants and/or dependents. However, the vendor will continue to be responsible for compliance

with the System Contract and applicable federal law. See also Section 2.13 for requirements relating to the use of subcontractors by a responding vendor.

Note: With respect to COBRA administration, the Office of Employee Benefits reserves the option to bring COBRA administration of the Vision plan in-house at a future date yet to be determined.

2.11 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:

- 1) State and federal laws and regulations; and
- 2) 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 mid-year premium rate increases.

Vendors must agree to collaborate with the System to effect necessary changes and to execute any agreements 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 premium rate adjustment that may be appropriate under the circumstances, as provided in the Contract.

2.12 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, and/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.

2.12.1 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 RFP website and questions will be directed to the UT System Office of HUB Development.

2.12.2 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 an Appendix and incorporated for all purposes. The RFP No. for this HSP is 720-2014-UTVIS.

Each vendor must complete and return an HSP in accordance with the terms and conditions of this RFP for each proposal submitted, including System's Policy on Utilization of Historically Underutilized Businesses. Vendors that fail to do so will have their proposals considered non-responsive 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.

2.12.3 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 non-responsive.

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 of the Program will continue throughout the term of all agreements and

contractual arrangements resulting from this RFP. Furthermore, any subcontracting of the Program by the vendor is subject to review by System to ensure compliance with the HUB program.

2.12.4 MANDATORY REQUIREMENTS FOR HSP SUBMISSION

For each proposal, the vendor must submit to the System three (3) original copies of the HSP along with, but packaged separately from, each 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:

- 1) 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,
- 2) the name and return address of the proposing vendor, and,
- 3) 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 opening the proposal submitted by the vendor, in order to ensure that the vendor has submitted the number of completed and signed originals of the vendor’s HUB Subcontracting Plan (“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 non-responsive 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.

2.13 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.

2.14 HIPAA AND OTHER PRIVACY AND SECURITY COMPLIANCE REQUIREMENTS

The System's Vision plan is subject to HIPAA and 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 the System's privacy and applicable information technology security policies. In response to the related interrogatories included in Section 12.0 of this RFP, the vendor must describe in detail its HIPAA Privacy and Security programs as well as its information security program.

2.15 TERM OF ACCEPTANCE

It is the intent of the System, at this time, to enter into a three-year contract for administration of the fully insured Vision plan beginning September 1, 2015. At the System's option, this Contract may be renewed for an additional three-year period beginning September 1, 2018, subject to terms and conditions acceptable to the System.

2.16 RESERVATION OF RIGHTS

ADDITIONAL INFORMATION FROM RESPONDING VENDORS

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

2.16.1 VALIDATION OF PROPOSAL MATERIALS

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

2.16.2 REJECTION OF PROPOSALS

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

2.16.3 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.

2.16.4 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.

2.16.5 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.

2.17 REFERENCES

Each vendor must provide a list of current major customers as requested in this RFP. These customers may be contacted by the System to provide information regarding the vendor's overall record of service in providing the program for their employees.

The provision of references by the vendor shall constitute verification that the System has the vendor's permission to contact these organizations and obtain any required information without obtaining further permission from the vendor.

2.18 MATERIALS

A copy of materials to be used by the vendor in administering the Vision plan benefits must be provided as requested in the section of this RFP dealing with communications requirements. The System retains the right to review and approve all such materials prior to distribution. The vendor is required to submit proposed marketing and other informational materials in the specified format and according to deadlines set by the System. The cost for preparation of such materials for the term of the Contract should be accounted for in the proposed premium rates quoted by the responding vendor.

2.19 NO COMPENSATION FOR EXPENSES

Vendors shall submit proposals at their own expense. No compensation will be provided to vendors for expenses incurred for proposal preparation or demonstrations, unless otherwise expressly stated in writing by the System.

2.20 RETENTION OF PROPOSALS

Proposals and all materials submitted in response to this RFP become the sole property of the System and will not be returned to the vendors. During the evaluation process, the System shall make reasonable efforts as allowed by law to maintain proposals in confidence, and shall release proposals only to personnel involved with the evaluation of the proposals and implementation of the Contract unless otherwise required by law. Further information dealing with the confidential status and potential disclosure of proposal contents is addressed below in a separate section.

2.21 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. In order 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.

2.22 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.

2.23 USE OF SYSTEM INFORMATION FOR SOLICITATION IS PROHIBITED

The vendor must explicitly agree never to use any information received from any source about System employees 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 participation in the System Vision plans, including the provision of such items to lists of System employees and retirees obtained from other vendors contracting with System. This prohibition is also

applicable to any use of the vendor's System-specific website. This prohibition continues subsequent to termination of the Contract.

2.24 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 directly to the System as specified herein in separate sections detailing HUB Subcontracting Plan submission requirements and overall proposal submission requirements. Proposals submitted through a third party agent will not be accepted.

2.25 DEFINITIONS

For purposes of this RFP and any responses provided, the terms "employee", "dependent", "optional coverage", "retired employee", and "The University of Texas System ("System"), shall have the same meaning as set forth in Chapter 1601 of the Texas Insurance Code. A copy of the Chapter 1601 is included as an Appendix of this RFP. System reserves the right to define any other terms used in this RFP

2.26 RESPONSES, ORDERING OF CONTENTS, DEVIATIONS

Proposals must concisely describe the vendor's ability to meet the requirements of the RFP. Emphasis should be on providing complete, clear responses that demonstrate an understanding of the requirements and of the System's needs. The content of all responses submitted must be ordered to correspond with the specifications as they appear in this RFP.

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.

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.

Important: Responding vendors must Acknowledge and Confirm each enumerated section of this RFP and/or clearly state any deviations to the specific section(s). Your RFP responses will be incorporated into the Contract.

2.27 CERTIFICATION

By completing and submitting the signed Signature Page included in Section 14.0 of this RFP with the original copy of vendor's complete proposal as specified, an authorized vendor officer certifies that the

proposal complies with the RFP specifications and that the appropriate vendor staff have reviewed and confirmed their applicable sections based on their expertise.

2.28 SUBMISSION OF PROPOSALS

Only proposals submitted in compliance with the following requirements will be accepted by System:

- 4) This RFP is available on the System's RFP website in both PDF and Word format. Vendors must use the Word version of the RFP to complete and include the following items with your submission:
 - 5) Detailed responses to each interrogatory;
 - a) Proposed premium rates; and
 - b) The signature page, verifying the vendor's ability to meet all requirements.
 - 6) One (1) original proposal signed with blue ink and clearly marked "Original", and ten (10) identical copies of the proposal must be received by the System on or before **12:00 p.m. Noon Central Time on Friday, February 6, 2015**. The original and copies of the proposal should be delivered to:

Laura C. Chambers, Director
Office of Employee Benefits
The University of Texas System
210 West 6th Street, Room B.140E
Austin, Texas 78701
 - 7) Vendors must submit three (3) complete electronic versions of the proposal on separate discs or USB drives, using either Microsoft Office or PDF format for all included documents. The discs or drives must be clearly labeled with the vendor name and the title of this RFP. All materials included in the printed binders *must* be included with the electronic versions, including exhibits and the separate HUB Subcontracting Plan submission.
 - 8) All materials, other than the HUB Subcontracting Plan ("HSP"), must be submitted in sealed envelope(s), box(es), or container(s). **The HSP must be affixed to the outside of the main proposal packaging so that it arrives along with the other proposal materials, but is separately accessible.** Proposals without a correctly completed HSP will be returned, unopened. Proposal packaging must clearly indicate the submittal deadline, the vendor's name, and the vendor's return address on the exterior.
 - 9) Proposals must be valid for one hundred twenty (120) days following the proposal receipt date.
 - 10) The proposed premium rate(s) must be firm and guaranteed for at least three (3) years beginning September 1, 2015 through August 31, 2018.
 - 11) A Table of Contents with sufficient detail (including page numbers) to facilitate easy reference to all sections of the proposal, as well as to separate attachments, must be included. Any supplemental items not requested in the RFP should be clearly

identified as such in the Table of Contents and must be provided in a separate section(s) of the proposal from required items.

- 12) Under no circumstances will proposals received after the submission deadline be considered. Properly marked late proposals will be returned unopened at the vendor's expense. Unmarked late proposals will be held at the System Office of Employee Benefits for 30 days and then discarded.
- 13) Proposals transmitted electronically, or by any means other than as specified in this section, will not be considered.

2.29 ADDENDA TO RFP, INQUIRIES REGARDING SPECIFICATIONS

Questions and comments regarding the RFP should be submitted as soon as possible and must be sent via email using the link on System's RFP website (<http://utdirect.utexas.edu/rfp/>) that has been established for this purpose.

Any response to an inquiry that alters an interpretation of, or requires a change to, this RFP will be posted as addenda on the RFP website. All vendors will be responsible for regularly checking this website for RFP addenda and other announcements. All addenda issued by the System prior to receipt of a proposal shall be considered part of the RFP. All vendors are required to acknowledge all of the addenda issued on the space provided on the Signature Page of this proposal.

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 p.m. Central Time on Friday, January 16, 2015** will not be considered or responded to by the System.

2.30 TELECONFERENCE FOR INTERESTED VENDORS

To provide representatives of interested vendors an opportunity to pose questions regarding the specifications and selection process, a teleconference for prospective respondents is scheduled to be held on **Friday, January 9, 2015 from 10:00 a.m. – 11:00 a.m., Central Time**. If you are interested in participating in this event, please register online at <http://utdirect.utexas.edu/rfp>.

Questions and comments should be submitted via the RFP website as described above and should be sent as much in advance of the teleconference as possible to allow time for the System to gather information as needed and to prepare complete responses prior to the teleconference. Following the teleconference, any remaining questions and comments must also be submitted via the RFP website.

Details regarding the teleconference will be provided in advance to those vendors that register to participate.

2.31 FINALIST INTERVIEW

Following the System's 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.

3.0 IMPLEMENTATION TIMELINE

The dates below apply to key milestones during the implementation phase for the Vision plans. Vendors will be required to meet the deadline listed below for submission of proposals. The vendor will be required to meet all deadlines as shown throughout the implementation process.

| Post RFP Notice on Texas Marketplace Site | 11/21/2014 |
|--|------------------------|
| Request for Proposal (RFP) Issued | 12/18/2014 |
| Prospective Vendor Teleconference | 01/09/2015 10:00 AM CT |
| Last date to submit written questions to the System | 01/16/2015 5:00 PM CT |
| Vendor Proposals Due to the System | 02/06/2015 by Noon CT |
| Vendor implementation team designated and tasks assigned | 03/09/2015 |
| First planning meeting between the System and vendor | 03/18/2015 |
| Drafts of Annual Enrollment materials due to the System | 04/06/2015 |
| Contracts Finalized and Signed | 05/01/2015 |
| Drafts of new employee communication materials to the System | 05/04/2015 |
| Testing of automated transmission of claims data processing system and electronic Fee Billing Invoice | 06/01/2015 |
| System-specific vendor website available for testing | 06/01/2015 |
| Distribution deadline of Annual Enrollment materials to institutions | 06/15/2015 |
| Setup of eligibility FTP procedures and authorizations | 06/19/2015 |
| Benefits & Human Resource Conference(BHRC) in Austin, TX | 06/22-25/2015 |
| System-specific vendor website ready for use | 06/25/2015 |
| Begin testing transmission of test eligibility data | 07/10/2015 |
| Annual Enrollment Period (employee meetings) | 07/15-31/2015 |
| New Employee materials due to the Institution Benefit Offices | 08/03/2015 |
| Begin Testing of Electronic Fee Billing Invoice | 08/03/2015 |
| Testing of eligibility error dataset transmission from vendor | 08/08/2015 |
| The first date for enrollment data to be transferred to the vendor | 08/11/2015 |
| Banking arrangements completed | 09/01/2015 |
| Plan Year 2015–2016 begins (Effective date of coverage) | 09/01/2015 |
| Production of automated transmission of claims data processing system and electronic Fee Billing Invoice | 10/11/2015 |

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 vendor's proposal thereto, and any other information the responding 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 an Appendix 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, 2015.

4.1 INTRODUCTION

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, 2015 and will extend through August 31, 2018, 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, 2015 through August 31, 2018. 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, 2015 and following August 31, 2018, 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 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 in Appendix F 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/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 retirees or use the System's name in connection with any sales promotion or publicity event without the prior express written approval of the System.

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 employees 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 NOT AN ERISA PLAN

As a governmental entity, the System is not subject to the provisions of the Employee Retirement and Income Security Act (ERISA).

4.4 COMPLIANCE WITH TEXAS DEPARTMENT OF INSURANCE RULES

Pursuant to Chapter 1601 of the Texas Insurance Code (Code), System is exempt from many of the provisions of the Code and regulations promulgated by the Texas Department of Insurance (TDI). However, nothing in any agreement between the System and a contracting vendor shall be construed to require or permit any action that is prohibited by, or in conflict with, an applicable provision of the Code or an applicable TDI rule or regulation.

4.5 VENDOR ID NUMBERS

A vendor must obtain a Vendor Identification Number issued by the Comptroller of Public Accounts of the State of Texas. The vendor will be required to complete and submit a Payee Identification Form in order to receive payment.

4.6 AUTHORIZED SIGNATURES

The Chief Executive Officer, General Counsel, or an authorized officer of the responding 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.

4.7 RELATIONSHIP OF PROPOSAL TO CONTRACT

Any contract resulting from the selection of a vendor by the System shall incorporate by reference the applicable portions of the Policy to be issued by the vendor to System, the RFP including Appendices, the vendor's response thereto, and any other information the vendor may be required to provide.

5.0 FINANCIAL REQUIREMENTS

5.1 FINANCIAL ARRANGEMENT – FULLY INSURED

The coverage requested by this RFP is to be provided under a fully-insured contract. The vendor will have full liability for all claims incurred during the period of the Contract including (a) future payments to be made in connection with claims that have been approved at the time of termination of the Contract and (b) payments related to those claims incurred prior to termination of the Contract but not submitted and/or approved until after termination of the Contract. The liability of the System and the Participants will be strictly limited to the premiums collected under the Contract. The vendor will be at risk for any liability in excess thereof. Neither the System nor the Participants will have any contingent or retroactive liability. The contract is to be written on a participating basis with surplus, if any, accruing to the System.

5.2 VENDOR FINANCIAL STRENGTH

To be eligible for consideration, the vendor must have a net worth of at least \$10 million, as demonstrated by an audited financial statement as of the close of the vendor's most recent fiscal year. To affirm financial capability, the vendor must submit all documentation as requested in the related interrogatories included in this RFP.

5.3 PREMIUM RATE REQUIREMENTS

Premium rates must be uniform throughout the State of Texas. The following coverage categories must be used:

COVERAGE CATEGORY

Employee/Retiree Only

Employee/Retiree and Spouse

Employee/Retiree and Child(ren)

Employee/Retiree and Family

Spouse or Child Only (Military or Surviving)

Family Only (Military or Surviving)

5.4 PREMIUM RATE GUARANTEES AND ADJUSTMENTS

In rating the proposed plan, it is required that the rates contained in this proposal be guaranteed for the 36-month period from September 1, 2015 through August 31, 2018. Any future renewal rate adjustments are subject to approval of the System in accordance with information contained in these specifications.

5.5 DETERMINATION OF RENEWAL RATES

The vendor will be required to conduct good faith discussions with the System prior to February 1, 2018, to determine rates for the three-year period from September 1, 2018 through August 31, 2021. If there is no agreement reached by March 1, 2018, the System reserves the right to submit the Vision plans to competitive bidding.

The renewal rating procedure to be used in the determination of premium rates for years following the original 36-month guarantee period is to be clearly detailed in the proposal. The System reserves the right to cancel the Contract at the end of any contract year beyond the first three-year term, if, in its judgment, such action would be in the best interests of the System. In developing renewal rates, the Vision plans may include the anticipated level of incurred claims, a reasonable provision for retention and a reasonable profit margin. The vendor will not be allowed to include a deficit recovery provision in its renewal rates. Any deficit existing upon the termination of the Contract will not be recoverable.

In order to obtain the System's approval of the renewal rates, the vendor shall be required to provide full documentation of the renewal rate determination and shall demonstrate to the satisfaction of the System the appropriateness of the renewal rates.

5.6 PREMIUM PAYMENT

The premiums for Vision insurance coverage are not eligible for the state Premium Sharing. Therefore, the enrolled UT employee or retiree is responsible for the full premium payment for Vision plan coverage which is paid through payroll deduction (employee) and via billing statement (retiree).

Each month, the total premium for each Vision plan will be determined by multiplying the volume at September 1st for each type of coverage by the rates applicable to that coverage. The System will collect the premiums paid by the employees and will remit the premium to the vendor within 90 days of the due date of that premium along with a dataset detailing the remittance by subscriber and Vision plan.

5.7 PAYMENT OF CLAIMS

The vendor shall process, administer and pay all Vision claims incurred during the term of the Contract, including administration and payments required following termination of the Contract in connection with claims incurred prior to termination of the Contract.

General requirements for claims processing include the following:

5.7.1 Using System's enrollment records, the vendor shall create and maintain participation records to be used for the processing of claims and other administrative functions for the Vision plans. System's enrollment records, however, shall control in the event of a conflict.

5.8 ANNUAL EXPERIENCE ACCOUNTING

Within ninety (90) days after the end of each contract year, the vendor must provide the System with an accounting of the System Vision plans' financial experience under the Contract, as required by Section 1601.060, Chapter 1601 of the Texas Insurance Code.

The accounting shall include but not be limited to the following:

- Exam utilization rate
- Frame utilization rate
- Lens utilization rate (broken out by type, including contact lenses).

5.9 RUN-OFF

Following termination of the Contract for any reason, the vendor shall continue to be responsible for processing and paying claims incurred during the term of the Contract. The cost of such runoff administration should be included in any proposed premium rates. Administrative costs will not be paid following termination of the Contract.

5.10 ACTUARIAL/FINANCIAL CONTACT

Responding vendors must provide the name, mailing address, e-mail address, telephone number, and fax number of the actuarial/financial personnel responsible for the preparation of the Vision plan vendor's rates. The named person should be capable of responding to inquiries concerning the rates and must cooperate with requests for information made by the System or its consulting actuaries.

5.11 FIDUCIARY LIABILITY

It is the intent of the System that the vendor assume, pursuant to the Contract, fiduciary duties and liability for all of its actions associated with the performance of its duties under the Contract.

6.0 BENEFITS AND PROGRAM REQUIREMENTS

6.1 INTRODUCTION

The System currently offers two levels of fully insured Vision coverage to eligible employees, retirees and dependents as authorized by Chapter 1601 of the Texas Insurance Code. The two levels of coverage, referred to as the Vision Plan and the Vision Plus plan are both administered by Superior Vision Services, Inc. The System requires that the vendor be able to effectively administer a benefit design and overall program for each plan which meets or exceeds the requirements presented in this RFP.

The Vision insurance plans must be tax-qualified Vision-based group plans, and all premiums paid must qualify as deductions under IRS Code Sections 213 and 7702B. Employee premiums are paid on a pre-tax basis and retiree premiums are paid on a post-tax basis.

6.2 THE BENEFIT (OR PLAN) YEAR

The System's benefits are administered using a Plan Year that begins on September 1st and ends the following August 31st. This time period corresponds with the fiscal year of the System and the State of Texas.

6.3 PLAN PARTICIPATION

Chapter 1601 of the Texas Insurance Code, a copy of which is attached as Appendix D to this RFP, establishes eligibility criteria and enrollment requirements for UT Benefits including the Vision plans.

6.3.1 ELIGIBILITY

Section 1601.101 of the Texas Insurance Code states that an employee who is expected to work at least 20 hours per week and to continue in the employment (is expected to work) for a term of at least four and one-half months, or is appointed for at least 50% of a standard full-time appointment, is eligible for benefits. Certain post-doctoral fellows and recipients of prestigious fellowships are also eligible for coverage through an eligibility rider to Chapter 1601. Retired employees, as well as qualifying dependents of employees and retirees are also eligible for benefits.

6.3.2 BASIC COVERAGE

Basic group insurance coverage provided by the System must be comparable to the coverage commonly provided in private industry and at other institutions of higher education.

The basic package for benefits-eligible employees includes employee-only medical coverage (including prescription coverage), \$20,000 basic Group Term Life (GTL), and \$20,000 basic Accidental Death and Dismemberment (AD&D) coverage.

Important: Basic coverage does not include Vision insurance.

6.3.3 PREMIUM SHARING

On a biennial basis, the Texas Legislature determines the amount of premium sharing available for employees, retired employees and any eligible dependents. Premium sharing is intended to fund the total cost of the basic package for full-time employees and half the cost for part-time employees. The State Appropriations Act also provides for funding of the total cost of the basic package for retired employees. A percentage of the medical plan cost for covered dependents of participating active and retired employees is also paid through premium sharing.

For newly benefits-eligible employees, state premium sharing is not available for payment of the basic package until the first of the calendar month that begins after the 90th day after the employee begins employment. Each institution has the option to supplement premium sharing for all employees during this waiting period. However, if an institution does not supplement premium sharing, that institution's employees will not be eligible for the UT SELECT Medical Plan, including prescription benefits, until the end of the waiting period. The waiting period does not apply to Optional coverage including the Vision plans. Therefore, newly benefits-eligible employees may enroll in either Vision plan during their first 31 days of eligibility. The state premium sharing is not available for the Vision plans; therefore, employees are responsible for full payment of Vision insurance premiums. Benefits-eligible employees become eligible to pay premium for optional coverage on the first day on which they perform services for System.

Full-time employees with comparable coverage from another source may waive medical coverage and receive up to 50% of the State premium sharing amount to pay premiums for certain optional coverage, including Vision insurance. Part-time employees with comparable coverage from another source may waive medical coverage and receive up to 25% of the State's premium sharing amount to pay premiums for certain optional coverage, including Vision insurance.

6.3.4 ENROLLMENT

In addition to the specifics detailed in Chapter 1601, Texas Insurance Code, the enrollment process is governed by System's policies. Annual Enrollment for all insurance plans is held during the month of July (typically July 15 – 31).

An employee may elect the Vision insurance plan during their initial period of eligibility and following a qualified change in status event during the plan year.

The first date that enrollment data for the 2015–2016 Plan Year is expected to be transferred to the vendor administering the Vision plans will be August 11, 2015. Technical and data exchange requirements related to eligibility and enrollment are detailed in a separate section of this RFP.

6.4 CONTINUITY OF COVERAGE

System must ensure that plan participants do not lose coverage solely because of a change in vendors. All provisions and exclusions met under the current plan must be credited under any new plan.

No covered person will experience any change in benefits as simply a result of execution of a new contract for administration of the plan. The vendor must be able to accept data pertaining to plan provisions and to provide full and complete continuity of coverage without regard to the execution of a new contract in accordance herewith. Therefore, an employee enrolled in either Vision plan coverage as of August 31, 2015 will continue enrollment at the same level of coverage under the new Contract effective September 1, 2015, unless the employee elects to cancel the coverage or change the coverage level during 2015 Annual Enrollment.

6.5 BENEFIT DESIGN FOR VISION INSURANCE

The links to the current summary of benefits and plan descriptions for each plan are included below.

6.5.1 SUPERIOR VISION STANDARD PLAN

The Superior Vision Standard Plan is one of two levels of Vision coverage offered to employees, retirees and dependents. The Superior Vision Standard Plan is the more basic of the two. In response to this RFP, organizations should submit rates in accordance with a "Standard Plan" similar to or including enhanced benefits to the plan described in Appendix A-1.

A complete description of the current Superior Vision (Standard Vision Plan) can be found online at <http://www.utsystem.edu/documents/docs/vision/superior-vision-benefits-guide>.

6.5.2 SUPERIOR VISION PLUS PLAN

The Superior Vision Plus Plan is the second of the two levels of Vision coverage offered to employees, retirees and dependents. The Plus Plan has enhanced benefits over the Standard Plan. In response to this RFP, organizations should submit rates in accordance with a "Plus Plan" similar to or including enhanced benefits to the plan described in Appendix A-2.

A complete description of the current Superior Vision Plus Plan can be found online at <http://www.utsystem.edu/documents/docs/vision/superior-vision-plus-benefits-guide>.

6.6 WELLNESS BENEFITS

The System is committed to including wellness benefits within the System Vision plans to assist System and the institutions with the creation and ongoing enhancement of campus wellness programs. The System seeks to understand what a responding vendor could provide in terms of wellness services and, in particular, to assess a responding vendor's willingness to collaborate directly with the third party administrators of the System health plan, other offices within System such as Risk Management, and Employee Assistance Programs (EAP) at each institution if necessary. Of primary importance is collaboration with the UT SELECT medical plan, currently administered by Blue Cross Blue Shield of Texas, in regards to medical issues that may be identified through member access to other benefit plans. As an example, for a member who has been diagnosed with Glaucoma and who has questions about their medical benefits, the possibility of referring and transferring members directly to UT SELECT customer service representatives as a wellness initiative is preferable to merely advising members to contact their medical insurance carrier.

6.7 APPEALS PROCEDURE

The responding vendor's appeals procedure must be in compliance with all applicable statutes and regulations including, but not limited to, the rules and regulations of the Texas Department of Insurance. Any selected responding vendor must have all levels of appeals required by law and include information in its proposal describing the appeals process.

6.8 PROVIDER NETWORK REQUIREMENTS

The System requires that the vendor will ensure that the fully insured vision plan network area complies with the following requirements for service areas, provider accessibility, credentialing and contracting, network management, and quality assurance.

6.8.1 SERVICE AREAS

Proposals must indicate that the responding vendor can provide all required services in areas where there are University of Texas System institutions and high concentrations of University of Texas System employees, retired employees, and their qualified spouse and dependents.

Preference will be given to those organizations that demonstrate the ability to serve all of the requested service areas. The responding vendor must submit documentation of their service areas with the proposal including a list of all Zip Codes in the service areas.

6.8.2 PROVIDER ACCESSIBILITY AND AVAILABILITY

Responding vendors must provide documentation to demonstrate that the proposed vendor provider network contains a sufficient number of vision providers to serve System participants. Separate Geo Access reports must be provided for each of the following:

- Ophthalmologists
- Optometrists
- Opticians

6.8.3 SYSTEM AFFILIATED PROVIDERS

The vendor must make an effort to include providers who, based upon claims history, have been desired by System vision plan participants. Most System vision plan participants prefer to have access to System providers and System facilities. The following four System institutions have Ophthalmology Departments: The University of Texas Southwestern Medical Center at Dallas, The University of Texas Health Science Center at San Antonio, The University of Texas Health Science Center at Houston, and The University of Texas Medical Branch at Galveston.

6.8.4 PROVIDER CONTRACTS

The vendor must have a valid contract with each provider submitted in its Proposal. The contract must include, but not be limited to agreements regarding accessibility, adherence to medical protocols, quality assurance standards, reporting requirements, and claims procedures.

6.8.5 PROVIDER CREDENTIALING/RE-CREDENTIALING

The network shall be comprised of providers who have been subjected to a rigorous credentialing process conducted by the vendor. The proposal must describe and discuss the credentialing/re-credentialing process in the interrogatories. The vendor acknowledges it has sole responsibility for credentialing, re-credentialing and contracting with all network providers. The vendor warrants it has acted and shall continue to act in good faith and has used its best efforts to diligently screen and investigate the credentials of all healthcare providers prior to allowing same to participate in the vendor's network. This includes, but is not limited to, all healthcare providers participating in the network, continuing throughout the entire term of the Contract. The vendor will contract only with licensed healthcare providers in good standing in their profession and with the appropriate state and/or federal licensing and regulatory agencies.

6.8.6 PROVIDER NETWORK MANAGEMENT REQUIREMENTS

With regard to Provider Network Management, the vendor shall provide all services specified in this RFP, including but not limited to, the following:

- a) The vendor shall provide initial and ongoing recruitment, credentialing, and contracting with a sufficient number of qualified and duly licensed Vision Care Providers, as defined herein, in good standing with the state of Texas, to provide the full range of covered benefits and services in the network service areas. The vendor shall provide ongoing management of network providers in

accordance with applicable laws, regulations, credentialing criteria, and provider contracting provisions.

- b) The vendor shall provide initial and ongoing provider education to ensure that network providers are familiar with and knowledgeable of the benefits (including any benefit design changes) and other plan provisions.
- c) The vendor shall provide ongoing review and reports as requested regarding network provider accessibility with respect to driving time and appointment waiting time.
- d) The vendor shall conduct an ongoing provider quality assurance review to be monitored via periodic participant surveys and other reporting mechanisms.
- e) The vendor shall provide ongoing review of complaints received from participants and providers and respond as necessary and appropriate and provide information to the System about complaint handling as requested.
- f) When requested by the System, the vendor shall recruit additional providers for the network on a general, regional or specific basis.
- g) The vendor shall provide to an authorized representative of the System, for the System's approval, a template or form letter or other means of standardized communication prior to sending, disseminating or otherwise providing such written or oral communications to any person or entity reasonably connected to or involved in the fully insured vision plan or the System. The vendor shall regularly review, revise and update where necessary, all information contained on its Website that relates to or may be utilized by the System or any fully insured vision plan participants.
- h) The vendor shall notify the System and shall make reasonable efforts to notify affected current participants in writing, at least forty-five (45) days prior to the effective date of the vendor's termination of any provider's contract without cause unless prohibited or limited by applicable law. The written notice shall include the name of the terminated provider, the names of other providers available to the participants, and the effective dates of the changes. Upon any termination with cause, the vendor shall notify the System as soon as possible upon determining to terminate the provider, but in no event later than the next business day following the termination. The vendor must also use reasonable effort to notify affected participants in writing of such termination. If the provider initiates termination of its contract with the vendor, the vendor will immediately notify the System and make reasonable efforts to notify affected current participants in writing.

6.8.7 QUALITY ASSURANCE

The vendor shall have in place processes to monitor the provider network, the quality of patient care and participant satisfaction.

6.9 OTHER FACTORS

There are a number of factors that should be taken into consideration when preparing a response to this RFP, including:

- 6.9.1 Some employees, such as faculty members, may take extended leaves of absence at which time they may have full benefits from another source. In such cases, employees may put their System coverage in abeyance (i.e. freeze benefit elections). During the abeyance period, the employee is not eligible for Vision insurance and will not pay premium. Upon return to the System, such employees are immediately eligible to resume coverage.
- 6.9.2 There are two main retirement plans available to System employees: the Teachers Retirement System (TRS), and the Optional Retirement Program. All employees are eligible upon employment to join the Teachers Retirement System (TRS). Employees who participate in the TRS plan are eligible to apply for early retirement if they become disabled.
- 6.9.3 The System does not have a single payroll system. There are multiple payroll systems. The Office of Employee Benefits takes a snapshot of enrollment each month and assesses premiums to the institutions based on this enrollment snapshot. Premiums are sent from the institutions based upon the deductions taken from the subscribers on those payroll systems. Eligibility data will be provided routinely by the System which will coincide with the same data used to calculate the payment of premium through the enrollment snapshot. The vendor may need to interface, on a limited basis, with the institutions regarding eligibility questions..

7.0 OPERATIONAL REQUIREMENTS

The vendor shall administer the Vision plans in a manner consistent with all applicable laws and regulations, as well as with the requirements set forth in this RFP by the System. The vendor shall provide all services associated with the administration of the plan, including, but not limited to the items specified in the following sections. The vendor may recover the cost of the requirements described in this section only by making provision for such expenses in the proposed premium rates.

7.1 GENERAL REQUIREMENTS

- 1) The vendor shall provide general administrative support as required in the operation of the fully insured Vision plans.
- 2) The vendor shall provide legal and technical assistance as it relates to the operation and administration of the fully insured Vision plans.
- 3) The vendor shall provide appropriate materials and staffing for Annual Enrollment meetings and fairs.

7.2 IMPLEMENTATION AND ACCOUNT TEAMS

If selected, the vendor must notify the System in writing of the names and roles of all members of its complete Implementation Team by no later than **March 9, 2015**. In addition, the vendor will be required to establish an Account Management Team that is acceptable to System and agree to make staffing adjustments to this team as required by System throughout the contract period. The vendor must ensure that the Account Management Team is established no later than **April 1, 2015** and that this team will be available to assist System as required every Monday through Friday from 8:00 a.m. until 5:00 p.m. Central Time (excluding national holidays).

The vendor's Implementation and Account Management Teams must each include a designated information technology contact with the technical knowledge and expertise to efficiently and effectively collaborate with System's information technology team regarding data transmission, data integrity, and timely processing of data. The designated information technology contact should be appropriately positioned within the vendor's organization to allow for direct management of and possible changes to all technical issues related to the contract.

7.3 CUSTOMER AND ACCOUNT SERVICE

- 1) The vendor's Account Management Team must provide a minimum of one face-to-face meeting with the System per year to review the utilization and performance of the Vision plans, including recommendations and updates regarding ongoing operational activities. The System may also require quarterly operational meetings (in-person or via telephone conference), as needed.

- 2) The vendor's customer service unit should be staffed and trained adequately to handle the plan's specific benefit questions, claims administration, resolution of complaints, and program or claim clarification. The vendor's customer service hours must include, at a minimum, Monday through Friday from 8:00 a.m. to 5:00 p.m. Central Time.
- 3) The vendor shall designate vendor customer service representatives as contacts for System staff. The vendor warrants and represents that it will adequately train additional team members as needed to support the System's requirements. The vendor must accept verbal verification of a System participant's coverage by an authorized representative of the System or verify the participant's coverage through an online system and subsequently update coverage in the vendor's system prior to receipt of the System's weekly/monthly enrollment information.
- 4) The vendor shall dedicate additional staff members, as needed, to update System related records and accounts and to provide additional help for the vendor client service team during and following the System Annual Enrollment period including the 2015 Annual Enrollment period, which is prior to the September 1, 2015 contract effective date.
- 5) Customer Service call centers must be located within the United States, preferably within the state of Texas. The establishment of toll free lines (telephone and facsimile) is required and customer service staffing levels must be adequate at a minimum to maintain the following performance standards:
 - a) Average abandonment rate of 5% or less; and,
 - b) Average time to answer of 30 seconds or less.

7.4 CLAIMS PROCESSING AND ADMINISTRATION

- 1) The vendor shall process and administer all required UT Benefits Vision plan claims (if applicable to the plan type) incurred on or after September 1, 2015 and throughout the term of the Contract. General requirements for claims processing include the following:
 - a) Using System enrollment records, the vendor shall create and maintain enrollment records for all participants to be relied on for the processing of claims and other administrative functions for the UT Benefits Vision plans. In the event of a conflict between enrollment data stored at System and information on file with the vendor, the System's information shall be considered authoritative;
 - b) The vendor shall review claims for eligibility based on covered dates of services. Any ineligible claims that are inadvertently paid by the vendor shall be the sole responsibility of the vendor to recapture;

- c) The vendor shall process claims submitted directly by Vision plan participants. Each direct claim payment must include an Explanation of Benefits (EOB) for all applicable claims. The vendor must submit all claim forms and sample EOBS as an attachment to the Proposal for the System's review and approval;
 - d) The vendor shall investigate unusual or extraordinary charges to determine all relevant circumstances and report to the System its findings. In the event the vendor issues excess payments or payments for ineligible claims or participants, it will assume 100% liability for incorrect payments which result from policy or system errors attributable to the vendor in whole or in part, including payments made for any covered services to a former fully insured Vision plan participant reported by the System as no longer a plan participant, if the vendor receives such notification at least two (2) full business days prior to the date of such services.
 - e) Refrain from initiating litigation to recover such overpayment unless authorized by the System.
 - f) Vision plan claims filed by UT participants should be processed within fifteen (15) calendar days of submission to the vendor unless additional information and/or investigation is required.
- 2) The vendor shall maintain a complete and accurate claims reporting system and provide for the retention, maintenance, and storage of all payment records with provision for appropriate reporting to the System. The vendor shall maintain all such records throughout the term of the Contract and for at least three (3) years following the end of the Contract, and shall make such records accessible and available to the System for inspection and audit upon the System's request. In the event the vendor is scheduled to destroy payment records, the vendor must contact the System for approval prior to the destruction of the payment records. If the System approves destruction, verification of the destroyed records shall be required at the System's direction.

7.5 COST CONTAINMENT INITIATIVES

The vendor shall maintain effective automated systems to detect fraud and misuse of the program, overpayments, wrongful or incorrect payments, unusual or extraordinary charges, verification of enrollment, and unnecessary Vision treatment. The vendor shall also conduct thorough, diligent, and timely investigations with regard to fraudulent or suspicious claims and report quarterly all such claims to the System. The vendor must include a written description of its comprehensive fraud detection plan with its response.

The vendor understands that System may develop further policies in connection with the detection and prevention of fraud or abuse of the Vision plans. The vendor shall comply with all applicable

laws regulations and shall also comply with all System policies, and the vendor is encouraged to develop additional safeguards as allowed by law.

7.6 REPORTING AND INFORMATION SHARING

Routine vendor reporting, including utilization and cost data, is required to support the System's ability to proactively monitor trends and to identify/address variances on targeted vendor performance guarantees and customer service standards. The timelines and formats for required reports shall be specified by the System. Additionally, the System may request customized reports on an ad hoc basis. Such reports must be provided in a timely manner at no additional cost to the System.

7.6.1 PERFORMANCE MONITORING

Some report formats shall include a column indicating a performance standard for the item being reported, which shall be utilized by the System as a benchmark to monitor compliance and to analyze the reported statistics. See the Administrative Performance Report template included in Appendix E of this RFP for examples of this type of reporting.

7.6.2 VISION PLAN STATISTICS

The vendor shall accumulate operations statistics and develop reports for the System Vision plans, as is typically done in the normal course of business, on a semi-annual basis. The vendor shall provide copies of such reports upon request by the System along with results of any audits conducted in connection with the reports.

7.6.3 CONSULTING ACTUARY

The System retains an independent consulting actuary on insurance matters. The consulting actuary assists and advises System staff on benefit plan design, proposal review, and premium rate analysis. System staff or the consulting actuary may, from time to time, request that the vendor provide additional information specific to the Vision plans. The vendor must cooperate with and act in good faith in working with the consulting actuary and must be prepared to respond to these requests promptly.

8.0 TECHNICAL AND DATA EXCHANGE AND SECURITY REQUIREMENTS

Each System institution self-administers its eligibility. For payroll purposes, the System's sixteen (16) institutions utilize approximately seven (7) different payroll systems. System institutions transmit eligibility data to System, and System in turn transmits the appropriate data to the plan vendor.

Datasets are transmitted by institutions directly to the System as often as desired. Institutions can also make real-time updates to the System eligibility database and can transmit either a full replacement file or a partial replacement file as needed. Some institutions update their payroll files only shortly before payroll is processed; therefore, they transmit eligibility data to System only twice per month. However, other institutions update their data more often.

Due to the nature of the processes involved, there can often be a delay between the effective date of coverage and notification of eligibility to the vendor. To accommodate the variation in institutional eligibility administration and payroll systems and minimize delays and errors, the System has developed standardized methods for receiving and transmitting information between System, institutions, and vendors.

8.1 SECURE FILE TRANSFER PROTOCOL (SFTP) OVER THE INTERNET

System's security requirements mandate that SFTP be used to access all System servers. A vendor's ability to use SFTP over the Internet and to work with HIPAA-compliant ANSI X12 transaction sets will be important considerations in the System's evaluation of the proposals.

8.2 WEB AUTHENTICATION VIA SECURITY ASSERTION MARKUP LANGUAGE (SAML)

Security Assertion Markup Language (SAML) is an XML-based framework that forms the basis for the method of single sign-on user authentication that System strongly prefers be used for a vendor's System-specific website. An alternative method of user authentication must also be provided for those participants, including many retired employees, who cannot or who choose not to authenticate via single sign-on. Responses that indicate a vendor's willingness and ability to implement SAML-based authentication (v2.0) will be strongly preferred over those that do not.

When implementing SAML-based authentication for a vendor's System-specific website, each of the 16 System institutions will act as an Identity Provider (IdP) and determine whether the user has authenticated properly using local credentials. If the user authenticates correctly, System will redirect the user's browser and pass a SAML assertion to the vendor site in question. The vendor site will accept the SAML assertion in order to grant access.

The vendor must either agree to use System's SAML Discovery Service or to host an alternative solution for IDP discovery on the vendor's System-specific website and subsequently accept the IDP's assertion that identifies the individual using the Benefits Identification (BID) number, which is included as an attribute in the SAML assertion. Each participant has a unique BID, and BIDs will be regularly communicated to the vendor via eligibility dataset.

Only user authentication will be handled via SAML. Authorization to access specific information, such as limiting the ability to view member-specific data to only the authenticated member, will still need to be handled by the vendor website.

It is System's strong preference that the vendor be capable of immediate implementation of SAML-based authentication (v2.0) at the start of the Contract period or that the vendor anticipates being able to implement within six months of the start of the Contract period. A vendor who is currently unable to implement SAML-based authentication (v2.0) should provide a statement of its ability to support authentication via proxy and should note in its response whether it anticipates being able to implement SAML-based authentication (v2.0) and, if so, when it anticipates being ready to do so.

8.3 ELIGIBILITY DATA

8.3.1 SYSTEM'S ELIGIBILITY DATABASE

Each institution's eligibility data is transmitted to the System and used to update an eligibility database maintained by the System. This database provides the information for System to generate eligibility (enrollment) datasets specific to the Vision plans. The database maintained by the System is directly updated by enrollees during the Annual Enrollment period using the System's *My UT Benefits* online enrollment application. During the July 2014 Annual Enrollment, approximately 48% of all employees made election changes, and approximately 99% of those were made using the *My UT Benefits* online system on the Web. This enrollment process provides the advantage of having most new enrollment data available several weeks prior to September 1, the beginning of each new plan year.

8.3.2 ELIGIBILITY DATASET EXCHANGE

Currently, a partial replacement eligibility file is being transmitted by the System to the current Vision vendor two (2) times per week. Each month the System sends the vendor a full eligibility file. The files are available to the vendor by 6:00 a.m. Central Time on the designated days of transmission.

The vendor will be required to receive and process at least two replacement eligibility (enrollment) datasets per week. The vendor may receive either full or partial eligibility datasets each week. A partial replacement dataset includes only records for individuals who are new or who have had a change in coverage since the last dataset was generated. If the vendor elects to receive partial

datasets weekly, then once per month a full replacement dataset that includes all current participants will be sent to the vendor. Each year during the second half of August and the majority of September, larger than normal datasets can be expected due to updates related to Annual Enrollment and the start of the new plan year.

It is System's expectation that the vendor will immediately process eligibility datasets and that updated information will be loaded into the vendor's information system within 24 hours of receipt under normal circumstances. Within twenty-four hours, the vendor must positively confirm via email the receipt, processing, and successful load (or failure to load) of each eligibility dataset. Further, in the event that an eligibility dataset fails to load, the vendor should provide an explanation for the failure to load either within or as immediate follow-up to the initial notification. The vendor must work directly with System as needed to ensure that any dataset load issues are resolved as quickly as possible and updates are applied to the vendor's information system.

The required format for eligibility data being transferred to and from the System is the HIPAA-compliant "Benefit Enrollment and Maintenance Transaction Set (ASC X12N 834)" format. Responses must confirm that the vendor agrees to use the ASC X12N 834 format, or, if unable to comply with the requirement, the response should include rationale for an alternate, applicable, dataset layout.

8.3.3 RETIRED EMPLOYEES

Each System institution keeps records on its retired employees' coverage. Currently, each institution (with OEB's UT Benefits Billing department handling the 7 UT Share institutions) collects premiums, if any are due, from the retired employees and their benefits-eligible dependents. The retired employees will be identifiable on eligibility transmissions.

8.3.4 RETROACTIVE ELIGIBILITY ADJUSTMENTS

The System requires contracting vendors to allow a retroactive window for eligibility changes to be made up to 90 days after the end of the coverage period affected. The adjustments that must be allowed include activation of eligibility, termination of eligibility, and other variations that may occur as a result of participant status changes. The System retroactively adjusts the payment of premium to ensure agreement with updated eligibility information.

8.4 REQUIREMENTS TO FACILITATE EMERGENCY UPDATES

On occasion, System institutions may need to make emergency updates to the coverage of their plan participants. Emergency updates are updates to eligibility coverages on the vendor's eligibility system made through a means other than the eligibility dataset. The System has implemented a "controlled emergency update email process" through which an institution Benefits or Human Resources representative can submit an emergency update request when needed.

The institutions are required to update the System eligibility database prior to sending an emergency update request to the plan vendor. The eligibility system verifies the coverage prior to sending an emergency update email which is always sent from a single, controlled email account.

Social Security numbers will never be transmitted on emergency update email messages. The vendor will either need to be able to add a new member to their eligibility system prior to receiving the Social Security number or be able to connect to a secured System website to retrieve complete update information. The link to the secure website will be included in all emergency update email messages.

The emergency update system can be configured to send the email update request to designated vendor staff members for handling. The email can be formatted to include the vendor's preferences for coding, and its structure does include some free-form text. The vendor may choose up to five (5) email addresses to receive emergency update emails. Confirmation of a completed update to the vendor's database is required within four (4) business hours of receipt of an emergency update email.

Preference will be given to responses indicating the willingness and ability to accept and process emergency updates via email as specified above. However, if a vendor is unable to receive and process emergency update emails, the vendor may, as a less preferred option, provide an SSO-access-controlled software interface through which the System can directly update the vendor's eligibility database. The preferred method for this option is an Internet interface accessible via a Web browser such as Firefox, Microsoft Internet Explorer, Google Chrome, or Apple Safari.

8.5 FUTURE HIPAA-APPROVED STANDARDS

In this data processing interface requirement section, there are several references to acceptable Health Insurance Portability and Accessibility Act of 1996 (HIPAA) transaction sets. System utilizes specific HIPAA transaction sets for particular functions if necessary.

8.6 DATA FORMAT FOR PREMIUM PAYMENTS

The System will produce a "self-bill" by the fourteenth (14th) day of the month for the premium due for the prior month (billing month). Self-bills currently are created in a System-specific premium billing dataset format; however, for the purpose of this contract, self-bills may be generated in either an administrative fee billing format or in the HIPAA-compliant "Payroll Deducted and Other Group Premium Payment for Insurance Products Transaction Set (ASC X12N 820)" format.

The dataset will be transmitted via SFTP over the Internet to a secure FTP server. Upon placement of the dataset on the server, an automated email will be sent to the appropriate vendor contacts with notification of the dataset transmission and self-billing total. Each self-bill will reflect remittance detail for the current month along with any necessary adjustments for the prior three months.

Based on an eligibility snapshot taken from the System eligibility database on the first Sunday of each month, the System will prepare a report detailing the premium remittance as support for the monthly

payment of the premium. The report will reference specific plan participants, their BIDs, affected coverage periods, and the amounts being remitted for each.

8.7 AD HOC REQUESTS AND ISSUE RESOLUTION

The vendor shall provide the System with priority positioning for delivery of ad hoc system service requests and issue resolutions. Through the designation of an appropriate technical contact as required for the Implementation and Account Management Teams, the vendor shall ensure that all System information systems requests and issues are given priority positioning and thoroughly analyzed to ensure speedy resolution. The vendor shall provide competent, focused attention to each information system request or issue presented by System.

It is the expectation that the vendor will make every effort to deliver a resolution within 30 days from receipt of the System's written notification of a request or issue related to the vendor's information systems. The System will be responsible for supplying detailed information reasonably necessary for the vendor to complete the requested services. If a 30-day resolution is not reasonable for a particular issue, the vendor must provide System with an implementation plan and timeline for resolution within five (5) days from receipt of notification.

An example of a requirement falling under this provision would include, but would not be limited to:

Modifications to benefits or eligibility processing requirements must be reviewed, responded to, and approved by the vendor within fifteen (15) days of such request by System. If the vendor requires adjustments prior to granting approval, the vendor shall immediately notify the System and set up weekly update meetings to be held until the System agrees that the modifications will meet the System's operating requirements. Once requested modifications have been mutually agreed upon, the vendor shall complete the eligibility or benefits project, including required testing within forty-five (45) days of Systems' approval.

8.8 SYSTEM DATA SECURITY REQUIREMENTS

For the purpose of this RFP, System data is defined as any and all information maintained, created or received by or on behalf of System.

Responding vendors must maintain a robust security program capable of protecting the integrity, confidentiality, appropriate accessibility, and security of System. Questions included in Section 12 of this RFP are designed to elicit specific information about the vendor's security program and must be thoroughly and accurately completed.

9.0 COMMUNICATION REQUIREMENTS

The vendor will be required to communicate information regarding the Vision plan design approved by System. All plan communications should be designed to educate both potential enrollees and current participants and must be approved by System prior to dissemination. Communications regarding the UT Vision plans must be clear and concise, using terminology familiar to participants as specified by System.

The vendor will be required to develop Vision plan communications for written, electronic, and verbal dissemination to accommodate the varying needs of potential participants. However, System prefers that electronic communication be used whenever reasonably possible. Printed materials must always be made available electronically. Communication materials must meet ADA requirements for accessibility.

The vendor may recover the costs of the services described in this section only by making provision for such costs in the calculation of the proposed premium rates.

9.1 GENERAL INFORMATION

Communication materials to be developed by the vendor may include, but are not limited to:

- 1) Participant brochures and information for inclusion in benefits books and newsletters;
- 2) A customized, System-specific Vision plan website;
- 3) Presentations to UT institution Benefits Staff and participants;
- 4) Scripted responses to be used by customer service representatives;
- 5) Advertising materials in association with System Vision plan enrollment;
- 6) Claim forms;
- 7) Online provider directory;
- 8) News releases, including contract signing announcement;
- 9) Participant welcome packet; and
- 10) Token giveaways for enrollment fairs and events.

Communication materials designed for System Vision plan participants cannot, and the vendor represents and warrants that it shall not, advertise or promote coverage, products, or materials, other than those relating to the vendor's administration of the System Vision plans.

9.2 SAMPLE COMMUNICATION MATERIALS REQUIRED

Electronic draft copies of proposed Plan Year 2015–2016 printed materials, plan participants' handbook, and advertising (newspaper ads, radio scripts, television ads, etc.) must be submitted as part of the proposal. Respondents to this RFP should also submit samples of other communication materials with their proposal, including consumer targeted educational materials (in both print and electronic format) and the format of the customized System-specific website.

Important: All materials relating to the plan must be approved by the System prior to distribution to institution employees and retirees.

9.3 ANNUAL ENROLLMENT

Annual Enrollment information must be promptly provided to all benefits-eligible employees and retirees. The requirements listed below apply to all Annual Enrollment materials, including information for benefits guides.

9.3.1 CUSTOMER SERVICE INFORMATION

All items must include the customer service phone number, hours of operation, a description of the process for filing claims (if applicable), the appeal process for claim denials, and the vendor's website address.

9.3.2 DESCRIPTION OF BENEFITS

The vendor must provide a Schedule of Benefits that contains the benefits that are at least as good as those set forth in Appendix A-1 and A-2 to this RFP. The summary shall include any additions, limitations and exclusions approved by the System. Note: Network providers must collect the applicable co-payment from all System participants.

9.3.3 NETWORK PROVIDER DIRECTORY

The provider directory must be made available in electronic format. It should indicate each provider's address, assigned office code, and whether or not the provider is accepting new patients. The online provider directory must be updated at least monthly. The online provider directory must include a disclaimer that providers are subject to change. A minimal number of printed provider directories should be available in the event a member is not able to access the online provider directory.

9.3.4 DUE DATES FOR ENROLLMENT MATERIALS

All educational and enrollment materials used for both Annual Enrollment and new employees must be distributed to all System institution benefit offices no later than June 1 of each plan year. **All materials must be approved by the System before distribution to System institutions and employees.**

9.3.5 VENDOR ATTENDANCE AT ANNUAL ENROLLMENT MEETINGS

The contracting vendor is required to attend key scheduled Annual Enrollment meetings at each System institution when requested by the institution Benefits Office at the vendor's own expense. Vendor participation at Annual Enrollment meetings will help educate employees about the Vision plans. If the contracting vendor is unable to attend all Annual Enrollment meetings being offered at a particular System institution, the institution will have the discretion to designate a particular meeting or meetings as high-priority and request vendor attendance specifically for the designated priority meeting(s).

Note: Based on prior Annual Enrollment experience, the Vision plan vendor is generally requested to attend approximately 30 Annual Enrollment events each year.

9.3.6 CUSTOMER SERVICE DURING ANNUAL ENROLLMENT

The vendor's dedicated Customer Service Team will be required to assist in answering questions regarding the Vision plans each year during the System Annual Enrollment period, including during the July 2015 Annual Enrollment period. Education by the vendor Customer Service Team must be provided to all current and potential Vision plan participants. Customer service should be made available via phone, email, in writing, or in person.

9.4 UT SYSTEM-SPECIFIC WEB SITE

The vendor must establish a customized, System-specific website with the primary goal of allowing participants to easily access plan information regarding customer service toll-free numbers, claims, and plan contacts for the Vision plans. The website must meet all requirements as detailed in this section.

The vendor's System-specific website must be available to the System for testing no later than **June 1, 2015**. The final System-approved website for plan year 2015–2016 must be made available by **June 25, 2015**, and must include the System-approved enrollment materials. The System must approve new website additions or redesigns at least two weeks prior to any scheduled launch date. The vendor must update the website as often as needed with System-specific content (e.g., news) when requested by the System. The System's requests should be implemented within two weeks from the request date, or within a reasonable time as agreed by the System, depending on the complexity of the update requested.

9.4.1 CONTENT SPECIFICATIONS

The System-specific website should be kept regularly updated with timely, relevant information for the Vision plans. All content for the System-specific website must be approved by the System before it is released. The site must include:

- 1) A link to the Vision plan brochures and summaries, as approved by the System;
- 2) Customer service information, including phone numbers, mail and claim addresses, hours of operation, and guidelines for the complaint and appeals process;
- 3) System-approved provider directory which must be updated on the Web site at least weekly during Annual Enrollment and monthly throughout the plan year. The online provider directory must include:
 - a. a geographic look-up capability by ZIP Code that is user friendly,
 - b. each provider's specialty,
 - c. each provider's assigned unique office code, and
 - d. an indication about whether each provider is accepting new patients or not.
- 4) Electronic forms or email addresses for customer complaints and questions. Responses to email complaints should have no more than a 48-hour turnaround time. A tracking system for complaints submitted online, similar to the tracking of telephone complaints, must be in place with the ability to provide data and details to the System upon request;
- 5) All necessary vendor forms (e.g. claims forms) for participants. If forms are made available in PDF format, an easily identifiable link must be provided to download Adobe Acrobat Reader to enable participant viewing and printing;
- 6) System's branding and a System-specific welcome message must be included to clearly indicate the site is specific to UT System and the UT Vision plan;
- 7) A link to the System's UT Benefits website; and
- 8) If the vendor provides a Web page on which a participant may view specific individual information, the site must utilize secured protocol (<https://>) and require authentication. The site may not use the participant's social security number, in whole or part, as either the user identification or the password. The Benefits ID may be used as the user identification. Authentication via Single Sign-On is strongly preferred over requiring a unique user identification and password specific to the site. See the section of this RFP entitled "Technical and Data Requirements" for additional details.

9.4.2 TECHNICAL SPECIFICATIONS

The System-specific website must be accessible to as many participants as possible. Therefore, the following specifications must be met:

- 1) All website content must be clearly visible and functional in Internet Explorer, Safari, Google Chrome and Firefox browsers, and compatible with PCs, Apple Mac and mobile devices (smartphones and tablets);
- 2) Entering a Social Security number should not be required at any time to access information on the website;
- 3) The log-on page must not allow the browser to store the information entered in the cache. The auto-complete feature must be turned off for every form;
- 4) The font and text must be legible and easy to read; and
- 5) All forms and Adobe Portable Document Format (PDF) files must be accessible. Refer to the W3C accessibility standards for PDFs:
<http://www.w3.org/TR/WCAG20-TECHS/pdf.html>.

9.5 ELECTRONIC AND INFORMATION RESOURCES (EIR) WARRANTY

System is required to acquire all EIRs in compliance with the legal requirements governing access to such EIRs by individuals with disabilities ("EIR Accessibility Requirements"). The EIR Accessibility Requirements applicable to the University are 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:

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 H 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.

9.6 PROHIBITIONS; NOTICE OF INQUIRIES FROM THIRD PARTIES

As the insurer for the Vision plans, the vendor may receive numerous inquiries from interested third parties relating to the Vision plans and their program administration. The vendor is strictly prohibited from disseminating any information about coverage, products, or materials on the vendor's website other than those explicitly relating to the vendor's plan offered or service provided to System participants, including the System-specific Vision plan website.

The vendor must forward all inquiries from interested third parties relating to the Vision plans and program administration to the System Office of Employee Benefits.

9.7 DISSEMINATION OF COMMUNICATION MATERIALS

Communication materials may be considered "published" when a final electronic copy is delivered to the System or is accessible on the vendor's website. Materials that contain protected health information or other confidential information such as a participant's Benefits ID number must be mailed in an envelope or packaging designed to secure confidential information from casual viewers.

9.8 PLAN BOOKLETS

Separate plan booklets, approved by the Texas Department of Insurance, must be provided for both levels of benefits for each plan year. If corrections or amendments are made to a plan booklet during a plan year, the revisions will be announced via e-mail and by Web announcement. The updated plan booklets will also be posted on the website. Each plan booklet must include the Summary of Benefits

as approved by the System. The plan booklets shall include any additions, limitations and exclusions, and a description of the appeals process. The plan booklets should include a description of current eligibility requirements, as set forth in Chapter 1601 of the Texas Insurance Code.

The vendor is responsible for providing a draft of the plan booklets to the System each year. Final drafts of any required plan booklets must be submitted by the vendor to the System for review by **May 4, 2015**. The vendor must follow any Texas Department of Insurance requirements for the issuance and distribution of plan booklets.

9.9 IDENTIFICATION (ID) CARDS

The selected vendor must send ID cards to all Vision plan participants and to those who enroll in the plan during Annual Enrollment. Throughout the plan year, the vendor must issue ID cards to all new enrollees within five (5) business days after the vendor receives the enrollment information from the System. The ID card may not include the System participant's social security number. The card shall use a Benefits ID as specified by the System, as well as other standard information in a format prescribed by the System including member name. Replacement cards will be provided at the request of a Vision plan participant. Once initially distributed, ID cards do not need to be replaced unless the benefit plan design changes information on the card, or unless changes are made to participant's name or covered dependents name.

9.10 TRAINING OF SYSTEM AND INSTITUTION STAFF

The vendor must provide training to System staff and institution HR and Benefits staff regarding the Vision plans. Centralized training for institution HR and Benefits staff occurs on an annual basis during the Benefits and Human Resources Conference (BHRC) hosted in Austin by OEB. The 2015 BHRC is scheduled to be held from **Monday, June 22, through Thursday, June 25, 2015**. In addition, specific training for institution HR and Benefits staff may be required at other times during the year based on changes to operations and the needs of the System.

10.0 PERFORMANCE STANDARDS AND PENALTIES

The vendor must comply with the System requirements listed below and report the specified information to the System on a quarterly basis in an Administrative Performance Report. Refer to the template for the required reporting format for the Vision plan Administrative Performance Report (Appendix E to this RFP).

The vendor selected to administer the System Vision plans must agree to pay the financial penalties as shown in this section if the associated performance standards are not met. Additionally, the vendor should be aware that compliance with these requirements will be a key consideration during any future contract renegotiations.

10.1 ANNUAL ENROLLMENT MATERIALS

System Requirement: The vendor must meet all due date requirements as specified in this RFP for materials related to Annual Enrollment.

Financial Penalty: A penalty of \$4,000 may be assessed for each violation of the due date requirements for: (1) preparation of the System-specific website; and (2) distribution of plan materials.

10.2 ADMINISTRATIVE REPORT TIMELINESS

System Requirement: Each Administrative Performance Report is due no later than the last day of the month that immediately follows the end of the System plan year quarter or by the first business day following the last day of the month.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the vendor fails to submit the Administrative Performance Report by the required due date.

10.3 COMPLAINTS

System Requirement: The average time to resolve System participants' complaints should not exceed 30 calendar days, with at least 90% resolved in 15 days. The vendor must report the total number of complaints received from System participants (via mail or email), the average length of time to resolve complaints, and the percentage resolved within 15 days of receipt. System-specific data is required.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the average time to resolve complaints received from System participants exceeds 30 days or when fewer than 90% are resolved within 15 days.

10.4 CUSTOMER SERVICE CALL HANDLING

System Requirement: When contacting the toll-free Vision plan customer service number, the average time a caller waits before speaking to a vendor customer service representative should be 30 seconds or less. The average abandonment rate should not exceed 5%. System-specific data is strongly preferred; however, if System-specific data is not available due to technical limitations, these two customer service statistics for the complete book of business may be reported instead.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the ASA exceeds 30 seconds and \$4,000 for each quarter in which the ABR exceeds 5%.

10.5 CALL CENTER AND WEBSITE OUTAGES

System Requirement: Outages of customer service access points, including telephone and IVR services at the Customer Service call center as well as with the System-specific website, should be kept to a minimum. If an outage does occur (or is expected to occur), the vendor must report the outage to System as soon as possible and service should generally be restored within one (1) hour of the outage, dependent upon specific circumstances.

Financial Penalty: A penalty of \$1,000 may be assessed for each outage longer than one (1) hour but less than eight (8) hours. If an outage is greater than 8 hours but less than 24 hours, a penalty of \$2,000 may be assessed. If an outage lasts longer than 24 hours, a penalty of \$4,000 per 24-hour period may be assessed for each occurrence, up to a maximum penalty of \$12,000 for each quarter. OEB may waive this penalty based on extenuating circumstances, including down time due to unusually severe weather, a natural disaster, or an act of terrorism.

10.6 ID CARDS

System Requirement: During the 2015 Annual Enrollment, the vendor should mail all Identification (ID) Cards to enrollees such that cards are received prior to September 1, 2015. Beginning September 1, 2015, the vendor should mail an average of 90% of Identification (ID) cards to System participants within five (5) business days from the date of request from the participant or from the date of receipt of enrollment information from the System and to be received by September 1 of each new plan year for all new enrollees joining the plan during any subsequent annual enrollment period.

The vendor must report its total number of ID cards mailed to current and newly enrolled System participants and the percentage mailed within five (5) business days from the date of receipt of request or from the date of receipt of enrollment information. The first quarterly report should include a detailed description of the processes and systems that are used to verify the duration between the time of receipt and the time of mailing.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter that the vendor does not mail at least 90% of their ID Cards to enrollees within five (5) business days from the date the vendor receives the enrollment information from System.

A penalty of \$4,000 may be assessed for failure to mail ID cards to be received by September 1 of the new plan year for all new enrollees joining the plan during the annual enrollment period for any new plan year.

10.7 CLAIMS PROCESSING

System Requirement: Once complete information is received, the vendor should average processing System participants' claims as follows:

- a) 85% of Vision claims to be processed within fifteen (15) calendar days following date of receipt.
- b) 98% of Vision claims to be processed within thirty (30) days of receipt.

The vendor must report its total number of System claims received from System participants, the total dollar amounts paid and denied, the average processing time (in days) for these claims, and the percentage processed within 15 days and 30 days, respectively, from date of receipt.

Financial Penalty: A penalty of \$5,000 may be assessed for each quarter and for each timeliness standard regarding claims processing that the vendor fails to meet.

10.8 APPEALS

System Requirement: The vendor's appeals procedure must be in compliance with all applicable statutes and regulations including, but not limited to, the rules and regulations of the Texas Department of Insurance. The vendor must have all levels of appeals required by law. The vendor must provide performance in total number of appeals received, upheld and denied plus the average time (in days) to reach a decision, as well as the percentage processed within 30 days of receipt.

Financial Penalty: A penalty of \$4,000 may be assessed for each quarter in which the average time to resolve complaints received from System participants exceeds 30 days.

10.9 ELIGIBILITY DATASET PROCESSING

System Requirement: Maintenance eligibility datasets received from the System by 11:00 a.m. (central) on any business day will be processed within 24 hours of receipt and System notified of the status once processed. If problems with a dataset or with the vendor's information system prevent processing of any file within 24 hours of receipt, the vendor shall immediately notify System of the issue and begin resolving the issue(s).

Financial Penalty: A penalty of \$2,000 may be assessed for each successfully transmitted dataset not processed by the vendor within the specified time frame or failure to notify System of a transmitted

dataset's status within the specified time frame, up to a maximum penalty of \$20,000 per Contract Year.

10.10 EMERGENCY UPDATE PROCESSING

System Requirement: Valid emergency update requests from System institution staff must be processed and confirmation sent to the submitter within four (4) hours of receipt when received by 1:00 p.m. (central) on a business day. Requests received after 1:00 p.m. (central) on a business day or anytime on a non-business day must be processed no later than noon (central) on the following business day.

Financial Penalty: A penalty of \$1,000 may be assessed for each occurrence in which a valid update request was not processed and confirmation sent within the required time frame.

11.0 PROPOSAL EVALUATION

Proposals submitted in response to this RFP will be evaluated on the basis of criteria 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 the best administration of the fully insured Vision plans during the contract period for the amount of premium paid.

11.1 VENDOR LICENSURE

To be considered for selection, vendors must have a certificate of authority in good standing from the Texas Department of Insurance to provide the proposed plan that has been filed and approved by TDI.

11.2 COMPLIANCE WITH AND ADHERENCE TO 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 System. In all cases, this RFP, the vendor's RFP response, and the contract terms shall be binding.

11.3 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.

11.4 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 Appendix F 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.

11.5 FINANCIAL STRENGTH

The System has specified a minimum net worth of \$10 million that is applicable for consideration as a prospective vendor under this RFP. A net worth substantially in excess of the minimum will not be considered to indicate a superior proposal. However, a net worth below the specified minimum will result in disqualification of the proposal.

11.6 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 Vision plans. All aspects of the services described herein are considered important to this evaluation, including customer service, claims processing, data processing and reporting capabilities.

11.7 OPERATIONAL EXPERIENCE

Demonstrated experience with administering and managing Vision Plan and on behalf of large employers (with more than 10,000 members), and particularly experience with large public employer plans, will be an important consideration in the overall proposal evaluation process.

11.8 PROVIDER NETWORK

The proposal submitted must contain a provider network with a sufficient number of providers to serve System vision plan participants. It is important that the contracted vendor have agreements in place with the UT Ophthalmology providers at UT Southwestern Medical Center Dallas, UT Health Science Center Houston, UT Medical Branch Galveston and UT Health Science Center San Antonio. All vision care providers included in the proposed network must have signed contracts in place on or before July 1, 2015. However, the System recognizes that an organization may need to recruit additional providers in certain areas to serve System vision plan subscribers. Therefore, the organization should include in its proposal a proposed action plan for additional network recruiting through December 31, 2015. The proposed provider network will be reviewed utilizing:

- 6) The Texas Department of Insurance (TDI) and the System criteria regarding mileage and the availability and accessibility of physicians and hospitals;
- 7) The experience of the OEB staff; and
- 8) The vendor's access standards for:

- Routine eye exam visits
- Acceptance of new patients
- Network size (based on access points).

All other factors being equal, the System will give preference to the organization with the provider network that is at least as extensive as the current network.

11.9 PROVIDER NETWORK QUALITY

Based on the proposal response and any on-site visits the System may conduct, an evaluation will be made of the organization's ability to coordinate and operate high quality, cost-effective provider networks. The vendor's ability in connection with the following will be considered:

- 1) Management of networks in the entire System vision plan service area – the State of Texas.
- 2) Accessible provider networks
- 3) Network sophistication as indicated by:
 - a) Provider credentialing
 - b) Turnaround time for adding new providers
 - c) Customer service
 - d) Quality review
- 4) The ability for access to a national network for employees, retired employees and their dependents who travel or reside outside of Texas.

11.10 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.

11.11 DATA MANAGEMENT

The vendor's ability to consistently and accurately provide data transmission and processing, as specified in this RFP, will be an important consideration in the selection process. Some of the key factors to be evaluated include:

- 1) A management information system that will support the database maintenance and management reporting requirements specified herein;

- 2) The vendor's ability to accept eligibility datasets as specified herein, to update eligibility records in a timely manner, and to promptly notify System upon the success or failure of the attempt to load each eligibility dataset received;
- 3) The vendor's ability to accept emergency eligibility updates via email and confirm processing of requested changes within the timeframes specified herein; and
- 4) The availability of a secure website through which System staff can view enrollment status for participants and make updates if necessary.

11.12 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:

- 1) Customer service and data reporting capabilities;
- 2) Ability to provide general administrative services;
- 3) Willingness to commit to specified service and quality performance levels;
- 4) Willingness to provide communications materials and personnel for attendance at the annual Benefits and Human Resources Conference for HR and Benefits Office staff from all System institutions (usually held in Austin for 2–3 days during June of each year) and for attendance at Annual Enrollment meetings for employees and retirees (generally approximately 25 – 30 meetings beginning in late June and continuing through the entire month of July) held at locations throughout the state;
- 5) Ability to meet the Electronic Information and Resources (EIR) Warranty requirements described in the "Communications Requirements" section of this RFP.
- 6) Ability to develop and maintain a System-specific website.

11.13 PREMIUM RATES AND ADMINISTRATIVE COST

The System expects to receive proposals from several qualified vendors, all of which can provide high-quality, cost-effective service. Although cost is a key consideration, the System is not required to select the proposal with the lowest premium rates. A distinguishing factor will be the organization's proposed premium rate schedule and the percentage of the premium designated for administrative costs.

11.14 SECURITY OF SYSTEM DATA

System will require the selected vendor to demonstrate its ability to safeguard the privacy and security of System data collected and/or maintained by the vendor on behalf of System in compliance with System's own privacy and security requirements.

11.15 EIR ACCESSIBILITY RULES

The System is required to ensure that the vendor is able to comply with the EIR Accessibility Rules and provide the required EIR Accessibility Warranty as described in Appendix H of this RFP.

11.16 OTHER FACTORS

- 1) Based on responses provided, other factors will be considered during the evaluation process, including the following:
 - a) The vendor's overall financial stability;
 - b) An organizational structure and a delivery mechanism that have demonstrated the ability to deliver high-quality, cost-effective management and administration of the Disability plans; and
 - c) Information obtained from the vendor's list of references.
- 2) System 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.
- 3) The System reserves the right to reject any and/or all proposals and/or call for new proposals if the System deems it to be in the best interests of the Vision plans and its participants. The System also reserves the right to reject any proposal submitted that does not fully comply with the RFP's instructions and criteria. The System is under no legal requirement to execute a Contract on the basis of this notice or upon issuance of the RFP or receipt of a Proposal.

12.0 INTERROGATORIES

The vendor must provide responses to all of the items in this section. Responses must be detailed enough to satisfactorily explain the vendor's position on each particular issue. It is the vendor's responsibility to respond to each item in such a way that the System has a full and complete understanding of the vendor's intent. It is important that the vendor carefully defines any key words or phrases used in this section. Each response must be preceded by the question to which the response pertains.

DEVIATIONS FROM THE RFP

- 1) Identify any provision in your response that does not conform to the standards described in the RFP. For each deviation, provide the specific location in the response and a detailed explanation as to how the provision differs from the RFP standards and why. Deviations, which are strongly discouraged, must be specifically identified in order to be considered. The System will interpret your proposal to match the specifications of this document except for deviations specifically noted and described in response to this item. If the System enters into a contract with your organization, deviations shall not become a part of the final Contract unless expressly agreed to by the System in writing and accepted by the System.

ORGANIZATIONAL INFORMATION

Please provide the following details:

- 2) The vendor's full legal name, address, telephone number, and the URL for the corporate website.
- 3) The name, title, mailing address, telephone number, fax number, and email address for the following individuals:
 - a) The vendor's contact person for this RFP;
 - b) The person authorized to execute any contract(s) that may be awarded;
 - c) The person who will serve as the vendor's legal counsel;
 - d) The actuarial/financial expert(s) responsible for preparation of items in this response, who must be available to respond to inquiries made by System or its consulting actuary and provide any requested information concerning such items.

- 4) If applicable, a description of the parent company of the vendor as well as any subsidiaries and/or affiliates, including whether each is publicly or privately owned.
 - 5) Type of incorporation (for-profit, not-for-profit, or nonprofit); publicly or privately owned.
 - 6) State of incorporation.
 - 7) Date(s) that Vision services were first provided in the state of Texas by the vendor.
 - 8) A copy of the vendor's current certificate of authority, issued by the Texas Department of Insurance, to provide the type of Vision services described in the proposal in the state of Texas.
 - 9) Is the vendor required to maintain any other license(s)? If so, please describe and confirm the validity of any required license(s).
- 10) Provide a copy of the vendor's current State of Texas Vendor ID number (14-digit number).
- 11) Copies of recent ratings and reports regarding the vendor issued by independent rating organizations or similar entities (e.g., Best's, Moody's, Standard & Poor's, etc.).
- 12) A copy of the vendor's most recent audited financial statement.

FINANCIAL INTERESTS AND REQUIREMENTS

- 13) Provide the names and addresses of all parties who would receive compensation as a result of the vendor's selection under this RFP, including, but not limited to, consulting fees, finder's fees, and service fees.
- 14) State the name and address of any sponsoring, parent, or other entity that provides financial support to the vendor. Include an indication of the type of support (i.e., guarantees, letters of credit, etc.) provided as well as the maximum limits of additional financial support from other entities. If applicable, provide a copy of the sponsoring organization's most current audited financial statement.
- 15) Is the vendor presently actively considering or subject to any mergers with and/or acquisitions of or by other organizations? If so, provide specifics. Affirm that the vendor agrees to notify the System immediately upon reaching any form of binding agreement in connection with any merger, acquisition or reorganization of the vendor's management.
- 16) Please disclose any contractual relationships with affiliates that could present a conflict of interest with the vendor's role as insurer of the Vision plans.
- 17) Identify by name and address all persons or entities that hold a 20% or greater ownership interest in the vendor.
- 18) Does the vendor agree to submit and receive all payments made to and from System through ACH or other electronic fund transfer methods? Confirm that the vendor will provide written

notice to System at least 30 days in advance of the effective date of any changes to the banking information associated with electronic fund transfers to and from System.

- 19) Does the vendor agree to assume responsibility for the escheatment process in accordance with Texas law for any payments disbursed on behalf of the Vision plans?

REFERENCES

- 20) List as references five major employers for whom you provide fully insured Vision plan services for their employees. The System is particularly interested in employers located in Texas and in public entities, but is also interested in seeing references outside of Texas as well. For each employer, include:
- The name and telephone number of a representative of the employer who is familiar with the services you provide;
 - The nature of your relationship with the employer, i.e., insurer, administrator, reinsurer, manager of provider network; and,
 - The number of employees and dependents for whom Vision services are provided.

Note: Your response to this request officially authorizes the System to contact these employers to discuss the services that you have provided for their employees and authorizes the employers to provide such information to the System.

LEGAL AND REGULATORY HISTORY

- Describe any litigation, regulatory proceedings, and/or investigations completed, pending or threatened against the vendor and/or any of its related affiliates, officers, directors, and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation, including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
- Describe any investigations, proceedings, or disciplinary actions by any state regulatory agency against the vendor and/or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services being requested in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
- State whether the vendor's network has been reviewed by external agencies or industry organizations and provide any resulting reports.

- 24) System is authorized to offer fully funded insurance coverage only if the policy or evidence of coverage, as applicable, has been approved by the Texas Department of Insurance (TDI). Please confirm that TDI has or will approve the proposed coverage prior to the contracting period.

PRIVACY PRACTICES AND HIPAA COMPLIANCE

- 25) Please provide a detailed description of the vendor's HIPAA Privacy and Security Compliance programs as these would apply to System data in the vendor's capacity as a Covered Entity. Include information on workforce training and monitoring. Describe all policies and practices implemented to ensure the privacy of all confidential information as defined in the Contract, including but not limited to protected health information as defined by the HIPAA privacy rule, employee/participant information, or other confidential information about the System and its participants. Include a link to the vendor's HIPAA policies and Notice of Privacy Practices as well as a brief description of any HIPAA violations alleged against the vendor by consumers or the Department of Health and Human Services, including the outcomes.
- 26) Confirm that the vendor is currently in compliance with all HIPAA requirements. In particular, confirm compliance with the rules and regulations applicable to data transmission and privacy, and the organization's willingness to comply with future changes.
- 27) Provide the name of vendor's HIPAA privacy officer and a description of his or her qualifications.
- 28) List any entities with whom the vendor anticipates sharing or disclosing any PHI (Protected Health Information) that the vendor has created or received from (or on behalf of) the System. State the general purpose for which the PHI will be shared or disclosed, and confirm that each entity will comply with requirements for business associates under HIPAA with regard to this PHI.

HUB POLICY COMPLIANCE

- 29) Confirm that three original versions of the HUB Subcontracting Plan (HSP), based on details included within this RFP and requirements included in Appendix G to this RFP, have been completed and submitted with this proposal. Provide the name, mailing address, telephone number, fax number, and email address of the person in the vendor who can answer questions from System regarding the submitted HUB documents.
- 30) Indicate whether the Texas General Services Commission certifies the organization as a Historically Underutilized Business (HUB) and provide any information about past participation in a HUB program. See Appendix G of this RFP.

31) Indicate whether any of the services to be provided to the System will be subcontracted by the vendor.

CONFIRMATION AND ACKNOWLEDGEMENTS

32) Confirm that the vendor understands, has the ability to, and will comply with all of the requirements included within each of the following sections of this RFP:

- a) General Requirements (Section 2.0);
- b) Implementation Timeline (Section 3.0);
- c) Contract and Other Legal Requirements (Section 4.0);
- d) Financial Requirements (Section 5.0);
- e) Benefits and Program Requirements (Section 6.0)
- f) Operational Requirements (Section 7.0);
- g) Technical and Data Exchange Requirements (Section 8.0);
- h) Communication Requirements, including the Electronic Resources Warranty (Section 9.0); and,
- i) Performance Standards and Penalties (Section 10.0)

GENERAL ADMINISTRATION

33) Are all administrative services performed internally? If the vendor contracts with a management company for some or all of its administrative services, please specify the name of the company, the services provided and the method of reimbursement. Be aware that this would require compliance with the HUB requirements in this RFP.

34) Where is the primary administrative facility located?

35) Provide the names and titles of the vendor's administrative support staff that will administer the Vison plans, including the total number of full-time equivalent employees and which employees are located in Texas. What is the turnover rate among this staff for the past two (2) years? Describe the vendor's ability to provide a support staff dedicated to the administration of the System account.

36) Confirm that the System will be given a specific contact person responsible for administering the System-specific website. State where this contact person is located and their typical hours of availability.

- 37) Confirm that your organization has the ability to meet the COBRA requirements as described in this RFP. Does your organization provide COBRA administration in-house? If not, please provide the name, address, and telephone number of the organization that administers this function for your organization.
- 38) What are the vendor's contingency plans and procedures for providing back-up service in the event of strike, natural disaster, backlog, or other event that might interrupt, delay, or disrupt service? Provide a copy of the vendor's disaster recovery plan and/or business resumption plan, including results of the vendor's most recent test of the plan.

BENEFITS ADMINISTRATION

- 39) How long has the vendor been providing fully insured Vision plan services?
- 40) Provide the vendor's total commercial enrollment as of December 1, 2013, and December 1, 2014. Provide a statement of the vendor's capacity to accept new participants and the likelihood of any future limitations on increased participants.
- 41) Confirm that the vendor has the ability to administer the benefits specified in Appendix A-1 (Standard Vision Plan) or Appendix A-2 (Enhanced Vision Plan) to this RFP or both.
- 42) If the vendor is proposing a separate plan design from what is defined in Appendices A-1 and A-2, please identify in your response where this alternative plan design is located.
- 43) Explain your previous experience in providing Vision benefits, as applicable, to groups of 10,000 or more.
- 44) Indicate the percentage of covered individuals filing claims during the last year?
- 45) Describe the services you will generally provide in compliance with this RFP, as well as the specific services you will render in connection with the installation of the plan, education of benefit staffs, printing of booklets, forms, etc.
- 46) Describe all plan limitations, exclusions, and pre-existing condition clauses included in your organization's proposal.
- 47) Does your plan coordinate with other forms of insurance? If yes, please describe.

WELLNESS BENEFITS AND VALUE-BASED BENEFITS DESIGN (VBBD)

- 48) Describe key changes made to any aspect of the vendor's wellness programs during the past year as well as any changes planned over the next year or two.
- 49) Describe the vendor's view of the role of the employer and the investment necessary in partnering with OEB and other System plan administrators to maximize participation in wellness initiatives and beneficial outcomes. Include a discussion of the vendor's position with regard to the appropriate use of incentives tied to wellness programs.

BENEFITS

- 50) Define the services that constitute a vision examination covered by the plan.
- 51) How would you determine medical necessity for contact lenses?
- 52) Please describe the types of frames that would be provided with no copayment from network providers. If there is a limitation by brand name, include the brand name. What is the normal retail price for covered frames?
- 53) Are any network providers required to maintain a certain inventory level and variety of frames? If there are different requirements for some providers, please explain.
- 54) If a person doesn't access the frame benefit but needs new lenses, does the total allowance for lens replacement increase?
- 55) Do you require network providers to use central laboratory and/or contact lens labs for their prescription lens fabrication? Can the provider use a lab of their choice, including their own?
- 56) Are there any restrictions prohibiting each family member from using a different network provider?
- 57) How does a plan participant access the network? Is there some type of precertification required? If so, what is done if a plan participant receives services from a network provider without getting the required precertification?
- 58) Do you allow network providers to substitute a more costly frame or lens if the plan participant is willing to pay any additional costs out of pocket?
- 59) Can a plan participant receive an exam from one provider and materials (frames, lenses, or contacts) from another provider?
- 60) Do you provide benefits for a vision examination due to an accidental injury or a disease? Are there limitations, such as the degree of refraction or prisms needed, on what would be covered by a regular exam?
- 61) Are there limits on polycarbonate lenses in your plan? If so, what are the limitations?
- 62) What percentage of individuals covered under your plan last year made claims?
- 63) Describe any additional vision discount program available under your program.

ACCOUNT AND IMPLEMENTATION TEAMS

- 64) Where would the primary person responsible for account and client management associated with System's contract be located? Will any Account Management Team members be located in Texas? If so, where in Texas?

- 65) Confirm that the System will be notified of any change in the dedicated Account Management Team. Describe the efforts the vendor makes to discourage turnover of Account Management Team personnel responsible for oversight of major group accounts.
- 66) Briefly outline the vendor's account management philosophy. Please include information about how the team members are compensated by the vendor.
- 67) Describe the overall organization, location, and structure of the account service team that will provide ongoing program support for the Vision plans. Please provide a résumé for each team member, including current professional responsibilities and length of employment with the vendor.
- 68) How many other contracting customer organizations is the assigned account manager currently servicing and how many total members are represented by those organizations?
- 69) What is the vendor's account manager/executive turnover rate for the last twenty-four (24) months?
- 70) Provide a list of individuals who will comprise the vendor's implementation team along with a résumé and complete contact information for each team member. Identify the individuals who will be primarily responsible for handling details related to each of the following categories:
- a) Enrollment reporting;
 - b) Customer service;
 - c) Communication materials;
 - d) Claims processing;
 - e) Grievance processing;
 - f) Network enhancement;
 - g) Financial functions, including payments and reconciliation; and
 - h) Information systems and technology, including specifically benefits programming, claims processing, and eligibility data processing.

CUSTOMER SERVICE

- 71) Describe the vendor's customer service unit, including the manner in which it is accessed, days and hours of call center operation, and the location of the customer service call center(s) that will provide service to Vision plan participants.
- 72) Is the customer service unit able to assist a subscriber in choosing a provider? Do you provide access to automated, interactive data systems that would provide subscribers with information regarding vision care providers?

- 73) Are any major changes currently planned or anticipated for the customer service organization or facilities (e.g., moving to a different location, reorganizing or merging units)? If so, please describe.
- 74) Will the vendor provide a separate toll-free telephone number for System participants and potential participants?
- 75) How many telephone lines and support staff will be dedicated to customer service and claims processing for the Vision plans?
- 76) Indicate the average number of telephone calls received by the vendor customer service unit over the past six (6) months on a weekly basis.
- 77) How are after-hours calls to customer service handled?
- 78) Does the vendor's customer service system support TTY, also known as TDD (Telecommunications Device for the Deaf) technologies?
- 79) How does the vendor's customer service system support Spanish-speaking participants? What other languages can the vendor's customer service system support?
- 80) How will the customer service unit be staffed? What is the turnover rate for vendor's non-management call center staff?
- 81) Briefly describe the training that each employee or representative receives to provide customer service. Include the length of time it takes to advance from training to a qualified Customer Service Representative (CSR).
- 82) How does the vendor ensure that its CSRs are providing timely and accurate information?
- 83) How does the vendor monitor first-call resolution and member inquiries that do not get resolved?
- 84) Does the vendor's customer service inquiry system allow CSRs to enter information and provide the ability for CSRs to review previous notes to better assist members?
- 85) Can CSRs view historical call and claims information online to assist participants?
- 86) Does the vendor record all phone calls and notify all parties that their conversations are being electronically recorded and stored? If not, how many calls are recorded, and what criteria are used in their selection?
- 87) Will System have the ability to listen to customer service calls in Austin?
- 88) Describe how the vendor handles written inquiries. Are they always responded to in writing? How will correspondence (including complaints) received by the System from participants be handled by the vendor?

- 89) What is the vendor's current standard for response time with respect to questions requiring written communication?
- 90) Describe the vendor's problem resolution policies.
- 91) Describe the vendor's procedures for handling and escalation of customer service complaints.
- 92) Confirm that the vendor's proposal contains no provision for "binding arbitration" in a complaint procedure and that no such provision shall be utilized with regard to System Vision plan participants.
- 93) Describe the customer complaint tracking system that the vendor utilizes. How long has this system been in place?
- 94) Describe any changes that are planned or scheduled within the next 36 months for the vendor's computer systems, including Customer Support changes, and provide timelines for when the changes will be implemented to the existing computer system.

CLAIMS ADMINISTRATION

- 95) Provide a sample of the Vision plan claim forms. Also, provide sample copies of any additional forms that a System enrollee must complete.
- 96) Confirm that System will have a specific high-level contact for issues regarding Vision plan claims administration and indicate where this contact will be located.
- 97) Provide a detailed description of the vendor's procedures for processing Vision claims including the average time to pay a provider. How long has each system been operational?
- 98) Describe any procedures that you have established with providers that are designed to expedite the processing of claims, e.g., electronic claims submission, etc. Also, describe any arrangements that you have with providers that are designed to reduce or eliminate the participant's responsibility for claims submission.
- 99) Describe your claims processing procedures for provider claims incurred outside of Texas. Do you have contractual agreements with providers in other states and countries that would result in savings for System vision plan subscribers residing outside of Texas?
- 100) Describe the steps performed to coordinate the processing of claims that use both network and non-network providers? Describe how in-network and out-of-network claims integrated for data accumulation purposes?
- 101) How long will claims records specific to the Vision plan be maintained?
- 102) For the claims office that would be processing claims for System participants, please provide the following statistics for all claims paid by the vendor for the most current 12-month period available:

| | Company Standard | Actual |
|--|-------------------------|---------------|
| Claims payment accuracy rate | | |
| Claims processing accuracy rate | | |
| Financial accuracy rate | | |
| Average turnaround time | | |

- 103) How does your claims' processing system interact with enrollment information?
- 104) Does your organization have the ability to match the System enrollment against other client enrollment to determine duplicate coverages? If so, explain the verification process and identify your organization's other clients that currently access this process.
- 105) What other review procedures does your organization use to identify duplicate coverage?
- 106) Describe the nature and extent of claims processing quality assurance review procedures, including review work performed to ensure that data is accurate and complete. Is the quality review conducted on a prospective or retrospective basis? What is the frequency of such reviews?
- 107) Will you have a dedicated team to process claims for System Vision plan participants?
- 108) Who submits a claim for in-network services? To whom is payment made?
- 109) Who submits a claim for out-of-network services? To whom is payment made?
- 110) Can a claims processor or customer service representative view historical claims information online? Can a participant view their claims online? Can OEB have access to an online claims information system in the event we need to review claims or request reports?

CLAIMS APPEAL PROCEDURES

- 111) Provide a detailed description of the grievance and appeals process for benefits provided by your organization.

COST CONTAINMENT

- 112) Provide a detailed description of the procedures and systems that the vendor uses to prevent, deter, detect and investigate fraud or related issues, and explain how such processes shall be utilized in connection with the System's Vision plans.
- 113) Discuss how the vendor would communicate with the participant, provider, or other vendor once a fraud or abuse issue has been identified. How will the information be reported to the System?
- 114) Discuss the vendor's policies and procedures for addressing situations in which Vision benefits have been utilized after a participant's benefits have ended (e.g., due to a delay with updating participant data or similar issue).

- 115) Describe the vendor's experience in providing cost-containment enhancements to current and former clients.

QUALITY ASSURANCE

- 116) Describe the vendor's quality assurance (QA) program. Please provide the name of the designated senior executive responsible for the program as well as a copy of the vendor's current QA policies and procedures.
- 117) Describe the vendor's processes for monitoring the adequacy of customer service and claims service. How often are surveys specific to these functions conducted? Please provide a copy of the most recent results.
- 118) Does the vendor currently perform overall participant satisfaction surveys? If so, does an outside organization perform the surveys? Please provide a copy of the latest survey and its results, including the percentage of participants who indicated that they were "satisfied" or "very satisfied" with the overall program.
- 119) Describe the vendor's processes for monitoring the appropriateness of Vision services, including underutilization and overutilization.

HIPAA REQUIREMENTS

- 120) Provide a copy of your HIPAA Privacy and Security policies and the privacy notice that you provide to plan enrollees as required by HIPAA.
- 121) Confirm that you will comply with current and future HIPAA regulations, rules, and mandates, pertaining to data transmission and privacy.
- 122) Provide the name of your organization's compliance officer and/or HIPAA privacy officer.
- 123) What other practices and policies has your organization implemented to ensure the confidentiality of all confidential information as defined in the Contract, including but not limited to; protected health information as defined by the HIPAA privacy rule, employee/participant information, or other confidential information of the System and participants? Provide a brief description of any HIPAA violations alleged against your organization. Is your organization currently in compliance with all HIPAA requirements?
- 124) How would the HIPAA electronic data interchange (EDI), transactions and code set standards apply to organization's business with the System and to the Vision plan? If applicable, will the vendor comply with them?
- 125) Describe the specific steps your organization is taking to ensure that it is meeting and shall continue to meet HIPAA Title II Administrative Simplification compliance (Electronic Transaction Standards and Privacy Standards). Provide a copy of your current HIPAA policies and procedures.

INFORMATION SECURITY

- 126) Provide a detailed description of the vendor's information technology security program that would be applicable to System data collected and/or maintained by the vendor. Include, at a minimum, the following details:
- a) Does the vendor have an information security plan in place, supported by security policies and procedures, to ensure the protection of information and information resources? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology the vendor uses to ensure the protection of information and information resources.
 - b) Describe the procedures and tools used for monitoring the integrity and availability of the information systems interacting with the service proposed, detecting security incidents, and ensuring timely remediation.
 - c) Describe the physical access controls used to limit access to the vendor's data center and network components.
 - d) What procedures and best practices does the vendor follow to harden all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed?
 - e) If the vendor were selected, would the vendor agree to a vulnerability scan by System of all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed? If the vendor objects to a vulnerability scan, describe in detail the reasons for objection.
 - f) Does the vendor have a data backup and recovery plan, supported by policies and procedures, in place for the hosted environment? If so, provide an outline of the plan and note how often it is updated. If not, describe what alternative methodology the vendor uses to ensure the restoration and availability of System data.
 - g) Does the vendor encrypt data backups? If so, describe the methods used to encrypt backup data. If not, what alternative safeguards will the vendor use to protect System data backups against unauthorized access?
 - h) Does the vendor encrypt data in transit and at rest? If so, describe how that security is provided. If not, what alternative methods are used to safeguard data in transit and at rest?
 - i) What technical security measures does the vendor propose to detect and prevent unintentional (accidental) and intentional corruption or loss of System data?

- j) What safeguards does the vendor have in place to segregate System and other customers' data to prevent accidental or unauthorized access to System data?
- k) What safeguards does the vendor have in place to prevent the unauthorized use, reuse, distribution, transmission, manipulation, copying, modification, access, or disclosure of System data?
- l) What administrative safeguards and best practices does the vendor employ with respect to staff members (vendor and third-party) who would have access to the environment hosting all information systems that would interact with the service proposed, including any information systems that would hold, process, or from which System data may be accessed, to ensure that System data and resources will not be accessed or used in an unauthorized manner.
- m) Describe the procedures and methodology in place to detect information security breaches and notify customers in a manner that meets the requirements of HIPAA and Texas breach notification laws.
- n) Describe the procedures the vendor has in place to isolate or disable all information systems that would interact with the service proposed, including systems that would hold, process, or from which Institution data might be accessed, when a security breach is identified?
- o) Describe the safeguards in place to ensure that all information systems that would interact with the service proposed, including any systems that would hold, process, or from which System data might be accessed, reside within the United States.
- p) What additional administrative, technical, and physical security controls does the vendor have in place or plan to put in place?

DATA EXCHANGE AND PROCESSING

- 127) Confirm that the vendor can accept and properly manage eligibility and other key Vision plan data using the dataset layouts as described in this RFP, including the Benefit Enrollment and Maintenance Transaction Set (ASC X12N 834).
- 128) Confirm that the vendor has the capability to accept enrollment data via SFTP on a real-time basis.
- 129) Confirm that the vendor has the ability to comply with the user-authentication requirements for the System-specific Vision plan website as described in this RFP, including the use of SAML-based authentication (v2.0).

- 130) Describe the vendor's ability to provide automated notification upon receipt of eligibility data as well as automated, timely notifications confirming either successful load or failure to load for each eligibility dataset received from System.
- 131) Explain how the vendor plans to ensure that it meets all requirements regarding protecting the confidentiality of Social Security numbers as outlined in this RFP, including the requirements of Section 35.58 of the Texas Business and Commerce Code, CONFIDENTIALITY OF SOCIAL SECURITY NUMBER.
- 132) Describe the vendor's experience with automated enrollment systems, including any specific automated systems that the organization has worked with.
- 133) Explain how data is entered into the vendor's eligibility system. Provide a data flow diagram of the process to receive, audit, and load eligibility datasets, including an indication of whether the diagram refers to a current or proposed system. If documenting a proposed system, the anticipated implementation date should be included.
- 134) What is the location of the computer system that maintains and hosts the vendor's eligibility system and data? Is a third-party application used for entering data into the vendor's eligibility system or was proprietary software developed in-house?
- 135) Upon receipt of eligibility datasets from System, can the vendor's eligibility system produce a detailed error report indicating which records have been accepted for loading and which have been rejected? Will such reports be provided following each eligibility transmission?
- 136) Discuss the staffing and capabilities of the vendor's team that would be responsible for managing information systems and data for the Vision plans.
- 137) How soon after receiving eligibility data from the System would updates be reflected in the vendor's eligibility system?
- 138) Describe the vendor's process for implementing changes to the benefit plan design. How much advance notice is required for a change to be made in the vendor's information system?
- 139) What quality assurance processes are integrated into the vendor's information systems to ensure accurate programming of the initial benefit plan design and to improve the accuracy of programming related to plan design changes during the contract period?
- 140) Confirm the vendor's ability to accept emergency updates to Vision plan eligibility, as specified in this RFP.

COMMUNICATIONS

- 141) Explain in detail the services that will be available at no additional cost to System regarding communications and participation of the vendor's personnel at employee/retiree meetings during Annual Enrollment periods.
- 142) Confirm that the vendor will provide personnel to attend the annual Benefits and HR Conference and employee/retiree meetings during Annual Enrollment on a statewide basis? Would the vendor be willing to provide personnel for meetings held outside of regular business hours in order to accommodate System institutions that have 24-hour facilities? How many meetings will the vendor attend?
- 143) Confirm that the vendor will assist the System in developing necessary materials for disseminating Annual Enrollment information to employees during the System Annual Enrollment period.
- 144) Confirm that the vendor will provide the System with a preview of all communications designed to notify participants of features or issues regarding the Vision plans prior to disseminating any communications directly to participants.
- 145) Confirm a copy of all written materials to be used in administering the System vision plan has been included in response to this RFP. Note that the benefits provided must be those presented in this RFP.
- 146) Confirm while this RFP does not require extensive printing of provider directories, describe how your organization will comply with the provider directory publishing requirements including the System-specific website as set forth in this RFP in section 9.3.3.
- 147) Confirm a complete description of the resources and procedures that you intend to apply to the program in connection with those services required in the communication of the plan as described in this RFP has been provided.
- 148) Confirm that the vendor understands and will comply with the required technical specifications for the System-specific website as specified in this RFP and that the Electronic and Information Resources (EIR) Accessibility Checklist, included in Appendix H to this RFP, has been completed and included with this response.
- 149) Confirm that the vendor will comply with the requirement to provide to System a monthly dataset that includes details as specified in this RFP.
- 150) Confirm the vendor's ability to conform to the Web Accessibility Initiative at www.w3.org/WAI to ensure that website content can be read by the majority of viewers, and to meet the requirements of the Americans with Disabilities Act.

PERFORMANCE STANDARDS AND REPORTING

- 151) Describe the vendor's current reporting capability. Provide samples of utilization and administrative performance reports currently available to contracting plans. How often are reports prepared? Describe the method that the vendor would use to determine the cost of any special reports that might be requested by System.
- 152) Confirm that the vendor is able to provide all of the detailed information required in the quarterly Administrative Performance Report template, included in Appendix E to this RFP. Please provide copies of sample administrative performance reports meeting the requirements.
- 153) If the vendor is unable to provide all of the information requested in the Administrative Performance Requirements Report template included as Appendix E to this RFP, please describe in detail the information that cannot be provided and explain why it cannot be provided.
- 154) Describe any unique reporting capabilities that differentiate the vendor from its competitors.
- 155) Confirm that the vendor can provide normative data against which the System can benchmark its plan.
- 156) Confirm that the vendor understands that the failure to meet specific performance standards may result in the assessment of associated performance penalties, as described in Section 10 of this RFP.

NETWORK MANAGEMENT

- 157) Affirm that your organization's provider contracts shall allow you to comply with the requirements of this RFP and the Contract.
- 158) Confirm that your organization has provided electronic documentation to demonstrate that your proposed provider network contains a sufficient number of vision care providers to serve UT subscribers. Provide separate documentation for each of the following: 1) number of ophthalmologists, 2) number of optometrists, 3) number of opticians, and 4) total number of all types of providers in Texas. Do not count individuals more than once if they provide services at multiple locations.
- 159) Describe the service area(s) covered by your managed care network as of the date of submission of this proposal. If your network service area does not presently cover all counties surrounding current UT institutions, discuss the process that your organization will follow in extending the network service area. Provide a time frame for accomplishing this task.

- 160) Confirm your organization understands the System's requirement that in-network access to all System medical facilities, UT Health Science Center Houston, UT Health Science Center San Antonio, UT Medical Branch Galveston, and UT Southwestern Medical Center Dallas be available for all vision plan participants. Ophthalmology services are currently not available at UT Health Science Center Tyler and specialty services are available, with limited vision plan benefits, at MD Anderson Cancer Center.
- 161) Describe your network management operations. If your organization contracts with a network management company, provide details of that arrangement.
- 162) Describe the network availability in Texas for the System vision plan. The description should include a current copy of the provider directory. The provider directory should indicate any providers not accepting new patients. How often is your online directory updated? The network description should indicate whether the network is owned by your organization or leased from another entity. If leased from another entity, fully describe that entity and the contractual relationship between your organization and the owner of the network.
- 163) If your organization's network is not adequate to provide the access and services described herein, discuss the process the vendor shall follow in expanding the network. How much expansion does the vendor anticipate? Provide a timeframe for accomplishing these tasks.
- 164) Describe the growth of your network over the past three years and if there are plans for future development of the network.
- 165) Describe procedures for notifying participants of changes in network vision care providers. How much notice is provided to participants in the event the vendor terminates its contract with a health care provider? How much notice does the vendor require the provider to give the organization prior to the vision care provider terminating his/her contract with the vendor?
- 166) Disclose any network facility in which your organization, any subsidiary or any sister organization maintains a majority ownership and/or controlling interest.
- 167) Does your organization operate provider networks in other areas of the country that would be available to System vision plan subscribers living or visiting out of state? If so, specify the locales that are served by such networks. Are you approved by TDI for reciprocity arrangements? If yes, where? Describe such arrangements, if any.
- 168) Provide a copy of the methodology used to evaluate patient access to providers for each network.
- 169) Do you have contractual relationships of any kind with vision care providers other than those in your managed care networks? If so, describe these relationships fully. The System is

particularly interested in contracts that provide discounted fees for System participants using non-network providers.

- 170) Describe the training/orientation process for your provider network. Address such issues as subscriber eligibility, billing, and quality improvement responsibilities.
- 171) Describe your quality assurance program and include the following in your discussion:
 - a. Name of the designated senior executive responsible for the program
 - b. Staff dedicated to quality assurance
 - c. Copy of your current published policies and procedures for the program
 - d. Adequacy and appropriateness of vision care services, including under- as well as over-utilization.
 - e. Extent of participating vision care providers' involvement in the program
 - f. Adequacy of claims service
 - g. Procedures used to deal with providers who do not meet the standards of quality, including removal of such providers from the network
 - h. A description of how quality assurance requirements are incorporated into provider contracts
- 172) How often does your organization conduct participant satisfaction surveys? What are the most recent results? Are health care providers notified of the results?

DISCIPLINARY AND SANCTIONING INFORMATION

- 173) Has your network been reviewed by any other external agency or industry organization? If so, provide a copy of the applicable documentation.

CREDENTIALING OF VISION CARE PROVIDERS

- 174) Provide a detailed description of your process for credentialing and re-credentialing network vision care providers. Do you independently verify licenses, board certification, etc.? Do you obtain peer evaluation as a part of the credentialing and re-credentialing process? In the credentialing process, how do you assure that a practitioner will make an adequate portion of his practice available to participants? Confirm any requirements relating to ownership of dispensing facilities and inventory levels.
- 175) What minimum periods are included in your vision care provider contracts concerning:
 - a. Provider's notice to not accept new patients?
 - b. Provider's intent to terminate?
 - c. Vendor's intent to terminate?

- d. Provider's required continuation of care to existing network subscribers following provider's termination from the network?
- 176) Describe your organization's method for informing plan participants of additions to and deletions from your network.
- 177) Describe the professional liability insurance requirements for each type of vision care provider, including all facilities, in your network.
- 178) Provide copies of sample contracts used for each type of vision care provider and each network location.
- 179) What is the average annual turnover of participating practitioners? What has been your provider turnover rate for each of the past two years?
- 180) Describe any fee and risk sharing arrangements that your organization has with vision care network providers.

PREMIUM RATES FOR THE VISION PLANS (LEVELS OF COVERAGE)

- 181) Confirm that the vendor's proposed premium rates are guaranteed for a minimum of three years, beginning September 1, 2015 through August 31, 2018.
- 182) State whether the vendor will guarantee the proposed premium rates for a period longer than the initial three-year period.
- 183) State whether the vendor will offer any guarantee of maximum increases for future years. If so, state these guarantees.
- 184) Confirm that the vendor's proposed rates include all required services as specified in this RFP, and that the required services will have no extra fees.
- 185) Confirm that the vendor's proposed rates do not include a provision for state taxes.
- 186) Confirm that the vendor understands all Vision premiums paid by UT employees are pre-tax and all Vision premiums paid by UT retired employees are paid on a post-tax basis.
- 187) Confirm that the vendor does not have minimum participation requirements for the premium rates quoted in Section 13 of this RFP.
- 188) Describe any services contained in your proposal that will not be covered by the premium rates quoted in your response. Does your organization have special start-up fees?
- 189) What percentage of your premiums represents retention charges? What percentage represents administrative charges?
- 190) Is any allowance included for premium taxes in your organization's proposed premium rates?

- 191) Confirm that within 210 days before the end of each contract year (last day of February), the vendor will provide the System with the accounting required under Chapter 1601.060 of the Texas Insurance Code.
- 192) The System requires 210 days advance notice before the end of each plan year of any increase in the premium rates for the next plan year. Confirm that the vendor agrees to this requirement.
- 193) As described in this RFP, the System will remit payment of the premiums to the vendor within 90 days from the beginning of the coverage period. Confirm that the vendor understands and agrees to this provision.

MISCELLANEOUS

- 194) Describe any litigation, regulatory proceedings and/or investigations completed, pending or threatened against your organization and/or any person or subcontractor performing any part of the services in connection with the Contract within the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district and provide a brief summary of the matters in dispute, current status and resolution if any.
- 195) Describe any investigations, proceedings or disciplinary actions by any state regulatory agency against your organization and/or any of its related affiliates, officers, directors and any person or subcontractor performing any part of the services in connection with the Contract during the past five (5) years. Identify the full style of each suit, proceeding or investigation including county and state, regulatory body and/or federal district, and provide a brief summary of the matters in dispute, current status and resolution, if any.
- 196) The System is interested in your organization's experience in working with clients to improve the cost efficiency of their vision benefits programs. Describe your experience in providing cost containment enhancements to former and current clients.

13.0 PRICE PROPOSAL FORMAT

13.1 GENERAL INFORMATION

13.1.1 ENROLLMENT

The enrollment assumptions shown in Appendix C of this RFP will be utilized by the System in comparing and analyzing the proposed premium rates. While these enrollment assumptions are the System's best estimate of Plan Year 2015–2016 enrollment and will be utilized to facilitate proposal analysis, the vendor must recognize that a variety of factors will influence actual enrollment. These factors include, but are not limited to, increases in employee salary, changes in other payroll deduction amounts, etc.

Important: The System will not guarantee a minimum participation for the Vision plans. Therefore, the vendor cannot require a minimum enrollment for any Vision plan at the proposed rates during the initial enrollment period in July 2015 or at any subsequent time during the period of this Contract.

13.1.2 PREMIUM TAXES

In accordance with the Texas Insurance Code, no premium, maintenance or administrative services taxes will be levied on the vendor selected to underwrite and administer the coverages described herein. Therefore, the proposed premium rates should not include provision for premium and maintenance taxes or fees.

13.1.3 PREMIUM RATE GUARANTEES AND ADJUSTMENTS

In rating the group Vision plans, it is required that the proposed premium rates contained in the vendor's response be guaranteed for a three-year period commencing on September 1, 2015 through August 31, 2018. The vendor may also guarantee the proposed rates for a period longer than the initial three-year period and/or propose a maximum increase in rates for the second three-year period beginning September 1, 2018.

13.1.4 NO LOSS/NO GAIN

The vendor must certify that no person currently covered by the System plan will experience a loss of benefits or a loss of coverage as a result of a change of vendor. A current UT employee must be able to maintain Vision coverage in effect as of August 31, 2015 during the 2015–2016 plan year without being required to fulfill any active service or preexisting condition requirements.

13.1.5 LEGISLATIVE OR REGULATORY MANDATES

If, subsequent to the submission of a response prepared in accordance with these specifications, federal or state legislation or regulations are enacted or interpreted in a manner which materially impacts the coverages which are the subject of this RFP, the System shall enter into good faith negotiations with the vendor selected to administer the program to arrive at mutually agreeable adjustments to the premium rates submitted in response to these specifications so as to appropriately reflect the anticipated impact of such legislation.

13.1.6 PREMIUM RATE PROPOSAL

The vendor must complete and sign the following Premium Rate Proposal Response form. The proposed monthly premium rates must be submitted with two (2) digits to the right of the decimal point rounded to the nearest \$0.01.

13.2 PREMIUM RATE PROPOSAL RESPONSE

(Name of Organization)

Enter the monthly rate guaranteed for the 36 month period from September 1, 2015 through August 31, 2018 for the Standard Vision plan below and the Enhanced Vision plan on the following page. The same premium rates must be offered in all areas.

Indicate the dollar amount of the portion of the premium rate for Claims and for Retention. The premium rates should not include any premium taxes.

I. Standard Vision Plan

| Coverage Level | FY 2010 Premium Rate 9/1/2015 – 8/31/2018 |
|---|--|
| Employee/Retiree Only | |
| Employee/Retiree + Spouse | |
| Employee/Retiree + Children | |
| Employee/Retiree + Spouse + Children | |
| Spouse or Child Only (Military or Surviving Spouse) | |
| Family Only (Military or Surviving Spouse + Children) | |

The percentage of the premium for administration is _____ %

List and explain any other types of fees:

List and explain any rate guarantees for future periods:

(Name of Organization)

II. Vision Plus Plan

| Coverage Level | FY 2010 Premium Rate 9/1/2015 – 8/31/2018 |
|---|--|
| Employee/Retiree Only | |
| Employee/Retiree + Spouse | |
| Employee/Retiree + Children | |
| Employee/Retiree + Spouse + Children | |
| Spouse or Child Only (Military or Surviving Spouse) | |
| Family Only (Military or Surviving Spouse + Children) | |

The percentage of the premium for administration is _____ %

List and explain any other types of fees:

List and explain any rate guarantees for future periods:

Signature of Authorized Officer

Date

Printed Name of Authorized Officer

Title

Name of Organization

14.0 SIGNATURE PAGE FOR FULLY INSURED VISION INSURANCE PROPOSAL

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 a fully insured plan for Vision Insurance for at least the three year period beginning September 1, 2015. 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 to this RFP reviewed is _____.

.....

The Primary Contact Person regarding this proposal is:

Name_____

Title_____

Mailing Address_____

Telephone #_____ Fax #_____

Email Address_____

.....

Printed Name of 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 of Individual Signing this Form

Date

15.0 APPENDICES

APPENDIX A: CURRENT SCHEDULE OF BENEFITS:

- A-1: Superior Vision (Standard Vision Plan)
- A-2: Superior Vision Plus (Enhanced Vision Plan)

APPENDIX B: DATASET REQUIREMENTS

APPENDIX C: ENROLLMENT AND PLAN EXPERIENCE DATA

APPENDIX D: CHAPTER 1601, TEXAS INSURANCE CODE

APPENDIX E: ADMINISTRATIVE PERFORMANCE REPORT TEMPLATE

APPENDIX F: SAMPLE CONTRACT

APPENDIX G: HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM

**APPENDIX H: ELECTRONIC AND INFORMATION RESOURCES (EIR) ACCESSIBILITY
REQUIREMENTS**