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Governor

ANTHONY BROWN
Lieutenant Governor

T. ELOISE FOSTER
Secretary

DAVID C. ROMANS
Deputy Secretary

**Request for Proposals (RFP)
Group Long Term Care Insurance RFP - F10B1400014
Amended and Restated Addendum #5**

Ladies and Gentlemen:

This Amendment amends and restates in its entirety Addendum #5 previously issued on October 14, 2011. This Amendment is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all Offerors who respond to this RFP. Specific parts of the RFP have been amended. The following revisions /deletions / additions are listed below; new language has been double underlined and marked in bold (ex. **new language**) and language deleted has been marked with a strikethrough (ex. ~~language deleted~~).

1. Amend RFP Section 1.2 (Abbreviations and Definitions) to add new definition aa-1 as follows:

aa-1. Plan means the State's voluntary group participant pay-all Long Term Care insurance plan for Maryland State Employees, Retirees and eligible family members offered through the State Employee and Retiree Health and Welfare Benefits Program.

2. Amend RFP Attachment G-4 AR-58, AR-59, and AR-64k Administrative Requirements as follows:

AR-58	The Contractor agrees to provide necessary legal defense in the event of litigation related to the Plan. <u>arising from or relating to the performance of the Contractor or its subcontractors under this Contract.</u>
AR-59	The Contractor will cover all <u>necessary</u> costs associated with legal defense in the event of litigation. <u>arising from or relating to the performance of the Contractor or its subcontractors under this Contract.</u>
AR-64	The Contractor agrees to comply with HIPAA privacy standards, 45 CFR Parts 160 and 164, including the following: a.) The Contractor shall not use or disclose PHI except to fulfill the requirements of this RFP and the contract. In doing so, the Contractor shall use, disclose or request the minimum amount of PHI necessary and act in compliance with §164.502(b) as if a covered entity. Further, the Contractor shall use limited data sets when possible and comply with DHHS guidance in determining minimum necessary standards to accomplish intended use, purpose or disclosure as if a covered entity.

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<p>b.) The Contractor shall implement and use appropriate and reasonable administrative, physical and technical safeguards to prevent Use or Disclosure of PHI other than (1) as provided in this RFP and the contract, (2) permitted by the HIPAA Privacy Regulation for a Covered Entity, and (3) permitted by the Medical Records Act. In the event that the HIPAA Privacy Regulation and the Medical Records Act conflict regarding the degree of protection provided for PHI, the Contractor shall comply with the more restrictive protection requirements.</p>
<p>c.) The Contractor shall report to the State any Use or Disclosure of PHI that is not permitted within 10 days of when the Contractor becomes aware of such Use and Disclosure.</p>
<p>d.) The Contractor shall use reasonable efforts to mitigate the effect of any Use or Disclosure of PHI known to Contractor that is not permitted.</p>
<p>e.) The Contractor shall comply with the administrative requirements of 45 CFR § 164.530 as if the Contractor were the Covered Entity in relation to the plan.</p>
<p>f.) The Contractor shall ensure that any agent, including a subcontractor, to whom it provides PHI received from, created by, or received by the Contractor agrees to the same restrictions and conditions that apply to the Contractor with respect to such information. This obligation shall apply in connection with PHI created, retained, used, disclosed, or transmitted in connection with the long term care plan(s) administered by the Contractor.</p>
<p>g.) The Contractor shall provide a Notice of Privacy Practices to all individuals enrolled in the long term care plan in compliance with 45 CFR §164.520 as if the Contractor were the Covered Entity with regard to the plan.</p> <p>(1) This Notice of Privacy Practices shall comply with the requirements of 45 CFR §164.520 as if the Contractor were the Covered Entity with regard to the plan.</p> <p>(2) A copy of this Notice of Privacy Practices shall be provided to the State with certification that the notice has been provided to the Members.</p>
<p>h.) The Contractor shall permit an individual enrolled in the long term care plan to request restricted Uses and Disclosures of PHI related to that individual in accordance with 45 CFR §164.522(a)(1)(i). The Contractor shall comply with 45 CFR §164.522(a)(1)(iii)-(iv) and HI-TECH §13.405(a) in the event that a request for restricted Uses and Disclosures is granted as if the Contractor were the Covered Entity with regard to the plan. The Contractor may refuse such request to restrict Uses and Disclosures or terminate a restriction on Uses and Disclosures provided that the Contractor complies with the provisions of 45 CFR §164.122(a)(1)(ii), §164.522(a)(2)-(3) and HI-TECH §13.405(a) as if the Contractor were the Covered Entity with regard to the plan.</p>
<p>i.) The Contractor shall accommodate reasonable requests by individuals enrolled in the long term care plan or by the State on behalf of such individuals to receive confidential communications in compliance with 45 CFR §164.522(b)(ii) as if the Contractor were the Covered Entity with regard to the plan. The Contractor may condition providing confidential communications as permitted by 45 CFR §164.522(b)(2).</p>
<p>j.) The Contractor shall maintain PHI in a Designated Record Set and make available to an individual the PHI relating to that individual in compliance with 45 CFR §164.524 as if the Contractor were the Covered Entity with regard to the long term care plan.</p>
<p>k.) The Contractor shall make available for amendment and amend PHI at the request of the State or the individual to whom the PHI relates in compliance with 45 CFR §164.526 as if the Contractor were the Covered Entity with regard to the long term care plan.</p>
<p>l.) Contractor shall document and track Disclosures and provide an accounting of Disclosures of PHI to the individual about whom it relates in compliance with 45 CFR §165.528 as if the Contractor were the Covered Entity with regard to the long term care plan.</p>
<p>m.) The Contract shall make internal practices, books and records, including privacy and confidentiality policies and procedures and PHI, available to the State and the Federal Department of Health and Human Services, for purposes of determining whether the State is compliant with the HIPAA Privacy Regulation in the</p>

administration of the long term care plan.
n.) Upon termination of the Contract, for any reason, the Contractor shall maintain all records created under the Contract as required by the Contract and shall extend the protections of the HIPAA privacy standards to the PHI contained in those records for so long as the Contractor maintains the PHI. All such records containing PHI shall be destroyed at the expiration of the record retention period required by the Contract or, if retained by the Contractor, protected, used and disclosed only in accordance with this RFP and the Contract.
o.) The Contractor shall provide a certification to the State that the Contractor's HIPAA Privacy Standards obligations have been met, to occur no more frequently than quarterly, upon the State's request for certification.
p.) The Contractor shall disclose PHI to the State and to the State's agents for the State's use in treatment, payment and long term care operations related to the plan, and the State's other plans.
q.) The Contractor may Disclose PHI as required by law in compliance with 45 CFR §164.512.
r.) The Contractor may Use and Disclose PHI to conduct data aggregation services as permitted by 45 CFR §164.501 and §164.504(e)(2)(i)(B).
s.) The Contractor may Use and Disclose PHI for the proper management and administration of the Contractor or to carry out its legal responsibilities as permitted by 45 CFR §164.504(e)(4), provided that: (a) such Uses and Disclosures would be permitted by the HIPAA Privacy Regulation if the Contractor were a Covered Entity regulated by the HIPAA Privacy Regulation and (b) the Contractor obtains reasonable written assurances from the person, agency, or entity to which such Disclosures are made that all PHI will remain confidential and be Used or Disclosed further only as required by law, for the purposes of Disclosure by the Contractor, and the person, agent or entity notifies the Contractor of any instances in which the confidentiality of the PHI has been breached.
t.) The Contractor may Use or Disclose PHI to report violations of the law to appropriate State and Federal authorities consistent with 45 CFR §164.502(j).
u.) The Contractor may Disclose PHI in response to an authorization executed by the individual who is the subject of the PHI or that's individual's personal representative in accordance with 45 CFR §502(g) and 45 CFR §164.508.

3. Amend RFP Attachment G-3 “Additional Plan Information” Plan Design chart as follows:

Additional Plan Information	Current			
	Plan 1	Plan 2	Plan 3	Plan 4
Nursing Home Care and Assisted Living Facility Daily Maximum	\$85	\$100	\$150	\$200
Bed Reservation	\$85	\$100	\$150	\$200
21 Day Benefit Limit Per Calendar Year	\$1,785	\$2,100	\$3,150	\$4,200
Home and Community Based Care Benefits Daily Maximum	\$43 <u>\$42.50</u>	\$50	\$75	\$100
Additional Benefits				
Hospice Care Daily Maximums	\$85	\$100	\$150	\$200
Respite Care Daily Maximums	\$85	\$40 <u>\$100</u>	\$250	\$200
21 Day Calendar Year Benefit Limit	\$1,785	\$2,100	\$3,150	\$4,200

100 Day Lifetime Benefit Limit	\$8,500	\$10,000	\$15,000	\$20,000
Independence Support Lifetime Benefit Limit	\$4,250	\$5,000	\$7,500	\$10,000
Caregiver Training Lifetime Benefit Limit	\$500	\$500	\$500	\$500
Private Care Management Calendar Year Benefit Limit	\$1,020	\$1,200	\$1,800	\$2,400
LIFETIME MAXIMUM - Maximum Benefit Period				
Three (3) Years	\$93,075	\$109,500	\$164,250	\$219,000
Six (6) Years	\$186,250 <u>\$186,150</u>	\$219,000	\$328,500	\$438,000

Date Issued: October 27, 2011

By
Joy Epstein

Procurement Officer