

**REQUEST FOR PROPOSALS FOR
MEDICARE ADVANTAGE PLANS**

ISSUING OFFICE
Pennsylvania Turnpike Commission
Office of Human Resources

RFP NUMBER

13-10380-4112

DATE OF ISSUANCE

March 19, 2013

**REQUEST FOR PROPOSALS FOR
MEDICARE ADVANTAGE PLANS**

TABLE OF CONTENTS

Part I	- GENERAL INFORMATION FOR PROPOSERS	1
Part II	- INFORMATION REQUIRED FROM PROPOSERS	10
Part III	- CRITERIA FOR SELECTION	13
Part IV	- WORK STATEMENT	15
Part V	- QUESTIONNAIRE	18

APPENDIX A – PROPOSAL COVER SHEET

APPENDIX B – PLAN DESIGNS

APPENDIX C – MEMBERSHIP COUNTS BY MONTH

APPENDIX D – CLAIM INFORMATION (Only Highmark Claims Info Is Available)

APPENDIX E – PLAN RATES

APPENDIX F – CENSUS

COPIES OF APPENDICES (E) AND (F) WILL BE PROVIDED BY WRITTEN REQUEST ONLY.

SEND REQUESTS FOR APPENDICES (E) AND (F) TO RFP-Q@PATURNPIKE.COM WITH 13-10380-4112 IN THE SUBJECT LINE. YOU ALSO MUST INCLUDE YOUR COMPANY NAME, CONTACT PERSON AND EMAIL ADDRESS.

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 Medicare Medical Advantage plans; both with and without prescription drug 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 Commission is looking for proposals for a vendor to provide comprehensive Medicare Medical Advantage plans both with and without prescription drug coverage to retirees of the Commission, within the guidelines of this RFP.

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 based on the line of coverage for a fully-insured program. 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 with **RFP 13-10380-4112** in the Subject Line to be received no later than **12:00 PM local time on April 2, 2013**. 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: **Wanda Metzger**, on or before **12:00 PM local time on April 19, 2013**. 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 the Contracts Administration Department 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 of the Technical Submittal and **SIX (6)** hard copies of the Cost Submittal. In addition to the hard copies of the proposal, **TWO (2) complete and exact copies of the entire proposal (Technical and Cost, along with all requested documents) on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format.** The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no costing information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Proposer shall present the proposal to the Contracts Administration Department only. No other distribution of proposals will be made by the Proposer. Each proposal page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the proposal. If the official signs the Proposal Cover Sheet (Appendix A to this RFP) and the Proposal Cover Sheet is attached to the proposal, the requirement will be met. For this RFP, the proposal must remain valid for at least 180 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 fax notice (fax number (717) 986-8714) received at the Commission's address for proposal delivery prior to the exact hour and date specified for proposal receipt.

Overnight Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
700 South Eisenhower Blvd.
Middletown, PA 17057

US Mail Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106

However, if the Proposer chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A proposal may also be withdrawn in person by a Proposer or its authorized representative, provided his/her identity is made known and he/she 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 solicitation.

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 through the Contract Administration Department to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department 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.

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.

I-22. Term of Contract. The term of the contract will commence on the Effective Date of January 1, 2014 and will end on December 31, 2014, with the option of up to four (4) one-year contract renewals. 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 response section of 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.

I-24. Insurance.

A. General Insurance Requirements

1. The Professional Services shall not commence until the Professional Service Contractor has obtained, at their own expense, all of the insurance as required hereunder and such insurance has been approved by the Commission; nor shall the Professional Service Contractor allow any Subcontractor to commence work on any Commission projects until all insurance required of the Subcontractor has been so obtained and approved by the Contractor. Approval of insurance required of the Professional Service Contractor will be granted only after submission to the Commission, original certificates of insurance signed by the representatives of the insurers or, at the Commission's request, certified copies of the required insurance policies.
2. The Professional Service Contractor shall require all Subcontractors to maintain during the term of the Contract Commercial General Liability Insurance, Business Auto Liability Insurance, Professional Liability Insurance (if applicable), Pollution Liability Insurance (if applicable), and Workers' Compensation and Employers Liability Insurance at the same limits required of Professional Service Contractor.
3. All insurance required herein, with the exception of the Professional / Errors and Omissions Liability Insurance shall be written on an "occurrence" basis and not a "claims-made" basis. For Professional Liability "claims-made" coverage:
 - a. The retroactive date must be on or prior to the start of work under this contract; and
 - b. The Subcontractor must purchase "tail coverage/an extended reporting period" or maintain coverage for a period of three years – the required completed operations period.
4. The Commission, its commissioners, agents, servants, employees and representatives shall be named as additional insured on the Contractor's liability (General Liability, Automobile Liability and Umbrella Liability insurance) insurance program with respect to the liability arising out of

the Contractor's work (including products and completed operations as well as ongoing operations) and the certificate of insurance, or the certified policy, if required, must also state this. This coverage should be provided, along with evidence of such coverage, for a period of two years after completion of the project.

5. All insurance policies required hereunder shall be endorsed to provide that the policy is not subject to cancellation, non-renewal, or material reduction in coverage until thirty (30) days prior written notice has been given to the Owner.
6. Insurance provided to the Commission as specified herein shall be primary and non-contributory.
7. No acceptance and/or approval of any insurance by the Commission shall be construed as relieving or excusing the Professional Service Contractor or the Professional Service Contractor's Surety (if applicable) from any liability or obligation imposed upon either or both of them by provisions of this Contract.
8. Any deductibles or self-insured retention's of (\$10,000) or greater shall be disclosed by the Professional Service Contractor, and are subject to Commissions written approval. Any deductible or retention amounts elected by the Professional Service Contractor or imposed by the Professional Service Contractor's insurer(s) shall be the sole responsibility of the Professional Service Contractor.
9. All insurance companies shall have an AM Best's rating of A- or better and be licensed to do business in the State of Pennsylvania.
10. There shall be no liability upon the Commission, public officials, their employees, their authorized representatives, or agents either personally or as officials of the Commission in carrying out any of the provisions of the Contract nor in exercising any power or authority granted to them by or within the scope of the Contract, it being understood that in all such matters they act solely as agents and representatives of the Commission.
11. Waiver of Rights of Recovery and Waiver of Rights of Subrogation:
 - a. The Contractor and subcontractors waive all rights of recovery against the Owner and all the additional insured's for loss or damage covered by any of the insurance maintained by the contractor or subcontractor.
 - b. If any of the policies of insurance required under this contract require an endorsement to provide for the waiver of subrogation, then the named insured of such policies will cause them to be so endorsed.
12. Any type of insurance or any increase in limits of liability not described above which the contractor requires for its own protection or on account of statute shall be its own responsibility and at its own expense.

B. Professional Service Contractor Liability Insurance Requirements

- The Professional Service Contractor shall purchase the following insurance coverage's for the minimum limits specified below or required by law.

- **Commercial General Liability** insurance for bodily injury, personal injury, and property damage including loss of use, etc. with minimum limits of:

\$1,000,000	each occurrence;
\$1,000,000	personal and advertising injury;
\$2,000,000	general aggregate; and
\$2,000,000	products/completed operation aggregate.

This insurance shall include coverage for all of the following:

- Coverage is to be provided by the standard Commercial General Liability insurance policy (“Occurrence Form”);
 - General aggregate limit applying on a per project/ location basis;
 - Liability arising from premises and operations;
 - Liability arising from the actions of independent contractors;
 - Contractual liability including protection for the Professional Service Contractor from bodily injury and property damage claims arising out of liability assumed under this Contract;
 - Liability arising from the explosion, collapse or underground (XCU) hazards (If Applicable)
 - Products/Completed Operations Coverage must be maintained for a period of at least two (2) years after final payment (including coverage for the Additional Insured’s as set forth in these Insurance Requirements).
- **Business Auto Liability** insurance with a minimum limit of \$1,000,000 per accident and including, but not limited to, coverage for all of the following:
 - Liability arising out of the ownership, maintenance or use of any auto;
 - Auto non-ownership and hired car coverage
 - Contractual Liability Coverage (including Liability for Employee Injury assumed under a Contract as provided in the standard ISO policy form)
 - **Workers’ Compensation** insurance with statutory benefits as required by any state or federal law, including standard “other states” coverage; **employer’s liability** insurance with minimum limits of:

\$1,000,000	each accident for bodily injury by accident;
\$1,000,000	each employee for bodily injury by disease; and
\$1,000,000	policy limit for bodily injury by disease.

 1. Including Waiver of Right to Recover from Others Endorsement (WC 00 0313) where permitted by state law.
 2. United States Longshore & Harbor Workers Act Coverage, where applicable; and
 3. Maritime Coverage under the Jones Act, where applicable.
 - **Professional Liability:** Service Contractors (such as, but not limited to Architects, Engineers, Attorneys, Financial Advisors, Marketing Professionals, Physicians and Risk Management Consultants) shall provide professional liability and/or malpractice insurance with minimum limits of \$1,000,000.

- **Umbrella Liability or Excess Liability** insurance with minimum limits of:

\$5,000,000	per occurrence;
\$5,000,000	aggregate for other than products/completed operations and auto liability; and
\$5,000,000	products/completed operations aggregate.

Policy to apply excess of the Commercial General Liability (following form, Per Project / location), Commercial Automobile Liability and Employers Liability Coverage.

- **Pollution Liability (If Applicable) Insurance**

- Occurrence/Claims Made Limit: \$1,000,000 per project
- Insurance to be maintained for the duration of the work for a period of two years thereafter
- No Exclusions for Silica, Asbestos or Lead.
- Include Mold Coverage for full policy limit of liability.

- **Watercraft and Aircraft Liability (If Applicable):** If contractor utilizes any owned, used, leased, hired or borrowed watercraft or aircraft to complete their work in accordance with this Contract, the coverage shall be maintained.

Minimum Limits of Liability:

\$2,000,000	Per Occurrence
\$2,000,000	Aggregate

C. Indemnification

The Contractor shall protect, defend, indemnify and hold harmless the Commission, and their agents and employees from and against all liability (including liability for violation of any law or any common law duty), claims, damages, losses, and expenses including attorneys' fees arising in connection with, out of, or resulting from the performance of the work, provided that any such liability, claim, damage, loss or expense (i) is attributable to bodily injury, sickness, disease, or death, or to any statutory or regulatory rule designed to protect against such conditions, or to injury to or destruction of tangible property (other than the work itself), and including the loss of the use resulting there from, and (ii) is caused by or results from, in whole or in part, any act or omission of the Contractor, any Subcontractor, Sub-subcontractor(s), anyone direct or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless of whether or not it is also caused by or results from any act or omission of any party indemnified hereunder.

In any and all claims against the Commission or any of their agents or employees, by an employee of the Contractor, Subcontractor, or any Sub-subcontractor, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for any Contractor, Subcontractor or any Sub-subcontractor under Workmen's Compensation Acts, Disability Benefits Acts, or other Employee.

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. All cost data relating to this proposal should be kept separate from and not included in the Technical Submittal. 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-7 hereof; (ii) Cost Submittal, in response to Part II-8 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 as outlined in the Questionnaire section, Part V of this RFP. You must answer all questions in detail from the questionnaire in Part V of this RFP.

II-4. Prior Experience. Include experience in managing and administering Medicare Advantage plans. Experience shown should be work done by individuals who will be assigned to this project as well as that of your company. Experience 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. Provide three references of current employer groups, and three references of former employer groups of similar size and scope.

II-5. Personnel. Include the names of executive and professional personnel, analysts, auditors, researchers, programmers, consultants, etc., who will be engaged in the work and assigned to the Commission's account. Show where these personnel will be physically located during the time they are engaged in the work. For person's who will be on the Commission's account, include through a resume or similar document education and experience in managing and administering Medicare Advantage plans. Indicate the responsibilities each will have on the Commission's account (from implementation and beyond) and how long each has been with your company. Identify subcontractors you intend to use and the services they will perform.

II-6. Training. If appropriate, indicate recommended training of Commission personnel. Include the personnel to be trained, the number to be trained, duration of the program, place of training, curricula, training materials to be used, number and frequency of sessions, and number and level of instructors.

II-7. Commitment to Diversity and Inclusion

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 the Contract, in their Proposal. Proposed DBE/MBE/WBE firms must be certified by the Pennsylvania Unified Certification Program (www.paucp.com) at the time of the submission of the proposal. The utilization of disadvantaged, minority and women-owned businesses are encouraged and will be considered a factor in the evaluation determination.

If further information is desired concerning DBE/MBE/WBE participation, direct inquiries to the Pennsylvania Turnpike Commission's Contracts Administration Department by calling (717) 939-9551, Extension 4241.

II-8. 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, and on a CD-ROM, 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:

If any of the services/items listed below in Part II-8.A, numbers 2-16 below are *NOT INCLUDED* in your monthly premium(s), please provide details of the fees/costs as requested, below. If the service/item *IS ALREADY INCLUDED* in your monthly premium, so state.

A. COST BREAKDOWN

1. Monthly premium (per member per month)
 - i. Plans should be quoted on a fully-insured basis. Rates should be provided as National and State by Region and/or blended/mutualized rating structures and effective for a 12 month period, not qualified on enrollment deviations.
2. Riders offered (dental, vision, etc.)
3. Administration Fee
4. Network access
5. Utilization Management
6. Case Management
7. Hard copy directories
8. Retiree communication materials
9. Implementation

10. Special billing charges
 - i. Charge for direct bill to retiree, if available
 - ii. Charge for split bill to retiree/Commission, if available
11. Online services
12. Reporting and any custom or special reporting
13. HIPAA certificates
14. Creditable Coverage Notices
15. Broker/Consultant
16. Services other than what is listed above

B. ADDITIONAL COST ITEMS

1. If you are providing Performance Guarantees for any part of your proposal, please list the details of your performance guarantee.

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 shall be (a) timely received from a Proposer; and (b) properly signed by the Proposer.

III-2. Technical Nonconforming Proposals. The two (2) Mandatory Responsiveness Requirements set forth in Section III-1 above (a&b) are the only RFP requirements that the Commission will consider to be non-waivable. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in the proposal, (2) allow the Proposer to cure the nonconformity, or (3) consider the nonconformity in the evaluation of the proposal.

III-3. Proposal Evaluation. Proposals will be reviewed, evaluated, and rated by a Technical Evaluation Team (TET) of qualified personnel based on the evaluation criteria listed below. The TET will present the evaluations to the Professional Services Procurement Committee (PSPC). The PSPC will review the TET's evaluation and provide the Commission with the firm(s) determined to be highly recommended for this assignment.

The Commission will select the most highly qualified firm for the assignment or the firm whose proposal is determined to be most advantageous to the Commission by considering the TET's evaluation and the PSPC's determination as to each firm's rating. In making the PSPC's determination and the Commission's decision, additional selection factors may be considered taking into account the estimated value, scope, complexity and professional nature of the services to be rendered and any other relevant circumstances. Additional selection factors may include, when applicable, the following: geographic location and proximity of the firm, firm's Pennsylvania presence or utilization of Pennsylvania employees for the assignment; equitable distribution of work; diversity inclusion; and any other relevant factors as determined as appropriate by the Commission.

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-4. Evaluation Criteria. The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each proposal:

a. 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, and of the nature and scope of the work involved.

b. 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 comparable deliverables/services completed by the Proposer. This also includes the Proposer's financial ability to undertake a project of this size.

c. Soundness of Approach. Emphasis here is on the Proposer's responses to the Questionnaire section, Part V of this RFP, and methods for managing the service/project. 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.

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. Particular emphasis is placed on the qualifications of the project manager.

e. 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.

f. Commitment to Diversity and Inclusion (D/M/WBE) Participation. This refers to the inclusion of D/M/WBE firms, as described in Part II-7, Participation may 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 soliciting proposals from qualified Medicare Benefit Plan carriers to manage and administer Medicare Advantage products for the 2014 plan year, with the option of up to four (4) one-year renewable terms.

b. Specific. The Commission is soliciting Medicare Advantage proposals from qualified Medicare benefit plan carriers that are competitively priced and offer the retirees comprehensive coverage with value added services. The plan(s) must be available both with and without prescription drug coverage since there are segments of the Commission's retirees are not eligible for prescription coverage. The carrier must provide Human Resources staff with effective and efficient service.

IV-2. Nature and Scope of the Project.

Background:

The Pennsylvania Turnpike 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 Pennsylvania Turnpike Commission is a key transportation route within the Commonwealth of Pennsylvania and a vital link in the network of the eastern United States. The Pennsylvania Turnpike is 536 miles in length with 60 fare collection facilities, 20 service plazas and 2 welcome centers, 21 maintenance buildings, 8 police barracks and 5 tunnels. For more information go to www.paturnpike.com.

Currently there are over 2,100 active employees 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.

As of February 19, 2013, there were 1,116 retirees and spouses age 65 or over who are covered under our plans. Please note that not all retirees reside in Pennsylvania. You will need to refer to the census for the actual location in which they reside. The average number of new retirees in each of the last four years was 70 new Union retirees, 21 new Management retirees.

The age 65 or over population receiving retiree benefits consists of 659 retirees and 457 dependents (spouses/surviving spouses). The under age 65 population receiving retiree benefits consists of 398 retirees and 507 dependents (spouses/surviving spouses/dependents). Only the age 65 or over population is eligible to elect a Medicare Advantage plan; the under age 65 population is listed solely for projection purposes.

The Commission currently has four Medicare Advantage plans in place, with contracts set to expire December 31, 2013. The plans are fully-insured plans. The plans are listed below, with plan designs available in Appendix B:

- Two Highmark Freedom Blue Plans – one plan with prescription drug coverage, and one without (awarded the current contract in 2009 with effective date of 1/1/2010).
- Two Aetna Medicare PPO Plans – one plan with prescription drug coverage, and one without (awarded the current contract in 2009 with effective date of 1/1/2010 – plan in 2010 was a private fee for service plan, but changed to a PPO plan in 2011).

Additionally, the Commission has a Signature 65 Supplemental Plan through Highmark, contracted for a three-year term, which was effective January 1, 2013. **Therefore, we are not accepting proposals for a Medicare Supplemental Plan at this time.** We are accepting bids to continue Medicare Advantage plans so that the Commission can provide additional plan choices for its retiree population.

For retirees age 65 or over, the Commission pays a fixed amount towards the retirees' monthly premium(s) or pays the premiums(s) in full, based on the retirement date and the group.

Scope of Project:

Please provide a Medicare Medical Advantage Plan both with and without prescription drug coverage that closely matches the existing plans. We would like to also review other plan options that you have available in your Medicare Advantage portfolio. Alternative Medicare Supplemental plans will not be considered.

All retirees/spouses/dependents that are age 65 or older and are eligible for health benefits may elect these plans. Open enrollment is conducted at the end of each year in accordance with the timeline set forth by the Centers for Medicare & Medicaid Services.

Eligibility for retiree health benefit coverage is determined by Pennsylvania Turnpike Commission.

The Commission participates in the Drug Subsidy program with Medicare D for specified groups of retirees.

The Commission requires all age 65 and over retirees to be enrolled in Medicare Parts A and B.

Please note that more than one vendor may be awarded a contract due to network restrictions or coverage areas so that all retirees regardless of location can be offered a Medicare Advantage option.

IV-3. Requirements. The proposed Medicare Medical Advantage Plans with and without Prescription Drug coverage must be filed and approved by CMS, and follow all Federal, State, Commonwealth and Attorney General requirements. **You must submit a plan both with and without prescription coverage to be considered.**

IV-4. Tasks. The chosen vendor(s) must provide efficient, accurate and prompt implementation to ensure that the plan(s) selected are ready for Open Enrollment, and ready for Effective Date of January 1, 2014. Implementation includes but is not limited to the prompt attention to the following; notification to employees, plan set up in vendor's system, ID cards mailed, contract signed, interface set up (if applicable). Following implementation, plan(s) must be administered and managed accurately and effectively, claims must be processed accurately and swiftly, and customer service to both Human Resources and retirees must be accessible and reliable.

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 **weekly implementation** progress report 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 during implementation and beyond, 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.

d. **Final Report.** A report detailing all implementation activities and final enrollment in its completion.

IV-6. Timeline.

DESCRIPTOR	EXPECTED DATE
RFP Available for Issuance	March 19, 2013
Questions due to the Commission	April 2, 2013
Proposals due to the Commission	April 19, 2013
Vendor Award/Approval	July/August
Implementation	August - December
Contract Execution	August - December
Open Enrollment Mailing	October 15, 2013
Plan Effective Date	January 1, 2014

Any changes to the above timeline prior to the proposal due date will be at the discretion of the Commission and will be posted to the website. It is the responsibility of the Proposer to check the website for updates.

PART V
QUESTIONNAIRE

A. COMPANY BACKGROUND

Please include specific information regarding your company, such as:

1. Years in Group Medicare Business
2. Number of total Medicare Groups
3. Number of total Medicare Membership
4. Company financial information and ratings
5. Explain your future plans for Medicare Administration
6. Explain what differentiates you from your competitor
7. Pennsylvania presence

B. NETWORK

1. Describe your national network service area
2. Describe last three years turnover rate for providers and facilities
3. List any exceptions or restrictions
4. Based upon the Medicare retiree census data provided, identify any counties of the state in which you are filed to operate where your provider network may not have adequate capacity to meet the potential demand. What are your plans for expansion in those areas?
5. For the state of Pennsylvania, provide a listing of all acute care hospitals that are considered out-of-network hospitals in your Medicare Advantage PPO plans.
6. Indicate any areas where your network access does not meet the CMS-standard access requirements.
7. Please explain how emergencies are paid for an out-of-network provider and if there will be any balance bill to the participant
8. Regarding an emergency service for an out-of-network provider, once the participant is stabilized please explain the continuation of care process

C. CUSTOMER SERVICE

1. Include information regarding location, days, hours of operation
2. Describe employee experience and training requirements. Is there special training for working with retirees?
3. Provide background on key personnel
4. Provide statistical data with regard to:
 - i. Time to answer
 - ii. Abandonment rate
 - iii. Customer satisfaction rate
5. Please include a copy of your appeals process
6. Explain your policy if a retiree is in active continuous treatment (transition of treatment)

7. Please provide Performance Guarantees (Time to Answer Calls, Abandonment Rate, Customer Satisfaction Rate, etc.) and costs associated with performance guarantees shall be included in cost proposal only and not in technical proposal.

D. CLAIMS PROCESSING

1. Describe system capabilities
2. Are network, customer service notes and utilization management information integrated with claims system?
3. Provide statistical data relative to turnaround time and accuracy
4. How many Medicare claims were processed in 2012? What was their total dollar amount?
5. Advise if there will be any major system changes and how you will ensure minimal disruption to the participant
6. Please provide Performance Guarantees (Timeliness, Accuracy, etc.) and costs associated with performance guarantees shall be included in cost proposal only and not in technical proposal.
7. Explain your case management, utilization management and disease management programs indicating any additional costs associated with these items in the cost proposal only and not in technical proposal.

E. IMPLEMENTATION

1. Describe your implementation process and include a timeline of action items for the employer as well as the carrier
2. Will there be a minimum number of retirees that need to be enrolled in each plan?

F. BILLING

1. Describe your preferred billing process.
2. Is electronic billing available?
3. Is electronic enrollment available?
4. How far back does your company accept terminations and additions?
5. Advise if you can administer retiree billing (for the retiree portion of their contribution, if applicable) and reflect the costs associated with retiree billing in the cost proposal only and not in technical proposal. Please include your administration process.
6. Advise if you can administer a split billing (for The Commission's portion and the retiree's portion) and reflect the costs associated with split billing in the cost proposal only and not in technical proposal. Please include your administration process.

G. WEBSITE FEATURES

1. Describe your website features and available online services for the employer such as enrolls/terms/changes capabilities. Please include your future plans and timeline.
2. Describe your website features and available online services for the employee such as ordering a new ID card and directories. Please include your future plans and timeline.
3. Describe network search procedures.
4. Describe availability for online claims access for both employer and employee, and the ability to print Explanations of Benefits.

H. MISCELLANEOUS

1. Describe your experience with System, Applications and Products in Data Processing (SAP) system and confirm your ability to interface with SAP.
2. Explain what standard reports are available.
3. A retiree who is on a plan without prescription coverage can switch to a plan that includes prescription coverage and pay the additional premium. If the retiree had a lapse in coverage over 63 days what is your policy on administering the 1% penalty?
4. Please provide details regarding Value Added Services such as wellness discounts, vision and dental benefits and the costs associated with these Value Added Services shall be included in cost proposal only and not in technical proposal.
5. Please list and explain in detail any pre-existing condition clauses that apply.
6. Explain your audit process in detail and advise if you have been found to be Medicare noncompliant. Explain what corrective action was taken for being Medicare noncompliant, if applicable.
7. Advise on your willingness to attend Commission sponsored open enrollments or pre-retirement seminars.

I. CONFIRMATIONS

Please CONFIRM that you would agree to the following, below. Provide details/explanation if not able to confirm.

1. Retirees can change carriers at the beginning of each month as requested, in accordance with Medicare rules.
2. No employee is to experience a loss of coverage as a result of a change of carriers. Evidence of insurability will not be required of any individual on this plan.
3. Retiree communications that must be mailed to all eligible participants include but are not limited to; directories, benefits summaries, enrollment material, value added services, claims forms, etc. Retirees must receive plan information by October 15th of each year.
4. We expect 120 day notice for renewal rates.
5. The network should allow for significant access to quality medical providers in various states for the retiree population.
6. The plan(s) you are proposing replicate or closely match the Commission's current Medicare Advantage plan(s). Please provide details on any deviations from the current plan(s), clearly.

J. DOCUMENTS

Please provide the following documents as part of your submission:

- Most recent Certificate of Authority
- Contract
- Billing Statement
- Geo Access Report
- Directory
- Enrollment Forms
- New Enrollee Communications
- ID card sample

- HIPAA Certificate
- Creditable Coverage Notice
- Benefit Booklets/Summary of Benefits
- Explanation of Benefits (EOB)

Addendum No. 1

RFP # 13-10380-4112

Medicare Advantage Plans

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

REVISION

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

I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **12:00 PM local time on Thursday, November 29, 2012 Monday, April 29, 2013.** 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.

QUESTIONS & ANSWERS

Following are the answers to questions submitted in response to the above referenced RFP as of April 2, 2013. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Please provide a monthly claims summary for all currently enrolled eligibles for all plan designs offered, separated by plan. Please include medical and Rx claims as a separate line item with monthly membership corresponding to the claims provided.

Answer: Claims data for the Aetna Medicare plan cannot be provided since Aetna does not base their rates on the Commission's retiree population due to the lower enrollment in their plan. Additional claims data for the other plans can be found in the attached files titled "Highmark FreedomBlue Claims" and "Highmark Signature 65 Supplement Claims".

2. What is the intended offering environment? Will the new plan be in addition to the ones currently offered, or will it be a total replacement to the current offerings and the only plan available to Medicare eligible retirees?

Answer: The new plan(s) selected will be offered in addition to the Highmark Medicare Supplement plan currently in place. The Highmark FreedomBlue Medicare Advantage plan and the Aetna Medicare Advantage PPO plan cannot be automatically extended; they would have to be awarded a new contract through this RFP process in order for either of those plans to be offered.

3. Please provide additional details as to how the Pennsylvania Turnpike Commission will contribute towards the member premium (flat dollar amount or percentage) in 2014?

Answer: The Commission contributes a flat dollar amount towards the premiums for each retiree (some retirees do not have a contribution). Contribution amounts vary based on retirement date and employee group.

4. Please provide retiree contributions.

Answer: Retirees contribute different amounts based on retirement date and employee group. Contribution amounts will not be provided.

5. Are the identifiers on the census informing us of the Health Plan they are on? If so can you provide us a description of each code? If not can you provide us with a census of the retirees on the supplement plan?

Answer: Identifiers showing which plan the member is on were not on the original census. New census data showing persons on the Medicare Advantage plans has been provided in the attached files titled "Aetna Medicare PPO Census" and "Highmark FreedomBlue Census". Persons on the original census that are under 65 are on a Highmark PPO plan; any persons on the original census that are not listed in the new Medicare Advantage census, are on the Highmark Signature 65 Supplement plan.

6. Please provide current prescription formulary.

Answer: Prescription formularies can be found in the attached files titled "Aetna Medicare PPO RX Formulary" and "Highmark FreedomBlue RX Formulary".

7. Do retirees have a choice between MA and supplement plans? Does the retiree have a choice on what plan they can choose?

Answer: The retiree has a choice between Medicare Advantage and Medicare Supplement plans.

8. Please provide Medicare supplement claims data

Answer: Medicare supplement claims data can be found in the attached file titled "Highmark Signature 65 Supplemental Claims".

9. Are benefits Union negotiated?

Answer: The Medicare Advantage plan benefits are not union negotiated.

10. Why is the Commission out to Bid?

Answer: The Commission can typically only contract with a vendor for up to 5 years before the service must go out to bid again.

11. Please consider an extension of at least two weeks for the due date so that bidders have time to fully understand and work with the CMS recently released 2014 rates.

Answer: The Commission has extended the due date to April 29, 2013.

12. Page 4 says “Each proposal page should be numbered for ease of reference.” Does this mean you would like the proposal to be sequentially numbered? If yes, is it ok to number by section? Or does this mean that just a page number is required.

Answer: A page number is required. The page numbers can be numbered by section.

13. Please provide a copy of your current contract for the Highmark plan.

Answer: Contracts can only be provided through the Right to Know Law process. It will not be provided as a part of this RFP.

14. Can you please clarify your plans for using SAP? We have heard of SAP being utilized as a third party vendor for enrollment. Is this PA Turnpike’s intention as well?

Answer: The Commission currently uses SAP as its integrated software platform. Any interface files sent (if interface is utilized) would be sent to the selected vendor from SAP.

15. On Pg. 20, under Section H of the RFP, can we have this question clarified: “Describe your experience with System, Applications and Products in Data Processing (SAP) system and confirm your ability to interface with SAP.”

Answer: The Commission currently uses SAP as its integrated software platform. Any interface files sent (if interface is utilized) would be sent to the selected vendor from SAP. We are asking if you have any experience with clients who have also used SAP.

16. Can you please clarify the following question: Are you referring to “exceptions or restrictions” as our national network service area (which is question 1) OR the turnover rate for providers and facilities (which is question 2). Or something else?

Answer: In general, list any exceptions or restrictions to your network. Not available in certain areas? Restricted to only certain areas?

17. We noticed the census includes children and other eligibles under 65. Is it okay for these eligibles to be removed from the census?

Answer: They can be removed; the under 65 category was included for the vendor’s use for future trending of the retiree population reaching age 65.

18. Should our quotes be based on the entire census for each of the plans? The census does not include any indicators as to what carrier/plan the members are currently in (are they currently in the Highmark or Aetna plan and is the MA plan?)

Answer: It is impossible for the Commission to know which retiree may select which plan available each year. The entire census was provided so you could see the full group that would be eligible for the plan you are proposing (only the age 65 and over population listed on the census is eligible for the Medicare Advantage plans). Please see updated census data provided in the attached files titled “Aetna Medicare PPO Census” and “Highmark FreedomBlue Census”.

19. Does the plan sponsor subsidize the cost of medical and Rx coverage for Medicare beneficiaries? Spouses? If so, what dollar amount or percentage of the cost is paid by the plan sponsor?

Answer: The Commission contributes a flat dollar amount towards the premiums for each retiree (some retirees do not have a contribution). Contribution amounts vary based on retirement date and employee group.

20. Is the PTC willing to consider a Medicare Advantage HMO alongside other Medicare Advantage plans (PPO or PFFS)?

Answer: Yes, the Commission will consider all Medicare Advantage plans proposed.

21. How many 65 years old or older participants covered under the Medicare Products are still working? If any, can you break this down further into part-time versus full-time?

Answer: No persons over age 65 that are active employees are covered under the Medicare plans. They are covered under an active employee Highmark PPO. The Medicare plans are for retirees only.

22. Kindly provide current plan design(s) for the 2 Highmark Freedom Blue Plans and the 2 Aetna Medicare PPO plans.

- a. Please provide individual product rates for the past two years.
- b. Kindly provide the annual premium by product line for the past two years.

Answer: Plan designs were provided as Appendix B in the RFP. Plan rates are available as Appendix E in the RFP and are available by written request. Annual premium by product line can be derived using the monthly membership counts provided in Appendix C, in combination with the monthly premiums provided in Appendix E.

23. Is there any cost sharing for participants?

Answer: The Commission contributes a flat dollar amount towards the premiums for each retiree (some retirees do not have a contribution). Contribution amounts vary based on retirement date and employee group.

24. Please define the PA Turnpike Commission's ("the Commission") definition of eligibility.

Answer: Retirees will be eligible to enroll in Commission coverage if they retire with 20 years of service and are under age 60, or with 10 years of service and are age 60 or over. Regardless of age and years of service, the last 5 years of employment must be with the Commission. If this criterion is met, retirees and their eligible dependents are eligible for Commission coverage.

25. Please provide the percentage of retirees' residence by state (and/or country if applicable).

Answer: This can be derived from the census data available in Appendix F, by written request.

26. Please provide riders currently available to Medicare Products.

Answer: Riders that are on the plans are listed in the plan designs in Appendix B of the RFP.

27. Is the Commission also interested in providing a wellness program? Please identify which of the following are currently in place and which the Commission would like to implement in the future:

- a. Health risk assessment surveys
- b. Onsite Biometric Screenings
- c. Targeted Intervention/Health Coaching: Telephonic, Face to Face or Behavior Change, Mail based interventions, Online coaching
- d. Self-Directed interventions (online and / or workbook)
- e. Gym membership discounts and Fitness
- f. Smoking cessation
- g. Nutrition education
- h. Disease prevention
- i. Mental health programs, Hypertension education, Alcohol and substance abuse programs
- j. Stress Management

Answer: No.

28. Which Drug Subsidy program is the Commission currently using, Retiree Drug Subsidy (RDS) model or Employer Group Waiver Plan (EGWP)?

Answer: RDS.

29. Please provide most recent census (gender, date of birth, home zip, dependents, union retiree, management retiree)

Answer: Census data was provided in Appendix F of the RFP, and is available by written request.

30. Kindly confirm that Highmark and Aetna are the only incumbent carriers for this group.

Answer: Confirmed.

31. Who are the current prescription drug carriers and dental carriers?

Answer: Aetna is the Commission's current prescription carrier, and United Concordia is the Commission's current dental carrier. Not all retirees are eligible for these prescription or dental plans; that is why the Commission offers Medicare Advantage plans with or without prescription coverage, and also is interested in any riders that would be available.

32. Is there a broker/consultant helping to evaluate this RFP? If yes, who is the broker/consultant?

Answer: No.

33. Is the current broker/consultant paid by fees, commissions, or both?
- If a broker is involved, please provide the commission in an annual dollar amount and percentage.
 - If a consultant is involved, kindly provide the annual dollar fee amount.

Answer: No broker or consultant is involved with this RFP.

34. What forms of benefits communications are currently provided to participants, i.e. print, e-mail, IVR, internet/intranet, participant self-service? How many participants have access to e-mail?

Answer: The Commission communicates with the benefit participants via printed mail to their home address only. We do not have retiree email addresses.

35. We noted there are 110 locations and 3 administrative offices.
- How many participants per worksite?
 - How many of the worksites have facilities that could accommodate benefit fairs and/or group meetings? (For example conference rooms, meeting rooms, auditorium, and etc.)

Answer: Number of participants per worksite varies greatly. There will not be benefit fairs for the retiree population; they are sent open enrollment information by mail annually.

36. How many benefit fairs per year do you expect carrier participation?
- What date(s) are the benefit fair(s) conducted?
 - How many days and/or locations?
 - How many participants typically attend per location?
 - Any prominent secondary languages in your participant population (for example, Spanish)?
 - Are benefit meetings ever mandatory for participants to attend?

Answer: Carrier participation would be expected at our annual pre-retirement seminars. They are held in early fall and typically are 3 days. The 3 seminars are held at our administrative office; the Central Administration Building, Eastern Regional Office, and Western Regional Office. There is no prominent secondary language. It is not mandatory for participants to attend benefit meetings.

37. We noted that there are no specific DBE/MBE/WBE participation % goals listed. In the event that there are two proposals with relatively equal technical and pricing, and one proposal has meaningful DBE/MBE/WBE participation and one does not, which proposal will receive more favorable overall scoring by The Commission?

Answer: DBE/MBE/WBE is a selection criteria factor and will be considered in the process of selection of the vendor(s).

38. Page 15/21 of the RFP states that as of 2/19/13 there were 1116 retirees and spouses age 65 and over covered under the plans; however, appendix C shows there were only 329 contracts enrolled as of 1/1/13. Can you help us understand the discrepancy?

Answer: Appendix C shows ALL retirees and eligible dependents of the Commission. Some persons on the census are under age 65 (shown for your future trending purposes), some are enrolled on the Highmark Medicare Supplemental plan, some are enrolled on the Aetna Medicare PPO, and the remainder are the 329 contracts enrolled on the Highmark FreedomBlue plan, as listed in Appendix C.

39. Are the Medicare Advantage plans offered to all retirees, including those that have the Medicare Supplemental plan?

Answer: Yes.

40. If the offering of our Medicare Advantage products is limited to the central 21 counties of Pennsylvania, would the Turnpike still consider offering our products as an option to eligible retirees?

Answer: The Commission will consider all proposals submitted. However, if the Commission chooses one product that has limited network access, the Commission may choose another option as well so the retirees have an option that would cover their service area.

41. Due to the fact that plans and rates are not usually approved by CMS for the following plan year until the June timeframe, is the Turnpike expecting firm rates in the RFP response on April 19 and if not, when will the Turnpike expect them?

Answer: The due date for the RFP response has been extended to April 29, 2013. Vendors should propose firm rates. However, at its discretion, the Commission may request best and final offers in accordance with Section I-15 of the RFP.

All other terms, conditions and requirements of the original RFP dated March 19, 2013 remain unchanged unless modified by this Addendum.

Addendum No. 1

RFP # 13-10380-4112

Medicare Advantage Plans

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

REVISION

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

I-11. Response. To be considered, proposals must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **12:00 PM local time on Thursday, November 29, 2012 Monday, April 29, 2013.** 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.

QUESTIONS & ANSWERS

Following are the answers to questions submitted in response to the above referenced RFP as of April 2, 2013. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

1. Please provide a monthly claims summary for all currently enrolled eligibles for all plan designs offered, separated by plan. Please include medical and Rx claims as a separate line item with monthly membership corresponding to the claims provided.

Answer: Claims data for the Aetna Medicare plan cannot be provided since Aetna does not base their rates on the Commission's retiree population due to the lower enrollment in their plan. Additional claims data for the other plans can be found in the attached files titled "Highmark FreedomBlue Claims" and "Highmark Signature 65 Supplement Claims".

2. What is the intended offering environment? Will the new plan be in addition to the ones currently offered, or will it be a total replacement to the current offerings and the only plan available to Medicare eligible retirees?

Answer: The new plan(s) selected will be offered in addition to the Highmark Medicare Supplement plan currently in place. The Highmark FreedomBlue Medicare Advantage plan and the Aetna Medicare Advantage PPO plan cannot be automatically extended; they would have to be awarded a new contract through this RFP process in order for either of those plans to be offered.

3. Please provide additional details as to how the Pennsylvania Turnpike Commission will contribute towards the member premium (flat dollar amount or percentage) in 2014?

Answer: The Commission contributes a flat dollar amount towards the premiums for each retiree (some retirees do not have a contribution). Contribution amounts vary based on retirement date and employee group.

4. Please provide retiree contributions.

Answer: Retirees contribute different amounts based on retirement date and employee group. Contribution amounts will not be provided.

5. Are the identifiers on the census informing us of the Health Plan they are on? If so can you provide us a description of each code? If not can you provide us with a census of the retirees on the supplement plan?

Answer: Identifiers showing which plan the member is on were not on the original census. New census data showing persons on the Medicare Advantage plans has been provided in the attached files titled "Aetna Medicare PPO Census" and "Highmark FreedomBlue Census". Persons on the original census that are under 65 are on a Highmark PPO plan; any persons on the original census that are not listed in the new Medicare Advantage census, are on the Highmark Signature 65 Supplement plan.

6. Please provide current prescription formulary.

Answer: Prescription formularies can be found in the attached files titled "Aetna Medicare PPO RX Formulary" and "Highmark FreedomBlue RX Formulary".

7. Do retirees have a choice between MA and supplement plans? Does the retiree have a choice on what plan they can choose?

Answer: The retiree has a choice between Medicare Advantage and Medicare Supplement plans.

8. Please provide Medicare supplement claims data

Answer: Medicare supplement claims data can be found in the attached file titled "Highmark Signature 65 Supplemental Claims".

9. Are benefits Union negotiated?

Answer: The Medicare Advantage plan benefits are not union negotiated.

10. Why is the Commission out to Bid?

Answer: The Commission can typically only contract with a vendor for up to 5 years before the service must go out to bid again.

11. Please consider an extension of at least two weeks for the due date so that bidders have time to fully understand and work with the CMS recently released 2014 rates.

Answer: The Commission has extended the due date to April 29, 2013.

12. Page 4 says “Each proposal page should be numbered for ease of reference.” Does this mean you would like the proposal to be sequentially numbered? If yes, is it ok to number by section? Or does this mean that just a page number is required.

Answer: A page number is required. The page numbers can be numbered by section.

13. Please provide a copy of your current contract for the Highmark plan.

Answer: Contracts can only be provided through the Right to Know Law process. It will not be provided as a part of this RFP.

14. Can you please clarify your plans for using SAP? We have heard of SAP being utilized as a third party vendor for enrollment. Is this PA Turnpike’s intention as well?

Answer: The Commission currently uses SAP as its integrated software platform. Any interface files sent (if interface is utilized) would be sent to the selected vendor from SAP.

15. On Pg. 20, under Section H of the RFP, can we have this question clarified: “Describe your experience with System, Applications and Products in Data Processing (SAP) system and confirm your ability to interface with SAP.”

Answer: The Commission currently uses SAP as its integrated software platform. Any interface files sent (if interface is utilized) would be sent to the selected vendor from SAP. We are asking if you have any experience with clients who have also used SAP.

16. Can you please clarify the following question: Are you referring to “exceptions or restrictions” as our national network service area (which is question 1) OR the turnover rate for providers and facilities (which is question 2). Or something else?

Answer: In general, list any exceptions or restrictions to your network. Not available in certain areas? Restricted to only certain areas?

17. We noticed the census includes children and other eligibles under 65. Is it okay for these eligibles to be removed from the census?

Answer: They can be removed; the under 65 category was included for the vendor’s use for future trending of the retiree population reaching age 65.

18. Should our quotes be based on the entire census for each of the plans? The census does not include any indicators as to what carrier/plan the members are currently in (are they currently in the Highmark or Aetna plan and is the MA plan?)

Answer: It is impossible for the Commission to know which retiree may select which plan available each year. The entire census was provided so you could see the full group that would be eligible for the plan you are proposing (only the age 65 and over population listed on the census is eligible for the Medicare Advantage plans). Please see updated census data provided in the attached files titled “Aetna Medicare PPO Census” and “Highmark FreedomBlue Census”.

19. Does the plan sponsor subsidize the cost of medical and Rx coverage for Medicare beneficiaries? Spouses? If so, what dollar amount or percentage of the cost is paid by the plan sponsor?

Answer: The Commission contributes a flat dollar amount towards the premiums for each retiree (some retirees do not have a contribution). Contribution amounts vary based on retirement date and employee group.

20. Is the PTC willing to consider a Medicare Advantage HMO alongside other Medicare Advantage plans (PPO or PFFS)?

Answer: Yes, the Commission will consider all Medicare Advantage plans proposed.

21. How many 65 years old or older participants covered under the Medicare Products are still working? If any, can you break this down further into part-time versus full-time?

Answer: No persons over age 65 that are active employees are covered under the Medicare plans. They are covered under an active employee Highmark PPO. The Medicare plans are for retirees only.

22. Kindly provide current plan design(s) for the 2 Highmark Freedom Blue Plans and the 2 Aetna Medicare PPO plans.

- a. Please provide individual product rates for the past two years.
- b. Kindly provide the annual premium by product line for the past two years.

Answer: Plan designs were provided as Appendix B in the RFP. Plan rates are available as Appendix E in the RFP and are available by written request. Annual premium by product line can be derived using the monthly membership counts provided in Appendix C, in combination with the monthly premiums provided in Appendix E.

23. Is there any cost sharing for participants?

Answer: The Commission contributes a flat dollar amount towards the premiums for each retiree (some retirees do not have a contribution). Contribution amounts vary based on retirement date and employee group.

24. Please define the PA Turnpike Commission's ("the Commission") definition of eligibility.

Answer: Retirees will be eligible to enroll in Commission coverage if they retire with 20 years of service and are under age 60, or with 10 years of service and are age 60 or over. Regardless of age and years of service, the last 5 years of employment must be with the Commission. If this criterion is met, retirees and their eligible dependents are eligible for Commission coverage.

25. Please provide the percentage of retirees' residence by state (and/or country if applicable).

Answer: This can be derived from the census data available in Appendix F, by written request.

26. Please provide riders currently available to Medicare Products.

Answer: Riders that are on the plans are listed in the plan designs in Appendix B of the RFP.

27. Is the Commission also interested in providing a wellness program? Please identify which of the following are currently in place and which the Commission would like to implement in the future:

- a. Health risk assessment surveys
- b. Onsite Biometric Screenings
- c. Targeted Intervention/Health Coaching: Telephonic, Face to Face or Behavior Change, Mail based interventions, Online coaching
- d. Self-Directed interventions (online and / or workbook)
- e. Gym membership discounts and Fitness
- f. Smoking cessation
- g. Nutrition education
- h. Disease prevention
- i. Mental health programs, Hypertension education, Alcohol and substance abuse programs
- j. Stress Management

Answer: No.

28. Which Drug Subsidy program is the Commission currently using, Retiree Drug Subsidy (RDS) model or Employer Group Waiver Plan (EGWP)?

Answer: RDS.

29. Please provide most recent census (gender, date of birth, home zip, dependents, union retiree, management retiree)

Answer: Census data was provided in Appendix F of the RFP, and is available by written request.

30. Kindly confirm that Highmark and Aetna are the only incumbent carriers for this group.

Answer: Confirmed.

31. Who are the current prescription drug carriers and dental carriers?

Answer: Aetna is the Commission's current prescription carrier, and United Concordia is the Commission's current dental carrier. Not all retirees are eligible for these prescription or dental plans; that is why the Commission offers Medicare Advantage plans with or without prescription coverage, and also is interested in any riders that would be available.

32. Is there a broker/consultant helping to evaluate this RFP? If yes, who is the broker/consultant?

Answer: No.

33. Is the current broker/consultant paid by fees, commissions, or both?
- If a broker is involved, please provide the commission in an annual dollar amount and percentage.
 - If a consultant is involved, kindly provide the annual dollar fee amount.

Answer: No broker or consultant is involved with this RFP.

34. What forms of benefits communications are currently provided to participants, i.e. print, e-mail, IVR, internet/intranet, participant self-service? How many participants have access to e-mail?

Answer: The Commission communicates with the benefit participants via printed mail to their home address only. We do not have retiree email addresses.

35. We noted there are 110 locations and 3 administrative offices.
- How many participants per worksite?
 - How many of the worksites have facilities that could accommodate benefit fairs and/or group meetings? (For example conference rooms, meeting rooms, auditorium, and etc.)

Answer: Number of participants per worksite varies greatly. There will not be benefit fairs for the retiree population; they are sent open enrollment information by mail annually.

36. How many benefit fairs per year do you expect carrier participation?
- What date(s) are the benefit fair(s) conducted?
 - How many days and/or locations?
 - How many participants typically attend per location?
 - Any prominent secondary languages in your participant population (for example, Spanish)?
 - Are benefit meetings ever mandatory for participants to attend?

Answer: Carrier participation would be expected at our annual pre-retirement seminars. They are held in early fall and typically are 3 days. The 3 seminars are held at our administrative office; the Central Administration Building, Eastern Regional Office, and Western Regional Office. There is no prominent secondary language. It is not mandatory for participants to attend benefit meetings.

37. We noted that there are no specific DBE/MBE/WBE participation % goals listed. In the event that there are two proposals with relatively equal technical and pricing, and one proposal has meaningful DBE/MBE/WBE participation and one does not, which proposal will receive more favorable overall scoring by The Commission?

Answer: DBE/MBE/WBE is a selection criteria factor and will be considered in the process of selection of the vendor(s).

38. Page 15/21 of the RFP states that as of 2/19/13 there were 1116 retirees and spouses age 65 and over covered under the plans; however, appendix C shows there were only 329 contracts enrolled as of 1/1/13. Can you help us understand the discrepancy?

Answer: Appendix C shows ALL retirees and eligible dependents of the Commission. Some persons on the census are under age 65 (shown for your future trending purposes), some are enrolled on the Highmark Medicare Supplemental plan, some are enrolled on the Aetna Medicare PPO, and the remainder are the 329 contracts enrolled on the Highmark FreedomBlue plan, as listed in Appendix C.

39. Are the Medicare Advantage plans offered to all retirees, including those that have the Medicare Supplemental plan?

Answer: Yes.

40. If the offering of our Medicare Advantage products is limited to the central 21 counties of Pennsylvania, would the Turnpike still consider offering our products as an option to eligible retirees?

Answer: The Commission will consider all proposals submitted. However, if the Commission chooses one product that has limited network access, the Commission may choose another option as well so the retirees have an option that would cover their service area.

41. Due to the fact that plans and rates are not usually approved by CMS for the following plan year until the June timeframe, is the Turnpike expecting firm rates in the RFP response on April 19 and if not, when will the Turnpike expect them?

Answer: The due date for the RFP response has been extended to April 29, 2013. Vendors should propose firm rates. However, at its discretion, the Commission may request best and final offers in accordance with Section I-15 of the RFP.

All other terms, conditions and requirements of the original RFP dated March 19, 2013 remain unchanged unless modified by this Addendum.