

**STATE OF MARYLAND**  
**Request for Proposals**  
**Group Long Term Care Insurance**  
**Solicitation No. F10B1400014**



**DEPARTMENT OF**  
**BUDGET & MANAGEMENT**

**Employee Benefits Division**  
**Issue Date: June 15, 2011**

**NOTICE**

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

# STATE OF MARYLAND

To help us improve the quality of State solicitations and make our procurement process more responsive and business-friendly, we ask that you take a few minutes to complete this form. Please return your comments with your proposal. If you have chosen not to submit a proposal, please fax this completed form to (410) 974-3274 to the attention of Joy Epstein.

**Project Number: F10B1400014**

**Entitled: Group Long Term Care Insurance**

I. If you are not bidding, please indicate why:

- Other commitments preclude our participation at this time.
- The subject of the Contract is not in our business line.
- We lack experience in the work/commodities required.
- The scope of work is beyond our current capacity.
- We cannot be competitive. (Please explain below.)
- The specifications are either unclear or too restrictive. (Please explain below.)
- Bid/proposal requirements, other than specifications, are unreasonable or too risky. (Please explain below.)
- Time for completion is insufficient.
- Bonding/insurance requirements are prohibitive. (Please explain below.)
- Doing business with government is simply too complicated.
- Prior experience with State of Maryland Contracts was unprofitable or otherwise unsatisfactory. (Please explain below.)
- Other: \_\_\_\_\_

II. Please explain your response further, offer suggestions or express concerns.

Remarks:

---

---

---

---

---

OPTIONAL:

Vendor Name: \_\_\_\_\_ Date: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Address or Email: \_\_\_\_\_

**THANK YOU**

# STATE OF MARYLAND

**KEY INFORMATION SUMMARY SHEET  
STATE OF MARYLAND  
Request for Proposals  
GROUP LONG TERM CARE INSURANCE  
SOLICITATION NUMBER F10B1400014**

**RFP Issue Date:** June 15, 2011  
**RFP Issuing Office:** Department of Budget and Management  
Employee Benefits Division (EBD)

**Procurement Officer:** Ms. Joy Epstein  
Office Phone: (410) 260-7570  
Fax: (410) 974-3274  
e-mail: jepstein@dbm.state.md.us

**Proposals are to be sent to:** Department of Budget and Management  
45 Calvert Street, Room 143  
Annapolis, MD 21401  
Attention: Joy Epstein

**Pre-Proposal Conference:** June 24, 2011  
10:00 AM (Local Time)  
Main Lobby Auditorium  
State Office Complex  
300 West Preston Street  
Baltimore, MD 21201

**Closing Date and Time:** July 15, 2011 2:00 PM (Local Time)

## **NOTE**

Prospective Offerors who have received this document from the Department of Budget and Management's web site or eMarylandMarketplace.com, or who have received this document from a source other than the Procurement Officer, and who wish to assure receipt of any changes or additional materials related to this RFP, should immediately contact the Procurement Officer and provide their name and mailing address so that amendments to the RFP or other communications can be sent to them.

# TABLE OF CONTENTS

## **SECTION 1: GENERAL INFORMATION**

1.1	Summary Statement .....	1
1.2	Abbreviations and Definitions .....	1
1.3	Scope.....	4
1.4	Contract Type.....	4
1.5	Contract Duration.....	4
1.6	Procurement Officer.....	4
1.7	Contract Manager.....	4
1.8	Pre-Proposal Conference .....	5
1.9	Proposals Due (Closing) Date.....	5
1.10	Questions.....	5
1.11	Minority Business Enterprises Notification.....	6
1.12	Minority Business Enterprises .....	6
1.13	Multiple or Alternate Proposals .....	7
1.14	Cancellations, Acceptance, Minor Irregularities and Discussions.....	8
1.15	Oral Presentation.....	8
1.16	Duration of Offer .....	8
1.17	Public Information Act Notice.....	8
1.18	Arrearages .....	8
1.19	Bid/Proposal Affidavit .....	8
1.20	Contract Affidavit .....	9
1.21	Procurement Method.....	9
1.22	Mandatory Contractual Terms .....	9
1.23	Protests/Disputes.....	9
1.24	Revisions to the RFP.....	9
1.25	eMarylandMarketplace .....	9
1.26	Incurred Expenses .....	10
1.27	Economy of Preparation .....	10
1.28	Offeror Responsibilities .....	10
1.29	Verification of Registration and Tax Payment .....	10
1.30	False Statements.....	11
1.31	Payments by Electronic Funds Transfer .....	11
1.32	Living Wage Requirements .....	11
1.33	Data Transfer via Electronic File Transfers.....	12
1.34	Electronic Procurement Transactions .....	12
1.35	Prompt Payment to Subcontractors.....	13

**SECTION 2: OFFEROR MINIMUM QUALIFICATIONS** ..... 14

**SECTION 3: SCOPE OF WORK**

3.1 Background ..... 16

3.2 Plan Design ..... 17

3.2.1 Benefit Eligibility..... 17

3.3 Scope of Work ..... 18

3.3.1 Performance Requirements and Specifications ..... 18

3.3.2 Services ..... 18

3.3.3 Claims Processing and Payment ..... 19

3.3.4 Reporting..... 19

3.3.5 Compliance with Mandates and Standards ..... 19

3.3.6 Insurance Requirements..... 19

3.4 Project Milestones and Due Dates ..... 20

**SECTION 4: PROPOSAL FORMAT**

4.1 Two Part Submission ..... 21

4.2 Proposals ..... 21

4.3 Submission ..... 21

4.4 Format of Volume I – Technical Proposal..... 21

4.4.1 Transmittal Letter..... 21

4.4.2 Title and Table of Contents..... 21

4.4.3 Executive Summary ..... 22

4.4.4 Attachments Requiring Completion ..... 22

4.4.5 Technical Proposal..... 22

4.5 Format of Volume II - Financial Proposal..... 25

**SECTION 5: EVALUATION CRITERIA AND SELECTION PROCEDURE**

5.1 Evaluation Criteria ..... 27

5.2 Technical Criteria..... 27

5.3 Financial Criteria ..... 27

5.4 Reciprocal Preference ..... 27

5.5 Selection Procedures..... 28

## ATTACHMENTS

Attachment	File Name
Attachment A: Contract	2. LTC_Wrap_Attachments_MSWord.doc
Attachment B: Bid/Proposal Affidavit	2. LTC_Wrap_Attachments_MSWord.doc
Attachment C: Contract Affidavit	2. LTC_Wrap_Attachments_MSWord.doc
Attachment D: Minority Business Enterprise Participation	2. LTC_Wrap_Attachments_MSWord.doc
Attachment D-1: MDOT Certified MBE Utilization and Fair Solicitation Affidavit	
Attachment D-2: Outreach Efforts Compliance Statement	
Attachment D-3: Subcontractor Project Participation Certification	
Attachment D-4: Minority Business Enterprise Participation (Prime Contractor Paid/Unpaid MBE Invoice Report)	
Attachment D-5: Minority Business Enterprise Participation (Subcontractor Paid/Unpaid MBE Invoice Report)	
Attachment E: Electronic Funds Transfer (EFT) Registration Request Form	2. LTC_Wrap_Attachments_MSWord.doc
Attachment F: Central Payroll Bureau Electronic Data Transmission Policy	2. LTC_Wrap_Attachments_MSWord.doc
Attachment G: Technical Proposal	3. LTC_Attachment_G_Technical_MSExcel.xls
Attachment G-1: Minimum Requirements	
Attachment G-2: Offeror Information	
Attachment G-3: Plan Design	
Attachment G-4: Administrative Requirements	
Attachment G-5: Questionnaire	4. LTC_Attachment_G-5_Questionnaire_MSWord.doc
Attachment G-6: Subcontractor Questionnaire	5. LTC_Attachment_G-6_Subcontractor_MSWord.doc
Attachment G-7: Deviations	6. LTC_Attachment_G-7_Deviations_MSWord.doc
Attachment H: Financial Proposal	7. LTC_Attachment_H_Financial_MSExcel.xls
Attachment I: Long Term Care Payment Procedure	2. LTC_Wrap_Attachments_MSWord.doc

Attachment	File Name
Attachment J: Enrollment Deduction File Layout	2. LTC_Wrap_Attachments_MSWord.doc
Attachment K: Living Wage Requirements for Service Contracts	2. LTC_Wrap_Attachments_MSWord.doc
Attachment K-1: Affidavit of Agreement	2. LTC_Wrap_Attachments_MSWord.doc
Attachment L: Preproposal Conference Response	2. LTC_Wrap_Attachments_MSWord.doc
Attachment M: Demographic Information on Eligible Participants	2. LTC_Wrap_Attachments_MSWord.doc

## SECTION 1 - GENERAL INFORMATION

### 1.1 Summary Statement

The Department of Budget and Management is issuing this Request for Proposals (RFP) for Long Term Care Insurance for Maryland State Employees, Retirees and eligible family members. The State of Maryland is seeking an insurer to provide an equitable, affordable program of insurance for long term care services that proactively addresses the ever-changing and varied needs of its employees.

Please note that Gabriel, Roeder, Smith and Company and Managed Care Advisors, as the State's benefits consultants, are assisting the State in this procurement.

### 1.2 Abbreviations and Definitions

For purposes of this RFP, the following abbreviations or terms have the meanings indicated below:

- a. **Activities of Daily Living (ADLs)** are defined as follows:
  - Bathing – Washing oneself by sponge bath, or in either a tub or shower, including the task of getting into or out of the tub or shower.
  - Continence – The ability to maintain control of bowel and bladder function or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for catheter or colostomy bag).
  - Dressing – Putting on and taking off all items of clothing and any necessary braces, fasteners or artificial limbs.
  - Eating – Feeding oneself by getting food into the body from a receptacle (such as a plate, cup or table) or by feeding tube or intravenously.
  - Toileting – Getting to and from the toilet, getting on and off the toilet, and performing associated personal hygiene.
  - Transferring – Sufficient mobility to move into or out of a bed, chair or wheelchair or to move from place to place, either by walking, using a wheelchair or by other means.
- b. **Assisted Living Facility** - an assisted living facility that is licensed by the appropriate agency (if required) to provide ongoing care and services to a minimum of 10 inpatients in one location.
- c. **Benefit Duration** - the 3 year or 6 year length of time participants purchase to receive benefits at the long-term care facility or nursing home facility level.
- d. **Cognitive Impairment** - A deficiency in an individual's short or long-term memory, orientation as to person, place, and time, deductive or abstract reasoning, or judgment as it relates to safety awareness
- e. **COMAR** means Code of Maryland Regulations. COMAR is found on-line at <http://www.dsd.state.md.us/comar/comar.aspx>.
- f. **Contract** means the Contract between the State and the Contractor for the provision of services solicited by this RFP as Attachment A.



## SECTION 1 - GENERAL INFORMATION

- g. **Contractor** means the successful Offeror awarded a Contract pursuant to this procurement.
- h. **Contractual Employee** means a non-permanent employee of the State of Maryland who is not eligible for State subsidy of benefits, but is eligible to enroll in the State of Maryland Employee and Retiree Health and Welfare Benefits Program, paying full premium costs.
- i. **CPB** means the State of Maryland Central Payroll Bureau.
- j. **DBM** means the Department of Budget and Management.
- k. **Dependent** means an eligible Spouse, Same-Sex Domestic Partner, Dependent Child, and Dependent Child of the Same-Sex Domestic Partner, as those terms are defined in COMAR 17.04.13 in connection with establishing eligibility for coverage in the State Employee and Retiree Health and Welfare Program and the Plan. *See* [http://www.dsd.state.md.us/comar/SubtitleSearch.aspx?search=17.04.13.\\*](http://www.dsd.state.md.us/comar/SubtitleSearch.aspx?search=17.04.13.*)
- l. **Direct Pay Enrollee** means an individual who is billed directly by the Department of Budget and Management for selected benefits, including COBRA Participants, Leave of Absence Participants, Contractual Employees and Part-Time Employees.
- m. **EBD** means Employee Benefits Division.
- n. **EDI** means Electronic Data Interface.
- o. **FMLA** means Family Medical Leave Act.
- p. **FTE** means Full-Time Equivalent.
- q. **HIPAA** means Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated pursuant thereto, specifically the administration simplification provisions relating to the privacy and security of protected health information, the electronic exchange of health information, standard data transaction codes and code sets, and national unique identifiers. The term HIPAA includes reference to the Health Information Technology for Economic and Technical Health Act, which is Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, Pub L.11-5, to the extent that those provisions amend or provide for administrative, privacy and security requirements for HIPAA covered entities and business associates.
- r. **HI-TECH Act** means Subtitle D of the Health Information Technology for Economic and Clinical Health Act, which is Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.
- s. **Leave of Absence** means the period of time a permanent employee has elected non-paid leave of absence from State of Maryland employment. During this time, the employee is not eligible for State subsidy of benefits (unless the leave is authorized FMLA leave), but is eligible to continue participation in certain benefits provided by the State of Maryland while on a leave of absence.
- t. **Local Time** means Eastern Time as observed in the State of Maryland.
- u. **MBE** means a Minority Business Enterprise that is certified as such by the Maryland Department of Transportation.

## SECTION 1 - GENERAL INFORMATION

- v. **Member** means an employee, former employee or retiree (including Satellite and Direct Pay) who are enrolled in the State of Maryland Benefits Program pursuant to COMAR 17.04.13.03.
- w. **Nonforfeiture Benefit (Shortened Benefit Period)** - If a participant's coverage lapses due to nonpayment of premium after their coverage has been in force for five years, the participant will be eligible for a Nonforfeiture Benefit. This means the participant's coverage will continue in force with the same level of benefits, except for a reduction in the Lifetime Maximum Amount.
- x. **Offeror** means a vendor who responds to the RFP by submitting a proposal to provide the requested services.
- y. **Optional Inflation Protection (compound uncapped)** - the participant's monthly benefit will increase each year on the Policy Anniversary by 5% of the original Monthly Benefit. Increases will be automatic and will occur regardless of the participant's health whether or not the participant is disabled. The participant's premium will not increase due to automatic increases in their Monthly Benefit.
- z. **Participant** means all eligible individuals (including Members and Dependents including family members, spouses, adult children, siblings, parents (in-laws included) and grandparents (in-laws included). who are enrolled in or receiving services through the plan.
- aa. **Part-Time Employee** means a permanent employee who works less than fifty percent of the standard workweek and is not eligible for state subsidy of benefits, but is eligible to enroll in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
- bb. **Plan Year** means the 12-month period beginning July 1 and ending June 30 of the next calendar year.
- cc. **Professional Home Care** - includes visits to a participant's home by a Home Health Care Provider during which skilled nursing care, physical, respiratory, occupational, dietary or speech therapy, or homemaker service is provided.
- dd. **Respite Care** - formal care provided to a participant for a short period of time to allow the participant's informal caregiver a break from their care giving responsibilities. If the participant is eligible for a home care monthly benefit but benefits have not yet become payable, payments will be made to the participant for each day the participant receives respite care for up to 15 days each calendar year. The amount of the participant's payment will equal 1/30th of the participant's home care monthly benefit for each day that the participant receives respite care.
- ee. **RFP** means this Request for Proposals for Long Term Care Insurance.
- ff. **Satellite Account Employee** means an employee of a political subdivision, agency, commission, or organization that is permitted by Maryland law to participate in the State of Maryland Employee and Retiree Health and Welfare Benefits Program.
- gg. **State** means the State of Maryland.
- hh. **Subcontractor** means an organization or entity that the Offeror plans to utilize for the purposes of services covered under this Contract.

## SECTION 1 - GENERAL INFORMATION

- ii. **TTY/TDD** means a telephone device used by hearing impaired individuals whereby they communicate via telephone connected to a keyboard and screen.

### 1.3 Scope

The State is soliciting proposals for one vendor to provide voluntary group Long Term Care insurance for all eligible participants as described in the RFP. This is a **participant pay-all** plan. The State's contract with the current LTC vendor expires on June 30, 2012. The vendor who is awarded the Contract pursuant to this RFP will be required to provide benefits coverage with an effective date of coverage beginning July 1, 2012, and begin the necessary implementation immediately upon contract award

### 1.4 Contract Type

The contract that results from this RFP shall be a fixed unit price, indefinite quantity contract as provided in COMAR 21.06.03.02A (2) and 21.06.03.06A (2).

### 1.5 Contract Duration

The period for selling insurance under the contract resulting from this RFP shall be for a period of about five (5) years beginning upon award of the contract (approximately January 2012). The term of the contract shall include five (5) plan years beginning July 1, 2012. Premium payments will coincide with the July 1, 2012 plan effective date and in accordance with Attachment I: Group Long Term Care Payment Procedure.

### 1.6 Procurement Officer

The sole point of contact at the State for purposes of this RFP, prior to the award of any Contract, is the Procurement Officer at the address listed below:

Joy Epstein  
Department of Budget and Management  
45 Calvert Street/ First Floor  
Annapolis, Maryland 21401  
Telephone #: (410) 260-7570  
Fax #: (410) 974-3274  
E-mail: jepstein@dbm.state.md.us

DBM may change the Procurement Officer at any time by written notice.

### 1.7 Contract Manager

The Contract Manager is:

Anne Timmons  
Employee Benefits Division  
301 West Preston Street, Room 510  
Baltimore, Maryland 21201  
Telephone: 410-767-4710

## SECTION 1 - GENERAL INFORMATION

Fax: 410-333-7122

E-mail: [atimmons@dbm.state.md.us](mailto:atimmons@dbm.state.md.us)

DBM may change the Contract Manager at any time by written notice.

### 1.8 Pre-Proposal Conference

A Pre-Proposal Conference will be held on **June 24, 2011** beginning at **10:00 AM** at the State Office Complex Auditorium, located on the first floor of the 300 West Preston St. Baltimore, Maryland. Attendance at the Pre-Proposal Conference is not mandatory, but all interested Offerors are encouraged to attend in order to facilitate better preparation of their proposals. In addition, attendance may facilitate the Offeror's understanding and ability to meet the State's Minority Business Enterprise (MBE) goals.

As promptly as is feasible subsequent to the Conference, a summary of the Pre-Proposal Conference and all questions and answers known at that time will be distributed, free of charge, to all prospective Offerors known to have received a copy of this RFP.

In order to assure adequate seating and other accommodations at the Pre-Proposal Conference, please submit the Pre-Proposal Conference Response Form to the attention of Joy Epstein, preferably via e-mail at [jepstein@dbm.state.md.us](mailto:jepstein@dbm.state.md.us), or via facsimile at (410) 974-3274 with such notice no later than 2:00 PM Local Time June 21, 2011. The Pre-Proposal Conference Response Form is included as **Attachment L: Pre-Proposal Conference Response**. In addition, if there is a need for sign language interpretation and/or other special accommodations due to a disability, please contact the Procurement Officer no later than June 21, 2011.

### 1.9 Proposals Due (Closing) Date

An unbound original and five (5) bound copies of each proposal (technical and financial) shall be received by the Procurement Officer, at the address listed in **Section 1.6: Procurement Officer**, no later than 2:00 PM (Local Time) on July 15, 2011 in order to be considered. Three electronic versions (CDs) of the Technical Proposal in MS Word or Excel format shall be enclosed with the original Technical Proposal. Three electronic versions (CDs) of the Financial Proposal in Excel format shall be enclosed with the original Financial Proposal. Ensure that the CDs are labeled with the RFP title, RFP project number and Offeror name and packaged with the original copy of the appropriate proposal (technical or financial).

Requests for extension of this date or time will not be granted. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Procurement Officer. Except as provided in COMAR 21.05.02.10, proposals received by the Procurement Officer after the due date, July 15, 2011 at 2:00 PM (Local Time) will not be considered.

Proposals may not be submitted by e-mail or facsimile.

### 1.10 Questions

Written questions from prospective Offerors will be accepted by the Procurement Officer prior to the Pre-Proposal conference. As reasonably possible and appropriate, such questions will be answered at the Pre-Proposal conference (no substantive question will be answered prior to the

## SECTION 1 - GENERAL INFORMATION

Pre-Proposal conference). Questions may be submitted by mail, facsimile, or preferably, by e-mail to the Procurement Officer. Questions, both oral and written, will also be accepted from prospective Offerors attending the Pre-Proposal Conference. As reasonably possible and appropriate, these questions will be answered at the Pre-Proposal Conference, or shortly thereafter.

Questions will also be accepted subsequent to the Pre-Proposal Conference and should be submitted in a timely manner prior to the proposal due date to the Procurement Officer. The Procurement Officer, based on the availability of time to research and communicate an answer, shall decide whether an answer can be given before the proposal due date. Time permitting, answers to all substantive questions that have not previously been answered, and are not clearly specific only to the requestor, will be distributed to all Offerors who are known to have received a copy of the RFP.

### 1.11 Minority Business Enterprises Notification

MBE vendors are encouraged to obtain certification from the Office of Minority Business Enterprise. All questions related to certification should be directed to the Office of Minority Business Enterprise.

Maryland Department of Transportation (MDOT)  
Office of Minority Business Enterprise  
7201 Corporate Center Drive  
Hanover, Maryland 21076  
(410) 865-1269 or 1-800-544-6056  
TTY (410) 865-1342  
<http://www.marylandtransportation.com>

If the Offeror is a certified minority Contractor, it should be so indicated with the certification number in the Technical Proposal.

### 1.12 Minority Business Enterprises

A Minority Business Enterprise (MBE) subcontractor participation goal has been set for the contract to be awarded pursuant to this RFP. The MBE subcontractor participation goal is two percent (2%) of all central payroll deducted premiums (active employees and University of Maryland employees) paid to the Contractor by the State. **Credit will only be given to the Contractor for MBE participation that is directly attributable (i.e. directly related) to the services provided under the State Contract.**

Areas which appear to have potential for subcontracting include: enrollment benefit fair staffing, and printing services for the communications and member materials for State members. Other options for successful MBE subcontracting participation on the State Contract may be available depending on the Offeror's business model or approach to providing the services that are required under this Contract.

For any questions about the MBE subcontractor participation goal, proper completion of MBE Affidavits, or the MBE program in general, please contact the Procurement Officer prior to the

## SECTION 1 - GENERAL INFORMATION

Proposal Due (closing) Date. Questions or concerns regarding the MBE requirements of this solicitation must be raised before the opening of bids or receipt of initial proposals.

The Contractor shall structure its award(s) of subcontracts under the Contract in a good faith effort to achieve the goal in such subcontract awards by businesses certified by the State of Maryland as minority owned and controlled. MBE requirements are specified in **Attachment D: Minority Business Enterprise Participation**. Subcontractors used to meet the MBE goal of this RFP must be identified in the Offeror's proposal.

Each Offeror shall complete, sign and submit **Attachment D-1: MDOT Certified MBE Utilization and Fair Solicitation Affidavit** at the time it submits its Technical response to the RFP. **Failure of an Offeror to complete, sign, and submit the Attachment D-1 "MDOT Certified MBE Utilization and Fair Solicitation Affidavit" at the time it submits Technical Response to the RFP will result in the State's rejection of the Contractor's Proposal to the RFP. This failure is not curable.**

**The selected Offeror, once notified of award, will be responsible for timely submitting the following forms within ten (10) business days of receiving notice of award.**

**D-2: Outreach Efforts Compliance Statement)**

**D-3: Subcontractor Project Participation Certification.**

An Offeror that does not commit to meeting the entire MBE participation goal outlined in this **Section 1.12: Minority Business Enterprise** must submit a request for waiver with its proposal submission. See COMAR 21.11.03.11)

The Contractor and its subcontractors, once awarded a contract, will be responsible for submitting monthly by the 10<sup>th</sup> the following MBE forms to provide the State with ongoing monitoring of MBE participation:

**D-4: MBE Participation Prime Contractor Paid/Unpaid MBE Invoice Report)  
(Contractor Responsibility**

**D-5: MBE Subcontractor/Contractor Paid/Unpaid MBE Invoice Report (Contractor shall follow up with MBE subcontractors to ensure timely and accurate submission.)**

A current directory of MBEs is available through the Maryland State Department of Transportation, Office of Minority Business Enterprise, 7201 Corporate Center Drive, P.O. Box 548, Hanover, Maryland 21076. The phone number is (410) 865-1269. The directory is also available at <http://www.e-mdot.com/>. Select the Minority/Disadvantage Business Enterprise (MBE) Program label. The most current and up-to-date information on MBEs is available via the web site.

### **1.13 Multiple or Alternate Proposals**

Neither multiple nor alternate proposals will be accepted.

## SECTION 1 - GENERAL INFORMATION

### 1.14 Cancellations, Acceptance, Minor Irregularities and Discussions

The State reserves the right to cancel this RFP, accept or reject any and all proposals, in whole or in part, received in response to this RFP, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified or potentially qualified Offerors in any manner necessary to serve the best interests of the State. The State also reserves the right, in its sole discretion, to award a Contract based upon the written proposals received without prior discussions or negotiations.

### 1.15 Oral Presentation

Offerors may be required to make oral presentations to State representatives in an effort to clarify information contained in their proposals. Significant representations made by an Offeror during the oral presentation shall be submitted in writing. All such representations will become part of the Offeror's proposal and are binding if the Contract is awarded. The Procurement Officer will notify Offerors of the time and place of oral presentations.

### 1.16 Duration of Offer

Proposals submitted in response to this RFP are irrevocable for 120 days following the later of the closing date of proposals or of Best and Final Offers (BAFOs), if requested. This period may be extended at the Procurement Officer's request only with the Offeror's written agreement.

### 1.17 Public Information Act Notice

An Offeror shall give specific attention to the clear identification of those portions of its proposal that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Public Information Act, Title 10, Subtitle 6, Part III of the State Government Article of the Annotated Code of Maryland.

Offerors are advised that, upon request for this information from a third party, the Procurement Officer is required to make an independent determination whether the information can be disclosed (see COMAR 21.05.08.01). **Information which is claimed to be confidential is to be identified *after* the Title Page and *before* the Table of Contents in the Technical Proposal and, if applicable, also in the Financial Proposal.**

### 1.18 Arrearages

By submitting a response to this solicitation, each Offeror represents that it is not in arrears in the payment of any obligations due and owing the State, including the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of the Contract if selected for Contract award.

### 1.19 Bid/Proposal Affidavit

A proposal submitted by an Offeror shall be accompanied by a completed Bid/Proposal Affidavit. A copy of this Affidavit is included as **Attachment B: Bid/Proposal Affidavit**.

## SECTION 1 - GENERAL INFORMATION

### 1.20 Contract Affidavit

All Offerors are advised that if a Contract is awarded as a result of this solicitation, the successful Offeror will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as **Attachment C: Contract Affidavit**. This Affidavit shall be provided to the Procurement Officer within five business days of notification of proposed Contract award.

### 1.21 Procurement Method

This Contract will be awarded in accordance with the Competitive Sealed Proposals process under COMAR 21.05.03.

### 1.22 Mandatory Contractual Terms

By submitting an offer in response to this RFP, an Offeror, if selected for award, shall be deemed to have accepted the terms of this RFP and the Contract, attached as **Attachment A: Contract**. **Any exceptions to this RFP or the Contract shall be clearly identified in the Executive Summary of the technical proposal; exceptions to the required format, terms and conditions of Financial Proposal must also be clearly identified in the Executive Summary, without disclosing any pricing information.** A proposal that takes exception to these terms may be rejected.

### 1.23 Protests/Disputes

Any protest or dispute related respectively to this solicitation or the resulting Contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

### 1.24 Revisions to the RFP

If it becomes necessary to revise this RFP before the due date for proposals, amendments will be provided to all prospective Offerors who were sent this RFP or otherwise are known by the Procurement Officer to have obtained this RFP. In addition, amendments to the RFP will be posted on the DBM Procurement web page and through eMarylandMarketplace. Amendments made after the due date for proposals will be sent only to those Offerors who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this RFP issued before the proposal due date shall accompany the Offeror's proposal in the Transmittal Letter accompanying the Technical Proposal submittal. Acknowledgement of the receipt of amendments to the RFP issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the Offeror from complying with all terms of any such amendment.

### 1.25 eMarylandMarketplace

MarylandMarketplace (eMM) is an electronic commerce system administered by the Maryland Department of General Services. In addition to using the DBM web site



## SECTION 1 - GENERAL INFORMATION

([www.dbm.maryland.gov](http://www.dbm.maryland.gov)) and other means for transmitting the RFP and associated materials, the solicitation and summary of the pre-bid/proposal conference, Offeror questions and the Procurement Officer's responses, addenda, and other solicitation related information will be provided via eMM.

In order to receive a contract award, a vendor must be registered on eMM. eMM registration is made through the eMarylandMarketplace website at <https://ebidmarketplace.com>, free of charge.

### 1.26 Incurred Expenses

The State will not be responsible for any costs incurred by an Offeror in preparing and submitting a proposal, in making an oral presentation, in providing a demonstration, or in performing any other activities relative to this solicitation.

### 1.27 Economy of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Offeror's proposal to meet the requirements of this RFP.

### 1.28 Offeror Responsibilities

The selected Offeror shall be responsible for rendering services for which they have been selected as required by this RFP. All subcontractors shall be identified and a complete description of their role relative to the proposal shall be included in the Offeror's proposal. Additional information regarding MBE subcontractors is provided under **Section 1.12: Minority Business Enterprise** above.

If an Offeror that seeks to perform or provide the services required by this RFP is the subsidiary of another entity, all information submitted by the Offeror, such as but not limited to references and financial reports, shall pertain exclusively to the Offeror, unless the parent organization will guarantee the performance of the subsidiary. If applicable, the Offeror's proposal shall contain an explicit statement that the parent organization will guarantee the performance of the subsidiary. Subcontractors retained for the sole purpose of meeting the established MBE participation goal(s) for this solicitation shall be identified as provided in **Attachment D: Minority Business Enterprise Participation**.

### 1.29 Verification of Registration and Tax Payment

Before a corporation can do business in the State, it shall be registered and in good standing with the Department of Assessments and Taxation, State Office Building, Room 803, 301 West Preston Street, Baltimore, Maryland 21201. It is strongly recommended that any potential Offeror complete registration and ensure that it is in good standing prior to the due date for receipt of proposals. An Offeror's failure to complete registration and be in good standing with the Department of Assessments and Taxation may disqualify an otherwise successful Offeror from final consideration and recommendation for Contract award.

## SECTION 1 - GENERAL INFORMATION

### 1.30 False Statements

Offerors are advised that section 11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland provides as follows:

- (a) In connection with a procurement Contract, a person may not willfully:
  - Falsify, conceal, or suppress a material fact by any scheme or device;
  - Make a false or fraudulent statement or representation of a material fact; or
  - Use a false writing or document that contains a false or fraudulent statement or entry of a material fact.
- (b) A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding five (5) years or both.

### 1.31 Payments by Electronic Funds Transfer

By submitting a response to this solicitation, the Offeror agrees to accept payments by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected Offeror shall register using Attachment E, "Electronic Funds Transfer (EFT) Registration Request Form." Any request for exemption shall be submitted to the State Comptroller's Office for approval at the address specified on the form and shall include the business identification information as stated on the form and include the reason for the exemption. The form can be downloaded at:

[http://compnet.comp.state.md.us/General\\_Accounting\\_Division/Static\\_Files/gadx-10.pdf](http://compnet.comp.state.md.us/General_Accounting_Division/Static_Files/gadx-10.pdf).

### 1.32 Living Wage Requirements

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement (SFP) Article, Annotated Code of Maryland. Additional information regarding the State's Living Wage requirement is contained in this solicitation (see **Attachment K: Living Wage Requirements for Service Contracts**). If the Offeror fails to submit and complete the Living Wage Affidavit of Agreement (see **Attachment K-1: Affidavit of Agreement**), the State may determine an Offeror to be not responsible.

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least **the minimum amount set by law for the applicable Tier Area**. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event that the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to §18-102 (d) shall assign the tier based upon where the recipients of the services are located.

## SECTION 1 - GENERAL INFORMATION

The contract resulting from this solicitation will be deemed to be a Tier 1 contract or a Tier 2 contract depending on the location(s) from which the Contractor provides 50% or more of the services. If the Contractor provides 50% or more of the services from a location(s) in a Tier 1 jurisdiction(s) the contract will be a Tier 1 contract. If the Contractor provides 50% or more of the services from a location(s) in a Tier 2 jurisdiction(s), the contract will be a Tier 2 contract. If the Contractor provides more than 50% of the services from an out-of-State location, then the contract will be deemed to be a Tier 1 contract. The Offeror must identify in its Offer the location(s) from which services will be provided.

Information pertaining to reporting obligations may be found by going to the DLLR Website <http://www.dllr.state.md.us/> and clicking on Living Wage.

\*Note: the Living Wage rates are subject to annual adjustment by DLLR. For additional information see Attachment K.

### 1.33 Data Transfer via Electronic File Transfers

All electronic file transfers by the Contractor shall be secure, using encryption and other security protocols as appropriate and in accordance with the Information Security Policy found at [http://doit.maryland.gov/support/Documents/security\\_guidelines/DoITSecurityPolicy.pdf](http://doit.maryland.gov/support/Documents/security_guidelines/DoITSecurityPolicy.pdf). In addition, additional secure electronic file transfer methodology may be approved during the contract term in accordance with procedures and approval by the Department of Information Technology.

### 1.34 Electronic Procurement Transactions

- A. Under COMAR 21.03.05, unless otherwise prohibited by law, the Department of Budget & Management (DBM) may conduct procurement transactions by electronic means, including the solicitation, bidding, award, execution, and administration of a contract, as provided in the Maryland Uniform Electronic Transactions Act, Commercial Law Article, Title 21, Annotated Code of Maryland.
- B. Participation in the solicitation process on a procurement contract for which electronic means has been authorized shall constitute consent by the Offeror to conduct by electronic means all elements of the procurement of the Contract which are specifically authorized under the RFP or the Contract.
- C. “Electronic means” refers to exchanges or communications using electronic, digital, magnetic, wireless, optical, electromagnetic, or other means of electronically conducting transactions. Electronic means includes facsimile, electronic mail, internet-based communications, electronic funds transfer, specific electronic bidding platforms (e.g. eMarylandMarketplace.com), and electronic data interchange.
- D. In addition to specific electronic transactions specifically authorized in other sections of this RFP (e.g. **Section 1.33: Data Transfer via Electronic File Transfers**) related to payments by electronic file transfer) and subject to the exclusions noted in subsection 1.34E of this section, the following transactions are authorized to be conducted by electronic means on the terms described:

## SECTION 1 - GENERAL INFORMATION

1. The Procurement Officer may conduct the procurement using eMarylandMarketplace, e-mail or facsimile to issue:
    - (i) the solicitation (e.g. the RFP);
    - (ii) any amendments;
    - (iii) pre-proposal conference documents;
    - (iv) questions and responses;
    - (v) communications regarding the solicitation or proposal to any Offeror or potential Offeror including requests for clarification, explanation, or removal of elements of an Offeror's proposal deemed not acceptable;
    - (vi) notices of award selection or non-selection; and
    - (vii) the Procurement Officer's decision on any protest or Contract claim.
  
  2. An Offeror or potential Offeror may use e-mail or facsimile to:
    - (i) ask questions regarding the solicitation;
    - (ii) reply to any material received from the Procurement Officer by electronic means that includes a Procurement Officer's request or direction to reply by e-mail or facsimile, but only on the terms specifically approved and directed by the Procurement Officer;
    - (iii) request a debriefing; or,
    - (iv) submit a "No Bid Response" to the solicitation.
  
  3. The Procurement Officer, the State's Contract Manager and the Contractor may conduct day-to-day Contract administration, in accordance with the limitations of section 1.34E of this subsection, utilizing e-mail, facsimile or other electronic means if authorized by the Procurement Officer or Contract Manager.
- E. The following transactions related to this procurement and any Contract awarded pursuant to it are not authorized to be conducted by electronic means:
1. submission of initial bids or proposals;
  2. filing of protests;
  3. filing of contract claims;
  4. submission of documents determined by DBM to require original signatures (e.g. Contract execution, Contract modifications, etc); or
  5. any transaction, submission, or communication where the Procurement Officer has specifically directed that a response from the Contractor, Bidder or Offeror be provided in writing or hard copy.
- F. Any facsimile or electronic mail transmission is only authorized to the facsimile numbers or electronic mail addresses for the identified person as provided in the RFP, the Contract, or in the direction from the Procurement Officer or Contract Manager.

### **1.35 Prompt Payment to Subcontractors**

This procurement and the contract to be awarded pursuant to this solicitation are subject to the Prompt Payment Policy Directive issued by the Governor's Office of Minority Affairs (GOMA) dated August 1, 2008. Promulgated pursuant to Sections 11-201, 13-205(a), and Title 14, Subtitle

## **SECTION 1 - GENERAL INFORMATION**

3 of the State Finance and Procurement Article (SFP), and Code of Maryland Regulations (COMAR) 21.01.01.03 and 21.11.03.01 et seq., the Directive seeks to ensure the prompt payment of all subcontractors on non-construction procurement contracts. The successful Offeror who is awarded a contract must comply with the prompt payment requirements outlined in the Contract, §26 (see **Attachment A: Contract**). Additional information is available on the GOMA website at

[http://www.mdminoritybusiness.com/documents/PROMPTPAYMENTFAQs\\_000.pdf](http://www.mdminoritybusiness.com/documents/PROMPTPAYMENTFAQs_000.pdf).

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**

## SECTION 2 – OFFEROR MINIMUM QUALIFICATIONS

To be considered for award, the Offeror must demonstrate the following minimum qualifications as of the date of submission of the proposal:

1. An Offeror must be licensed by the Maryland Insurance Administration (MIA) to sell Group Long Term Care insurance in the State of Maryland and provide proof of current license;
2. An Offeror must be licensed to sell Long Term Care insurance in all States and U.S. Territories;
3. An Offeror must possess three (3) years experience (as a business; not just individual employees) in offering and administering a voluntary long term care insurance program to an account with 5,000 or more eligible actively at work employees; and
4. An Offeror must provide proof of registration and/or certification as a private review agent under Md. Ann. Code, Insurance Art., Title 15, subtitle 10B. If an Offeror is not certified by the date of proposal submission, an Offeror may submit with its proposal, in lieu of proof of certification, a copy of the application-receipt acknowledgment letter provided to the Offeror by MIA, or a statement from the Offeror that an application was filed with MIA by the proposal submission date. If such a statement is submitted with an Offeror's proposal, the Procurement Officer will verify with MIA that the Offeror's application was timely filed with MIA. Once an Offeror receives notice of certification as a private review agent from MIA, that Offeror must supplement its proposal by providing to the Procurement Officer a copy of that notice. Certification as a private review agent for an Offeror recommended for award must be completed within ten (10) working days of the formal notification of recommendation for Contract award.

Please refer to **Attachment G-1: Minimum Requirements**, in the Excel portion of this RFP.

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**

## SECTION 3 – SCOPE OF WORK

### 3.1 Background

The State provides an expansive range of employee benefit plans to approximately 62,000 active employees, 33,000 retirees, 2,100 Satellite Account Employees, 1,500 Direct Pay Enrollees, and their approximately 110,000 covered dependents. Benefit plans include health (including behavioral health), dental, group term life, accidental death and dismemberment, flexible spending accounts, prescription drugs, and long term care.

These benefits are offered to a diverse workforce that includes clerical, administrative, technical, professional, maintenance, educational (State colleges and universities) and public safety employees, and appointed and elected officials at more than 250 different worksites.

Due to the large number of State employees, diverse population and numerous employee work locations, the State sponsors annual Benefit Fairs during each annual enrollment period. During the last enrollment period for which Benefit Fairs were held, the State conducted approximately 120 to 150 Benefit Fairs throughout the State. The selected Offeror will be required to participate in all of these fairs.

The State of Maryland currently offers voluntary Long Term Care Insurance (LTC) coverage to all active State employees, Satellite Account employees, State retirees and their family members, including spouses, dependent children, adult children, siblings, parents (in-laws included) and grandparents (in-laws included). Premiums for active State employees, their spouses and their dependent children (see **Section 1.2: Abbreviations and Definitions, Paragraph K: Dependent**) are payroll deducted. The carrier directly bills Eligible State retirees and all other family members. Premiums for Satellite Account employees are submitted to DBM and then forwarded to the carrier.

The LTC plan is currently offered through Prudential Insurance Company of America Corporation. The table below shows current enrollment by participant type.

<b>Participant Type</b>	<b>Enrollment @ June 2011</b>
Active Employees	1,039
Retirees	34
Family Members and Others	175
<b>Total</b>	<b>1,248</b>

The LTC insurance coverage plan year dates are from July 1 through June 30 of the following calendar year, to coincide with the State's fiscal year.

Currently, employees are medically underwritten with the exception of newly hired active employees who enroll during their initial 60-day eligibility period. Medical underwriting is also required for enrollment in the LTC plan for retirees and family members of active employees and retirees. The initial open enrollment period for this contract will be a guaranteed issue open enrollment.

## SECTION 3 – SCOPE OF WORK

**Attachment M: Demographic Information on Eligible Participants** includes counts by age band for Actives, Direct Pays, Satellite, Retirees, Spouses and Domestic Partners. These data may be considered in preparation of the response to this solicitation. These data include only those eligible employees and retirees who are currently enrolled in the medical, pharmacy or dental plan options offered through the State of Maryland Employee Benefits Division. These do not include those eligible employees and retirees that have not enrolled in such benefits but are eligible for the Long Term Care insurance. After the proposal process is complete, please destroy Attachment M.

<b>3.2 Plan Design</b>
------------------------

The State intends to continue the current Long Term Care plan designs as fully outlined in **Attachment G-3: Plan Design**. The following is a summary of the current plan choices:

The Plan Choices				
<b>Facility Benefit Duration</b>	3 years or 6 years			
<b>Facility Monthly Benefit Amount</b>	\$2,500 or \$3,000 or \$4,500 or \$6,000			
Plans	Plan 1	Plan 2	Plan 3	Plan 4
Long Term Care Facility	100%	100%	100%	100%
Assisted Living Facility	100%	100%	100%	100%
Professional Home Care	50%	50%	50%	50%
Nonforfeiture	N/A	Yes	N/A	Yes
Inflation Protection	N/A	N/A	Yes	Yes

### 3.2.1 Benefit Eligibility

All participants are deemed eligible for benefits after all of the following requirements have been met:

- The participant becomes disabled as defined by the plan;
- The participant is receiving services in a Long Term Care Facility or Assisted Living Facility, or receiving professional Home Care Services;
- The participant has satisfied the 90-day Elimination Period; and
- A physician has certified that the participant is unable to perform, without substantial assistance from another individual, two or more Activities of Daily Living (ADL) for a period of at least 90 days, or that the participant suffers severe cognitive impairment. The participant will be required to submit a physician certification every 12 months.

Please Note: ADL losses and cognitive impairment must occur after the effective date of coverage to qualify for benefits.



## SECTION 3 – SCOPE OF WORK

### 3.3 Scope of Work

The State is soliciting proposals for one insurer to provide voluntary group Long Term Care insurance. The selected contractor is to provide a responsive, efficient, auditable, service-oriented system that will permit all eligible members to obtain group long term care insurance for themselves and/or their designated family members subject to the terms, conditions and requirements of this RFP.

#### 3.3.1 Performance Requirements and Specifications

The successful Offeror will be responsible for all enrollment functions associated with plan enrollment. All enrollment applications will be sent directly to the successful Offeror, who will process all enrollment applications, including review of the applications, determination of medical evidence of insurability, as required and excluding during the initial open enrollment, and all premium calculations.

The successful Offeror will transmit the applicable premium deduction calculations for Active Regular System and University of MD System employees to the Department of Information Technology Application Systems Management (DoIT/ASM) in the prescribed format (see **Attachment J: Enrollment Deduction File Layout**) required by the Central Payroll Bureau on a bi-weekly basis. Deductions for those participants eligible for payroll deduction are taken from employee's paychecks for 24 of the 26 pays for bi-weekly employees, 12 of the 12 pays for monthly employees and 19 of the 21 pays for ten-month employees.

DoIT/ASM, will then transmit the premium deduction files, one for Regular System employees and one for University of MD system employees, to the Central Payroll Bureau. The Central Payroll Bureau will then transmit the premium deduction files to the successful Offeror immediately subsequent to the payroll processing on a bi-weekly basis.

The Central Payroll Bureau will also generate a Long Term Care Error Report for the successful Offeror that will identify enrolled employees missing the applicable bi-weekly deductions.

The successful Offeror will be responsible for directly billing eligible State retirees, Direct Pay and Satellite enrollees and all other family members. The Group Long Term Care Payment Procedures are detailed in Attachment I: Group Long Term Care Payment Procedures.

The vendor who is awarded the contract pursuant to this RFP will be required to provide insurance coverage with an effective date of coverage beginning July 1, 2012, and begin the necessary implementation services in early 2012.

#### 3.3.2 Services

The Contractor shall provide adequate staffing and services in the following areas that assures that the Plan successfully operates in a cost-efficient manner, consistent with this RFP and the Contract.

- a. Implementation
- b. Enrollment Processing
- c. Account Management Services;

## SECTION 3 – SCOPE OF WORK

- d. Membership/Customer Services;
- e. Member and Participant Communications;
- f. Premium Processing
- g. Claims Processing;
- h. HIPAA Compliance on behalf of the Plan;
- i. Insurance and Provision of Benefits
- j. Auditability and Accountability.

Significant detailed provisions regarding the minimum expectations of the services to be provided by the Contractor for the Long-Term Care plan are provided in **Attachment G-1: Minimum Requirements**, which is contained in the Excel-based technical proposal of this RFP. All required signatures, explanations, and attachments, as described in this RFP must be included in the Offeror's proposal. *See* RFP, **Section 4: Proposal Format** for proposal submission instructions. Proposals are incorporated into the Contract.

### 3.3.3 Claims Processing and Payment

The Contractor shall pay claims in accordance with **G-3: Plan Design**. The Contractor shall provide timely, accurate and prompt tracking and processing of claims.

### 3.3.4 Reporting

The Contractor shall provide to the Department the reporting requirements provided in **Attachment G-4: Administrative Requirements, AR 51-52**.

### 3.3.5 Compliance with Mandates and Standards

The Contractor shall:

- A. Comply with all standards required under state and federal laws and regulations for Long Term Care Insurance Plans (e.g., HIPAA, EDI and privacy standards, State law regarding confidentiality of medical data etc.) and shall meet any State mandated benefit provisions that may be required during the term of the Contract.
- B. As a business associate in connection with the State, the Contractor must meet all HIPAA standards related to privacy, security and transfer of protected health information. The State's minimum performance requirements in connection with HIPAA compliance are set forth in more detail in **Attachment G-4 : Administrative Requirements**.

### 3.3.6 Insurance Requirements

- A. The Contractor shall maintain general liability, property and casualty insurance with minimum limits sufficient to cover losses resulting from or arising out of Contractor action or inaction in the performance of the Contract by the Contractor, its agents, employees or subcontractors.
- B. The Contractor shall provide a copy of the Contractor's current certificate of insurance that, at a minimum, shall contain the following:

### SECTION 3 – SCOPE OF WORK

Worker’s Compensation – The Contractor shall maintain such insurance as necessary and/or as required under Worker’s Compensation Acts, the Longshore and Harbor Workers’ Compensation Act, and the Federal Employee’s Liability Act.

Errors and Omissions – The Contractor shall purchase and maintain Errors and Omissions liability coverage in the minimum amount of: \$10,000,000.

Commercial General Liability – The Contractor shall purchase and maintain at least the following insurance protection for liability claims arising as a result of the Contractor’s operations under this Contract:

\$10,000,000: General Aggregate Limit)

\$2,000,000: Products/completed operations aggregate limit

\$1,000,000: Each Occurrence Limit

\$1,000,000: Personal and Advertising Injury Limits

\$50,000: Fire Damage Limit

\$5,000: Medical Expense

- C. Upon execution of a Contract with the State, Contractor shall: (i) provide the State with current certificates of insurance that identify the State as an additional insured, and (ii) shall maintain and report such insurance annually to the Procurement Officer.

#### **3.4 Project Milestones and Due Dates**

Following are the implementation schedule milestones and the State’s desired due dates, where applicable.

<i>Milestone</i>	<i>Date</i>
3.4.1 <i>Begin implementation meetings and activities</i>	<i>Upon contract award</i>
3.4.2 <i>Completion of draft communications materials presented to the State for review</i>	<i>January - February</i>
3.4.3 <i>Benefit Coordinator Training Session (for each plan year)</i>	<i>March - April</i>
3.4.4 <i>Attend <u>all</u> Open Enrollment Benefit Fairs</i>	<i>April - June</i>
3.4.5 <i>Effective Date of Insurance Coverage</i>	<i>July 1, 2012</i>

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**

## SECTION 4 – PROPOSAL FORMAT

### 4.1 Two Part Submission

Offerors must submit proposals in two **separate** volumes:

- “Volume I – (TECHNICAL PROPOSAL)”
- “Volume II – (FINANCIAL PROPOSAL)”

### 4.2 Proposals

Volume I – Technical Proposal must be **sealed separately** from Volume II – Financial Proposal but submitted simultaneously to the Procurement Officer (address listed on Key Information Summary and in Section 1.6 ). This is the only address to which proposals may be submitted. An unbound original, so identified, and **four (4)** bound copies of each volume are to be submitted. Hard copies must be a complete proposal containing all information contained on the CDs. Offerors must attach to the original Technical Proposal three (3) separate CDs containing an electronic version of Volume I- Technical Proposal (in MS Excel format and MS WORD, as appropriate). Offerors must also attach to the original Financial Proposal three (3) separate CDs containing an electronic version of the Volume II- Financial Proposal (in MS Excel format).

Please note that the Offeror must provide separate CDs for the Technical Proposal and the Financial Proposal, resulting in 6 CDs attached to the proposal. Three (3) of the CDs submitted should be labeled “Volume I – Technical Proposal”; three (3) of the CDs submitted should be labeled “Volume II – Financial Proposal”.

### 4.3 Submission

Each Offeror is required to submit a separate sealed package for each Volume, to be labeled “Volume I-Technical Proposal” and “Volume II-Financial Proposal” respectively. Each sealed package must bear the RFP title and number, name and address of the Offeror, the volume number (I or II), and the closing date and time for receipt of the proposals on the outside of the package. Please label the electronic media with Volume I-Technical Proposal and Volume II-Financial Proposal, as appropriate.

### 4.4 Format of Volume I – Technical Proposal

#### 4.4.1 Transmittal Letter

A transmittal letter must accompany the technical proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

#### 4.4.2 Title and Table of Contents

The technical proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. This should be followed by a table of contents for the technical proposal. Information that is claimed to be confidential is to be identified after the Title Page and before the Table of Contents in the Offeror’s Technical Proposal, and if

## SECTION 4 – PROPOSAL FORMAT

applicable, also in its Financial Proposal. See also RFP Section 1.17, **Public Information Act Notice**.

### 4.4.3 Executive Summary

The Offeror shall condense and highlight the contents of the technical proposal in a separate section titled “Executive Summary” including how the Offeror meets the minimum qualification outlined in Section 2. The summary shall also identify any exceptions the Offeror has taken to the requirements of this RFP, the Contract (**Attachment A: Contract**), or any other attachments. Exceptions to **Attachment H-1: Instructions** and **Attachment H-2: Financial Requirements** must also be clearly identified in the Executive Summary **but no information related to the remaining sections of Attachment H: Financial Proposal (i.e. no disclosure of the proposed fees) may be included in the Technical Proposal.**

**WARNING:** Exceptions to terms and conditions of the RFP, the Contract (**Attachment A: Contract**), or any other attachment may result in having the proposal deemed unacceptable or classified as not reasonably susceptible of being selected for award.

### 4.4.4 Attachments Requiring Completion

The following documents shall be completed in their entirety and shall include the signature of the Offeror’s authorized agent. **Failure to complete, sign, and/or return all specified Attachments may result in disqualification of the Offeror’s Proposal.**

- **Attachment B: Bid/Proposal Affidavit**
- **Attachment D-1: MBE Utilization and Fair Solicitation Affidavit**
- **Attachment K-1: Affidavit of Agreement (Maryland Living Wage Requirements - Service Contracts)**

### 4.4.5 Technical Proposal

The Technical Proposal, **Attachment G: Technical Proposal**, includes a MS Excel file with multiple tabs and several MS Word files. The Offeror shall complete each of the tabs and the MS Word files according to the instructions described below and any additional instructions included at the top of each MS Excel worksheet and MS Word document.

MS Excel cells that have been highlighted in yellow require a response from the Offeror. Response types throughout the MS Excel and Word files include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list.

***Unlocked cells in MS Excel will automatically lock if the Offeror pastes an answer into a cell. This will prohibit the user from editing the cell(s) at a later time. The Offeror can use the Undo function to unlock the cell only if changes have not been saved since the paste occurred.***

## SECTION 4 – PROPOSAL FORMAT

The Offeror must submit the final electronic version of **Attachment G: Technical Proposal** with the MS Excel workbook intact. Do not add additional tabs to the workbook or break apart the tabs of the workbook and submit as separate attachments.

The Offeror must submit the final electronic version of the **Attachment G: Technical Proposal** MS Word files saved individually.

The Offeror will use the “PRINT FINAL DOCUMENTS” button on the introductory tab of the MS Excel workbook and include each exhibit in the order specified below.

The Offeror will print each completed MS Word file and insert them after the MS Excel sheet that references it.

### **A. Attachment G-1: Minimum Requirements (MS Excel)**

The Respondent shall complete **Attachment G-1** as requested. The Offeror shall indicate whether or not it meets each requirement.

### **B. Attachment G-2: Offeror Information (MS Excel)**

The Offeror shall complete each section of **Attachment G-2** as requested. References provided shall include at least one reference for which the proposed account manager currently provides service.

The Offeror’s Legal Name entered in **Attachment G-2** will automatically be used to populate other areas of the MS Excel attachments. The Offeror (i.e. legal entity) identified here must match the Offeror as identified in the Transmittal Letter.

### **C. Attachment G-3: Plan Information (MS Excel)**

The Offeror shall complete **Attachment G-3** by filling out the 'deviations from proposed' column, if there are any deviations. If there are no deviations, indicate “Agree”.

### **D. Attachment G-4: Administrative Requirements (MS Excel)**

The Offeror shall complete the exhibit by selecting either “Agree” or “Disagree” from the drop down list next to each administrative requirement. If the Offeror does not intend to commit to the full scope of each item, as written and without condition or qualification, the appropriate response is “Disagree.” For each requirement for which the Offeror selects “Disagree,” an explanation must be provided in the MS Word file **Attachment G-7 (MS Word): Deviations**.

### **E. Attachment G-5: Questionnaire (MS Word)**

The Offeror shall concisely answer each question in **Attachment G-5: Questionnaire** in the space provided. If a drop down list is available, the Offeror shall select a response from the list provided.

## SECTION 4 – PROPOSAL FORMAT

### F. Attachment G-6: Subcontractor Questionnaire (MS Word)

The Offeror shall complete a Subcontractor Questionnaire for each subcontractor, including MBEs, proposed to perform any of the requirements of this contract using **Attachment G: Technical Proposal** in MS Word format. Please complete a copy of this attachment for each Subcontractor.

### P. Attachment G-7: Deviations Page (MS Word)

The Offeror shall complete and sign this attachment regardless of whether deviations are proposed.

### Q. Additional Response Attachments

The following response attachments, which are requested in **Attachment G: Technical Proposal**, shall be included in the following order, after Attachment G in the Technical Proposal:

- Response Attachment G-1: Registration/Certifications/Licenses
- Response Attachment G-2: Other State Contracts (Section 4)
- Response Attachment G-5: Insurance Certificate - Workers' Compensation (Q-5a)
- Response Attachment G-5: Insurance Certificate - Errors and Omissions Insurance (Q-5b)
- Response Attachment G-5: Insurance Certificate - Commercial General Liability (Q-5c)
- Response Attachment G-5: Annual Reports (Q-6)
- Response Attachment G-5: Financial Statements (Q-7)
- Response Attachment G-5: Financial Ratings (Q-8)
- Response Attachment G-5 Maryland Economic Benefit Factors(Q-10)
- Response Attachment G-5: Sample Communications Materials (Q-27)
- Response Attachment G-5: Sample Application and Health Statement Forms (Q-28)
- Response Attachment G-5: Communication Plan (Q-33)
- Response Attachment G-5: Standard Reports (Q-34)
- Response Attachment G-5: Customer Satisfaction Survey (Q-35)
- Response Attachment G-5: Plan Forms (Q-74)
- Response Attachment G-5: HIPAA Privacy and Security Breaches (Q-85)
- Response Attachment G-5: Implementation Team Organizational Chart (Q-90e)
- Response Attachment G-5: Implementation Plan (Q-90f)
- Response Attachment G-5: Account Management Team Organizational Chart (Q-93f)
- Response Attachment G-5: Account Management Support (Q-93g)
- Response Attachment G-5: Account Team Biographies (Q-94)
- Response Attachment G-5: Scope of Work (Q-96)

## SECTION 4 – PROPOSAL FORMAT

### 4.5 Format of Volume II - Financial Proposal

#### 4.5.1 Transmittal Letter

A transmittal letter must accompany the Financial Proposal. The purpose of this letter is to transmit the proposal and acknowledge the receipt of any addenda. The transmittal letter should be brief and signed by an individual who is authorized to commit the Offeror to the services and requirements as stated in this RFP.

#### 4.5.2 Title and Table of Contents

The Financial Proposal should begin with a title page bearing the name and address of the Offeror and the name and number of this RFP. This should be followed by a table of contents for the Financial Proposal. Information, which is claimed to be confidential, is to be identified after the Title Page and before the Table of Contents.

#### 4.5.3 Attachment H: Financial Proposal

The Offeror shall complete each of the tabs in **Attachment H: Financial Proposal** according to the instructions described below and at the top of each worksheet. The Offeror will use the “PRINT FINAL DOCUMENTS” button on the introductory tab and include each exhibit in the order specified below. The Offeror must submit the electronic version of **Attachment H: Financial Proposal** with the Excel workbook intact. Do not add additional tabs to the workbook or break apart the tabs of the workbook to submit as separate attachments. The Financial Proposal is based on an evaluation model.

Cells that have been highlighted in yellow require a response from the Offeror. Response types throughout the documents include selecting from a pre-set drop down menu, entering a numerical value and/or writing a brief narrative. If the cell includes a drop down menu, the Offeror shall not provide a response that is not provided in the drop down list.

*MS Excel will only print the first 1,024 characters in each cell. Therefore, please limit the length of your response in each row to 1,024 characters.*

*In addition, the unlocked cells will automatically lock if the Offeror pastes an answer into a cell. This will prohibit the user from editing the cell(s) at a later time. The Offeror can use the Undo function to unlock the cell only if changes have not been saved since the paste occurred.*

#### A. Attachment H-2: Financial Requirements

The Offeror shall complete the exhibit by selecting either “Yes” or “No” from the drop down list next to each financial requirement. If the Offeror does not intend to commit to the full scope of each item, as written and without condition or qualification, the appropriate response is “No.” For each requirement for which the Offeror selects “No,” an explanation must be provided in **Attachment H-3: Explanations**.



## SECTION 4 – PROPOSAL FORMAT

### B. Attachment H-3: Explanations

The Offeror shall complete this attachment regardless of whether explanations from the financial requirements are necessary. The top right of the worksheet includes macros for the Offeror to indicate whether explanations are included in the table below the signature line.

Prior to printing the final proposal, the Offeror shall ensure that the print area of this document is set appropriately. If no explanations are necessary, then the print area shall end following the title of the individual signing the document. Otherwise, the print area shall end following the last explanation provided in the table.

### C. Attachment H-4(a-h): Enrollment and Rates

The Offeror shall enter its proposed monthly premium rate for each Monthly Nursing Home Benefit category (i.e., \$2500, \$3000, \$4500, \$6000). All premium rates must be quoted on a fully loaded basis, i.e., fees must include all direct and indirect costs, general and administrative overhead, purchasing burden and profit. No other fees or charges may be added to the contract after award, nor will the contractor be compensated on any basis other than the applicable fully loaded premium rate. Please be sure to provide values for all ages even if no enrollment assumption is provided.

The projected aggregate premium column will automatically calculate the total per age bracket.

### D. Attachment H-5(a-b): Summary of Premium Rates (By Age Band), 3-Year and 6-Year

This attachment links to **Attachment H-4(a-h): Enrollment and Rates** to display monthly rates by age band in the top section and projected annual premiums by age band in the bottom section. No data entry is required.

### E. Attachment H-6: Total Estimated Premium Rates for All Plans

Proposed rates for each plan will be filled in based on the Offeror's completion of Attachment H-4. No data entry is required. *The financial evaluation will be based on the estimated total five-year premium rates in cell E37.*

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**

## SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

### 5.1 Evaluation Criteria

Evaluation of the proposals will be performed by a committee organized for that purpose. Evaluations will be based on the criteria set forth below.

### 5.2 Technical Criteria

The criteria including sub-categories to be applied to each technical proposal are listed in descending order of importance:

1. Capability
  - a. Capacity to deliver services
  - b. Experience in providing Long Term Care insurance
  - c. Past performance on similar Contracts
  - d. Corporate history and structure
  - e. Comprehensive IT support for all functions
2. Program Administration
  - a. Enrollment services
  - b. Client services including general administration and compliance
  - c. Participant services including enrollment, direct billing education and communications services
  - d. Reporting including reports on enrollment and premium payments and ad hoc reports
3. Plan Design
4. Implementation Plan and Account Management
5. Maryland Economic Benefit Factors

### 5.3 Financial Criteria

All qualified Offerors will be ranked from the lowest to the highest total aggregate premium based on the financial proposal evaluation as outlined in the Financial RFP using the premium rates quoted by the Offerors in Attachment H-5. ***The financial evaluation will be based on the estimated total five-year premium rates in Attachment H-6: Total Estimated Premium Rates for All Plans, cell E7.***

### 5.4 Reciprocal Preference

Although Maryland law does not authorize procuring agencies to favor resident Offerors in awarding procurement contracts, many other states do grant their resident businesses preferences over Maryland contractors. Therefore, as described in COMAR 21.05.01.04, a resident business preference will be given if: a responsible Offeror whose headquarters, principal base of operations, or principal site that will primarily provide the services required under this RFP is in another state submits the most advantageous offer; the other state gives a preference to its residents through law, policy, or practice; and, the preference does not conflict with a Federal

## SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE

law or grant affecting the procurement contract. The preference given shall be identical to the preference that the other state, through law, policy or practice gives to its residents.

### 5.5 Selection Procedures

#### 5.5.1 General Selection Process

The contract will be awarded in accordance with the competitive sealed proposals process under Code of Maryland Regulations 21.05.03. The competitive sealed proposals method is based on discussions and revision of proposals during these discussions.

Accordingly, the State may hold discussions with all Offerors judged reasonably susceptible of being selected for award, or potentially so. However, the State also reserves the right to make an award without holding discussions. In either case of holding discussions or not doing so, the State may determine an Offeror to be not responsible and/or an Offeror's proposal to be not reasonably susceptible of being selected for award, at any time after the initial closing date for receipt of proposals and the review of those proposals. If the State finds an Offeror to be not responsible and/or an Offeror's technical proposal to be not reasonably susceptible of being selected for award, an Offeror's financial proposal will be returned unopened.

#### 5.5.2 Selection Process Sequence

- A. The first step in the process will be to assess compliance with the Offeror Minimum Requirements set forth in **Attachment G-1: Minimum Requirements** of the RFP. Offerors who fail to meet these basic requirements will be disqualified and their proposals eliminated from further consideration.
- B. The next level of review will be an evaluation for technical merit. During this review oral presentations and discussions may be held. The purpose of such discussions will be to assure a full understanding of the State's requirements and the Offeror's ability to perform, and to facilitate arrival at a contract that will be most advantageous to the State. For scheduling purposes, Offerors should be prepared to make an oral presentation and participate in discussions within two to four weeks of the delivery of proposals to the State. The Procurement Officer will contact Offerors when the schedule is set by the State.
- C. Offerors must confirm in writing any substantive oral clarification of, or change in, their proposals made in the course of discussions. Any such written clarification or change then becomes part of the Offeror's proposal.
- D. The financial proposal of each Offeror will be evaluated separately from the technical evaluation. After a review of the financial proposals of Offerors, the Procurement Officer may again conduct discussions.
- E. When in the best interest of the State, the Procurement Officer may permit Offerors who have submitted acceptable proposals to revise their initial proposals and submit, in writing, best and final offers (BAFOs).

## **SECTION 5 – EVALUATION CRITERIA AND SELECTION PROCEDURE**

### **5.5.3 Award Determination**

Upon completion of all discussions and negotiations, reference checks, and site visits, if any, the Procurement Officer will recommend award of the contract to the responsible Offeror whose proposal is determined to be the most advantageous to the State considering technical evaluation factors and price factors as set forth in this RFP. In making the most advantageous Offeror determination, technical factors and price will be given equal consideration.

**THE BALANCE OF THIS PAGE INTENTIONALLY LEFT BLANK**