

**REQUEST FOR PROPOSALS FOR**

**Vendor to Provide the Pennsylvania Turnpike Commission  
with Stop Loss Insurance**

**ISSUING OFFICE**

**Pennsylvania Turnpike Commission**

**Human Resources Department**

**RFP NUMBER**

**11-10380-3373**

**DATE OF ISSUANCE**

**November 15, 2011**

# **REQUEST FOR PROPOSALS FOR**

## **Vendor to Provide the Pennsylvania Turnpike Commission with Stop Loss Insurance**

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## PART I

### GENERAL INFORMATION FOR PROPOSERS

**I-1. Purpose.** This request for proposals (RFP) provides interested Proposers with sufficient information to enable them to prepare and submit proposals for consideration by the Pennsylvania Turnpike Commission (Commission) to satisfy a need for a vendor to provide Stop Loss insurance for the Commission's medical and prescription coverage.

**I-2. Issuing Office.** This RFP is issued for the Commission by the **Human Resources Department**.

**I-3. Scope.** This RFP contains instructions governing the proposals to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each proposal.

**I-4. Problem Statement.** The primary objective of entering into an agreement with an outside agent for these purposes is for the Commission to realize cost-effective agreements with benefit and insurance providers, while maintaining the high standard of coverage for Commission employees.

**I-5. Type of Contract.** It is proposed that if a contract is entered into as a result of this RFP, it will be a **fee for services contract**. The Commission may in its sole discretion undertake negotiations with Proposers whose proposals as to price and other factors show them to be qualified, responsible, and capable of performing the work.

**I-6. Rejection of Proposals.** The Commission reserves the right to reject any and all proposals received as a result of this request, or to negotiate separately with competing Proposers.

**I-7. Subcontracting.** Any use of subcontractors by a Proposer must be identified in the proposal. During the contract period use of any subcontractors by the selected Proposer, which were not previously identified in the proposal, must be approved in advance in writing by the Commission.

A firm that responds to this solicitation as a prime may not be included as a designated subcontractor to another firm that responds to the same solicitation. **Multiple responses under any of the foregoing situations may cause the rejection of all responses of the firm or firms involved.** This does not preclude a firm from being set forth as a designated subcontractor to more than one prime contractor responding to the project advertisement.

**I-8. Incurring Costs.** The Commission is not liable for any costs the Proposer incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of contract.

**I.9. Questions and Answers.** Written questions may be submitted to clarify any points in the RFP which may not have been clearly understood. Written questions should be submitted by email to [RFP-Q@paturndpike.com](mailto:RFP-Q@paturndpike.com) with RFP 11-10380-3373 in the Subject Line to be received no later than **Monday, November 28, 2011, at 2:00 pm Local Time**. All questions and written answers will be posted to the website as an addendum to and become part of this RFP.

**I-10. Addenda to the RFP.** If it becomes necessary to revise any part of this RFP before the proposal response date, addenda will be posted to the Commission's website under the original RFP document. It is the responsibility of the Proposer to periodically check the website for any new information or addenda to the RFP.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFP due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

**I-11. Response.** To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Stephanie Newbury, on or before **Monday, December 12, 2011, at 12:00 pm Local Time.** The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

**Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to this address by the above-listed time for submission.** Proposers mailing proposals should allow sufficient delivery time to ensure timely receipt of their proposals. If the Commission office location to which proposals are to be delivered is closed on the proposal response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless the Proposers are otherwise notified by the Commission, the time for submission of proposals shall remain the same.

**I-12. Proposals.** To be considered, Proposers should submit a complete response to this RFP, using the format provided in PART II. Each proposal should be submitted in **six (6)** hard copies and **one complete and exact copy of both the technical and cost proposals on CD-ROM in Microsoft Office or Microsoft Office-compatible format** to the Contracts Administration Department. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference. Proposals must be signed by an official authorized to bind the Proposer to its provisions and include the Proposer's Federal Identification Number. For this RFP, the proposal must remain valid for at least **120 days.** Moreover, the contents of the proposal of the selected Proposer will become contractual obligations if a contract is entered into.

Each and every Proposer submitting a proposal specifically waives any right to withdraw or modify it, except as hereinafter provided. Proposals may be withdrawn by written or telefax notice received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt. However, if the Proposer chooses to attempt to provide such written notice by telefax transmission, the Commission shall not be responsible or liable for errors in telefax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided its identity is made known and it signs a receipt for the proposal, but only if the withdrawal is made prior to the exact hour and date set for proposal receipt. A proposal may only be modified by the submission of a new sealed proposal or submission of a sealed modification which complies with the requirements of this RFP.

**I-13. Economy of Preparation.** Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to meet the requirements of the RFP.

**I-14. Discussions for Clarification.** Proposers who submit proposals may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification.

**I-15. Best and Final Offers.** The Issuing Office reserves the right to conduct discussions with Proposers for the purpose of obtaining “best and final offers.” To obtain best and final offers from Proposers, the Issuing Office may do one or more of the following: a) enter into pre-selection negotiations; b) schedule oral presentations; and c) request revised proposals. The Issuing Office will limit any discussions to responsible Proposers whose proposals the Issuing Office has determined to be reasonably susceptible of being selected for award.

**I-16. Prime Proposer Responsibilities.** The selected Proposer will be required to assume responsibility for all services offered in its proposal whether or not it produces them. Further, the Commission will consider the selected Proposer to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.** Proposals will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the proposal becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission’s option. Proposals submitted to the Commission may be reviewed and evaluated by any person other than competing Proposers at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any proposal. Selection or rejection of the proposal does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Proposers shall identify any and all portions of their Proposal that contains confidential proprietary information or is protected by a trade secret. Proposals shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the Proposal that contains the trade secret or confidential proprietary information.

Proposers should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

*See Crum v. Bridgestone/Firestone North Amer. Tire.*, 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure *would* cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us).

**I-18. Debriefing Conferences.** Proposers whose proposals are not selected will be notified of the name of the selected Proposer and given the opportunity to be debriefed, at the Proposer’s request. The Issuing Office will schedule the time and location of the debriefing. The Proposer will not be compared with other Proposers.

**I-19. News Releases.** News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

**I-20. Commission Participation.** Unless specifically noted in this section, Proposers must provide all services to complete the identified work.

**I-21. Cost Submittal.** The cost submittal shall be placed in a separately sealed envelope within the sealed proposal and kept separate from the technical submittal. **Failure to meet this requirement may result in disqualification of the proposal.**

**I-22. Term of Contract.** The term of the contract will commence on the Effective Date (March 1, 2012) and will end **on February 28, 2013, with an option of four (4) one-year renewal options.** The Commission shall fix the Effective Date after the contract has been fully executed by the Contractor and by the Commission and all approvals required by Commission contracting procedures have been obtained.

**I-23. Proposer's Representations and Authorizations.** Each Proposer by submitting its proposal understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Proposer in the proposal are material and important and will be relied upon by the Issuing Office in awarding the contract(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this proposal. A misrepresentation shall be punishable under 18 Pa. C.S. 4904.
- b. The price(s) and amount of this proposal have been arrived at independently and without consultation, communication or agreement with any other Proposer or potential Proposer.
- c. Neither the price(s) nor the amount of the proposal, and neither the approximate price(s) nor the approximate amount of this proposal, have been disclosed to any other firm or person who is a Proposer or potential Proposer, and they will not be disclosed on or before the proposal submission deadline specified in the cover letter to this RFP.
- d. No attempt has been made or will be made to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- e. The proposal is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- f. To the best knowledge of the person signing the proposal for the Proposer, the Proposer, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Proposer in its proposal.
- g. To the best of the knowledge of the person signing the proposal for the Proposer and except as otherwise disclosed by the Proposer in its proposal, the Proposer has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Proposer that is owed to the Commonwealth.
- h. The Proposer is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Proposer cannot certify, then it shall submit along with the proposal a written explanation of why such certification cannot be made.

- i. The Proposer has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- j. Each Proposer, by submitting its proposal, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.



## PART II

### INFORMATION REQUIRED FROM PROPOSERS

Proposals must be submitted in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the proposal. Each proposal shall consist of two (2) separately sealed submittals. The submittals are as follows: (i) Technical Submittal, in response to Part II-1 through II- 6 hereof; (ii) Cost Submittal, in response to Part II-7 hereof.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Proposer's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

**II-1. Statement of the Problem.** State in succinct terms your understanding of the problem presented or the service required by this RFP.

**II-2. Management Summary.** Include a narrative description of the proposed effort and a list of the items to be delivered or services to be provided.

**II-3. Work Plan.** Describe in narrative form your technical plan for accomplishing the work. Use the Questionnaire in Part IV of this RFP as your reference point. Modifications of the task descriptions are permitted; however, reasons for changes should be fully explained. Indicate the number of personhours allocated to each task.

**II-4. Prior Experience.** Include experience in the administration of stop loss insurance. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Studies or projects referred to should be identified and the name of the customer shown, including the name, address, and telephone number of the responsible official of the customer, company, or agency who may be contacted.

**II-5. Personnel.** Include the number, and names where practicable, of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work. Show where these personnel will be physically located during the time they are engaged in the work. Include through a resume or similar document education and experience in the administration of stop loss insurance. Indicate the responsibilities each will have in this project and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

**II-6. DBE/MBE/WBE Participation.** The Turnpike Commission is committed to the inclusion of disadvantaged, minority, and woman firms in contracting opportunities. Responding firms shall clearly identify DBE/MBE/WBE firms, expected to participate in this contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Department of General Services ([www.dgs.state.pa.us](http://www.dgs.state.pa.us)) or the Pennsylvania Unified Certification Program ([www.paucp.com](http://www.paucp.com)) at the time of the submission of the proposal. While D/M/WBE participation is not a requirement for this RFP, inclusion of D/M/WBEs will be a factor in the evaluation determination. **If further information is desired concerning DBE/MBE/WBE participation,** direct inquiries to the Pennsylvania Turnpike Commission's Contract Administration Department by calling (717) 939-9551 Ext. 4241.

**II-7. Cost Submittal.** The information requested in this section shall constitute your cost submittal. **The Cost Submittal shall be placed in a separate sealed envelope within the sealed proposal, separate from the technical submittal.**

Proposers should **not** include any assumptions in their cost submittals. If the proposer includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Proposers should direct in writing to the Issuing Office pursuant to Part I-9 of this RFP any questions about whether a cost or other component is included or applies. All Proposers will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

The total cost\* you are proposing must be broken down but not limited to the following components:

- a. **Monthly Premium Rate. Premium payments will vary, based on Commission enrollment numbers. However, for purposes of this RFP, please provide rates using one (or both) of the following enrollment numbers as your basis:**
  - i. **For per contract per month rates: Assume 2,500 eligible employees/retirees.**
  - ii. **For rates based on single/family tiers: Assume 672 eligible single persons, and 1,799 families (2 or more persons).**
- b. **Broker Costs/Portion of Monthly Premium, if applicable.**
- b. **Total Cost.**

**\*Please note: Illustrative quotes will be considered to be your firm and final proposal.**

**Any costs not provided in the cost proposal will be assumed as no charge to the Commission.**

**The selected Proposer shall only perform work on this contract after the Effective Date is affixed and the fully-executed contract sent to the selected Proposer. The Commission shall issue a written Notice to Proceed to the selected Proposer authorizing the work to begin on a date which is on or after the Effective Date. The selected Proposer shall not start the performance of any work prior to the date set forth in the Notice of Proceed and the Commission shall not be liable to pay the selected Proposer for any service or work performed or expenses incurred before the date set forth in the Notice to Proceed. No Commission employee has the authority to verbally direct the commencement of any work under this Contract.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal should be (a) timely received from a Proposer; (b) properly signed by the Proposer; and (c) formatted such that all cost data is kept separate from and not included in the Technical Submittal.

**III-2. Proposal Evaluation.** Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team of qualified personnel. The Technical Evaluation Team will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will recommend for selection those firms that most closely meet the requirements of the RFP and satisfy Commission needs. Award will only be made to a Proposer determined to be responsive and responsible in accordance with Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-3. Evaluation Criteria.** The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

**a. Soundness of Approach.** Emphasis here will be placed on the Proposer's responses to the Questionnaire (Part IV-4), specifically questions 4-21. Of equal importance is whether the technical approach is completely responsive to all written specifications and requirements contained in the RFP and if it appears to meet Commission objectives.

**b. Cost.** While this area may be weighted heavily, it will not normally be the deciding factor in the selection process. The Commission reserves the right to select a proposal based upon all the factors listed above, and will not necessarily choose the firm offering the best price. The Commission will select the firm with the proposal that best meets its needs, at the sole discretion of the Commission.

**c. Proposer Qualifications.** This refers to the ability of the Proposer to meet the terms of the RFP, especially the time constraint and the quality, relevancy, and recency of studies and projects completed by the Proposer. This also includes the Proposer's financial ability to undertake a project of this size.

**d. Personnel Qualifications.** This refers to the competence of professional personnel who would be assigned to the job by the Proposer. Qualifications of professional personnel will be measured by experience and education, with particular reference to experience on studies/services similar to that described in the RFP.

**e. Understanding the Problem.** This refers to the Proposer's understanding of the Commission needs that generated the RFP, of the Commission's objectives in asking for the services or undertaking the study, and of the nature and scope of the work involved.

**f. DBE/MBE/WBE Participation.** This refers to the inclusion of D/M/WBE firms, as described in Part II-6, and the extent to which they are expected to participate in this contract. Participation will be measured in terms of total dollars committed or percentage of total contract amount to certified D/M/WBE firms.

## PART IV

### WORK STATEMENT

#### IV-1. Objectives.

- a. **General.** The Commission is seeking assistance from a firm that will provide stop loss insurance for the Commission's medical and prescription plans.
- b. **Specific.** The Commission is soliciting competitive proposals from a firm that will provide stop loss insurance for the Commission's medical and prescription plans effective with the start of the Commission's next plan year, March 1, 2012. Stop loss specifications the Commission is seeking proposals on are as follows:
  - Individual Specific Limit: \$275,000, \$300,000 or \$325,000
  - Aggregating Specific Corridor: \$90,000, \$100,000 or \$125,000

#### IV-2. Nature and Scope of the Project.

- a. **Background.** The Commission is an independent agency of the Commonwealth of Pennsylvania. As a government agency, the Commission is not governed by the rules, regulations, or legislative requirements of ERISA.

The PA Turnpike is a key transportation route within the state of Pennsylvania and a vital link in the network of the eastern United States. The Turnpike is 536 miles in length with 60 fare collection facilities, 20 service plazas and two welcome centers, 21 maintenance buildings, 8 police barracks and 5 tunnels ([www.paturnpike.com](http://www.paturnpike.com)).

As of October 3, 2011, there were 459 non-union and 1,629 union employees (covered by the Teamsters Union) of the Commission who work in over 110 locations including three administrative offices: the Central Administration Office in Middletown, PA, the Eastern Regional Office in King of Prussia, PA and the Western Regional Office in New Stanton, PA. There are also 992 retirees (and an additional 874 spouses/dependents of retirees) of the Commission.

- b. **Scope.** The Commission provides self-insured medical and prescription benefit plans to almost 3,000 employees and retirees, approximately 2,500 of which are covered under the stop loss coverage. The Commission offers 2 different medical plans; a PPO plan for active employees and retirees under the age of 65, and a signature 65 plan for retirees age 65 and over. The Commission offers 3 different prescription plans; a plan for active employees, a plan for retirees under the age of 65, and a plan for retirees age 65 and over. The medical and prescription plans are separated into union and non-union groups. Retirees *over the age of 65* are excluded from stop loss coverage.

The Commission is currently contracted with Highmark Blue Shield for medical coverage, and contracted with Aetna for prescription coverage. Highmark Blue Shield provides monthly reporting of high claimants which would be provided to the vendor. We receive a plan-year-end report from Aetna of high claimants which would also be provided to the vendor.

The Commission will soon be issuing an RFP to contract for medical and prescription coverage. Accordingly, the first plan year will still remain March 1, 2012 through February 28, 2013; however the vendors for these services may change as of July 1, 2012. This will not impact the services that are covered or the plan year. The Commission will work directly with the vendors to obtain and provide the necessary reports to the stop loss vendor.

The Commission is currently contracted with TRU Services, LLC for its stop loss policy through the Standard Life Insurance Company of New York which expires February 28, 2012. The Commission's current monthly enrollment numbers are as follows. Premium rates will not be disclosed.

TIER	ENROLLMENT
Single Person	672
Family/Dependent	1,799

The Commission's current benefit period for stop loss covers all eligible expenses incurred from March 1, 2008 through February 29, 2012; and eligible expenses paid from March 1, 2011 through February 29, 2012. Additionally, the current deductible per covered person is \$300,000, and the aggregate specific corridor is \$90,000. There are no members lasered (with a higher deductible level).

There have been no reimbursements made to the Commission through stop loss insurance from March 1, 2009 – present.

**IV-3. Requirements.** You must be able to complete the tasks exactly as specified in Part IV-4 below. Your proposal should include a performance guarantee covering the quality, timeliness and accuracy of your processes and outcome achieved through the execution of your contracted services.

**IV-4. Questionnaire.**

- 1) Please describe your company, including:
  - Year founded
  - Area/markets served (including counties)
  - Number of groups with over 2,500 lives covered
  - Number of members covered
  - Number of employees
  - Any subsidiaries and/or affiliates
  - Products offered
- 2) Please provide financial data on your company, including a copy of your most recent annual report.
- 3) Please provide three references of similar size and scope to the Commission. Please include two current customers and one former customer. Please include how long each has been/was a customer and the approximate number of employees.

- 4) Describe your billing process.
- 5) Describe any special banking arrangements you require for administration of stop loss. Do you require any documents or security deposits?
- 6) Please confirm you will adhere to all provisions of HIPAA.
- 7) Describe how the aggregate threshold is calculated.
- 8) What is the time line for aggregate and specific stop loss to be settled? Is reimbursement immediate, quarterly, or at the end of the year?
- 9) Describe what reports you would need from the claims administrator and the frequency with which these reports would be needed.
- 10) Are any individuals, classes of individuals and/or medical conditions excluded from coverage, reimbursed at a lower rate, capped or otherwise limited (e.g., mental health, substance abuse, organ transplants, COBRA participants, disabled or confined individuals, not actively-at-work employees, pre-existing conditions, etc.)?
- 11) Do you agree to provide coverage for all disabled, inactive or retired individuals currently covered by the Commission's medical plan? If you intend to separately evaluate any individuals, what are the possible outcomes (e.g., increase in specific stop loss, no coverage, higher rates, excluded conditions, etc.)?
- 12) Do you perform individual underwriting for stop loss purposes for the first or subsequent years? Can the specific stop loss limit change on individuals from year-to-year? In a renewal year, can individuals (or individual conditions) be excluded from coverage as a result of the prior year's or expected medical claims?
- 13) Have you based your proposed specific stop loss rates on the Commission's own shock claims and/or known or ongoing claims?
- 14) Will future years' stop loss rates be entirely based on the experience of your stop loss pool or will the Commission's own claim results (or known ongoing claims) play a factor in your rating?
- 15) Do you reserve the right to increase the specific stop loss pooling point from one year to the next?
- 16) Are the rates for the time period unconditionally guaranteed?
- 17) Would there be any impact on stop loss for an off-anniversary contract termination?
- 18) What is your company's philosophy regarding lasering upon renewal?
- 19) Please confirm your willingness to provide renewal rates by November 30<sup>th</sup> of each plan year for a March 1 effective date.

- 20) Please provide a detailed implementation plan and timetable including whether each listed activity is the responsibility of the Commission or the vendor.
- 21) What additional information will you require from the Commission or the claims administrator prior to implementation?

#### **IV-5. Reports and Project Control.**

**a. Task Plan.** A work plan for each task that identifies the work elements of each task, the resources assigned to the task, and the time allotted to each element and the deliverable items to be produced.

**b. Status Report.** A periodic, progress report with appropriate Commission personnel covering activities, problems, and recommendations; the report should be keyed to the work plan developed by the Proposer in its proposal, as amended or approved by the Commission.

**c. Problem Identification Report.** An “as required” report, identifying problem areas. The report should describe the problem and its impact on the overall project and on each affected task. It should list possible courses of action with advantages and disadvantages of each, and include Proposer recommendations with supporting rationale.

## **Addendum No. 1**

RFP #11-10380-3373

Vendor to Provide the Pennsylvania Turnpike Commission  
with Stop Loss Insurance

**Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:**

### **REVISIONS**

The response date referenced in Part I-11 of the RFP has been extended and revised as follows:

1. **I-11 Response.** To be considered, Proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Stephanie Newbury, on or before ~~Monday, December 12, 2011, at 12:00 pm Local Time~~, **Wednesday, December 28, 2011, at 12:00pm Local Time.**
2. Page 8 of 13, Item II-7 (Cost Submittal-Total Cost), Item b. Total Cost is revised to read:  
"c. Total Cost."

### **ADDITIONS**

#### **Insurance Requirements**

**Commercial General Liability Insurance.** Commercial general liability insurance (CGL) with limits not less than \$1,000,000 each occurrence with a \$2,000,000 aggregate. If the CGL contains a general aggregate limit, it shall apply separately each site or location. CGL insurance shall be written on the Insurance Services Office Inc. (ISO) occurrence form CG 00 01 12 07 (or substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under contract (including the tort liability of another assumed in a business contract but not including breach of contract damages).

**Business Auto Liability Insurance.** Business auto liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability, including bodily injury or death and property damage, arising out of any auto (including owned, hired, and non-owned autos). Business auto coverage shall be written on the current ISO form or a substitute form providing equivalent liability coverage.

**Worker's Compensation and Employer's Liability Insurance.** Take out, pay for and maintain during the life of the contract, Worker's Compensation Insurance in statutory required limits for the protection of all employees. Provide, pay for and maintain during the life of the contract, Employer's Liability Insurance in limits of not less than \$100,000 bodily injury each accident,



\$500,000 bodily injury by disease- Policy Limit, and \$100,000 bodily injury by disease each employee

**Professional Liability Insurance.** Insurance coverage for Errors and Omissions (Professional Liability Insurance) in an amount not less than \$1,000,000. Insurance shall be provided on a form acceptable to the Pennsylvania Turnpike Commission.

Following are the answers to questions submitted in response to the above referenced RFP as of **November 28, 2011.**

## **QUESTIONS AND ANSWERS**

### **CENSUS QUESTIONS**

1. Please provide the following: Current census to include date of birth, sex and single/family status of each participant
2. Could you please provide the following information? A census in excel form with the following info included:
  - a. DOB
  - b. Gender
  - c. Coverage breakdown
  - d. Zip Code
  - e. Retirees marked (if covered)
3. Please send the following: Census – including name, sex – male/female, single/family status, date of birth, date of hire, address, zip code, and plan election (if applicable).
4. We are seeking a census report showing the following data:
  - a. Date of birth
  - b. Gender
  - c. Family Status
  - d. Zip Code
  - e. Plan Designation (if more than one plan is offered)
5. We will need electronic census with Active/Ret/Cobra status, DOB, gender, Med tier and home zip; as well as current schedule of benefits.

**Answer: Census data is attached “Addendum 1, Attachment A-Census Data.” Employee/Retiree name and address will not be provided (zip codes included in census).**

### **SCHEDULE OF BENEFITS QUESTIONS**

6. Could you please provide the following information? Schedule of Benefits
7. Please provide the following: Schedule of benefits

**Answer: Benefit summaries for the plans are attached “Addendum 1, Attachment B-Benefit Plan Information.”**

## **MISCELLANEOUS QUESTIONS**

8. Please provide the following: Current Specific stop loss rates (Aggregate rates and factors, if applicable)

**Answer: The current deductible per covered person is \$300,000, and the aggregate specific corridor is \$90,000. Premium rates will not be disclosed.**

9. Would you like to see specific coverage only? Or Spec and Agg? If so then please submit the most recent aggregate report with monthly enrollments and paid amounts, along with the 2 completed prior year aggregate reports with the same information on it.

**Answer: Specific coverage only, with an aggregate specific corridor/rider.**

10. Please provide the following: Specific claims report through October (Aggregate claims information if Aggregate coverage is provided)

**Answer: Claims report through October is attached "Addendum 1, Attachment C-Additional Claim Information."**

11. Could you please provide the Rx high claimants amounts. The stop loss covers both med/Rx, however only the medical large claims were provided. Also, can you please let us know how to match the two reports since they are from two different carriers.

**Answer: Prescription high claimant data from prior plan years is listed in the attached workbook "Addendum 1, Attachment C-Additional Claim Information;" prescription high claimant data for plan year March 1, 2011 through February 29, 2012 is not available at this time. Matched medical and prescription claims data is only available for plan year March 1, 2010 through February 28, 2011, and is listed in the 4<sup>th</sup> tab of the claim information workbook attachment.**

12. Is RX included under the current Specific stop loss arrangement?

**Answer: Yes.**

13. Is there an annual cap under the current Specific stop loss arrangement?

**Answer: The current policy has a specific benefit limit (per lifetime, per covered person) that is unlimited, with a \$2,000,000 annual maximum.**

14. The commission provides Medical benefits to 3000 ees and ~2500 are covered under stop loss. Retirees over the age of 65 are excluded from stop loss, are there ~500 Retirees over age 65 or is there another reason these ee's are not covered under the stop loss.

**Answer: Correct; approximately 500 individuals are excluded from stop loss coverage due to their age.**

15. The Medical claims over \$25,000 indicates "Group Billed Amount" is this a paid amount or the amount prior to the BX disc?

**Answer: Paid amount.**

16. Will any other details on the large claimants be available regarding the current/ future plan of treatment or treatments that have been rendered?

**Answer: No.**

17. Is there a way to provide a member ID for the multiple years of shock info so that we can determine if there are re-occurring claims year over year?

**Answer: Unique IDs were added to plan year data from March 1, 2009 through October 31, 2011; updated reports are attached "Addendum 1, Attachment C-Additional Claim Information." Unique IDs for plan year March 1, 2008 through February 28, 2009 is not available at this time and therefore was not able to be matched with other plan year data.**

18. The RFP only requests a Spec quote, however, the questionnaire asks how we develop an aggregate. If an aggregate quote is needed, we will also need monthly aggregate claims and enrollments.

**Answer: The Commission is seeking a specific quote, with an aggregate specific corridor/rider.**

19. Is there a commission payable to a broker included in the current stop loss rates?

**Answer: This information will not be provided.**

20. Please note our illustrative quotes may not be considered as firm and final (page 8/13).

**Answer: Please see the note in Part II-7, "Illustrative quotes will be considered to be your firm and final proposal."**

21. The RFP inforce rates will not be provided, is it possible to obtain carrier history and estimated rate increases.? Actual inforce rates are preferred.

**Answer: This information will not be provided.**

All other terms, conditions and requirements of the original RFP dated **November 15, 2011** remain unchanged unless modified by this Addendum.