**STATE OF TENNESSEE**
**DEPARTMENT OF FINANCE & ADMINISTRATION**

# REQUEST FOR PROPOSALS
# FOR
# HEALTH SAVINGS ACCOUNT AND FLEXIBLE SPENDING ARRANGEMENT SERVICES
# RFP # 31786-00130

## RFP CONTENTS

**SECTIONS:**


1. **INTRODUCTION**
2. **RFP SCHEDULE OF EVENTS**
3. **RESPONSE REQUIREMENTS**
4. **GENERAL CONTRACTING INFORMATION & REQUIREMENTS**
5. **EVALUATION & CONTRACT AWARD**


**ATTACHMENTS:**


6.1. **Response Statement of Certifications & Assurances**
6.2. **Technical Response & Evaluation Guide**
6.3. **Cost Proposal & Scoring Guide**
6.4. **Reference Questionnaire**
6.5. **Score Summary Matrix**
6.6. ***Pro Forma* Contract**


**APPENDICES:**


7.1. **State of Tennessee Summary by Plan**
7.2. **State of Tennessee Summary by Plan Group**

## 1. INTRODUCTION

The State of Tennessee, Department of Finance and Administration, Benefits Administration Division, hereinafter referred to as "the State," has issued this Request for Proposals (RFP) to define minimum contract requirements; solicit responses; detail response requirements; and, outline the State's process for evaluating responses and selecting a contractor to provide the needed goods or services.

Through this RFP, the State seeks to procure necessary goods or services at the most favorable, competitive prices and to give ALL qualified businesses, including those that are owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises, an opportunity to do business with the state as contractors, subcontractors or suppliers.

### 1.1. Statement of Procurement Purpose

*Overview*

The State is seeking to procure a qualified health savings account (HSA) trustee and a Flexible Spending Arrangement (FSA) administrator that can manage the HSA and FSA services described in Contract Section A of the *pro forma* contract. This vendor shall establish, manage and administer HSAs for all State Group Insurance Program plan members enrolled in the Consumer Directed Health Plan/Health Savings Account (CDHP/HSA) plan and, at the State's request, shall administer FSAs for state, and possibly higher education, employees choosing to participate in the flex spending program. All FSA services are optional for the State and will only be implemented/utilized at the State's request.

*HSA*

For the HSA, the vendor will open a HSA for eligible CDHP members; manage the HSAs and all required reporting; interface with multiple participating employers who choose to fund employee accounts (up to 550); educate members on the investment strategies and financial options available for accountholders; develop and host a HSA website; offer online account services; respond to questions from members; develop educational materials; provide training to Agency Benefits Coordinators (ABCs) and Benefits Administration staff on the operation of the HSA and collaborate with other State vendors (i.e. third party administrators (TPA) and communications vendor) as necessary. The State will handle the enrollment of members in the CDHP plan and forward eligibility data to the vendor.

The CDHP plan will first be available during the 2015 Annual Enrollment Period (October 2015) with coverage beginning January 1, 2016. The CDHP will not replace other plans but will be another option for members alongside up to three PPOs currently offered. While CDHP premiums will likely be lower than the PPO plans, the amount of employer funding to the HSA for will vary by employer.

*FSA*

The administration for the state employee FSA plan has historically been managed in-house by the Treasury Department. With this procurement the program administration will transition from Treasury to the Division of Benefits Administration beginning with plan year 2017. In addition to state employees, employees of the State's Higher Education systems (University of Tennessee (UT) and the Tennessee Board of Regents (TBR)) may utilize the services under this contract beginning no earlier than plan year 2018.

For the FSA, the vendor will manage all claims substantiation and adjudication, member communications, debit card processing, employer interfaces and interactions, customer service, a coordinated HSA and FSA website, member and employer reporting and compliance support. Online and paper enrollment services may also be required for a subset of members.

2013 FSA enrollment, contribution amounts and forfeitures for the State, UT and TBR is as follows:

| | Medical Reimbursement | Dependent care | Parking | Transportation |
|---|---|---|---|---|
| **State** | | | | |
| • Enrollment | 4,330 | 397 | 206 | 70 |
| • Contributions | $5,265,433.15 | $1,225,523.30 | $196,013.10 | $55,782.92 |
| • Forfeitures | $161,482.80 | 33286.46 | $19,917.42 | $6,178.96 |
| **UT** | | | | |
| • Enrollment | 1,914 | 325 | 7 | 4 |
| • Contributions | $2,667,977.70 | $1,198,364.45 | $7,089.00 | $552.08 |
| • Forfeitures | $50,278.47 | $26,297.09 | N/A | N/A |
| **TBR** | | | | |
| • Enrollment | 832 | 29 | N/A | N/A |
| • Contributions | $1,043,654.00 | $70,413.00 | N/A | N/A |
| • Forfeitures | $28,323.99 | $15,473.92 | N/A | N/A |

*Schedule*

Using a variety of tools and communications mediums, the vendor will perform the following broad tasks:

*During 2015:*

- Work with each individual agency participating in the CDHP/HSA plan option to set up a process to establish and fund accounts for members prior to the HSA go-live date;
- Collaborate with other State vendors, including the third party administrations (TPAs) and the communications vendor on applicable educational materials;
- Conduct HSA training sessions with Agency Benefits Coordinators and other staff;
- Educate members on the functions of a HSA;
- Launch and host a HSA call center and website;
- Develop content describing the HSA option for the ParTNers for Health and related websites; and
- Establish and open HSAs for eligible members.

*During 2016:*

- Manage and administer HSAs;
- Respond to member inquiries received through the website, mobile devices or call center;
- Maintain website functions;
- Update materials and website content as necessary and directed by the State;
- Expand call center and website to include FSA functionality;
- Work with the State to set up a process to establish accounts for members prior to the FSA go-live date; and
- Establish state employee FSA accounts.

*During 2017:*

- Manage and administer state employee FSAs
- Work with higher education to set up a process to establish accounts for members prior to the higher education FSA go-live date;
- Establish higher education FSA accounts; and
- Continue all ongoing HSA and FSA operational functions.

*During 2018:*

- Manage and administer higher education FSAs; and
- Continue all ongoing HSA and FSA operational functions.

*Governance*

The State, specifically the Division of Benefits Administration (BA), administers the State Group Insurance Program which is made up of three separate insurance plans. As of January 2015, the State provides benefits to approximately 274,000 employees, retirees and dependents through these plans. Further information about each of the three plans is detailed below.

**The State Group Insurance Plan** currently provides medical coverage to approximately 147,000 total lives. This includes 136,000 active State and higher education employees and their dependents and 11,000 pre-65 retirees and their dependents. There are two self-funded health plan options: a Standard PPO and a Partnership PPO with benefits currently administered by BlueCross BlueShield of Tennessee and Cigna Healthcare. Other core medical vendors include CVS/Caremark (pharmacy benefits manager), Magellan (employee assistance and behavioral health) and Healthways (wellness). The State, as the employer, contributes monthly to premiums for enrollment in either plan option; the State pays an estimated eighty percent (80%) of these premiums.

State Group Insurance Plan members and retirees are also offered voluntary employee-pay-all benefits including vision administered by EyeMed, dental from either Union Security Insurance Company/Assurant (prepaid dental plan) or Delta Dental (preferred dental organization), long-term care offered by MedAmerica; and basic & voluntary term life insurance/AD&D administered by Minnesota Life.

State employees are paid through a consolidated payroll system and higher education members are paid through a separate payroll system.

**The Local Education Group Insurance Plan** is a financially separate, self-funded program, which offers the same health benefits (Standard PPO, Partnership PPO) as the State Plan, as well as a Limited PPO, to employees and retirees of 131 different Local Education Agencies. Enrollment, as of February 2015, was approximately 100,000 active employees and their dependents and 7,000 retirees and their dependents for a total of approximately 107,000 covered lives. The majority of employees are teachers; the balance is comprised of administrators, cafeteria workers, maintenance and other support personnel. In addition to health insurance coverage, Local Education Agencies who choose to participate are offered the same vision, dental and long-term care plans available to state group insurance plan members. The State contributes to the LEAs an estimated 45% of the premiums for active teachers and an estimated 30% of the premiums for support staff, although the exact contributions from the LEA to their employees may vary. Each Local Education employee is paid through his or her LEA; there is no consolidated payroll system for these employees.

**The Local Government Group Insurance Plan** is also a financially separate, self-funded program, available to employees of approximately 372 local governments or quasi-governmental entities in Tennessee who choose to secure health insurance coverage through this plan. The health benefits (Standard PPO, Partnership PPO and the Limited PPO) are identical to those under the Local Education Plan. As of February 2015, there were approximately 18,500 active employees and their dependents and 170 retirees and their dependents enrolled for a total of approximately 18,700 covered lives. There is no State funding for these plans. The Local Government employers may supplement some, none or all of the premiums at their discretion. In addition to health insurance coverage, Local Government Agencies who choose to participate are offered the same vision, dental and long term care plans available to state group insurance plan members. Each Local Government employee is paid through his or her agency; there is no consolidated payroll system for these employees.

See the 2013 State Group Insurance Program Annual Report for a description of program and plan information. The report can be accessed at http://tennessee.gov/finance/ins/pdf/13annrpt.pdf.

*Background and Context*

In 2013, individual representatives from non-state agencies enrolled in the State of Tennessee Group Insurance Program asked if the State would provide a CDHP with HSA as one of the benefits options offered to all employees. In early 2014, Benefits Administration engaged our actuarial consultants to design a survey and conduct a series of focus groups with the fiscal directors, school superintendents

and ABCs to determine the interest in, and desire for, a CDHP. Through this process, BA determined that there was interest in offering a CDHP/HSA as an additional option, but little understanding of what a CDHP/HSA is or how it works. Benefits Administration recognized that a significant communications component must be created and led by the State prior to, during, and likely after the implementation of the CDHP/HSA option. A communications vendor will be selected in early 2015 to offer these communications services and educate members prior to the 2015 Annual Enrollment Period.

To centralize administration of the HSAs for members statewide, Benefits Administration decided to procure a single vendor to offer HSA banking services for all three governing bodies, and to provide consistent, accurate information to employees and eligible members on how to enroll in and use a HSA. BA also recognized that transparency tools would be necessary to allow members to see and understand their true health care costs, which is a critical component in managing a HSA. In 2016, BA will be procuring new third party administrators (TPAs) for the State plans, and will require the TPA(s) to offer and develop an online transparency tool. The State's current TPAs, BCBST and Cigna, already offer some transparency tool services which are currently available to members.

*CDHP/HSA Framework*

For purposes of this procurement, proposers should assume at least five plan options in 2016 (options to vary by plan): (1) the standard PPO; (2) the Partnership PPO with wellness incentives; (3) the Limited PPO; (4) a CDHP without a plan-funded HSA; and (4) a CDHP with a plan-funded HSA tied to wellness incentives. Even though the Plan may not be funding the HSA, members of the Local Government and Local Education plans may receive employer funding through their individual agency; the HSA vendor will need to coordinate with each agency to establish the necessary banking arrangements pursuant to this contract. Decisions concerning the amount of State contribution to a member's HSA have not been finalized, and may vary depending upon budgetary constraints. LEA and LGA decisions concerning their contributions amounts are left up to the individual school systems and local government entities and not subject to State approval.

*Communications*

Each year in September, the State mails a "Decision Guide" to all eligible and current members and retirees of the State Insurance Program. This is the one tool used annually to directly communicate with our members regarding their benefits options. The State communicates to plan members, with the exception of retirees (which we reach by mail or call center), most often through our ABCs. ABCs are individuals in each agency or department who perform human resources and benefits-related functions and they serve as the State's liaison with plan members. The only way the State can communicate directly with all plan members (including retirees) is by mail. The State does have email addresses for most state employees and for many LEA & LGA employees, but it is not a complete list and therefore cannot be used for "all member" communications.

*The Wellness Program*

An employee wellness program, administered by Healthways Inc., is available to all plan members. The Partnership PPO rewards members with lower costs because they have agreed to take steps to improve their health. These steps are called the Partnership Promise. Partnership PPO members promise to take these steps each year in exchange for lower health insurance rates and lower costs for services. The State plans to offer a "wellness" CDHP which links HSA funding to participation in the wellness plan. HSA funding for Higher Education, LEAs and LGAs is at the discretion of the employer.

*Helpful Links*

Please find below a list of links to documents that may be helpful to the Proposers in reviewing and responding to this RFP:
www.partnersforhealthtn.gov
www.tn.gov/finance/ins

## 1.2. Scope of Service, Contract Period, & Required Terms and Conditions

The RFP Attachment 6.6., *Pro Forma* Contract details the State's requirements:

- Scope of Services and Deliverables (Section A);
- Contract Period (Section B);
- Payment Terms (Section C);
- Standard Terms and Conditions (Section D); and,
- Special Terms and Conditions (Section E).

The *pro forma* contract substantially represents the contract document that the successful Respondent must sign.

## 1.3. Nondiscrimination

No person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of a Contract pursuant to this RFP or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal, Tennessee state constitutional, or statutory law. The Contractor pursuant to this RFP shall, upon request, show proof of such nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

## 1.4. RFP Communications

1.4.1. The State has assigned the following RFP identification number that must be referenced in all communications regarding this RFP:

**RFP # 31786-00130**

1.4.2. **Unauthorized contact about this RFP with employees or officials of the State of Tennessee except as detailed below may result in disqualification from consideration under this procurement process.**

1.4.2.1. Prospective Respondents must direct communications concerning this RFP to the following person designated as the Solicitation Coordinator:

Sylvia Chunn, Procurement and Contracting Manager
Tennessee Department of Finance & Administration
Division of Benefits Administration
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 19th floor
Nashville, Tennessee 37243
sylvia.chunn@tn.gov
Telephone: 615.253.8358
Fax: 615.253.8556

1.4.2.2. Notwithstanding the foregoing, Prospective Respondents may alternatively contact:

a. staff of the Governor's Office of Diversity Business Enterprise for assistance available to minority-owned, woman-owned, Tennessee service-disabled veteran owned, and small businesses as well as general, public information relating to this RFP (visit www.tn.gov/businessopp/ for contact information); and

b. the following individual designated by the State to coordinate compliance with the nondiscrimination requirements of the State of Tennessee, Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and associated federal regulations:

David Sledge
Title VI Coordinator
Tennessee Department of Finance & Administration
Office of Human Resources
312 Rosa L. Parks Avenue, Suite 2100
Nashville, Tennessee 37243
Phone: 615.532.4595
Fax: 615.741.3470
David.Sledge@tn.gov

1.4.3. Only the State's official, written responses and communications with Respondents are binding with regard to this RFP. Oral communications between a State official and one or more Respondents are unofficial and non-binding.

1.4.4. Potential Respondents must ensure that the State receives all written questions and comments, including questions and requests for clarification, no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.4.5. Respondents must assume the risk of the method of dispatching any communication or response to the State. The State assumes no responsibility for delays or delivery failures resulting from the Respondent's method of dispatch. Actual or digital "postmarking" of a communication or response to the State by a specified deadline is not a substitute for the State's actual receipt of a communication or response.

1.4.6. The State will convey all official responses and communications related to this RFP to the prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to RFP Section 1.8).

1.4.7. The State reserves the right to determine, at its sole discretion, the method of conveying official, written responses and communications related to this RFP. Such written communications may be transmitted by mail, hand-delivery, facsimile, electronic mail, Internet posting, or any other means deemed reasonable by the State. For internet posting, please refer to the following website: http://tn.gov/generalserv/cpo/sourcing_sub/rfp.shtml.

1.4.8. The State reserves the right to determine, at its sole discretion, the appropriateness and adequacy of responses to written comments, questions, and requests related to this RFP. The State's official, written responses will constitute an amendment of this RFP.

1.4.9. Any data or factual information provided by the State (in this RFP, an RFP amendment or any other communication relating to this RFP) is for informational purposes only. The State will make reasonable efforts to ensure the accuracy of such data or information, however it is the Respondent's obligation to independently verify any data or information provided by the State. The State expressly disclaims the accuracy or adequacy of any information or data that it provides to prospective Respondents.

## 1.5. Assistance to Respondents With a Handicap or Disability

Prospective Respondents with a handicap or disability may receive accommodation relating to the communication of this RFP and participating in the RFP process. Prospective Respondents may contact

the Solicitation Coordinator to request such reasonable accommodation no later than the Disability Accommodation Request Deadline detailed in the RFP Section 2, Schedule of Events.

## 1.6. Respondent Required Review & Waiver of Objections

1.6.1. Each prospective Respondent must carefully review this RFP, including but not limited to, attachments, the RFP Attachment 6.6., *Pro Forma* Contract, and any amendments, for questions, comments, defects, objections, or any other matter requiring clarification or correction (collectively called "questions and comments").

1.6.2. Any prospective Respondent having questions and comments concerning this RFP must provide them in writing to the State no later than the Written Questions & Comments Deadline detailed in the RFP Section 2, Schedule of Events.

1.6.3. Protests based on any objection to the RFP shall be considered waived and invalid if the objection has not been brought to the attention of the State, in writing, by the Written Questions & Comments Deadline.

## 1.7. Pre-Response Conference

A Pre-response Conference will be held at the time and date detailed in the RFP Section 2, Schedule of Events. Pre-response Conference attendance is not mandatory, and prospective Respondents may be limited to a maximum number of attendees depending upon overall attendance and space limitations.

The conference will be held at:

William R. Snodgrass Tennessee Tower
3rd Floor – Conference Room B – (3.102)
312 Rosa L. Parks Avenue N
Nashville, TN 37243

Please enter the building on the Seventh Avenue side (adjacent to War Memorial Plaza). Check in at the security desk. Arrive early due to heightened security. You must show a photo ID. Proceed to the Conference Rooms past the security desk on the right hand side of the 3rd floor foyer.

The purpose of the conference is to discuss the RFP scope of goods or services. The State will entertain questions, however prospective Respondents must understand that the State's oral response to any question at the Pre-response Conference shall be unofficial and non-binding. Prospective Respondents must submit all questions, comments, or other concerns regarding the RFP in writing prior to the Written Questions & Comments Deadline date detailed in the RFP Section 2, Schedule of Events. The State will send the official response to these questions and comments to prospective Respondents from whom the State has received a Notice of Intent to respond as indicated in RFP Section 1.8 and on the date detailed in the RFP Section 2, Schedule of Events.

## 1.8. Notice of Intent to Respond

Before the Notice of Intent to Respond Deadline detailed in the RFP Section 2, Schedule of Events, prospective Respondents should submit to the Solicitation Coordinator a Notice of Intent to Respond (in the form of a simple e-mail or other written communication). Such notice should include the following information:

- the business or individual's name (as appropriate)
- a contact person's name and title
- the contact person's mailing address, telephone number, facsimile number, and e-mail address

**A Notice of Intent to Respond creates no obligation and is not a prerequisite for submitting a response, however, it is necessary to ensure receipt of any RFP amendments or other notices and communications relating to this RFP.**

1.9. **Response Deadline**

A Respondent must ensure that the State receives a response no later than the response Deadline time and date detailed in the RFP Section 2, Schedule of Events. A response must respond, as required, to this RFP (including its attachments) as may be amended. The State will not accept late responses, and a Respondent's failure to submit a response before the deadline will result in disqualification of the response. It is the responsibility of the Respondent to ascertain any additional security requirements with respect to packaging and delivery to the State of Tennessee. Respondents should be mindful of any potential delays due to security screening procedures, weather, or other filing delays whether foreseeable or unforeseeable.

## 2. RFP SCHEDULE OF EVENTS

2.1. The following RFP Schedule of Events represents the State's best estimate for this RFP.

| EVENT | TIME (central time zone) | DATE (all dates are state business days) |
|---|---|---|
| 1. RFP Issued | | May 11, 2015 |
| 2. Disability Accommodation Request Deadline | 2:00 p.m. | May 14, 2015 |
| 3. Pre-response Conference | 2:30 p.m. | May 15, 2015 |
| 4. Notice of Intent to Respond Deadline | 2:00 p.m. | May 18, 2015 |
| 5. Written "Questions & Comments" Deadline | 2:00 p.m. | May 22, 2015 |
| 6. State Response to Written "Questions & Comments" | | May 29, 2015 |
| 7. Response Deadline | 2:00 p.m. | June 12, 2015 |
| 8. State Completion of Technical Response Evaluations | | June 19, 2015 |
| 9. State Opening & Scoring of Cost Proposals | 2:00 p.m. | June 22, 2015 |
| 10. State Notice of Intent to Award Released and RFP Files Opened for Public Inspection | 2:00 p.m. | Day after Insurance Committee Meeting |
| 11. State sends contract to Contractor for signature | | 8 BUSINESS DAYS LATER |
| 12. Contractor Signature Deadline | 2:00 p.m. | 1 – 5 BUSINESS DAYS LATER |

2.2. **The State reserves the right, at its sole discretion, to adjust the RFP Schedule of Events as it deems necessary.** Any adjustment of the Schedule of Events shall constitute an RFP amendment, and the State will communicate such to prospective Respondents from whom the State has received a Notice of Intent to Respond (refer to section 1.8).

## 3. RESPONSE REQUIREMENTS

### 3.1. Response Form

A response to this RFP must consist of two parts, a Technical Response and a Cost Proposal.

3.1.1. **Technical Response**. RFP Attachment 6.2., Technical Response & Evaluation Guide provides the specific requirements for submitting a response. This guide includes mandatory requirement items, general qualifications and experience items, and technical qualifications, experience, and approach items all of which must be addressed with a written response and, in some instances, additional documentation.

**NOTICE: A technical response must not include any pricing or cost information. If any pricing or cost information amounts of any type (even pricing relating to other projects) is included in any part of the technical response, the state may deem the response to be non-responsive and reject it.**

3.1.1.1. A Respondent must use the RFP Attachment 6.2., Technical Response & Evaluation Guide to organize, reference, and draft the Technical Response by duplicating the attachment, adding appropriate page numbers as required, and using the guide as a table of contents covering the Technical Response.

3.1.1.2. A response should be economically prepared, with emphasis on completeness and clarity. A response, as well as any reference material presented, must be written in English and must be written on standard 8 ½" x 11" pages (although oversize exhibits are permissible) and use a 12 point font for text. All response pages must be numbered.

3.1.1.3. All information and documentation included in a Technical Response should respond to or address a specific requirement detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide. All information must be incorporated into a response to a specific requirement and clearly referenced. Any information not meeting these criteria will be deemed extraneous and will not contribute to evaluations.

3.1.1.4. The State may determine a response to be non-responsive and reject it if:

a. the Respondent fails to organize and properly reference the Technical Response as required by this RFP and the RFP Attachment 6.2., Technical Response & Evaluation Guide; or

b. the Technical Response document does not appropriately respond to, address, or meet all of the requirements and response items detailed in the RFP Attachment 6.2., Technical Response & Evaluation Guide.

3.1.2. **Cost Proposal**. A Cost Proposal must be recorded on an exact duplicate of the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

**NOTICE: If a Respondent fails to submit a cost proposal exactly as required, the State may deem the response to be non-responsive and reject it.**

3.1.2.1. A Respondent must only record the proposed cost exactly as required by the RFP Attachment 6.3., Cost Proposal & Scoring Guide and must NOT record any other rates, amounts, or information.

3.1.2.2. The proposed cost shall incorporate ALL costs for services under the contract for the total contract period, including any renewals or extensions.

3.1.2.3. A Respondent must sign and date the Cost Proposal.

3.1.2.4. A Respondent must submit the Cost Proposal to the State in a sealed package separate from the Technical Response (as detailed in RFP Sections 3.2.3., *et seq.*).

## 3.2. Response Delivery

3.2.1. A Respondent must ensure that both the original Technical Response and Cost Proposal documents meet all form and content requirements, including all required signatures, as detailed within this RFP.

3.2.2. A Respondent must submit original Technical Response and Cost Proposal documents and copies as specified below.

3.2.2.1. One (1) original Technical Response paper document labeled:

**"RFP # 31786-00130 TECHNICAL RESPONSE ORIGINAL"**

and FIVE (5) paper copies of the Technical Response labeled:

**"RFP # 31786-00130 TECHNICAL RESPONSE COPY"**

and six (6) digital copies of the Technical Response each in the form of one (1) digital document in "PDF" format properly recorded on its own otherwise blank, standard CD-R recordable disc or USB flash drive labeled:

**"RFP # 31786-00130 TECHNICAL RESPONSE COPY"**

The digital copies should not include copies of sealed customer references, however any other discrepancy between the paper Technical Response document and any digital copies may result in the State rejecting the proposal as non-responsive.

3.2.2.2. One (1) original Cost Proposal paper document labeled:

**"RFP # 31786-00130 COST PROPOSAL ORIGINAL"**

and one (1) copy in the form of a digital document in "PDF" format properly recorded on separate, blank, standard CD-R recordable disc or USB flash drive labeled:

**"RFP # 31786-00130 COST PROPOSAL COPY"**

In the event of a discrepancy between the original Cost Proposal document and the digital copy, the original, signed document will take precedence.

3.2.3. A Respondent must separate, seal, package, and label the documents and copies for delivery as follows:

3.2.3.1. The Technical Response original document and digital copies must be placed in a sealed package that is clearly labeled:

**"DO NOT OPEN… RFP # 31786-00130 TECHNICAL RESPONSE FROM [RESPONDENT LEGAL ENTITY NAME]"**

3.2.3.2. The Cost Proposal original document and digital copy must be placed in a separate, sealed package that is clearly labeled:

**"DO NOT OPEN… RFP # 31786-00130 COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"**

3.2.3.3. The separately, sealed Technical Response and Cost Proposal components may be enclosed in a larger package for mailing or delivery, provided that the outermost package is clearly labeled:

**"RFP # 31786-00130 SEALED TECHNICAL RESPONSE & SEALED COST PROPOSAL FROM [RESPONDENT LEGAL ENTITY NAME]"**

3.2.4. A Respondent must ensure that the State receives a response no later than the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events at the following address:

Sylvia Chunn, Procurement and Contracting Manager
Tennessee Department of Finance & Administration
Benefits Administration Division
William R. Snodgrass Tennessee Tower, 19th floor
312 Rosa L. Parks Avenue
Nashville, Tennessee 37243

## 3.3. Response & Respondent Prohibitions

3.3.1. A response must not include alternate contract terms and conditions. If a response contains such terms and conditions, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.

3.3.2. A response must not restrict the rights of the State or otherwise qualify either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal. If a response restricts the rights of the State or otherwise qualifies either the offer to deliver goods or provide services as required by this RFP or the Cost Proposal, the State, at its sole discretion, may determine the response to be a non-responsive counteroffer and reject it.

3.3.3. A response must not propose alternative goods or services (*i.e.*, offer services different from those requested and required by this RFP) unless expressly requested in this RFP. The State may consider a response of alternative goods or services to be non-responsive and reject it.

3.3.4. A Cost Proposal must be prepared and arrived at independently and must not involve any collusion between Respondents. The State will reject any Cost Proposal that involves collusion, consultation, communication, or agreement between Respondents. Regardless of the time of detection, the State will consider any such actions to be grounds for response rejection or contract termination.

3.3.5. A Respondent must not provide, for consideration in this RFP process or subsequent contract negotiations, any information that the Respondent knew or should have known was materially incorrect. If the State determines that a Respondent has provided such incorrect information, the State will deem the Response non-responsive and reject it.

3.3.6. A Respondent must not submit more than one Technical Response and one Cost Proposal in response to this RFP, except as expressly requested by the State in this RFP. If a Respondent submits more than one Technical Response or more than one Cost Proposal, the State will deem all of the responses non-responsive and reject them.

3.3.7. A Respondent must not submit a response as a prime contractor while also permitting one or more other Respondents to offer the Respondent as a subcontractor in their own responses. Such may result in the disqualification of all Respondents knowingly involved. This restriction does not, however, prohibit different Respondents from offering the same subcontractor as a part of their responses (provided that the subcontractor does not also submit a response as a prime contractor).

3.3.8. The State shall not consider a response from an individual who is, or within the past six (6) months has been, a State employee. For purposes of this RFP:

3.3.8.1. An individual shall be deemed a State employee until such time as all compensation for salary, termination pay, and annual leave has been paid;

3.3.8.2. A contract with or a response from a company, corporation, or any other contracting entity in which a controlling interest is held by any State employee shall be considered to be a contract with or proposal from the employee; and

3.3.8.3. A contract with or a response from a company, corporation, or any other contracting entity that employs an individual who is, or within the past six (6) months has been, a State employee shall not be considered a contract with or a proposal from the employee and shall not constitute a prohibited conflict of interest.

## 3.4. Response Errors & Revisions

A Respondent is responsible for any and all response errors or omissions. A Respondent will not be allowed to alter or revise response documents after the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events unless such is formally requested, in writing, by the State.

## 3.5. Response Withdrawal

A Respondent may withdraw a submitted response at any time before the Response Deadline time and date detailed in the RFP Section 2, Schedule of Events by submitting a written request signed by an authorized Respondent representative. After withdrawing a response, a Respondent may submit another response at any time before the Response Deadline. After the Response Deadline, a Respondent may only withdraw all or a portion of a response where the enforcement of the response would impose an unconscionable hardship on the Respondent.

## 3.6. Additional Services

If a response offers goods or services in addition to those required by and described in this RFP, the State, at its sole discretion, may add such services to the contract awarded as a result of this RFP. Notwithstanding the foregoing, a Respondent must not propose any additional cost amounts or rates for additional goods or services. Regardless of any additional services offered in a response, the Respondent's Cost Proposal must only record the proposed cost as required in this RFP and must not record any other rates, amounts, or information.

**NOTICE: If a Respondent fails to submit a Cost Proposal exactly as required, the State may deem the response non-responsive and reject it.**

## 3.7. Response Preparation Costs

The State will not pay any costs associated with the preparation, submittal, or presentation of any response.

## 4. GENERAL CONTRACTING INFORMATION & REQUIREMENTS

### 4.1. RFP Amendment

The State at its sole discretion may amend this RFP, in writing, at any time prior to contract award. However, prior to any such amendment, the State will consider whether it would negatively impact the ability of potential Respondents to meet the response deadline and revise the RFP Schedule of Events if deemed appropriate. If an RFP amendment is issued, the State will convey it to potential Respondents who submitted a Notice of Intent to Respond (refer to RFP Section 1.8). A response must address the final RFP (including its attachments) as amended.

### 4.2. RFP Cancellation

The State reserves the right, at its sole discretion, to cancel the RFP or to cancel and reissue this RFP in accordance with applicable laws and regulations.

### 4.3. State Right of Rejection

4.3.1. Subject to applicable laws and regulations, the State reserves the right to reject, at its sole discretion, any and all responses.

4.3.2. The State may deem as non-responsive and reject any response that does not comply with all terms, conditions, and performance requirements of this RFP. Notwithstanding the foregoing, the State reserves the right to waive, at its sole discretion, minor variances from full compliance with this RFP. If the State waives variances in a response, such waiver shall not modify the RFP requirements or excuse the Respondent from full compliance, and the State may hold any resulting Contractor to strict compliance with this RFP.

### 4.4. Assignment & Subcontracting

4.4.1. The Contractor may not subcontract, transfer, or assign any portion of the Contract awarded as a result of this RFP without prior approval of the State. The State reserves the right to refuse approval, at its sole discretion, of any subcontract, transfer, or assignment.

4.4.2. If a Respondent intends to use subcontractors, the response to this RFP must specifically identify the scope and portions of the work each subcontractor will perform (refer to RFP Attachment 6.2., Section B, General Qualifications & Experience Item B.14.).

4.4.3. Subcontractors identified within a response to this RFP will be deemed as approved by the State unless the State expressly disapproves one or more of the proposed subcontractors prior to signing the Contract.

4.4.4. After contract award, a Contractor may only substitute an approved subcontractor at the discretion of the State and with the State's prior, written approval.

4.4.5. Notwithstanding any State approval relating to subcontracts, the Respondent who is awarded a contract pursuant to this RFP will be the prime contractor and will be responsible for all work under the Contract.

### 4.5. Right to Refuse Personnel or Subcontractors

The State reserves the right to refuse, at its sole discretion and notwithstanding any prior approval, any personnel of the prime contractor or a subcontractor providing goods or services in the performance of a contract resulting from this RFP. The State will document in writing the reason(s) for any rejection of personnel.

4.6. **Insurance**

From time-to-time, the State may require the awarded Contractor to provide a Certificate of Insurance issued by an insurance company licensed or authorized to provide insurance in the State of Tennessee. Each Certificate of Insurance shall indicate current insurance coverages meeting minimum requirements as may be specified by this RFP. A failure to provide a current, Certificate of Insurance will be considered a material breach and grounds for contract termination.

4.7. **Professional Licensure and Department of Revenue Registration**

4.7.1. All persons, agencies, firms, or other entities that provide legal or financial opinions, which a Respondent provides for consideration and evaluation by the State as a part of a response to this RFP, shall be properly licensed to render such opinions.

4.7.2. Before the Contract resulting from this RFP is signed, the apparent successful Respondent (and Respondent employees and subcontractors, as applicable) must hold all necessary or appropriate business or professional licenses to provide the goods or services as required by the contract. The State may require any Respondent to submit evidence of proper licensure.

4.7.3. Before the Contract resulting from this RFP is signed, the apparent successful Respondent must be registered with the Tennessee Department of Revenue for the collection of Tennessee sales and use tax. The State shall not award a contract unless the Respondent provides proof of such registration or provides documentation from the Department of Revenue that the Contractor is exempt from this registration requirement. The foregoing is a mandatory requirement of an award of a contract pursuant to this solicitation. For purposes of this registration requirement, the Department of Revenue may be contacted at: TN.Revenue@tn.gov.

4.8. **Disclosure of Response Contents**

4.8.1. All materials submitted to the State in response to this RFP shall become the property of the State of Tennessee. Selection or rejection of a response does not affect this right. By submitting a response, a Respondent acknowledges and accepts that the full response contents and associated documents will become open to public inspection in accordance with the laws of the State of Tennessee.

4.8.2. The State will hold all response information, including both technical and cost information, in confidence during the evaluation process. Notwithstanding the foregoing, a list of actual Respondents submitting timely responses may be available to the public, upon request, after technical responses are opened.

4.8.3. Upon completion of response evaluations, indicated by public release of a Notice of Intent to Award, the responses and associated materials will be open for review by the public in accordance with *Tennessee Code Annotated*, Section 10-7-504(a)(7).

4.9. **Contract Approval and Contract Payments**

4.9.1. After contract award, the Contractor who is awarded the contract must submit appropriate documentation with the Department of Finance and Administration, Division of Accounts.

4.9.2. This RFP and its contractor selection processes do not obligate the State and do not create rights, interests, or claims of entitlement in either the Respondent with the apparent best-evaluated response or any other Respondent. State obligations pursuant to a contract award shall commence only after the contract is signed by the State agency head and the Contractor and after the Contract is approved by all other state officials as required by applicable laws and regulations.

4.9.3. No payment will be obligated or made until the relevant Contract is approved as required by applicable statutes and rules of the State of Tennessee.

4.9.3.1. The State shall not be liable for payment of any type associated with the Contract resulting from this RFP (or any amendment thereof) or responsible for any goods delivered or services rendered by the Contractor, even goods delivered or services rendered in good faith and even if the Contractor is orally directed to proceed with the delivery of goods or the rendering of services, if it occurs before the Contract start date or after the Contract end date.

4.9.3.2. All payments relating to this procurement will be made in accordance with the Payment Terms and Conditions of the Contract resulting from this RFP (refer to RFP Attachment 6.6., *Pro Forma* Contract, Section C).

4.9.3.3. If any provision of the Contract provides direct funding or reimbursement for the competitive purchase of goods or services as a component of contract performance or otherwise provides for the reimbursement of specified, actual costs, the State will employ all reasonable means and will require all such documentation that it deems necessary to ensure that such purchases were competitive and costs were reasonable, necessary, and actual. The Contractor shall provide reasonable assistance and access related to such review. Further, the State shall not remit, as funding or reimbursement pursuant to such provisions, any amounts that it determines do not represent reasonable, necessary, and actual costs.

4.10. **Contractor Performance**

The Contractor who is awarded a contract will be responsible for the delivery of all acceptable goods or the satisfactory completion of all services set out in this RFP (including attachments) as may be amended. All goods or services are subject to inspection and evaluation by the State. The State will employ all reasonable means to ensure that goods delivered or services rendered are in compliance with the Contract, and the Contractor must cooperate with such efforts.

4.11. **Contract Amendment**

After contract award, the State may request the Contractor to deliver additional goods or perform additional services within the general scope of the contract and this RFP, but beyond the specified scope of service, and for which the Contractor may be compensated. In such instances, the State will provide the Contractor a written description of the additional goods or services. The Contractor must respond to the State with a time schedule for delivering the additional goods or accomplishing the additional services based on the compensable units included in the Contractor's response to this RFP. If the State and the Contractor reach an agreement regarding the goods or services and associated compensation, such agreement must be effected by means of a contract amendment. Further, any such amendment requiring additional goods or services must be signed by both the State agency head and the Contractor and must be approved by other state officials as required by applicable statutes, rules, policies and procedures of the State of Tennessee. The Contractor must not provide additional goods or render additional services until the State has issued a written contract amendment with all required approvals.

4.12. **Severability**

If any provision of this RFP is declared by a court to be illegal or in conflict with any law, said decision will not affect the validity of the remaining RFP terms and provisions, and the rights and obligations of the State and Respondents will be construed and enforced as if the RFP did not contain the particular provision held to be invalid.

4.13. **Next Ranked Respondent**

The State reserves the right to initiate negotiations with the next ranked Respondent should the State cease doing business with any Respondent selected via this RFP process.

## 5. EVALUATION & CONTRACT AWARD

### 5.1. Evaluation Categories & Maximum Points

The State will consider qualifications, experience, technical approach, and cost in the evaluation of responses and award points in each of the categories detailed below (up to the maximum evaluation points indicated) to each response deemed by the State to be responsive.

| EVALUATION CATEGORY | MAXIMUM POINTS POSSIBLE |
|---|---|
| **General Qualifications & Experience** (refer to RFP Attachment 6.2., Section B) | **10** |
| **Technical Qualifications, Experience & Approach** (refer to RFP Attachment 6.2., Section C) | **50** |
| **Cost Proposal** (refer to RFP Attachment 6.3.) | **40** |

### 5.2. Evaluation Process

The evaluation process is designed to award the contract resulting from this RFP not necessarily to the Respondent offering the lowest cost, but rather to the Respondent deemed by the State to be responsive and responsible who offers the best combination of attributes based upon the evaluation criteria. ("Responsive Respondent" is defined as a Respondent that has submitted a response that conforms in all material respects to the RFP. "Responsible Respondent" is defined as a Respondent that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance.)

5.2.1. **Technical Response Evaluation.** The Solicitation Coordinator and the Proposal Evaluation Team (consisting of three (3) or more State employees) will use the RFP Attachment 6.2., Technical Response & Evaluation Guide to manage the Technical Response Evaluation and maintain evaluation records.

5.2.1.1. The State reserves the right, at its sole discretion, to request Respondent clarification of a Technical Response or to conduct clarification discussions with any or all Respondents. Any such clarification or discussion will be limited to specific sections of the response identified by the State. The subject Respondent must put any resulting clarification in writing as may be required and in accordance with any deadline imposed by the State.

5.2.1.2. The Solicitation Coordinator will review each Technical Response to determine compliance with RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A— Mandatory Requirements. If the Solicitation Coordinator determines that a response failed to meet one or more of the mandatory requirements, the Proposal Evaluation Team will review the response and document the team's determination of whether:

a. the response adequately meets RFP requirements for further evaluation;

b. the State will request clarifications or corrections for consideration prior to further evaluation; or,

c. the State will determine the response to be non-responsive to the RFP and reject it.

5.2.1.3. Proposal Evaluation Team members will independently evaluate each Technical Response (that is responsive to the RFP) against the evaluation criteria in this RFP, and will score each in accordance with the RFP Attachment 6.2., Technical Response & Evaluation Guide.

5.2.1.4. For each response evaluated, the Solicitation Coordinator will calculate the average of the Proposal Evaluation Team member scores for RFP Attachment 6.2., Technical Response & Evaluation Guide, and record each average as the response score for the respective Technical Response section.

5.2.1.5. Before Cost Proposals are opened, the Proposal Evaluation Team will review the Technical Response Evaluation record and any other available information pertinent to whether or not each Respondent is responsive and responsible. If the Proposal Evaluation Team identifies any Respondent that does not to meet the responsive and responsible thresholds such that the team would not recommend the Respondent for Cost Proposal Evaluation and potential contract award, the team members will fully document the determination.

5.2.2. **Cost Proposal Evaluation.** The Solicitation Coordinator will open for evaluation the Cost Proposal of each Respondent deemed by the State to be responsive and responsible and calculate and record each Cost Proposal score in accordance with the RFP Attachment 6.3., Cost Proposal & Scoring Guide.

5.2.3. **Total Response Score.** The Solicitation Coordinator will calculate the sum of the Technical Response section scores and the Cost Proposal score and record the resulting number as the total score for the subject Response (refer to RFP Attachment 6.5., Score Summary Matrix).

5.3. **Contract Award Process**

5.3.1 The Solicitation Coordinator will submit the Proposal Evaluation Team determinations and scores to the head of the procuring agency for consideration along with any other relevant information that might be available and pertinent to contract award.

5.3.2. The procuring agency head will determine the apparent best-evaluated Response. To effect a contract award to a Respondent other than the one receiving the highest evaluation process score, the head of the procuring agency must provide written justification and obtain the written approval of the Chief Procurement Officer and the Comptroller of the Treasury.

5.3.3. The State will issue a Notice of Intent to Award identifying the apparent best-evaluated response and make the RFP files available for public inspection at the time and date specified in the RFP Section 2, Schedule of Events.

**NOTICE: The Notice of Intent to Award shall not create rights, interests, or claims of entitlement in either the apparent best-evaluated Respondent or any other Respondent.**

5.3.4. The Respondent identified as offering the apparent best-evaluated response must sign a contract drawn by the State pursuant to this RFP. The contract shall be substantially the same as the RFP Attachment 6.6., *Pro Forma* Contract. The Respondent must sign the contract by the Contractor Signature Deadline detailed in the RFP Section 2, Schedule of Events. If the Respondent fails to provide the signed contract by this deadline, the State may determine that the Respondent is non-responsive to this RFP and reject the response.

5.3.5. Notwithstanding the foregoing, the State may, at its sole discretion, entertain limited negotiation prior to contract signing and, as a result, revise the *pro forma* contract terms and conditions or performance requirements in the State's best interests, PROVIDED THAT such revision of terms and conditions or performance requirements shall NOT materially affect the basis of response

evaluations or negatively impact the competitive nature of the RFP and contractor selection process.

5.3.6. If the State determines that a response is non-responsive and rejects it after opening Cost Proposals, the Solicitation Coordinator will re-calculate scores for each remaining responsive Cost Proposal to determine (or re-determine) the apparent best-evaluated response.

## RFP # 31786-00130 STATEMENT OF CERTIFICATIONS AND ASSURANCES

The Respondent must sign and complete the Statement of Certifications and Assurances below as required, and it must be included in the Technical Response (as required by RFP Attachment 6.2., Technical Response & Evaluation Guide, Section A, Item A.1.).

**The Respondent does, hereby, expressly affirm, declare, confirm, certify, and assure ALL of the following:**

1. The Respondent will comply with all of the provisions and requirements of the RFP.
2. The Respondent will provide all services as defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract for the total contract period.
3. The Respondent, except as otherwise provided in this RFP, accepts and agrees to all terms and conditions set out in the RFP Attachment 6.6., *Pro Forma* Contract.
4. The Respondent acknowledges and agrees that a contract resulting from the RFP shall incorporate, by reference, all proposal responses as a part of the contract.
5. The Respondent will comply with:
   (a) the laws of the State of Tennessee;
   (b) Title VI of the federal Civil Rights Act of 1964;
   (c) Title IX of the federal Education Amendments Act of 1972;
   (d) the Equal Employment Opportunity Act and the regulations issued there under by the federal government; and,
   (e) the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.
6. To the knowledge of the undersigned, the information detailed within the response submitted to this RFP is accurate.
7. The response submitted to this RFP was independently prepared, without collusion, under penalty of perjury.
8. No amount shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Respondent in connection with this RFP or any resulting contract.
9. Both the Technical Response and the Cost Proposal submitted in response to this RFP shall remain valid for at least 120 days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract pursuant to the RFP.

**By signing this Statement of Certifications and Assurances, below, the signatory also certifies legal authority to bind the proposing entity to the provisions of this RFP and any contract awarded pursuant to it. If the signatory is not the Respondent (if an individual) or the Respondent's company *President* or *Chief Executive Officer*, this document <u>must</u> attach evidence showing the individual's authority to bind the Respondent.**

**<u>DO NOT SIGN THIS DOCUMENT IF YOU ARE NOT LEGALLY AUTHORIZED TO BIND THE RESPONDENT</u>**

**SIGNATURE:** _____

**PRINTED NAME & TITLE:** _____

**DATE:** _____

**RESPONDENT LEGAL ENTITY NAME:** _____

**RESPONDENT FEDERAL EMPLOYER IDENTIFICATION NUMBER (or SSN):** _____

## TECHNICAL RESPONSE & EVALUATION GUIDE

**SECTION A: MANDATORY REQUIREMENTS.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

The Solicitation Coordinator will review the response to determine if the Mandatory Requirement Items are addressed as required and mark each with pass or fail. For each item that is not addressed as required, the Proposal Evaluation Team must review the response and attach a written determination. In addition to the Mandatory Requirement Items, the Solicitation Coordinator will review each response for compliance with all RFP requirements.

| **RESPONDENT LEGAL ENTITY NAME:** | | | |
|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section A— Mandatory Requirement Items** | **Pass/Fail** |
| | | The Response must be delivered to the State no later than the Response Deadline specified in the RFP Section 2, Schedule of Events. | |
| | | The Technical Response and the Cost Proposal documentation must be packaged separately as required (refer to RFP Section 3.2., *et. seq.*). | |
| | | The Technical Response must NOT contain cost or pricing information of any type. | |
| | | The Technical Response must NOT contain any restrictions of the rights of the State or other qualification of the response. | |
| | | A Respondent must NOT submit alternate responses (refer to RFP Section 3.3.). | |
| | | A Respondent must NOT submit multiple responses in different forms (as a prime and a sub-contractor) (refer to RFP Section 3.3.). | |
| | **A.1.** | Provide the Statement of Certifications and Assurances (RFP Attachment 6.1.) completed and signed by an individual empowered to bind the Respondent to the provisions of this RFP and any resulting contract. The document must be signed without exception or qualification. | |
| | **A.2.** | Provide a statement, based upon reasonable inquiry, of whether the Respondent or any individual who shall cause to deliver goods or perform services under the contract has a possible conflict of interest (*e.g.*, employment by the State of Tennessee) and, if so, the nature of that conflict.<br><br>NOTE: Any questions of conflict of interest shall be solely within the discretion of the State, and the State reserves the right to cancel any award. | |
| | **A.3.** | Provide a current bank reference indicating that the Respondent's business relationship with the financial institution is in positive standing. Such reference must be written in the form of a standard business letter, signed, and dated within the past three (3) months. | |
| | **A.4.** | Provide two current positive credit references from vendors with which the Respondent has done business written in the form of standard business letters, signed, and dated within the past three (3) months. | |

| RESPONDENT LEGAL ENTITY NAME: | | | |
|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section A— Mandatory Requirement Items** | **Pass/Fail** |
| | **A.5.** | Provide an official document or letter from an accredited credit bureau, verified and dated within the last three (3) months and indicating a satisfactory credit rating for the Respondent (NOTE: A credit bureau report number without the full report is insufficient and will not be considered responsive.) | |
| | **A.6.** | Provide a written statement attesting that the Proposer is a qualified HSA trustee as defined by the IRS. This includes a bank, an insurance company, or anyone already approved by the IRS to be a trustee of individual retirement arrangements (IRAs) or Archer MSAs. | |
| | **A.7.** | Provide a written statement attesting that the Proposer has:<br>1) Provided Health Savings Account (HSA) and Flexible Spending Arrangement (FSA) services similar to those described in this RFP to at least two entities with 10,000 or more employees during the last three years (include the names of the two entities), and<br>2) Worked with accounts requiring the establishment of links to more than 50 payroll systems | |
| | **A.8.** | Provide a written statement attesting that the Proposer has at least $500 million of HSA Assets Under Management or at least $1 billion of Total Assets Under Management | |
| | **A.9.** | Provide a written statement attesting that the Proposer has not had a contract for HSA trustee services or FSA services terminated for cause in the past three years. | |
| | **A.10.** | Provide the Respondent's most recent independent audited financial statements. Said independent audited financial statements must:<br>(1) reflect an audit period for the most recent available fiscal year;<br>(2) be prepared with all monetary amounts detailed in United States currency;<br>(3) be prepared under United States Generally Accepted Accounting Principles (US GAAP);<br>(4) include the auditor's opinion letter; financial statements; and the notes to the financial statements; and<br>(5) be deemed, in the sole discretion of a C.P.A. employed by the State and charged with the financial document review of the Respondent, to reflect sufficient financial stability to undertake the subject contract with the State if awarded pursuant to this RFP.<br>NOTES:<br>▪ Reviewed or Compiled Financial Statements will not be deemed responsive to this requirement and will not be accepted.<br>▪ All persons, agencies, firms, or other entities that provide opinions regarding the Respondent's financial status must be properly licensed to render such opinions. The State may require the Respondent to submit proof that the person or entity who renders an opinion regarding the Respondent's financial status is licensed, including the license number and state in which the person or entity is licensed. | |

| RESPONDENT LEGAL ENTITY NAME: | | | |
|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section A— Mandatory Requirement Items** | **Pass/Fail** |
| | **A.11.** | Provide a valid, Certificate of Insurance that is verified and dated within the last six (6) months and which details all of the following:<br>(a) Name of the Insurance Company<br>(b) Respondent's Name and Address as the Insured<br>(c) Policy Number<br>(d) The following minimum insurance coverages:<br>(i) Comprehensive Commercial General Liability (including personal injury and property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate;<br>(e) The following information applicable to each type of insurance coverage:<br>(i) Coverage Description,<br>(ii) Exceptions and Exclusions,<br>(iii) Policy Effective Date,<br>(iv) Policy Expiration Date, and<br>(v) Limit(s) of Liability. | |
| *State Use – Solicitation Coordinator Signature, Printed Name & Date:* | | | |

## TECHNICAL RESPONSE & EVALUATION GUIDE

**SECTION B: GENERAL QUALIFICATIONS & EXPERIENCE.** The Respondent must address all items detailed below and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below. Proposal Evaluation Team members will independently evaluate and assign one score for all responses to Section B— General Qualifications & Experience Items.

| **RESPONDENT LEGAL ENTITY NAME:** | | |
|---|---|---|
| **Response Page #** (Respondent completes) | **Item Ref.** | **Section B— General Qualifications & Experience Items** |
| | **B.1.** | Detail the name, e-mail address, mailing address, telephone number, and facsimile number of the person the State should contact regarding the response. |
| | **B.2.** | Describe the Respondent's form of business (*i.e.*, individual, sole proprietor, corporation, non-profit corporation, partnership, limited liability company) and business location (physical location or domicile). |
| | **B.3.** | Detail the number of years the Respondent has been in business. |
| | **B.4.** | Briefly describe how long the Respondent has been providing the goods or services required by this RFP. |
| | **B.5.** | Describe the Respondent's number of employees, client base, and location of offices. |
| | **B.6.** | Provide a statement of whether there have been any mergers, acquisitions, or change of control of the Respondent within the last ten (10) years. If so, include an explanation providing relevant details. |
| | **B.7.** | Provide a statement of whether the Respondent or, to the Respondent's knowledge, any of the Respondent's employees, agents, independent contractors, or subcontractors, involved in the delivery of goods or performance of services on a contract pursuant to this RFP, have been convicted of, pled guilty to, or pled *nolo contendere* to any felony. If so, include an explanation providing relevant details. |
| | **B.8.** | Provide a statement of whether, in the last ten (10) years, the Respondent has filed (or had filed against it) any bankruptcy or insolvency proceeding, whether voluntary or involuntary, or undergone the appointment of a receiver, trustee, or assignee for the benefit of creditors. If so, include an explanation providing relevant details. |
| | **B.9.** | Provide a statement of whether there is any material, pending litigation against the Respondent that the Respondent should reasonably believe could adversely affect its ability to meet contract requirements pursuant to this RFP or is likely to have a material adverse effect on the Respondent's financial condition. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it would impair the Respondent's performance in a contract pursuant to this RFP.<br><br>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions. |
| | **B.10.** | Provide a statement of whether there are any pending or in progress Securities Exchange Commission investigations involving the Respondent. If such exists, list each separately, explain the relevant details, and attach the opinion of counsel addressing whether and to what extent it will |

**RFP ATTACHMENT 6.2. — SECTION B (continued)**

| **RESPONDENT LEGAL ENTITY NAME:** | | |
|---|---|---|
| **Response Page #** (Respondent completes) | **Item Ref.** | **Section B— General Qualifications & Experience Items** |
| | | impair the Respondent's performance in a contract pursuant to this RFP.<br>NOTE: All persons, agencies, firms, or other entities that provide legal opinions regarding the Respondent must be properly licensed to render such opinions. The State may require the Respondent to submit proof of license for each person or entity that renders such opinions. |
| | **B.11.** | Provide a brief, descriptive statement detailing evidence of the Respondent's ability to deliver the goods or services sought under this RFP (*e.g.*, prior experience, training, certifications, resources, program and quality management systems, *etc*.). |
| | **B.12.** | Provide a narrative description of the proposed project team, its members, and organizational structure along with an organizational chart identifying the key people who will be assigned to deliver the goods or services required by this RFP. |
| | **B.13.** | Provide a personnel roster listing the names of key people who the Respondent will assign to meet the Respondent's requirements under this RFP along with the estimated number of hours that each individual will devote to that performance. Follow the personnel roster with a resume for each of the people listed. The resumes must detail the individual's title, education, current position with the Respondent, and employment history. |
| | **B.14.** | Provide a statement of whether the Respondent intends to use subcontractors to meet the Respondent's requirements of any contract awarded pursuant to this RFP, and if so, detail:<br>(a) the names of the subcontractors along with the contact person, mailing address, telephone number, and e-mail address for each;<br>(b) a description of the scope and portions of the goods each subcontractor involved in the delivery of goods or performance of the services each subcontractor will perform; <u>and</u><br>(c) a statement specifying that each proposed subcontractor has expressly assented to being proposed as a subcontractor in the Respondent's response to this RFP. |
| | **B.15.** | Provide documentation of the Respondent's commitment to diversity as represented by the following:<br>(a) <u>Business Strategy</u>. Provide a description of the Respondent's existing programs and procedures designed to encourage and foster commerce with business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises. Please also include a list of the Respondent's certifications as a diversity business, if applicable.<br>(b) <u>Business Relationships</u>. Provide a listing of the Respondent's current contracts with business enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises. Please include the following information:<br>(i) contract description and total value;<br>(ii) contractor name and ownership characteristics (*i.e.*, ethnicity, gender, Tennessee service-disabled);<br>(iii) contractor contact name and telephone number.<br>(c) <u>Estimated Participation</u>. Provide an estimated level of participation by business enterprises owned by minorities, women, Tennessee service-disabled veterans, and small business enterprises if a contract is awarded to the Respondent pursuant to this RFP. Please include the following information:<br>(i) a percentage (%) indicating the participation estimate. (Express the estimated participation number as a percentage of the total estimated contract value that will be dedicated to business with subcontractors and supply contractors having such ownership |

**RFP ATTACHMENT 6.2. — SECTION B (continued)**

| **RESPONDENT LEGAL ENTITY NAME:** | | |
|---|---|---|
| **Response Page #** (Respondent completes) | **Item Ref.** | **Section B— General Qualifications & Experience Items** |
| | | characteristics only and **DO NOT INCLUDE DOLLAR AMOUNTS**);<br>(ii) anticipated goods or services contract descriptions;<br>(iii) names and ownership characteristics (i.e., ethnicity, gender, Tennessee service-disabled veterans) of anticipated subcontractors and supply contractors.<br>NOTE: In order to claim status as a Diversity Business Enterprise under this contract, businesses must be certified by the Governor's Office of Diversity Business Enterprise (Go-DBE). Please visit the Go-DBE website at https://tn.diversitysoftware.com/FrontEnd/StartCertification.asp?TN=tn&XID=9265 for more information.<br>(d) Workforce. Provide the percentage of the Respondent's total current employees by ethnicity and gender.<br>NOTE: Respondents that demonstrate a commitment to diversity will advance State efforts to expand opportunity to do business with the State as contractors and subcontractors. Response evaluations will recognize the positive qualifications and experience of a Respondent that does business with enterprises owned by minorities, women, Tennessee service-disabled veterans and small business enterprises and who offer a diverse workforce. |
| | **B.16.** | Provide a statement of whether or not the Respondent has any current contracts with the State of Tennessee or has completed any contracts with the State of Tennessee within the previous five (5) year period. If so, provide the following information for all of the current and completed contracts:<br>(a) the name, title, telephone number and e-mail address of the State contact knowledgeable about the contract;<br>(b) the procuring State agency name;<br>(c) a brief description of the contract's scope of services;<br>(d) the contract period; and<br>(e) the contract number.<br>NOTES:<br>▪ Current or prior contracts with the State are not a prerequisite and are not required for the maximum evaluation score, and the existence of such contracts with the State will not automatically result in the addition or deduction of evaluation points.<br>▪ Each evaluator will generally consider the results of inquiries by the State regarding all contracts noted. |
| | **B.17.** | Provide customer references from individuals (who are not current or former officials or staff of the State of Tennessee) for projects similar to the services sought under this RFP and which represent:<br>▪ two (2) of the larger accounts currently serviced by the Respondent, and<br>▪ three (3) completed projects.<br>All references must be provided in the form of standard reference questionnaires that have been fully completed by the individual providing the reference as required. The standard reference questionnaire, which must be used and completed as required, is detailed at RFP Attachment 6.4. References that are not completed as required will be considered non-responsive and will not be considered.<br>The Respondent will be solely responsible for obtaining the fully completed reference questionnaires, and for including them within the Respondent's sealed Technical Response. In order to obtain and submit the completed reference questionnaires, as required, follow the process detailed below.<br>(a) Customize the standard reference questionnaire at RFP Attachment 6.4. by adding the subject Respondent's name, and make duplicates for completion by references.<br>(b) Send the customized reference questionnaires to each individual chosen to provide a |

**RFP ATTACHMENT 6.2. — SECTION B (continued)**

| **RESPONDENT LEGAL ENTITY NAME:** | | |
|---|---|---|
| **Response Page #** (Respondent completes) | **Item Ref.** | **Section B— General Qualifications & Experience Items** |
| | | reference along with a new standard #10 envelope.<br>(c) Instruct the person that will provide a reference for the Respondent to:<br>(i) complete the reference questionnaire (on the form provided or prepared, completed, and printed using a duplicate of the document);<br>(ii) sign <u>and</u> date the completed, reference questionnaire;<br>(iii) seal the completed, signed, and dated, reference questionnaire within the envelope provided;<br>(iv) sign his or her name in ink across the sealed portion of the envelope; and<br>(v) return the sealed envelope containing the completed reference questionnaire directly to the Respondent (the Respondent may wish to give each reference a deadline, such that the Respondent will be able to collect all required references in time to include them within the sealed Technical Response).<br>(d) <u>Do NOT open the sealed references upon receipt</u>.<br>(e) Enclose all <u>sealed</u> reference envelopes within a larger, labeled envelope for inclusion in the Technical Response as required.<br>NOTES:<br>▪ The State will not accept late references or references submitted by any means other than that which is described above, and each reference questionnaire submitted must be completed as required.<br>▪ The State will not review more than the number of required references indicated above.<br>▪ While the State will base its reference check on the contents of the sealed reference envelopes included in the Technical Response package, the State reserves the right to confirm and clarify information detailed in the completed reference questionnaires, and may consider clarification responses in the evaluation of references.<br>▪ The State is under <u>no</u> obligation to clarify any reference information. |
| | **B.18.** | Provide a statement and any relevant details addressing whether the Respondent is any of the following:<br>(a) is presently debarred, suspended, proposed for debarment, or voluntarily excluded from covered transactions by any federal or state department or agency;<br>(b) has within the past three (3) years, been convicted of, or had a civil judgment rendered against the contracting party from commission of fraud, or a criminal offence in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;<br>(c) is presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed above; and<br>(d) has within a three (3) year period preceding the contract had one or more public transactions (federal, state, or local) terminated for cause or default. |
| **SCORE *(for <u>all</u> Section B—Qualifications & Experience Items above)*:**<br>*(maximum possible score = 10)* | | |
| *State Use – Evaluator Identification:* | | |

## TECHNICAL RESPONSE & EVALUATION GUIDE

**SECTION C: TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH.** The Respondent must address all items (below) and provide, in sequence, the information and documentation as required (referenced with the associated item references). The Respondent must also detail the response page number for each item in the appropriate space below.

A Proposal Evaluation Team, made up of three or more State employees, will independently evaluate and score the response to each item. Each evaluator will use the following whole number, raw point scale for scoring each item:

***0 = little value*** ***1 = poor*** ***2 = fair*** ***3 = satisfactory*** ***4 = good*** ***5 = excellent***

The Solicitation Coordinator will multiply the Item Score by the associated Evaluation Factor (indicating the relative emphasis of the item in the overall evaluation). The resulting product will be the item's Raw Weighted Score for purposes of calculating the section score as indicated.

| **RESPONDENT LEGAL ENTITY NAME:** | | | | | |
|---|---|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section C— Technical Qualifications, Experience & Approach Items** | **Item Score** | **Evaluation Factor** | **Raw Weighted Score** |
| | **C.1.** | Provide a narrative that illustrates the Respondent's understanding of the State's requirements and project schedule including how the Respondent will manage the project, ensure completion of the scope of services, and accomplish required objectives within the State's project schedule. | | **2** | |
| | **C.2.** | Identify whether you have had a contract terminated prior to the original term date or not renewed (for reasons other than loss of competitive procurement) within the past five (5) years. If so, please describe the issues and any corrective action taken to prevent any future occurrence of the problem leading to the termination/non-renewal. | | **1** | |
| | **C.3.** | **<u>Employer Experience</u>**<br>(a) Identify all other contracts for large employers (> 10,000 employees), including States, that your company has contracted with in the last five (5) years. For each prior experience identified, please provide a brief description of the scope of work and the most recent client satisfaction ratings from each of these clients.<br>(b) Describe your experience working with similar plans with multiple employer agencies such as the State of Tennessee, which has an estimated 500 agencies that would be deemed employers for purposes of funding the HSA. Include in your description any particular challenges you see working with the State and your proposed solutions to overcome such challenges.<br>(c) Explain how you work with employers to increase HSA enrollment. What strategies have you found | | **5** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | to be most effective? | | | |
| | **C.4.** | **Subcontractors/Partners**<br>(a) Identify any partners or subcontractors that you work with to support your HSA and FSA product offerings.<br>(b) Who is the trustee for your HSA product?<br>(c) If you have an exclusive trustee partner (or offer more robust services through one partner) please describe why you selected that partner and what attributes differentiate that partner in the HSA marketplace.<br>(d) Do you have a proprietary adjudication engine and administrative platform? If not, identify with whom you partner for these systems. | | **2** | |
| | **C.5.** | **Membership Base**<br>(a) Indicate your total number of HSA and FSA accountholders as of January 1, 2013, January 1, 2014 and January 1, 2015.<br>(b) Indicate your total number of HSA and FSA Employers as of January 1, 2013, January 1, 2014 and January 1, 2015.<br>(c) Indicate the percentage of total HSA and FSA accountholder populations represented by large employers (5,000+ EEs) as of January 1, 2015. | | **1** | |
| | **C.6.** | **Implementation**<br>(a) Describe the steps involved in your typical HSA and FSA implementation process.<br>(b) How much lead time do you typically require for new HSA implementations? FSA implementations?<br>(c) Provide a project implementation plan describing the steps that the Proposer will take upon approval of a contract resulting from this RFP to be prepared to assume all responsibilities described in the *Pro Forma* Contract (RFP Attachment 6.6) as of the go-live date specified in *Pro Forma* Contract Section A.18. Include the following:<br>i. A roster of the implementation team members detailing each member's primary work location, roles, and responsibilities;<br>ii. Details about the major implementation tasks | | **5** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | and their owners; and<br>iii. Proposed member communications. | | | |
| | **C.7.** | **HSA Set-Up - Employer**<br>(a) Describe the process for an employer that has a web-based annual enrollment process and passes enrollment results to you via an electronic file transmission. What data is needed and within what time frame?<br>(b) Describe the various employer contribution methods available to your clients.<br>(c) Describe the type and source of data you need from each employer that wishes to fund employee HSAs.<br>(d) Define the estimated time to establish new accounts with each employer after receipt of required data.<br>(e) Describe any software or technology requirements that each employer would need to have in place. | | **8** | |
| | **C.8.** | **HSA Set-Up - Employee**<br>(a) Describe the process for online and paper account set-up and discuss the member experience and their required steps.<br>(b) Describe the type and source of data you need from each employee to establish their account.<br>(c) Do you require a paper or "wet" signature for opening an HSA account?<br>(d) Define the estimated time between the member signing up for the CDHP and when the account would be funded.<br>(e) Describe the supports available to members when setting up their account.<br>(f) What processes are in place for employees who fail to open a HSA (particularly when there is an employer contribution)? | | **7** | |
| | **C.9.** | **FSA Set-up and Management**<br>(a) What is the average turnaround time in processing reimbursement account claims?<br>(b) Describe the process for online and paper account set-up and discuss the member experience and | | **5** | |

| RESPONDENT LEGAL ENTITY NAME: | | | | | |
|---|---|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section C— Technical Qualifications, Experience & Approach Items** | **Item Score** | **Evaluation Factor** | **Raw Weighted Score** |
| | | their required steps.<br>(c) What communication do you provide to help employees avoid year-end forfeitures of their account dollars on an FSA?<br>(d) Provide the auto adjudication rates and manual substantiation rates for your largest three accounts.<br>(e) Describe all methods of claims substantiation your company employs to maintain compliance with IRS rules and verify that submitted expenses have not been reimbursed. | | | |
| | **C.10.** | **<u>Call Center</u>**<br>(a) Describe the following characteristics of the member services unit/call center that will be assigned to this contract. If there are multiple facilities or groups serving the account please answer each question for each facility and/or group.<br>i. Location and hours of operation of the member services unit/call center<br>ii. Staffing plan including experience and qualifications of the staff<br>iii. Current turnover rate of member service representatives at the facilities to be assigned to this account<br>iv. Back-up call center operational readiness in the event of a natural disaster, etc.<br>v. The flexibility of the call center to handle fluctuations in call volume, its scalability, and the proportion of its capacity currently in use.<br>(b) Regarding the member representatives describe the following:<br>i. Procedures for monitoring and ensuring the quality of services provided by member services representatives and customer satisfaction.<br>ii. How your customer support staff is trained and able to solve problems on a client's behalf efficiently and quickly.<br>iii. How member service representatives will be trained on this account prior to program go-live as well as ongoing training requirements. | | **8** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | (c) Provide the actual 2013 and 2014 results for the following key measurements for the member services unit/call center to be assigned to this account:<br>i. Average speed of answer<br>ii. First call resolution<br>(d) Do you have a targeted staffing ratio for member services (e.g., 1 CSR for every 5,000 accountholders)? If so, please define.<br>(e) Do your CSRs handle all of the questions relating to investments or are those calls handed off to another party?<br>(f) Do your CSRs provide warm transfers to callers who need to speak to a representative from their health plan or PBM? | | | |
| | **C.11.** | **<u>Staffing</u>**<br>For the proposed Account Team describe:<br>(a) The background of the proposed Account Team, highlighting experience on similar projects for large employers (employers with > 10,000 employees);<br>(b) How the account team will work with the State, outside of scheduled meetings, on an ongoing basis to identify opportunities and respond to issues that arise in the industry.<br>(c) The account team's access to appropriate executive sponsors to escalate and resolve issues of importance to the State.<br>(d) Any evaluation tools you have in place that would allow the State of Tennessee to provide a formal written evaluation of the account team's performance. Describe how often these tools are utilized and how the results are used to improve performance. | | **5** | |
| | **C.12.** | **<u>HSA Account Funding</u>**<br>(a) Describe your system to allow the following member contributions, highlighting any experience with previous large clients with multiple agencies:<br>i. payroll deductions;<br>ii. a one-time or recurring contribution, current or prior year; | | **5** | |

| RESPONDENT LEGAL ENTITY NAME: | | | | | |
|---|---|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section C— Technical Qualifications, Experience & Approach Items** | **Item Score** | **Evaluation Factor** | **Raw Weighted Score** |
| | | iii. select automatic transfers to investments; and<br>iv. any differences in handling pre-tax and post-tax contributions.<br>(b) Describe your experience funding member accounts based on their completion of employer approved wellness activities.<br>(c) What type of monitoring services do you provide to prevent employees from making contributions in excess of annual HSA contribution limits? | | | |
| | **C.13.** | **<u>Information Systems</u>**<br>(a) Describe your experience and expertise with receiving eligibility, claims or similar data files from other clients and their contracted vendors.<br>(b) Other than the State or employer agencies, identify any other vendors from which you propose to receive data for this RFP, i.e. subcontractors, etc.<br>(c) Describe your experience working with multiple payroll systems for multiple employers all of whom fund accounts differently.<br>(d) Describe the capabilities and the expertise of the staff/personnel dedicated to support information system operations.<br>(e) Describe how you unify your platform for various consumer-directed spending accounts (HSA, FSA) to ensure integrated messaging for customer service support and communications tools and supporting employer compliance with the specific rules governing the various accounts.<br>(f) Describe your quality assurance procedures to ensure the accuracy of data processing. | | **6** | |
| | **C.14.** | **<u>Website</u>**<br>(a) Describe or provide the following information regarding your <u>proposed</u> website for the State of Tennessee:<br>i. Screen shots of the proposed website home page, login and resources or links pages which members can access.<br>ii. Your ability to provide a fully customizable, cobranded, contractor owned-and-operated microsite that the State can review for clarity | | **8** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | and content prior to the go-live date;<br>iii. The specific member data that will be included;<br>iv. Security measures utilized to protect member data/PHI or others from accessing the microsite;<br>v. Your ability to integrate online chat options and any other smartphone mobile applications;<br>vi. Educational materials you propose to include on your website, highlighting content that is aimed at: reducing health care costs, defining eligible expenses and educating members on investment strategies for their HSA.<br>(b) What web functionality is available to support HSA investments?<br>(c) If investments are part of a third party site, please specify who administers the site.<br>(d) Is there a single sign-on from your website to the investment website or do members need to log in twice?<br>(e) How quickly do processed claims show up on the consumer portal (e.g., real time, nightly, etc.)?<br>(f) Describe any mobile apps (compatible with IPhone and Android) currently available to your HSA accountholders. | | | |
| | **C.15.** | **<u>Investment Opportunities</u>**<br>(a) Describe your current investment options available to HSA accountholders and the associated rate of returns. If you are planning changes during the next calendar year, please describe those changes that may apply to accountholders under this Contract.<br>(b) What percentage of the fund options are no-load or load-waived funds?<br>(c) Describe any minimum liquidity requirements and account balance requirements for the other stock/mutual funds offered.<br>(d) Describe any minimum HSA balance threshold you recommend before an accountholder may transfer funds or seek investment opportunities.<br>(e) Is there an automatic sweep option available to move funds from cash account to investment | | **6** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | account (when cash account reaches balance of $x)?<br>(f) Is there an automatic sweep option available to move funds from an investment account to a cash account (when dollars are needed in cash account to cover health care expenses)?<br>(g) Is the accountholder able to turn the sweep function on/off throughout the year?<br>(h) Do you allow employers to customize the HSA investment fund platform to match their 401K investment options?<br>(i) Does the HSA administrator engage the services of an independent investment advisor to review the quality and appropriateness of HSA investment fund options on a periodic basis? If so, what is the name of the investment advisor used for this review service and how often is the review conducted? | | | |
| | **C.16.** | **<u>Financials</u>**<br>(a) Indicate the total HSA Assets Under Management - Including Cash and Investment Account Dollars as of January 1, 2015.<br>(b) What is the simple interest rate (APY) for your HSA cash account? Does this interest rate vary based on the size of the account balance?<br>(c) Is the monthly account maintenance fee waived if the participant maintains a minimum balance level? If so, what is this level? | | **4** | |
| | **C.17.** | **<u>Debit Cards</u>**<br>(a) Describe any restrictions placed on debit cards to prevent payment for non-qualified medical expenses.<br>(b) Is there a daily spending limit on HSA debit card purchases?<br>(c) What debit card vendor does your organization partner with in administration? What qualifications or experience lead you to choose this partner? | | **3** | |
| | **C.18.** | **<u>Member Assistance</u>**<br>For member inquiries, please answer the following:<br>(a) What type of direct assistance do you provide to members who may have questions concerning | | **4** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | their HSA or FSA?<br>(b) Describe all options for communications directly with members (email, chat, etc.).<br>(c) Describe how and when you will refer inquiries to the State's enrollment call center or TPAs. | | | |
| | **C.19.** | **Communications**<br>(a) Describe the types and frequency of communications you have used with clients who launched your HSA banking services. Confine your discussion to communications that you have developed for clients during the last three years. Focus your narrative on your experience with relatively larger employers who are implementing major plan changes, including adding a CHDP, to their benefits plan designs. Include the number of employees and covered lives affected by the benefits changes for each of these employers.<br>(b) Provide actual samples of your communications with similar, past projects where employers began offering a CDHP/HSA option along with existing plan options. In your samples, include at least **one** example of each of the following:<br>i. Email blast templates or other forms of communications with plan members;<br>ii. Any direct mailings;<br>iii. Any relevant employer training materials;<br>iv. Examples of other member educational pieces you have prepared; and<br>v. Ongoing educational materials.<br>(c) Describe any push notifications or alerts to members as part of your services. Describe any such alerts, what triggers the alerts, and how a member will access them.<br>(d) Describe the content of your account statements. | | **5** | |
| | **C.20.** | **Training**<br>Describe the training you propose to provide to the State, specifically addressing the following:<br>(a) What type of training do you typically offer to large employer clients? Do you propose any differences in training for the State? If so, please explain. | | **4** | |

| RESPONDENT LEGAL ENTITY NAME: | |
|---|---|

| Response Page # (Respondent completes) | Item Ref. | Section C— Technical Qualifications, Experience & Approach Items | Item Score | Evaluation Factor | Raw Weighted Score |
|---|---|---|---|---|---|
| | | (b) The specific groups you would target for training at the State (i.e., call center staff, Agency Benefits Coordinators, etc.).<br>(c) Include copies of relevant training materials you have used with other large employer clients (video, written, webinar, etc.). | | | |
| | **C.21.** | **Reporting & Systems Access**<br>Describe or provide the following information regarding your reporting capabilities:<br>(a) Your standard employer reporting package inclusive of report names, methods of distribution, and frequency of reporting.<br>(b) Your ad-hoc reporting capabilities and the access the State will have to an ad-hoc reporting liaison to assist in the development of ad-hoc reporting requests.<br>(c) The types of reports you routinely provide to accountholders including any tax-reporting forms. Attach copies of samples reports (with redacted info if necessary). | | **3** | |
| | **C.22.** | **Compliance**<br>(a) Describe how your company stays current with the latest HSA and FSA regulations to ensure programs are administered in accordance with current rules and remain compliant with changing regulation.<br>(b) Describe your procedures for non-discrimination testing and how you educate employers on such regulations. | | **3** | |

| | | |
|---|---|---|
| *The Solicitation Coordinator will use this sum and the formula below to calculate the section score. All calculations will use and result in numbers rounded to two (2) places to the right of the decimal point.* | **Total Raw Weighted Score:**<br>*(sum of Raw Weighted Scores above)* | |
| **Total Raw Weighted Score** / **Maximum Possible Raw Weighted Score**<br>*(i.e., 5 x the sum of item weights above)* | **X 40**<br>*(maximum possible score)* | **= SCORE:** |

*State Use – Evaluator Identification:*

**RFP ATTACHMENT 6.2. — SECTION C (continued)**

| **RESPONDENT LEGAL ENTITY NAME:** | | | | | |
|---|---|---|---|---|---|
| **Response Page # (Respondent completes)** | **Item Ref.** | **Section C— Technical Qualifications, Experience & Approach Items** | **Item Score** | **Evaluation Factor** | **Raw Weighted Score** |
| *State Use – Solicitation Coordinator Signature, Printed Name & Date:* | | | | | |

**RFP ATTACHMENT 6.3.**

## COST PROPOSAL & SCORING GUIDE

*NOTICE: THIS COST PROPOSAL MUST BE COMPLETED EXACTLY AS REQUIRED*

**COST PROPOSAL SCHEDULE—** The Cost Proposal, detailed below, shall indicate the proposed price for goods or services defined in the Scope of Services of the RFP Attachment 6.6., *Pro Forma* Contract and for the entire contract period. The Cost Proposal shall remain valid for at least one hundred twenty (120) days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any contract resulting from this RFP. All monetary amounts shall be in U.S. currency and limited to two (2) places to the right of the decimal point.

**NOTICE:** Notwithstanding the cost items herein, pursuant to the second paragraph of the *Pro Forma* Contract section C.1. (refer to RFP Attachment 6.6.), "The State is under no obligation to request work from the Contractor in any specific dollar amounts or to request any work at all from the Contractor during any period of this Contract."

This Cost Proposal must be signed, in the space below, by an individual empowered to bind the Respondent to the provisions of this RFP and any contract awarded pursuant to it. If said individual is not the *President* or *Chief Executive Officer*, this document must attach evidence showing the individual's authority to legally bind the Respondent.

| | |
|---|---|
| **RESPONDENT SIGNATURE:** | |
| **PRINTED NAME & TITLE:** | |
| **DATE:** | |
| **RESPONDENT LEGAL ENTITY NAME:** | |

# STATE FEES

| Cost Item Description<br>Total Number of Participants: | Proposed Cost | | | | | State Use Only<br>Evaluation Cost (sum) |
|---|---|---|---|---|---|---|
| | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** | |
| **Monthly HSA Account Maintenance Fee** | | | | | | |
| Below 5,000 | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | |
| 5,000 – 9,999 | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | |
| 10,000 – 19,999 | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | |
| 20,000 – 29,999 | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | |
| 30,000 – 49,999 | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | |
| 50,000 and Above | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | $0.00 /per active acct per Month | |
| **Monthly FSA Administration Fee per Participant** | | | | | | |
| **Cost Item Description**<br>Total Number of Participants: | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** | **Evaluation Cost (sum)** |
| Below 3,000 | | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | |

| **Cost Item Description**<br>Total Number of Participants: | **Proposed Cost** | | | | | **State Use Only**<br>**Evaluation Cost (sum)** |
|---|---|---|---|---|---|---|
| | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** | |
| 3,000 – 4,999 | | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | |
| 5,000 – 7,499 | | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | |
| 7,500 – 9,999 | | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | |
| 10,000 – 14,999 | | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | |
| 15,000 and above | | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | $0.00 / per participant per Month | |

*January enrollment will be used to determine the FSA enrollment-based fee level annually, and the fee level set in January of each year shall remain constant for the remainder of the calendar year. The sum of the monthly fee and the number of participants, not total enrollment levels, will generate the Contractor's total payment.

**EVALUATION COST AMOUNT** (sum of evaluation costs above)**:**

The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.

$$\frac{\textbf{lowest evaluation cost amount from all proposals}}{\textbf{evaluation cost amount being evaluated}} \times 20 \text{ (maximum section score)} = \textbf{SCORE:}$$

## MEMBER FEES

| **Cost Item Description**<br>Account Fees | **HSA Fees** | **HSA & FSA Fees** | | | | **State Use Only Evaluation Cost (sum)** |
|---|---|---|---|---|---|---|
| | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** | |
| Manual/Paper Account Set-Up | $0.00 / Account | $0.00 / Account | $0.00 / Account | $0.00 / Account | $0.00 / Account | |
| Debit Card Replacement (first replacement card free) | $0.00 / Card | $0.00 / Card | $0.00 / Card | $0.00 / Card | $0.00 / Card | |
| **HSA Only Fees** | | | | | | |
| **Cost Item Description**<br>Account Fees | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** | **State Use Only Evaluation Cost (sum)** |
| Checks | $0.00 / Box | $0.00 / Box | $0.00 / Box | $0.00 / Box | $0.00 / Box | |
| Non-Sufficient Funds | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | |
| Excess Contributions | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | |
| Stop Payment | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | |
| Overdrafts | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | |
| Document Copies (checks, duplicate statements, etc.) | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | |
| ATM Fees: In-network | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | |

| | | | | | | |
|---|---|---|---|---|---|---|
| ATM Fees: Out-of-network | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | |
| Account Closing (excludes accounts closed due to contract expiration or termination) | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | |
| Wire Transfer (excludes wire transfers resulting from contract expiration or termination) | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | |
| Check Writing Fee | $0.00 / Check | $0.00 / Check | $0.00 / Check | $0.00 / Check | $0.00 / Check | |
| Monthly Investment Fee | $0.00 / Month | $0.00 / Month | $0.00 / Month | $0.00 / Month | $0.00 / Month | |

**EVALUATION COST AMOUNT** (sum of evaluation costs above)**:**

The Solicitation Coordinator will use this sum and the formula below to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.

$$\frac{\textbf{lowest evaluation cost amount from all proposals}}{\textbf{evaluation cost amount being evaluated}} \times 20 \text{ (maximum section score)} = \textbf{SCORE:}$$

**TOTAL EVALUATION COST AMOUNT** (sum of State score and Member score above)**:**

The Solicitation Coordinator will use this sum to calculate the Cost Proposal Score. Numbers rounded to two (2) places to the right of the decimal point will be standard for calculations.

*State Use – Solicitation Coordinator Signature, Printed Name & Date:*

## REFERENCE QUESTIONNAIRE

**The standard reference questionnaire provided on the following pages of this attachment MUST be completed by all individuals offering a reference for the Respondent.**

The Respondent will be solely responsible for obtaining completed reference questionnaires as required (refer to RFP Attachment 6.2., Technical Response & Evaluation Guide, Section B, Item B.17.), and for enclosing the sealed reference envelopes within the Respondent's Technical Response.

**RFP # 31786-00130 REFERENCE QUESTIONNAIRE**

**REFERENCE SUBJECT:** RESPONDENT NAME (completed by Respondent before reference is requested)

The "reference subject" specified above, intends to submit a response to the State of Tennessee in response to the Request for Proposals (RFP) indicated. As a part of such response, the reference subject must include a number of completed and sealed reference questionnaires (using this form).

Each individual responding to this reference questionnaire is asked to follow these instructions:

- complete this questionnaire (either using the form provided or an exact duplicate of this document);
- sign and date the completed questionnaire;
- seal the completed, signed, and dated questionnaire in a new standard #10 envelope;
- sign in ink across the sealed portion of the envelope; and
- return the sealed envelope containing the completed questionnaire directly to the reference subject.

**(1) What is the name of the individual, company, organization, or entity responding to this reference questionnaire?**

**(2) Please provide the following information about the individual completing this reference questionnaire on behalf of the above-named individual, company, organization, or entity.**

| | |
|---|---|
| **NAME:** | |
| **TITLE:** | |
| **TELEPHONE #** | |
| **E-MAIL ADDRESS:** | |

**(3) What goods or services does/did the reference subject provide to your company or organization?**

**(4) What is the level of your overall satisfaction with the reference subject as a vendor of the goods or services described above?**

*Please respond by circling the appropriate number on the scale below.*

**1 2 3 4 5**

**least satisfied** —— **most satisfied**

**If you circled 3 or less above, what could the reference subject have done to improve that rating?**

**(5) If the goods or services that the reference subject provided to your company or organization are completed, were the goods or services provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.**

**(6) If the reference subject is still providing goods or services to your company or organization, are these goods or services being provided in compliance with the terms of the contract, on time, and within budget? If not, please explain.**

**(7) How satisfied are you with the reference subject's ability to perform based on your expectations and according to the contractual arrangements?**

**(8) In what areas of goods or service delivery does/did the reference subject excel?**

**(9) In what areas of goods or service delivery does/did the reference subject fall short?**

**(10) What is the level of your satisfaction with the reference subject's project management structures, processes, and personnel?**

*Please respond by circling the appropriate number on the scale below.*

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| **least satisfied** | | | | | | **most satisfied** |

**What, if any, comments do you have regarding the score selected above?**

**(11) Considering the staff assigned by the reference subject to deliver the goods or services described in response to question 3 above, how satisfied are you with the technical abilities, professionalism, and interpersonal skills of the individuals assigned?**

*Please respond by circling the appropriate number on the scale below.*

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| **least satisfied** | | | | | | **most satisfied** |

**What, if any, comments do you have regarding the score selected above?**

**(12) Would you contract again with the reference subject for the same or similar goods or services?**

*Please respond by circling the appropriate number on the scale below.*

| | 1 | 2 | 3 | 4 | 5 | |
|---|---|---|---|---|---|---|
| **least satisfied** | | | | | | **most satisfied** |

**What, if any, comments do you have regarding the score selected above?**

**REFERENCE SIGNATURE:**
(by the individual completing this request for reference information)

_____
(must be the same as the signature across the envelope seal)

**DATE:** _____

## SCORE SUMMARY MATRIX

| | *RESPONDENT NAME* | | *RESPONDENT NAME* | | *RESPONDENT NAME* | |
|---|---|---|---|---|---|---|
| **GENERAL QUALIFICATIONS & EXPERIENCE** **(maximum: 10)** | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *REPEAT AS NECESSARY* | | | | | | |
| | **AVERAGE:** | | **AVERAGE:** | | **AVERAGE:** | |
| **TECHNICAL QUALIFICATIONS, EXPERIENCE & APPROACH** **(maximum: 50)** | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *EVALUATOR NAME* | | | | | | |
| *REPEAT AS NECESSARY* | | | | | | |
| | **AVERAGE:** | | **AVERAGE:** | | **AVERAGE:** | |
| **COST PROPOSAL** **(maximum: 40)** | **SCORE:** | | **SCORE:** | | **SCORE:** | |
| **TOTAL RESPONSE EVALUATION SCORE:** **(maximum: 100)** | | | | | | |

*Solicitation Coordinator Signature, Printed Name & Date:*

**RFP # 31786-00130 *PRO FORMA* CONTRACT**

**The *Pro Forma* Contract detailed in following pages of this exhibit contains some "blanks" (signified by descriptions in capital letters) that will be completed with appropriate information in the final contract resulting from the RFP.**

**CONTRACT**
**BETWEEN THE STATE OF TENNESSEE,**
**Finance & Administration, Division of Benefits Administration**
**AND**
**CONTRACTOR NAME**

This Contract, by and between the State of Tennessee, Finance & Administration, Division of Benefits Administration, hereinafter referred to as the 'State" and Contractor Legal Entity Name, hereinafter referred to as the "Contractor," is for the provision of Scope of Service Caption, as further defined in the "SCOPE OF SERVICES."

The Contractor is a/an Individual, For-Profit Corporation, Non-Profit Corporation, Special Purpose Corporation Or Association, Partnership, Joint Venture, Or Limited Liability Company.
Contractor Place of Incorporation or Organization: Location
Contractor Edison Registration ID # Number

## A. SCOPE OF SERVICES:

### A.1. General

a. The Contractor shall provide all service and deliverables as required, described, and detailed herein and shall meet all service and delivery timelines as specified by this Contract.

b. The Contractor shall manage all aspects of Health Savings Accounts (HSA) for state/higher education, local education and local government members enrolled in a Public Sector Plan sponsored Consumer Driven Health Plan (CDHP). Such services shall include, but not be limited to, account administration services; account enrollment services such as development, production, and distribution of all account enrollment materials and online and/or paper application account enrollment processing; employer set-up; program communication and education to participating employees and employers; claims processing and reimbursement services in compliance with applicable Internal Revenue Code; online and telephone support; and management of investment options.

c. At the State's request, the Contractor shall manage all aspects of a Flexible Spending Arrangement (FSA) for state and higher education employees for eligible medical, dependent care, parking and transportation expenses. Such services shall include, but not be limited to, claims substantiation and adjudication, member communications, debit card processing, customer service, reporting and compliance support. Enrollment services may also be required for a subset of members. All FSA services are optional and will only be implemented or utilized at the state's request.

d. The Contractor shall work with the State to ensure that the Contractor satisfies applicable requirements of this Contract, including requirements in the State Plan, Local Education Plan, and Local Government Plan Documents (referred to as the "Plan Documents" and which are located on the State's website at http://tennessee.gov/finance/ins/publications.shtml) and State and Federal law.

### A.2. HSA Set-Up and Management

a. The Contractor must establish and maintain the appropriate custodian banking arrangement, in compliance with applicable Internal Revenue Code, for the implementation of HSAs for use by each participating CDHP member.

b. The Contractor shall manage all member account activities including, but not limited to, online account set-up/application processing, assistance with opening an account, providing educational information and toll-free and online customer assistance. Paper forms shall be available to members unable to complete enrollment activities online.

c. The Contractor shall manage all employer account activities including, but not limited to, establishing and processing various data files, salary deduction notification, establishing a process to receive employer contributions, providing refunds, providing educational information and toll-free and online customer assistance.

d. The Contractor shall receive and process weekly eligibility and payroll deduction files from the State and only establish a HSA for those eligible members enrolling in a CDHP. At the State's request, the Contractor shall process eligibility files more or less frequently than weekly. See requirements in contract section A.12.e.

e. The Contractor shall work with the State to establish procedures for the opening, transferring and closing of HSAs; such procedures shall include a process to allow automatic enrollment, immediate funding of the HSA, online account set-up, a process to terminate and liquidate a HSA established for ineligible members, and the ability to transfer funds to other accounts for members leaving the State plan(s).

f. The Contractor shall have a process to refuse or refund HSA contributions exceeding the annual maximum contribution amounts.

g. The Contractor shall have a process in place to redistribute employer funds exceeding the annual maximum contribution directly to members with an accompanying 1099.

h. The Contractor shall offer various diversified HSA investment opportunities, such as mutual funds, to members as well as investment guidance and management. Any conditions surrounding the investment opportunities shall be prior approved by the State and any material changes in the investment portfolio will be communicated to the State within thirty (30) days of the change.

i. The Contractor shall deposit non-invested HSA funds in into an FDIC-insured deposit account.

j. The Contractor shall provide continuing program support services to participating employers. Employer personnel may require periodic assistance and training for deduction management, account enrollments, facilitating the filing of forms, etc.

k. The Contractor shall receive and process financial transactions and reimbursement claims on a daily basis. Members must have 24-hour access to their funds per the agreed upon terms in the contract. The Contractor shall provide members with an up-to-date HSA balance 24 hours a day, seven days a week through its website described below in Section A.10., and provide a timely feed of such updated balances to other vendors as requested by the State.

l. The Contractor shall accept HSA contributions directly from the member at any time and directly from the member's employer at a frequency and in a format determined by each individual employer. At a minimum, the Contractor shall allow the following member contribution methods: payroll deduction, one-time or recurring EFT contributions, personal check or money order, ATM deposits, and mobile deposits. The Contractor shall follow the timeframes, if any, specified for the State for the establishment of a new HSA for members.

m. Employer contributions, if any, shall be decided annually by each participating employer. The Contractor shall work with the State and all participating employers to establish links to multiple payroll systems in support of employer account funding and payroll deduction functions. This shall include the development of mutually agreed upon files to support the receipt and allocation of pre-tax contributions (e.g. FTP files, ACH, other).

n. The Contractor shall, at the State's request, credit member HSA accounts for achieving specific wellness requirements, based on files received from the State or other State contracted vendors. The Contractor shall have the ability to invoice individual employers for such member credits.

o. The Contractor shall hold in the HSA all cash contributed and gains and losses attributable thereto for the exclusive purpose of administering the CDHP member's HSA.

p. The Contractor shall comply with the provisions restricting recoupment by employers to circumstances described in Internal Revenue Service ("IRS") Notice 2008-59, Q&A23-25 or any future guidance issued regarding the nonforfeitability of employer contributions to HSAs.

q. The Contractor shall refund employers directly for any funds paid in error by the employer.

r. The Contractor shall act upon the written directions of the CDHP member, including settling investment transactions and making distributions from the HSA. For purposes of this section, email directions shall constitution written directions.

s. The Contractor shall maintain applicable custodian records reflecting an inventory of the assets of each HSA, all activity transacted during the previous year and the market value of the assets of the HSA.

t. The Contractor shall capture and maintain account beneficiary information. If no valid designation is on file then the Contractor shall follow their standard order of precedence.

u. The Contractor shall provide and service debit cards and/or checks that allow members to pay for qualified medical expenses. The cost of creating and mailing the cards shall be borne by the Contractor. The initial debit card as well as at least one replacement card shall be provided free of charge to members; additional replacement cards and/or checks shall be provided according to the fee schedule outlined in contract section C.3.

v. The Contractor shall mail debit cards and/or checks to members no later than twenty-one (21) days prior to the HSA account go-live date. During the benefit year the Contractor shall mail cards and/or checks to members no later than ten (10) days from receipt of new enrollment or change in enrollment, as indicated in the enrollment information from the State and no later than ten (10) days from receipt of a member's request for a replacement or duplicate card.

w. The Contractor shall accept rollovers and account transfers from other HSAs and Archer Medical Spending Accounts (MSA) and transfers of funds from Individual Retirement Accounts (IRA).

x. The HSA shall have no minimum balance requirement to open or maintain the account and member fees shall not vary based on the account balance. Fees related to overdrafts are permissible and must comply with the fee schedule outlined in contract section C.3.

y. The Contractor shall provide employees with enrollment confirmation notices within ten (10) days of successfully establishing their HSA account.

z. The Contractor shall establish a reserve fund to hold employer contributions for members that have not yet activated their account. The funds shall be returned to the employer within a timeframe established by the employer.

aa. The Contractor shall notify the State if there are changes in regulations or federal guidance which may require the State to amend the CDHP as necessary to remain qualified and comply with changes in applicable Federal, state, or local statutes, guidance or regulations.

bb. The Contractor shall offer all services contained in this contract to any employer or member participating in the State sponsored CDHP.

**A.3. <u>FSA Set-Up and Management</u>**

a. The Contractor shall hold all FSA funds received from the State, members, or on behalf of a member, as applicable, in an FDIC insured account established for such purposes at an eligible financial institution.

b. At a minimum, the Contractor shall offer accountholders the following FSA reimbursement methods: debit card, online bill pay, check reimbursement and direct deposit.

c. The Contractor shall manage all member account activities including, but not limited to, claims substantiation, claims payment, account creation and termination, member account or claims assistance, providing educational information and toll-free and online customer assistance. At the

State's request, enrollment activities such as application processing or online enrollment shall be provided to a subset of members.

d. The Contractor shall manage all employer account activities including, but not limited to, establishing and processing various enrollment and payroll deduction files, providing educational information, terminating accounts established for ineligible members, continuing program support services and toll-free and online assistance. The State shall be solely responsible for the collection and administration of contributions to the plan.

e. The Contractor shall receive and process a weekly eligibility and payroll deduction file from the State and establish a FSA for those employees who have elected to participate. At the State's request, the Contractor shall process eligibility and payroll files more or less frequently than weekly. See requirements in contract section A.12.e.

f. The Contractor shall, at the State's request, during the State's annual enrollment period (typically October) process FSA enrollments for higher education employees. Such enrollments shall be online when possible, but paper applications shall be available to members unable to complete enrollment activities online. Following the enrollment period and prior to the plan year the Contractor shall transmit a file of enrolled members and their contribution amounts to the State. The Contractor shall provide employees with enrollment confirmation notices within ten (10) days of successfully establishing their FSA account.

g. The Contractor shall provide and service debit cards that allow members to pay for qualified medical expenses. The cost of creating and mailing the cards shall be borne by the Contractor. The initial debit card as well as at least one replacement card shall be provided free of charge to members; additional replacement cards shall be provided according to the fee schedule outlined in contract section C.3.

h. The Contractor shall issue a single debit card for members with both a HSA and a limited purpose FSA that is coordinated and functional for either account.

i. The Contractor shall mail debit cards to members no later than twenty-one (21) days prior to the FSA account go-live date. During the benefit year the Contractor shall mail cards to members no later than ten (10) days from new enrollment or change in enrollment and no later than ten (10) days from receipt of a member's request for a replacement or duplicate card.

j. The Contractor shall maintain monthly automatic card adjudication rates above eighty percent (80%) for FSA and HSA transactions and shall report rates on a quarterly basis.

k. The Contractor shall handle all processes related to the substantiation and payment of claims in compliance with IRS rules and shall make the determination of the eligibility of the member to benefits under the plan as well as the amounts due. The Contractor shall notify the employer in a timely manner of any improper payments that cannot be substantiated or recovered.

l. The Contractor shall receive and process reimbursement claims on a daily basis and shall accept claims or substantiation online or via e-mail.

m. In the event a claim is determined to not be allowable, the Contractor shall notify the member of such decision within fifteen (15) days of receipt of the claim, including the reason for the denial. The member shall have the right to appeal such denial. The Contractor will evaluate the appeal within fifteen (15) days of receipt of the appeal and advise the State of claims ultimately determined to not be allowable. The State shall have the final authority to authorize or disallow claim payments.

n. In accordance with IRS rules, and as determined by the State, the Contractor shall have the capability to implement either a grace period for unused funds or allow a carryover of funds for the following plan year.

o. The Contractor shall administer a general purpose health FSA and/or a limited purpose health FSA, as determined by the State and shall establish processes to coordinate HSA reimbursements with limited purpose FSA reimbursements.

p. The Contractor shall implement controls to prevent HSA accountholders from establishing a general purpose FSA.

q. The Contractor shall perform routine non-discrimination testing of the flexible spending plan at least once annually to ensure that the plan is operating in a nondiscriminatory manner in compliance with Internal Revenue Code (IRC).

r. The Contractor shall have a process in place to annually refund all unused funds to the State following the plan year grace period.

s. The Contractor shall notify the State if there are changes in regulations or federal guidance which may require the State to amend the FSA plan as necessary to remain qualified and comply with changes in applicable Federal, state, or local statutes, guidance or regulations.

t. The Contractor shall contact participants enrolled in FSA Medical Reimbursement Accounts and Dependent Care Accounts one month before the end of the plan year and one month before the end of the grace period of their available balance and that if unclaimed these funds will be forfeited to the State.

u. The Contractor shall manage and administer any COBRA requirements applicable to the accounts of FSA plan members.

**A.4. <u>Member / Employer Support and Education</u>**

a. The Contractor shall provide member access to personal HSA and FSA account information 24-hours-a-day seven days a week via the website described below in Section A.10. as well as an Interactive Voice Response telephone system.

b. The Contractor shall provide alternative means for members who are not internet-capable to access the same level of information and services available to on-line members.

c. The Contractor shall send a representative to perform educational sessions and enrollment meetings at employer sites across the state, as necessary, to ensure understanding of the HSA. Such trainings may include in-person or online webinar sessions. The Contractor shall be responsible for providing copies of training materials at all in-person meetings.

d. The Contractor shall provide tools to employers for purposes of testing the HSA plan for comparable contributions for comparable participating employees under IRC Section 4980G and applicable regulations.

e. The Contractor shall perform, following review and approval by the State, member satisfaction surveys. The Contractor shall conduct the survey once annually during each calendar year at a time mutually agreed upon by the State and the Contractor and shall involve a statistically valid random sample of members. The State reserves the right to review and mandate changes in the survey it feels are necessary to obtain valid, reliable, unbiased results. Those changes may include, but are not limited to, changes in the research design, units of analysis or observation, study dimension, sample size, sample frame, sample method, coding, or evaluation method. Based upon the results of the survey, the Contractor and the State will jointly develop an action plan to correct problems or deficiencies identified through this activity.

**A.5. <u>Implementation</u>**

a. The Contractor shall be fully operational and capable of delivering all contracted services on the various go-live dates specified in Contract Section A.20.

b. All key Contractor project staff shall attend a project kick-off meeting at the State offices in Nashville, TN within the first thirty (30) days after the contract start date or after the notification of awarding of the contract to the vendor, as requested by the State. The Contractor shall prepare and develop the agenda for the kick-off meeting, subject to State approval.

c. The Contractor shall provide a project implementation plan to the State no later than thirty (30) days after the Contract start date. The plan shall be electronically maintained, daily, in a format accessible to the State. The plan shall comprehensively detail all aspects of implementation, which includes all tasks with deliverable dates necessary to satisfactorily implement contracted services no later than the applicable go-live date specified in Contract Section A.20. and a description of the members on the implementation team and their roles with respect to each item/task/function. The plan shall include a detailed timeline description of all work to be performed both by the Contractor and the State. This plan shall require written approval by the State. At a minimum, the implementation plan shall provide specific details on the following:

    i. Identification and timing of significant responsibilities and tasks;

    ii. Names and titles of key implementation staff;

    iii. Identification and timing of the state's responsibilities;

    iv. Data requirements (indicate type and format of data required) from the State and/or its vendors and participating employers;

    v. Identification and timing for the testing, acceptance and certification of receipt of the State's enrollment information;

    vi. Member communications;

    vii. Schedule of in-person meetings and conference calls; and

    viii. Staff assigned to attend and present (if required) at educational sessions.

d. At the State's request, the Contractor shall provide for a comprehensive operational readiness review (pre implementation audit) by the State, and/or its authorized representative, within thirty (30) days prior to the applicable go-live date. Such review by the State, and/or its authorized representative, may include, but not be limited to, an onsite review of the Contractor's operational readiness for all services required in this Contract. The review may also include desk reviews of documentation that includes but is not limited to:

    i. Policy and procedures manual;

    ii. Call center scripts;

    iii. Information systems documentation; and

    iv. The ability to provide, and the process governing the preparation of, any and all deliverables required under this Contract.

e. At its discretion, the State may conduct an additional, pre-implementation review of the Contractor's progress towards fulfilling the information systems requirements of this Contract. Such review by the State, and/or its authorized representative, may include both onsite and desk reviews, including but not limited to staff interviews, system demonstrations, systems testing, and document review.

f. During onsite visits as part of a readiness review or a pre-implementation review the Contractor shall provide State staff and/or the State's designee with onsite workspace and access to a telephone, scanner, printer, copy machine, and Internet connection.

g. The Contractor shall participate in all readiness review activities conducted by State staff and/or the State's designee to ensure the Contractor's operational readiness for all services required in this contract. The State may provide the Contractor with a summary of findings including areas requiring corrective action. The Contractor shall ensure any findings identified by the State are resolved prior to the applicable go-live.

h. The Contractor shall conduct status meetings concerning project development, project implementation and Contractor performance at least twice a week during implementation and daily for

the two weeks prior to and the first month following each go-live date, unless otherwise approved by the State. Such meetings shall be either by phone or onsite at the offices of the State, as determined by the State, and shall include the Account Manager and appropriate Contractor staff. Any costs incurred by the Contractor as a result of a meeting with the State shall be the responsibility of the Contractor.

i. No later than sixty (60) days post account go-live, the Contractor shall provide the State with an Implementation Performance Assessment survey for completion by the State. This assessment will be used to document the State's satisfaction with the implementation process and identify any necessary corrective action(s). The Contractor shall comply with all recommendations/requirements made in writing by the State within the timeframes specified by the State.

**A.6. <u>Reporting</u>**

a. The Contractor shall prepare and distribute all tax reporting with respect to HSA contributions and distributions as required by the Internal Revenue Code and applicable law or regulations (Forms 5498-SA and 1099-SA).

b. At the State's request, the Contractor shall provide to the State all information necessary for plan reporting as required by law.

c. In addition to the reports outlined in this contract, the Contractor shall provide the State with all HSA and FSA reports included in the Contractor's standard reporting package.

d. The Contractor shall prepare and provide monthly and year-end summary reports for each participating employer setting forth information including, but not limited to, employer HSA contributions, employee payroll deduction amounts, and unused FSA fund amounts with sufficient detail to provide for the audit and control of deposits made and account reconciliation. Such reports shall be delivered electronically to the extent permitted by law and agreed upon by the participating employer.

e. At the request of each employer, the Contractor shall produce and distribute a salary deduction data file of HSA and FSA salary reductions elected by their employees. The report shall be delivered in the format required by each employer to support entry into their payroll system.

f. The Contractor shall maintain all records prepared by the Contractor relating to the services provided pursuant to this Contract for a period no less than seven (7) years.

g. The Contractor shall send quarterly member account and investment statements. Statements shall be consolidated to include information from multiple member accounts (HSA, FSA), as applicable. Such statements may be sent electronically at the member's request.

h. The Contractor shall submit an annual portfolio performance review report to the state. The report shall describe the financial performance and investment environment for the investment portfolio offered to HSA accountholders served by this contract. The Contractor shall be available to meet with the State to discuss any State identified issues or concerns regarding the portfolio.

i. The Contractor shall provide the State with the following reports:

   i. A monthly listing of employees who have not activated their HSA account;

   ii. Aggregate member HSA deposits and withdrawals, by employer, annually;

   iii. Average monthly HSA & FSA balances, by employer;

   iv. Annual investment summaries;

   v. Total fees assessed to members by category, quarterly;

   vi. Number of opened, closed or transferred HSA accounts, by employer, annually;

vii. A monthly report of HSA year to date deposits, payments with payee name, denials with payee name, and account balances, by member;

viii. Annual enrollment by FSA plan (i.e., Medical Reimbursement, Dependent Care, Parking, Transportation) including number electing coverage and pledge amount;

ix. FSA claims submitted, claims approved, claims paid and claims denied;

x. Year-end FSA close reports (total contributions, total claims paid, claims paid > contributions, and funds forfeited).

j. The Contractor shall submit reports in a mutually agreeable electronic format (*e.g.*, Microsoft Word or Microsoft Excel), of the type, at the frequency, and containing the detail described in Contract Attachment C.

k. The Contractor shall provide the State access to an ad-hoc reporting liaison to assist in the development of reports that cannot be generated using the Contractor's standard reporting package. The Contractor shall deliver such reports to the State within five (5) business days of the State's request. If requested by the State, the Contractor shall deliver up to ten (10) reports annually deemed as "urgent" by the State within two business days. All ad-hoc reports shall be provided at no additional cost to the State.

l. The Contractor shall ensure that reports submitted by the Contractor to the State shall meet the following standards:

i. The Contractor shall verify the accuracy and completeness of data and other information in reports submitted.

ii. The Contractor shall ensure delivery of reports or other required data on or before scheduled due dates.

iii. Reports or other required data shall conform to the State's defined written standards.

iv. All required information shall be fully disclosed in a manner that is responsive and with no material omission.

v. The Contractor shall notify the State regarding any significant changes in its ability to collect information relative to required data or reports.

vi. The submission of late, inaccurate or otherwise incomplete reports shall be considered failure to report within the specified timeframe (see Contract Attachment B).

vii. State requirements regarding reports, report content and frequency of submission may change during the term of the Contract. The Contractor shall have at least forty-five (45) days to comply with changes specified in writing by the State.

## A.7. <u>Call Center</u>

a. The Contractor shall establish and operate a single integrated call center with a dedicated toll-free customer service number and dedicated e-mail address to respond to member and employer inquiries, issues and complaints.

b. The Contractor shall have sufficient staff to respond to inquiries, correspondence, complaints, and problems related to all aspects of the services required in this contract. The Contractor shall not answer technical questions regarding eligibility policy and shall refer these questions to the State.

c. The Contractor's call center shall be open and staffed with trained personnel at least one (1) week prior to the HSA operational go-live date specified in Contract Section A.20.

d. The Contractor's call center and designated member services representatives shall be located in the continental United States.

e. The Contractor may temporarily route calls to a different call center for occasions related to weather, training, or similar situations. The Contractor shall notify the State of any such instances prior to the switch, or as soon as practical.

f. The Contractor's call center shall, at a minimum, accept calls Monday through Friday 7:00 a.m.-5:00 p.m. CST, except on official State Government Holidays.

g. The Contractor shall implement procedures for monitoring and ensuring the quality of services provided by its member services representatives. Such procedures may include, but are not limited to, the following activities:

   i. Auditing calls/correspondence for each member services representative;
   ii. Silent monitoring of calls;
   iii. Recording calls for quality and training purposes;
   iv. Skill refresher courses; and
   v. Call coaching.

h. The Contractor's call center shall be equipped with TDD (Telecommunications Device for the Deaf) technology in order to serve the hearing impaired population.

i. During normal business hours the Contractor's call center shall have at least one member services representative on duty that is bilingual in English and Spanish. The Contractor shall provide oral interpretation services via a telephone interpretation service free of charge to callers with Limited English Proficiency.

j. The Contractor shall provide the State's Agency Benefits Coordinators (ABCs) with a special number or access code that they can use to have immediate access to a member services representative. The Contractor can satisfy this requirement by expediting calls to the front of the general queue – or it may provide designated staff to serve ABCs.

k. The Contractor's call center shall meet each of the following performance standards and shall report on these standards monthly:

   i. Average Speed of Answer (ASA) of thirty (30) seconds. After answering the call the Contractor may only put callers on hold in order to (a) make outbound calls as necessary or (b) to research a caller's issue.

   ii. First Call Resolution of 85% as measured by one or more of the following methods: a member post-call phone or web survey; an end of call script where the customer service representative asks if the member's issue has been resolved; a voice menu allowing the member to indicate if this is the first call they've made to resolve their inquiry or problem; or another method prior approved by the state.

   iii. Open call/inquiry closure rate of 90% within five (5) business days.

l. The Contractor shall provide their standard book of business call center statistics to the State on a biweekly basis for sixty (60) days after the HSA operational go-live date. Thereafter, call center statistics shall be provided to the State monthly.

m. The Contractor's call center shall have call management systems and communications infrastructure that can manage the potential call volume and achieve the performance standards described in this Contract.

n. The Contractor's call management systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes where applicable, in response to program, benefit, or enrollment changes.

o. The Contractor's call management systems shall provide greeting messaging when necessary. The Contractor may play canned music and/or messages prior approved by the State for the callers while they are on hold and shall play messages as directed by the State. The Contractor shall not play advertising or informational messages for callers while they are on hold unless prior approved by the State (or the State directs the Contractor to play certain messages). Additionally, the Contractor's

systems shall provide a message that notifies callers that calls are being recorded and may be monitored for quality control purposes.

p. The Contractor's call management system shall record and index all calls such that the Contractor can easily retrieve recordings of individual calls based on the phone number of the caller, the caller's name, the date/time of the call, or the member services representative who handled the call. The Contractor shall be able to provide a full recording of each call upon the State's request, using only the member's name or identifier to locate the call(s) and shall, at the State's request, allow the State, or its authorized representative to monitor recorded calls from a remote location.

q. The Contractor's call management systems shall facilitate the processing of all calls received and assign incoming calls to available member services representatives in an efficient manner. The system shall transfer calls to other telephone lines as necessary and appropriate, including transfers to external call centers.

r. The Contractor may use an automated interactive voice response (IVR) system for managing inbound calls, provided that the caller always has the ability to leave the IVR system and wait in queue in order to speak directly with a live-voice member services representative during normal business hours rather than continue through additional prompts. The Contractor's decision tree and menu are subject to State review and prior approval.

s. The Contractor shall inform callers of their likely wait times (based on real-time information, including call volume and member services representative availability) as they enter the queue. The Contractor shall also provide a "dial back" option that allows callers to receive a call back from the next available member services representative.

t. The Contractor shall have the ability to make outbound calls without interrupting the ability of callers to continue to access the call center.

u. The call management system shall enable the logging of all calls, including:

   i. the caller's identifying information (*e.g.*, employee ID);

   ii. the call date and time;

   iii. the reason for the call (using a coding scheme);

   iv. the member services representative that handled the call;

   v. the length of call; and

   vi. the resolution of the call (including a resolution code) and, if unresolved, the action taken and follow up steps required.

v. The call management system shall maintain a history of correspondence and call transactions for performance management, quality management and audit purposes. This history shall contain the actual information, a date/time stamp that corresponds to when the transaction took place, the origin of the data management transaction (*e.g.*, the State and/or one of its authorized representatives or the member), and the member services representative that processed the transaction. Related correspondence and calls shall be indexed and properly recorded such that they can be treated in reporting and analysis as part of a distinct transaction.

w. The Contractor shall develop an Interview Guide (or "scripts") to guide representatives/operators in their discussions with members. The Interview Guide shall include but not be limited to the following:

   i. Specific training and knowledge of the HSA, including specific employer funding amounts, member balances, member plan spend to date (amount paid toward deductible, etc.); and

   ii. When to transfer calls to the Benefits Administration call center, the State's TPA(s), or the State's CDHP/HSA communications vendor.

x. The Contractor shall track and provide to the State a quarterly summary of member complaints and their resolution.

## A.8. Staffing

a. The Contractor shall provide and maintain qualified staff to provide services required under this Contract. The Contractor shall ensure that all staff, including the Contractor's employees, independent contractors, consultants, and subcontractors performing services under this requirement, have the experience and qualifications to perform the applicable services.

b. For its work under this Contract, the Contractor shall not use any person or organization that is on the U.S. Department of Health and Human Services' Office of Inspector General (OIG) exclusions list unless the Contractor receives prior, written approval from the State.

c. The Contractor shall ensure that all staff receives initial and ongoing training regarding all applicable requirements of this Contract. The Contractor shall ensure that staff providing services under this Contract are specifically oriented and trained regarding their functions, knowledgeable about the Contractor's operations relating to the State plans, and knowledgeable about their functions and how those functions relate to the requirements of this Contract.

d. The Contractor shall have an ongoing designated, full-time Account Team that can provide daily operational support as well as strategic planning and analysis. All members of the Account Team shall have previous experience working with large employer groups and complex accounts.

e. A member of the Account Team shall be available for consultation with the State during the hours of 8:00 a.m. to 4:30 p.m. Central Time, Monday through Friday, as required to fulfill the scope of services specified in this Contract. The Account Manager shall also be available via phone and email throughout the workday as well as after hours, including weekends.

f. For matters designated as urgent by the State (i.e. website malfunction, inability to deposit or withdraw from the HSA, etc.), the Contractor shall provide a response to the State within four (4) hours. Staff members from the respective business unit with final decision making authority shall provide responses.

g. The Account team shall include an Information Technology Director/Manager, who shall have overall responsibility for the Information Technology operations under the Contract. This individual shall be responsible for coordinating with the State of Tennessee's IT staff and all participating employer IT staff.

h. The Contractor shall designate a full time Account Manager as a member of the Account Team. The Account Manager shall be a member of the implementation team in order to ensure a seamless transition from implementation to ongoing operations. The Account Manager shall have the responsibility and authority to manage the entire range of services specified in this Contract and shall respond promptly to changes or inquiries. This includes, but is not limited to, researching and resolving problems with employee enrollment, contributions, disbursements, other participant account issues, employer issues, and technical issues.

i. Ongoing operational meetings shall be conducted on a State-specified schedule, but shall occur no less than weekly unless otherwise directed by the State. At its discretion, the State may allow the Contractor to participate in such meetings by teleconference.

j. Unless otherwise approved by the State, the Account Manager shall meet with the State in person, at a minimum, annually and more often if required by the State. Any costs incurred by the Contractor as a result of a meeting with the State shall be the responsibility of the Contractor.

k. The Contractor shall survey the State annually in January to determine the State's satisfaction with the Account Team and report the results of the survey to the State within 60 days of the end of the survey period.

l. The Contractor agrees that the State may approve or disapprove of any staff and subcontractor assigned to this Contract prior to the proposed assignment. The State may also direct the Contractor

to replace staff members and subcontractors providing core services as it deems necessary and appropriate. The decision of the State on these matters shall not be subject to appeal.

m. Key personnel commitments made in the Contractor's proposal shall not be changed unless prior approved by the State in writing. The Contractor shall notify the State at least fifteen (15) business days in advance, or as soon as the information is available, of proposed personnel changes. The Contractor shall submit proposed personnel substitutions in sufficient detail regarding education and experience to the State to allow evaluation of the impact to the Contract. The decision of the State on these matters shall not be subject to appeal.

n. If any key position becomes vacant, the Contractor shall provide a replacement with commensurate experience and required professional credentials within sixty (60) days of the vacancy unless the State grants an exception to this requirement in writing.

**A.9. <u>Communication</u>**

a. The Contractor shall receive State approval on all materials prior to distribution to members, including generic material that is prepared by the Contractor for use by State and other clients.

b. The Contractor shall, in consultation with and following written approval by the State, provide materials to members and agency staff, customized for the state, that educate members about how to open and use a HSA and how to use the FSA debit card. At the State's request, such materials shall include the ParTNers for Health "look and feel" and be consistent with the State's CDHP communications and educational campaign led by the State's communications vendor.

c. The Contractor shall work in conjunction with the State, its Communications team and any applicable contracted vendors to ensure continuity of branding across all plan and member materials, website, and any other communications information. This branding shall include, but is not limited to, use of the ParTNers for Health logo, color scheme and applicable taglines. All uses of these branding elements shall be subject to prior written approval by the State.

d. Unless otherwise directed by the State, the Contractor shall mail a welcome packet to all CDHP and FSA enrolled members no later than twenty-one (21) days prior to the applicable account go-live date. During the benefit year the Contractor shall mail a welcome packet within ten (10) days from receipt of new enrollment or change in enrollment. The welcome packet shall include, at a minimum and as applicable, a welcome letter, an overview of how to set up and access the HSA account, investment options, an overview of how to activate the debit card, an overview of qualified medical expenses, the Contractor's website address, and website logon information. Debit cards may be included in the welcome packet or mailed separately.

e. Annually, no more than two (2) months prior to the State's annual enrollment period, the Contractor shall provide to the State, in electronic format, any enrollment information requested by the State that may be helpful to potential members. Items may include, but not be limited to, a toll-free member services number, website address, website logon information, a confidentiality statement, procedures for accessing services, and other pertinent updates, changes and/or materials.

f. The Contractor shall mail at least one reminder letter to any member who has not activated their HSA account thirty (30) days after the Contractor's receipt of their enrollment. The letter shall include the information needed by the member to complete the account set-up process.

g. Unless otherwise specified, the Contractor shall be responsible for all costs related to the design, development, revision, printing, and distribution of all member materials that are required to be produced under the terms of this Contract. The Contractor shall ensure that up-to-date versions of all printed member materials can be downloaded from its website.

h. Unless approved in advance by the State, the Contractor shall not distribute any promotional materials or gifts to employees or plan members, even if such gifts are of a de minimus value (e.g., magnets, pens, etc.).

i. The Contractor shall use first class rate for all mailings, unless otherwise directed or prior approved by the State.

j. The Contractor's system(s) shall possess mailing address standardization functionality in accordance with U.S. Postal Service conventions.

k. The Contractor shall have the exclusive responsibility to write, edit, and arrange for clearance of materials (such as securing full time use of a stock photograph used in brochures for perpetuity) for any and all member materials in time for the materials to be approved by the State and printed in time to meet required deadlines.

l. The Contractor shall ensure that its member materials are culturally sensitive and professional in content, appearance, and design.

m. The Contractor shall, to the extent practicable, use relatively large and legible fonts in its member materials. Additionally, the Contractor shall make maximum use of graphics to communicate key messages. The Contractor shall also prominently display the Contractor's call center telephone number and hours of operation in large, bolded typeface on all member materials.

n. Unless otherwise prior approved by the State, the Contractor shall design all member materials at the sixth (6.0) grade reading level or lower using the Flesch-Kincaid Index or other suitable metric that the State prior approves. The Contractor shall evaluate materials using the entire text of the materials (except return addresses). When submitting draft materials to the State for approval, the Contractor shall provide a reading level analysis and certification of the reading level of each piece of material.

o. The Contractor shall provide electronic templates of all finalized member materials in a format that the State can easily alter, edit, revise, and update. Absent gross negligence or malfeasance by the Contractor, the Contractor has no liability for errors on other deliverables that the State did not find or correct before giving final approval for the individual materials. However, the Contractor shall produce and distribute corrected versions of the individual materials at the State's direction (refer to Contract Section C.3.c. regarding production and distribution costs).

p. The Contractor covenants that all materials distributed to members and prepared or produced by the Contractor shall be accurate in all material respects. Unless otherwise directed by the State, the Contractor shall seek and obtain prior written authorization from the State before using or disseminating any general (non-individualized) member communications, notices, and marketing and communication materials.

**A.10. <u>Website</u>**

a. The Contractor shall provide a website for accountholders that offers a single point of access for HSA and FSA account information. The website shall have the following capabilities/information for accountholders (as applicable):

   i. Real time check of account balance, contributions, withdrawals and investments;

   ii. Update personal information;

   iii. Pay medical expenses online;

   iv. Review lists of eligible expenses;

   v. Account tools and calculators;

   vi. Frequently asked questions (FAQs) and answers to said questions;

   vii. Order additional debit cards and/or checks;

   viii. Transfer funds in and out of the HSA to and from other bank accounts or investment accounts;

   ix. Make a one-time or recurring contribution to the HSA (current or prior year);

x. Set up or change investment options;

xi. Select automatic transfers to and from investments;

xii. View online tax documents and monthly statements;

xiii. Access links to the State's Communications vendor, Third Party Administrators (TPAs), and other sites as defined by the State;

xiv. Secure online chat function;

xv. Contact information, including mail and email addresses and member services telephone numbers for the Contractor; and

xvi. Links to state and federal FSA and HSA tax rules.

b. The website must be mobile device/smart phone compatible and be fully operational on or before the website go-live date specified in contract section A.20.

c. In addition to the Contractor's own website, where plan and member specific information shall be incorporated, the Contractor shall maintain a "splash" page dedicated to and customized for this Contract containing general HSA and FSA plan information that does not require a member to login. The design of the splash page, inclusive of the site map, page layout, color/font scheme and branding, static content and any documents which can be accessed via or downloaded from the website, must be prior approved by the State. Additionally, the Contractor shall obtain prior, written approval from the State for any links from the site to an external website/portal or webpage. The splash page shall be effective on or before the website go-live date specified in contract section A.20.

d. The Contractor shall agree to link to Benefits Administration's websites, other State contracted vendor websites, microsites, content or other web or mobile device enabled video/multimedia tools or apps as determined by the State that are useful or applicable for members (State approved tools from other approved vendors).

e. The Contractor shall update content and/or documents posted to or accessed via the website/portal within five (5) business days of the State's approval of changes to said content and/or documents.

f. The Contractor shall grant the State access to the website/portal test environment for the State's review and approval no less than thirty (30) days prior to the launch of the website/portal.

g. The Contractor shall host the website/portal on a non-governmental server which shall be located within the United States.

h. The Contractor shall ensure that the website/portal meets all of the capacity, availability, performance and security requirements outlined in this contract.

i. The Contractor shall obtain and cover the cost of the domain name for the website/portal.

j. To ensure accessibility among persons with a disability, the Contractor's website shall comply with Section 508 of the Rehabilitation Act of 1973 (29 USC Section 794d) and implementing regulations at 36 Code of Federal Regulations (CFR) 1194 Parts A-D.

k. The Contractor shall:

i. Have security measures in place that ensure that all data records are transported, stored and accessed in a secure manner. All data is property of the State of Tennessee. The system must meet or exceed the State's information security requirements for access control, authentication, storage, data destruction, system maintenance and patching and must be compliant with best practices for secure application development as defined in ISO/IEC 27000 series. The State of Tennessee Information Security policy can be found at the following link: http://www.tn.gov/finance/oir/security/docs/PUBLIC-Enterprise-Information-Security-Policies-v2.0.pdf

ii. Utilize best practice authentication methods to prevent access from unauthorized individuals and entities.

iii. Provide a system that has the ability to sustain 99.9 percent continuous uptime.

iv. Provide a 100 percent secure web-based application that requires only a web-browser and an Internet connection to use with the addition of an Adobe Acrobat web-browser plug-in.

v. Maintain a secure host site that is available 24 hours a day, 365 days a year except for maintenance windows.

vi. Maintain nightly data backups of all data.

vii. Provide adequate server processing capacity to keep user response times within normal latency boundaries.

viii. Develop a user access security approval process and manage the approval of user access and permissions.

l. The State shall have ownership, right, title, and interest in all data stored and generated, both historical and current. The State will allow Contractor access to any data necessary to comply with its obligations under State and Federal law, including record keeping requirements and plan members' right to records relating to their accounts.

**A.11. <u>Coordination and Collaboration</u>**

a. At the State's request, the Contractor shall coordinate with other State vendors, including but not limited to, the Communications vendor and the Third Party Administrators (TPA), as necessary to ensure that members and Benefits Administration staff receive appropriate services, training and information and to ensure a consistent message and content on the CDHP/HSA and FSA plan options. This coordination shall include, but is not limited to, making referrals, providing and receiving member information, and attending and participating in meetings.

b. The Contractor shall participate in meetings and/or conference calls with other vendors as requested by the State to improve coordination of services to members.

c. At the State's request, the Contractor shall attend the annual State-sponsored vendor summit with representatives from the State, and its related health plan vendors. The purpose of the vendor summit is to identify issues, develop solutions, share information, leverage resources, and discuss and develop policies and procedures as necessary to ensure collaboration among vendors and the State.

d. If requested by the State, qualified members of the Contractor's staff shall participate in monthly conference calls with Agency Benefits Coordinators (ABCs) and other State staff.

**A.12. <u>Data Integration and Technical Requirements</u>**

a. The Contractor shall maintain an electronic data interface with the State's Edison System for the purpose of processing State member enrollment information. The Contractor shall be responsible for providing and installing the hardware and software necessary. When the Contractor requires the exchange of PHI with the State of Tennessee, the State requires the use of second level authentication. This is accomplished using the State's standard software product, which supports Public Key Infrastructure (PKI). The Contractor shall design a solution, in coordination with the State, to connect to the State's Secure File Transfer Protocol (SFTP) server using a combination of the password and the authentication certificate. The initial sign-on and transmission testing will use a password. Certificate testing may also be performed during the test cycle. Subsequent production sign-on will be done using the authentication certificate. The Contractor will then download the file and decrypt the file in its secure environment. The State of Tennessee uses public key encryption with Advanced Encryption Standard (AES) to encrypt PHI. If the State adopts a different or additional encryption standard or tool in the future, the Contractor shall, with adequate notice, cooperate with the State to maintain the security of protected information according to all applicable State and Federal standards.

b. Notwithstanding the requirement to maintain enrollment data, the Contractor shall not perform changes to enrollment data without the State's approval. This prohibition shall include, but not necessarily be limited to: initiation, termination, and/or changes of coverage.

c. Unless otherwise directed by the State, at least one (1) month prior to the applicable go-live date, the Contractor shall complete testing of the transmission, receipt, and loading of the eligibility/enrollment and payroll files from the State. Testing of files from other participating employers shall be on a timeframe agreed upon by the Contractor and the employer.

d. Unless otherwise directed by the State, at least two (2) weeks prior to the applicable go-live date, the Contractor shall load, test, verify and make available online for use the State's eligibility/enrollment information. The Contractor shall certify, in writing, to the State that the Contractor understands and can fully accept and utilize the eligibility/enrollment and payroll files as provided by the State. Loading and verifying files from other participating employers shall be on a timeframe agreed upon by the Contractor and the employer.

e. The Contractor shall maintain, in its systems, in-force enrollment records of all individuals covered by a Public Sector Plan sponsored CDHP and FSA.

    i. To ensure that the State's enrollment records remain accurate and complete, the Contractor shall, unless otherwise directed by the State, retrieve, via secure medium weekly enrollment files from the State.

    ii. The Contractor shall complete and submit to the State a Weekly File Transmission Statistics Report within five (5) business days of receipt of the Weekly Enrollment Update. The Contractor shall submit this report via email to designated State staff. (See Contract Attachment C.)

    iii. The Contractor and/or its subcontractors, shall electronically process one hundred percent (100%) of electronically transmitted enrollment updates, including the resolution of any errors identified during processing, within four (4) business days of receipt of the weekly file. The State and the Contractor shall work to develop a process for responding to invalid or non-processed records.

    iv. The Contractor and/or its subcontractors shall resolve all enrollment discrepancies as identified by the State or Contractor within one (1) business day of identification.

    v. The Contractor and/or its subcontractors, with collaboration from the State, shall resolve associated system errors, as identified through enrollment discrepancy resolution, in a timeframe mutually agreed upon with the State. The Contractor shall document in an eligibility system modification log, the system error details, the proposed solution, and the final solution as agreed upon by the State. The Contractor shall update and submit this log quarterly (refer also to Contract Attachment C, Reporting Requirements). Subsequent errors identical in nature may be subject to Liquidated Damages as specified in Attachment B.

    vi. State Enrollment Data Match: Upon request by the State, not to exceed four (4) times annually, the Contractor shall submit to the State, in a secure manner, its full file of State members, by which the State may conduct a data match against the State's Edison database. The purpose of this data match will be to determine the extent to which the Contractor is maintaining its database of State members. The State will communicate results of this match to the Contractor, including any Contractor requirements, and associated timeframes, for resolving the discrepancies identified by the data match.

f. The Contractor shall establish and maintain systems and processes to receive all appropriate and relevant data from entities and vendors providing services to members in order to track member claims information, including accumulations toward deductibles and out-of-pocket maximums and allow online claims payment. This shall include up to daily electronic exchange of claims and

member-level deductible and maximum out-of-pocket accumulator data with the TPA vendors, Pharmacy vendor, EAP/BHO vendor, and any other State contracted vendor as needed.

g. At the State's request, the Contractor shall provide transmittal of member data via secure medium at a frequency determined by the State to any additional third parties including the State's TPA vendors, HM/W vendor, EAP/BHO vendor, PBM vendor, or others as identified by the State.

h. The Contractor's systems shall conform to future federal and state specific standards for data exchange by the standard's effective date.

i. The Contractor shall partner with the State and member agencies in the management of current and future data exchange formats and methods and in the development and implementation planning of future data exchange methods not specific to HIPAA or other federal effort.

j. Within sixty (60) days of notice of termination of this Contract, the Contractor shall transfer to the State all required data and records necessary to administer the plan(s)/program(s), subject to State and Federal confidentiality requirements. The transfer shall be made electronically via secure medium, in a file format to be determined based on the mutual agreement between the State and the Contractor.

k. At the State's request the Contractor shall work with the State to support the process of the State building acceptance of HSA terms and conditions into the State's Edison system.

**A.13. <u>Privacy & Confidentiality</u>**

a. The following privacy and confidentiality standards apply to all forms of assistance that the Contractor provides.

b. The Contractor shall develop, adopt, and implement standards, which are, at a minimum, compliant with the HIPAA statute and the HIPAA privacy and security rules in 45 CFR Part 164, to safeguard the privacy and confidentiality of all information about members. For example, the Contractor shall ensure that it does not have completed documents or other types of forms sitting in public view, left in unsecure boxes or files, or left unattended in any off-site location (e.g., in an automobile, etc.). The Contractor's procedures shall include but not be limited to safeguarding the identity of members as plan members and preventing the unauthorized disclosure of information. The Contractor shall comply with HIPAA as amended by HITECH Act (part of the American Recovery and Reinvestment Act, Public Law 111-5), and all implementing regulations including new amendments when they become effective.

c. The Contractor shall not use or further disclose PHI other than as permitted or required by HIPAA and the Business Associate Agreement; or as required by law. Use of PHI for treatment, payment, or health care operations may include disclosure only as permitted by HIPAA, including HIPAA's "minimum necessary" standard.

d. The Contractor shall use appropriate safeguards to prevent the unauthorized use or disclosure of the PHI. Contractor shall immediately report to the State any unauthorized use or disclosure of PHI. Contractor shall comply with the HIPAA Breach Notification Rules found in 45 CFR §, Section 164.400 et al, and shall cooperate with the State in responding to any unauthorized use or disclosure of PHI related to this contract.

e. The Contractor shall mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of PHI by the Contractor in violation of the requirements of the federal privacy rule.

f. The Contractor shall provide access to PHI in a "designated record set" in order to meet the requirements under 45 CFR §164.524.

g. The Contractor shall make any amendment(s) to PHI in a "designated record set" pursuant to 45 CFR §164.526.

h. The Contractor shall document such disclosures of PHI and information related to such disclosures as would be required to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

i. The Contractor shall (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic PHI that it creates, receives, maintains, or transmits, (ii) report to the State any security incident (within the meaning of 45 CFR § 164.304) of which the Contractor becomes aware, and (iii) ensure that any Contractor employee or agent, including any subcontractor, agrees to the same restrictions and conditions that apply to the Contractor with respect to such information.

j. The Contractor shall not sell Public Sector Plan member or prescriber information or use member or prescriber identified information for advertising, marketing, promotion or any activity intended to influence sales or market share of a medical product or service.

k. At the request of the State, the Contractor shall offer credit protection at no cost to the member for those times in which a member's PHI is accidentally or inappropriately disclosed.

l. The Contractor shall comply with all privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 and the Health Information Technology for Economic and Clinical Health (HITECH) Act.

m. The Contractor shall have full financial responsibility for any penalties, fines, or other payments imposed or required as a result of the Contractor's non-compliance with or violation of HIPAA or HITECH requirements, and the Contractor shall indemnify the State with respect to any such penalties, fines, or payments.

n. The Contractor shall assure that all Contractor staff is trained in all HIPAA requirements, as applicable.

**A.14. <u>Information Systems</u>**

a. The Contractor's Systems shall have the capability of adapting to any future changes necessary as a result of modifications to the design of the Public Sector Plans or this Contract and its requirements. The Contractor's Systems shall be scalable and flexible so they can be adapted as needed, within negotiated timeframes.

b. The Contractor shall ensure that its electronic data processing (EDP) and electronic data interchange (EDI) environments (both hardware and software), data security, and internal controls meet all applicable Federal and State standards, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. Said standards shall include but not be limited to the requirements specified under HIPAA for each of the following:

   i. Electronic Transactions and Code Sets
   ii. Privacy
   iii. Security
   iv. National Provider Identifier
   v. National Employer Identifier
   vi. National Individual Identifier
   vii. Claims attachments
   viii. National Health Plan Identifier
   ix. Enforcement

c. All Contractor systems shall maintain linkages and “parent-child” relationships between initial and related subsequent interactions/transactions/events/activities. Additionally, when the Contractor houses indexed images of documents used by members, employers and subcontractors to transact with the Contractor, the Contractor shall ensure that these documents maintain logical relationships to certain key data such as member identification and employer or subcontractor identification numbers. The Contractor shall also ensure that records associated with a common event, transaction or customer service issue have a common index that will facilitate search, retrieval and analysis of related activities, e.g., interactions with a particular member about the same matter/problem/issue.

d. Upon the State’s request, the Contractor shall be able to generate a listing of all members and employers that were sent a particular document, the date and time that the document was generated, and the date and time that it was sent to particular members or employers or groups thereof. The Contractor shall also be able to generate a sample of said document.

e. Retention and Accessibility of Information

   i. The Contractor shall maintain and provide, one (1) month prior to the HSA operational go-live date, a comprehensive information retention plan that is in compliance with state and federal requirements.

   ii. The Contractor shall maintain information on-line for a minimum of three (3) years, based on the last date of update activity, and update detailed and summary history data monthly for up to three (3) years to reflect adjustments.

   iii. The Contractor shall provide forty-eight (48) hour turnaround or better on requests for access to information that is between three (3) years and five (5) years old, and seventy-two (72) hour turnaround or better on requests for access to information in machine readable form that is older than five (5) years.

   iv. If an audit or administrative, civil or criminal investigation or prosecution is in progress or audit findings or administrative, civil or criminal investigations or prosecutions are unresolved, information shall be kept in electronic form until all tasks or proceedings are completed.

f. All information, whether data or documents, and reports that contain or make references to said information, involving or arising out of this Contract is owned by the State. The Contractor is expressly prohibited from sharing or publishing State information and reports or releasing such information to external entities, affiliates, parent company, or subsidiaries without the prior written consent of the State.

g. Prior to implementing any major modification to or replacement of the Contractor’s core information systems functionality and/or associated operating environment, the Contractor shall notify the State in writing of the change or modification within a reasonable amount of time (commensurate with the nature and effect of the change or modification) if the change or modification: (a) would affect the Contractor’s ability to perform one or more of its obligations under this Contract; (b) would be visible to State system users, members and providers; (c) might have the effect of putting the Contractor in noncompliance with the provisions or substantive intent of the Plan Documents and/or this Contract; or (d) would materially reduce the benefits payable or services provided to the average member. If so directed by the State, the Contractor shall discuss the proposed change with the State/its designee prior to implementing the change. Subsequent to this discussion, the State may require the Contractor to demonstrate the readiness of the impacted systems prior to the effective date of the actual modification or replacement.

## A.15. System Availability, Business Continuity and Disaster Recovery (BC-DR)

a. The Contractor shall ensure that critical member and other web-accessible and/or telephone-based functionality and information, including the website described in Section A.10., are available to the applicable System users twenty-four (24) hours a day, seven (7) days a week, except during periods of scheduled System unavailability agreed upon by the State and the Contractor. Unavailability caused by events outside of the Contractor’s span of control is outside of the scope of this requirement. Every effort shall be made to schedule maintenance between the hours of midnight and 5:00 a.m. Central Time and it shall be scheduled in advance with notification on the member

website/portal. The Contractor shall make efforts to minimize any down-time between 5:00 a.m. and 10:00 p.m. Central Time.

b. The Contractor shall ensure that the Systems within its span of control that support its data exchanges with the State and the State's vendors are available and operational according to the specifications and schedule associated with each exchange.

c. Regardless of the architecture of its systems, the Contractor shall develop and be continually ready to invoke a business continuity and disaster recovery (BC-DR) plan. The BC-DR plan shall encompass all information systems supporting this Contract. At a minimum the Contractor's BC-DR plan shall address the following scenarios:

   i. Central and/or satellite data processing, telecommunications, print and mailing facilities and functions therein, hardware and software are destroyed or damaged;

   ii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of transactions that are active in a live system at the time of the outage;

   iii. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that compromise the integrity of data maintained in a live or archival system; and

   iv. System interruption or failure resulting from network, operating hardware, software, communications infrastructure or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the system.

d. The Contractor shall provide the State results of its most recent test of its BC-DR plan one (1) month prior to the HSA operational go-live date.

e. The Contractor shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to the State that it can restore system functions. The Contractor shall submit an annual BC-DR Results Report to the State (refer to Contract Attachment C, Reporting Requirements).

f. In the event that the Contractor fails to demonstrate in the tests of its BC-DR plan that it can restore system functions per the standards outlined in this Contract, the Contractor shall submit to the State a corrective action plan that describes how the failure will be resolved. The Contractor shall deliver the corrective action plan within ten (10) business days of the State's request.

g. In the event of a declared major failure or disaster, as defined in the Contractor's BC-DR plan, the Contractor's critical functionality shall be restored within seventy-two (72) hours of the failure's or disaster's occurrence.

h. The Contractor shall maintain a duplicate set of all records relating to this Program in electronic medium, usable by the State and the Contractor for the purpose of disaster recovery. Such duplicate records are to be stored at a secure fire, flood, and theft- protected facility located away from the storage location of the originals. The Contractor shall update duplicate records, at a minimum, on a daily basis and shall retain said records for a period of sixty (60) days from the date of creation. At the State's request, at the end of the term of this Contract or upon notice of termination of this Contract prior to the term date, the Contractor shall convey the original and the duplicate records medium and the information they contain to the State on or before the date of termination.

## A.16. System and Information Security and Access Management Requirements

a. The Contractor's Systems shall employ an access management function that restricts access to varying hierarchical levels of system functionality and information. The access management function shall:

   i. Restrict access to information on a "least privilege" basis, e.g., users permitted inquiry privileges only will not be permitted to modify information;

ii. Restrict access to specific system functions and information based on an individual user profile, including inquiry only capabilities and the ability to create, change or delete certain data (global access to all functions shall be restricted to specified staff jointly agreed to by the State and the Contractor);

iii. Restrict unsuccessful attempts to access system functions to three (3), with a system function that automatically prevents further access attempts and records these occurrences; and.

iv. Ensure that authentication credentials are not passed in clear text or otherwise displayed or presented.

b. The Contractor shall make System information available to duly authorized representatives of the State and other state and federal agencies to evaluate, through inspections or other means, the quality, appropriateness and timeliness of services performed.

c. The Contractor's Systems shall contain controls to maintain information integrity. These controls shall be in place at all appropriate points of processing. The controls shall be tested in periodic and spot audits following a methodology mutually agreed upon by the Contractor and the State.

d. Audit trails shall be incorporated into all Systems to allow information on source data files and documents to be traced through the processing stages to the point where the information is finally recorded. The audit trails shall:

i. Contain a unique log-on or terminal ID, the date, and time of any create/modify/delete action and, if applicable, the ID of the system job that effected the action;

ii. Have the date and identification "stamp" displayed on any on-line inquiry;

iii. Have the ability to trace data from the final place of recording back to its source data file and/or document;

iv. Be supported by listings, transaction reports, update reports, transaction logs, or error logs; and

v. Facilitate batch audits as well as auditing of individual records.

e. The Contractor's Systems shall have inherent functionality that prevents the alteration of finalized records.

f. The Contractor shall provide for the physical safeguarding of its data processing facilities and the systems and information housed therein. The Contractor shall provide the State with access to data facilities upon request. The physical security provisions shall be in effect for the life of this Contract.

g. The Contractor shall restrict perimeter access to equipment sites, processing areas, and storage areas through a card key or other comparable system, as well as provide accountability control to record access attempts, including attempts of unauthorized access.

h. The Contractor shall include physical security features designed to safeguard processor site(s) through required provision of fire retardant capabilities, as well as smoke and electrical alarms, monitored by security personnel.

i. The Contractor shall put in place procedures, measures and technical security to prohibit unauthorized access to the regions of the data communications network inside of the Contractor's span of control.

j. Unless the State prior-approves in writing the Contractor's use of alternate mitigating controls, the Contractor shall use Federal Information Processing Standard (FIPS) 140-2 compliant technologies to encrypt all PHI in motion or rest, including back-up media.

k. The Contractor shall commission a security risk assessment at least annually and communicate the results to the State as part of an information security plan. The first report shall be provided one (1) month prior to the HSA operational go-live date and annually thereafter. The risk assessment shall also be made available to appropriate state and federal agencies. At a minimum the assessment shall

contain the following: identification of loss risk events/ vulnerabilities; analysis of the probability of loss risk and frequency of events; estimation of the impact of said events; identification and discussion of options for mitigating identified risks; cost-benefit analysis of options; recommended options and action plan for their implementation. The assessment shall be conducted in accordance with the following: requirements for administrative, physical, and technical safeguards to protect health data (45 CFR §§164.304 - 318); rules for conducting risk analysis and risk management activities (45 CFR §164.308); requirements for security awareness training (45 CFR §164.308(a)(5)); requirements for entities to have security incident identification, response, mitigation and documentation procedures (45 CFR §164.308(a)(6)).

l. To maintain the privacy of PHI, the Contractor shall enable Transport Layer Security (TLS) on the mail server used for daily communications between the State and the Contractor. TLS shall be enabled as of the HSA operational go-live date and shall remain in effect throughout the term of the contract.

## A.17. Fraud and Abuse

a. The Contractor shall implement procedures to prevent and detect fraud or abuse and shall perform fraud investigations involving Public Sector Plan members, in consultation with the State.

b. In the event the Contractor discovers evidence that an unusual transaction has occurred that merits further investigation, the Contractor shall simultaneously inform the Benefits Administration Division and the Division of State Audit, in the Office of the Comptroller of the Treasury. The State will review the information and inform the Contractor whether it wishes the Contractor to:

   i. Discontinue further investigation if there is insufficient justification; or

   ii. Continue the investigation and report back to the Benefits Administration Division and the Division of State Audit; or

   iii. Continue the investigation with the assistance of the Division of State Audit; or

   iv. Discontinue the investigation and turn the Contractor’s findings over to the Division of State Audit for its investigation.

c. The Contractor shall submit to the State, at least two (2) months prior to the HSA operational go-live date, a copy of the documents describing its fraud and abuse program. The State reserves the right to review the documents and require changes, where appropriate.

d. The Contractor shall provide a written narrative or report to the State on an annual basis regarding the effectiveness of the Contractor’s fraud and abuse program, including its fraud and abuse detection activities, findings from those activities, follow-up on findings, proposed improvement activities, and any estimated savings to the Public Sector Plans associated with the Contractor's detection of such fraudulent or wasteful activities.

## A.18. Audits

a. At any reasonable time the State and/or its authorized representative shall have the right to examine and audit the Contractor services and pricing to ensure compliance with all applicable requirements. For the purpose of this requirement, the term, "Contractor," shall include its parent organization, affiliates, subsidiaries, subcontractors, and providers.

b. The Contractor shall provide access, at any time during the term of this contract and for five (5) years after final contract payment (longer if required by law), to the State and/or its authorized representative to examine and audit Contractor services, payments, and pricing pursuant to this Contract. The State reserves the right to request that documentation be provided for review at the authorized representative’s location, the State’s location, or at the Contractor’s corporate site.

c. The Contractor shall, at its own cost, provide the State and/or its authorized representative with prompt and complete access to any data, documents, access to systems, and other information necessary to ensure Contractor compliance with all requirements of this Contract.

d. The Contractor shall provide reasonable cooperation with requests for information, which includes, but is not limited to, the timing of the audit, deliverables, data/information requests and the Contractor's response time to the State's questions during and after the process. The Contractor shall also provide a response to all "findings" received. Such response shall occur within thirty (30) days, or at a later date if mutually determined with the State to be more reasonable based on the number and type of findings.

e. The State shall not be responsible for time or any costs incurred by the Contractor in association with an audit including, but not limited to, the costs associated with providing data, reports, documentation, systems access, or space.

f. If the outcome of the audit results in an amount due to the State, then the State will work with the Contractor to negotiate terms of repayment. In the absence of such agreement, the State will deduct one-sixth of the total amount due from the monthly account maintenance fees due to the Contractor pursuant to Section C.3 each month for six months. If the Contractor disagrees with a finding resulting in a payment to the State, the State will review the Contractor's comments, but if the State retains the original audit findings the Contractor will be responsible for any payment to the State.

g. The Contractor shall refer all media and legislative inquiries to the Division of Benefits Administration, which will have the sole and exclusive responsibility to respond to all such queries. However, the Contractor shall respond directly to audit requests from the Comptroller, to audit requests from divisions within the Department of Finance & Administration, and to subpoenas; in all such instances, the Contractor shall copy the Benefits Administration Division on all correspondence.

**A.19. General Administration**

a. Unless prior approved in writing by the State and in compliance with State and Federal law, the Contractor shall not use information gained through this Contract in marketing or advertising, publications, expanding non-State business relationships, or for any pecuniary gain.

b. Following contract termination, the Contractor shall complete the processing of all HSA and FSA reimbursement requests received by Contractor which were due and payable prior to the contract termination date.

**A.20. Due Dates for Project Deliverables/Milestones**

| | Deliverables/Milestones: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|---|
| **A.2. HSA Account Set-Up and Management** | | | |
| 1. | Weekly eligibility and payroll deduction files | A.2.d. | Weekly after HSA operational go-live, unless otherwise directed by the State |
| 2. | Investment opportunities overview | A.2.h. | Prior to HSA account go-live |
| 3. | Debit cards and/or checks | A.2.v. | Initial: Twenty-one (21) days prior to HSA account go-live<br>Ongoing: Within ten (10) days of enrollment receipt or member request |
| 4. | Enrollment confirmation | A.2.y. | Within ten (10) days of HSA establishment |
| **A.3. FSA Account Set-Up and Management** | | | |
| 5. | Weekly eligibility and payroll deduction files | A.3.e. | Weekly after FSA account go-live, unless otherwise directed by the State |

| | Deliverables/Milestones: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|---|
| 6. | Enrollment and deduction file transmission | A.3.f. | Annually following the enrollment period |
| 7. | Enrollment confirmation | A.3.f. | Within ten (10) days of FSA establishment |
| 8. | Debit cards | A.3.i. | Initial: Twenty-one (21) days prior to FSA account go-live<br>Ongoing: Within ten (10) days of enrollment receipt or member request |
| 9. | Card adjudication rate report | A.3.j. | Quarterly |
| 10. | Non-allowable claims notification | A.3.m. | Within 15 days of claims receipt |
| 11. | Appeals processing | A.3.m. | Within 15 days of appeals receipt |
| 12. | Non-discrimination testing | A.3.q. | Annually |
| 13. | Refund unused funds | A.3.r. | Annually |
| **A.4. Member/Employer Support and Education** | | | |
| 14. | Member satisfaction survey and follow up action plan | A.4.e. | Annually |
| **A.5. Implementation** | | | |
| 15. | HSA Operational go-live | A.5.a. | October 1, 2015 |
| 16. | HSA Account go-live | A.5.a. | January 1, 2016 |
| 17. | FSA Account go-live | A.5.a. | January 1, 2017 |
| 18. | Kick-off meeting | A.5.b. | Within thirty (30) days of either a) the contract start date or b) the notification of award, as requested by the State |
| 19. | Implementation plan | A.5.c. | Within thirty (30) days of the contract start date |
| 20. | Operational readiness review | A.5.d. | Within thirty (30) days prior to each go-live |
| 21. | Resolution of operational readiness findings | A.5.g. | Prior to the applicable go-live |
| 22. | Implementation status meetings | A.5.h. | Twice a week during implementation; Daily for the two (2) weeks prior to, and the first month following, each go-live |
| 23. | Implementation performance assessment | A.5.i. | Within sixty (60) days post HSA and FSA account go-live |
| **A.6. Reporting** | | | |
| 24. | Standard HSA/FSA reporting | A.6.c | As available from Contractor |
| 25. | Employer summary reports | A.6.d. | Monthly and annually |
| 26. | Salary deduction file | A.6.e. | As required by each employer |
| 27. | Account and investment statements | A.6.g. | Monthly |

| | Deliverables/Milestones: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|---|
| 28. | Portfolio performance review | A.6.h. | Annually |
| 29. | Account reports | A.6.i. | As required in the contract |
| 30. | Ad-hoc reports | A.6.k. | Within five (5) business days of request; Urgent reports within two (2) business days |
| **A.7. Call Center** | | | |
| 31. | Call center open | A.7.c. | At least one (1) week prior to HSA operational go-live |
| 32. | Call center performance standards | A.7.k. | Monthly |
| 33. | Call center statistics | A.7.l. | Biweekly sixty (60) days after HSA operational go-live; Monthly thereafter |
| 34. | Approval of messages | A.7.o. | Prior to HSA operational go-live and as updated |
| 35. | Submission of decision tree and menu for approval | A.7.r. | Prior to HSA operational go-live and as updated |
| 36. | Member complaints | A.7.x. | Quarterly |
| **A.8. Staffing** | | | |
| 37. | Ongoing operational meetings | A.8.i. | Weekly |
| 38. | In-person meeting | A.8.j. | Annually |
| 39. | Account team survey | A.8.k. | Annually in January |
| 40. | Account team survey results | A.8.k. | Within sixty (60) days of the end of the survey period |
| **A.9. Communication** | | | |
| 41. | Welcome packet | A.9.d. | Initial: Twenty-one (21) days prior to applicable account go-live<br>Ongoing: Within ten (10) days of enrollment receipt |
| 42. | Enrollment information | A.9.e. | Annually within two (2) months of open enrollment |
| **A.10. Website** | | | |
| 43. | Splash page design approval | A.10.a. | Prior to HSA operational go-live and as updated |
| 44. | Website go-live | A.10.a. | October 1, 2015 |
| 45. | Website updates | A.10.d. | Within five (5) business days of the State's approval |
| 46. | Grant access to website test environment | A.10.e. | No less than thirty (30) days prior to October 1, 2015 |
| **A.12. Data Integration & Technical Requirements** | | | |

| | Deliverables/Milestones: | Contract Reference(s): | Deliverable Due Dates: |
|---|---|---|---|
| 47. | Completion of eligibility & payroll file testing | A.12.c. | One (1) month prior to HSA operational go-live |
| 48. | Edison interface/eligibility & payroll file acceptance | A.12.d. | Two (2) weeks prior to HSA operational go-live |
| 49. | Enrollment files | A.12.e.i. | Weekly |
| 50. | File transmission statistics report | A.12.e.ii. | Within five (5) business days of receipt of weekly enrollment update |
| 51. | Enrollment updates | A.12.e.iii. | Within four (4) business days of receipt of weekly file |
| 52. | Enrollment discrepancies | A.12.e.iv. | Within one (1) business day of identification |
| 53. | Eligibility system modification log | A.12.e.v. | Quarterly |
| 54. | State Enrollment Data Match | A.12.e.vi. | Up to four (4) times annually, as requested by the State |
| 55. | Vendor files | A.12.f. | Up to daily |
| 56. | Claims data transmission to third parties | A.12.g. | As directed by the State |
| 57. | Transfer of data and records | A.12.j. | Within sixty (60) days of contract termination |
| **A.14. Information Systems** | | | |
| 58. | Information Retention Plan | A.14.e.i. | One (1) month prior to HSA operational go-live |
| **A.15. System Availability, Business Continuity and Disaster Recovery (BC-DR)** | | | |
| 59. | Business Continuity/Disaster Recovery (BC-DR) Results Report | A.15.d.<br>A.15.e. | One (1) month prior to HSA operational go-live and annually thereafter |
| 60. | BC-DR corrective action plan | A.15.f. | Within ten (10) business days of the state's request |
| 61. | Duplicate Records | A.15.f. | On or before contract termination date |
| **A.16. System and Information Security and Access Management Requirements** | | | |
| 62. | Information integrity methodology and testing | A.16.c. | Periodically throughout the contract term |
| 63. | Information Security Plan | A.16.k. | One (1) month prior to HSA operational go-live and annually thereafter |
| 64. | Transport Layer Security | A.16.l. | October 1, 2015 |
| **A.17. Fraud and Abuse** | | | |
| 65. | Fraud and abuse program summary | A.17.c. | Two (2) months prior to HSA operational go-live |
| 66. | Fraud and abuse program effectiveness | A.17.d. | Annually |

## A.21. Definitions

a. Active Account: A HSA account for an eligible member enrolled in a state group insurance CDHP option. The account must be completely and properly opened. Closed or transferred accounts are not considered active nor are accounts for members enrolled state group insurance non-CDHP options.

b. Affiliate: A business organization or entity that, directly or indirectly, is owned or controlled by the Contractor, or owns or controls the Contractor, or is under common ownership or control with the Contractor.

c. Agency Benefits Coordinator (ABC): An Agency Benefits Coordinator serves as the liaison between the Public Sector Plans and members. There is at least one ABC in every employer agency/entity.

d. Average Speed of Answer: The average waiting time for a caller before he/she is answered by a service representative.

e. Benefits Administration: The division of the Tennessee Department of Finance & Administration that administers the Public Sector Plans.

f. Business Days: Traditional workdays, including Monday, Tuesday, Wednesday, Thursday, and Friday. State Government Holidays are excluded.

g. Consumer Driven Health Plan (CDHP): A type of medical insurance or plan that typically has a higher deductible and lower monthly premiums. A CDHP may be offered with a Health Savings Account (HSA) or Health Reimbursement Arrangement (HRA).

h. Day(s): Calendar day(s) unless otherwise specified in the Contract.

i. EAP/BHO: Employee Assistance Program/ Behavioral Health Organization.

j. Edison: The State's enterprise resource planning system, which supports human resources, payroll, insurance, contracting, procurement and other agency functions.

k. Flexible Spending Arrangement (FSA): A health flexible spending arrangement (FSA) allows employees to be reimbursed for medical expenses. FSAs are usually funded through voluntary salary reduction agreements with your employer. No employment or federal income taxes are deducted from your contribution. The employer may also contribute.

l. FSA Participant: The employee contributing funds to the FSA

m. Health Savings Account (HSA): A tax-exempt trust or custodial account set up with a qualified HSA trustee to pay or reimburse certain medical expenses incurred.

n. HIPAA: Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and implementing regulations.

o. Information System(s): A combination of computing and telecommunications hardware and software that is used in: (a) the capture, storage, manipulation, movement, control, display, interchange and/or transmission of information, i.e., structured data (which may include digitized audio and video) and documents as well as non-digitized audio and video; and/or (b) the processing of information and non-digitized audio and video for the purposes of enabling and/or facilitating a business process or related transaction.

p. Local Education Agency (LEA): A local education agency pursuant to TCA 49-3-302.

q. Local Government Agency (LGA): A local government agency pursuant to TCA 8-27-207.

r. Member: Any person who is enrolled in one the medical benefit options of the Public Sector Plans. For the purposes of this contract, all members will be enrolled in one of the CDHP plan options.

s. PBM: Pharmacy Benefits Manager

t. Plan Documents: The State Plan, Local Education Plan, and Local Government Plan Documents which govern coverage of services and eligibility under each plan.

u. Protected Health Information (PHI): As defined in the HIPAA Privacy Rule, 45 CFR § 160.103.

v. Public Sector Plans: Benefit plans sponsored by the State, Local Government, and Local Education Insurance Committees.

w. Section 508: Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d) and implementing regulations at 36 CFR 1194 Parts A-D requires that all Web site content be equally accessible to people with disabilities. This applies to Web applications, Web pages and all attached files. It applies to intranet as well as public-facing Web pages.

x. Span of Control: Information Technology and telecommunications capabilities that the Contractor itself operates or for which it is otherwise legally responsible according to the terms and conditions of this Contract. The span of control also includes Systems and telecommunications capabilities outsourced by the Contractor.

y. State: The State of Tennessee.

z. State, Local Government, and Local Education Insurance Committees: Policy making bodies for the State, Local Government, and Local Education plans established under Tennessee Code Annotated 8-27-101, 8-27-207, and 8-27-301 respectively.

aa. State Government Holidays: Days on which official holidays and commemorations as defined in *Tennessee Code Annotated* 15-1-101 *et seq*. are observed.

bb. Subcontract: An agreement entered into by the Contractor with any other organization or person who agrees to perform any administrative function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract, when the intent of such an agreement is to delegate the responsibility for any major service or group of services required by this Contract.

cc. Subcontractor: Any organization or person who provides any function or service for the Contractor specifically related to securing or fulfilling the Contractor's obligations to the State under the terms of this Contract.

dd. Telecommunication Device for the Deaf (TDD): Special telephone devices with keyboard attachments for use by individuals with hearing impairments who are unable to use conventional phones. Also known as TTY.

**A.22.** **Warranty**. Contractor represents and warrants that throughout the Term of this Contract ("Warranty Period"), the goods or services provided under this Contract shall conform to the terms and conditions of this Contract. Any nonconformance of the goods or services to the terms and conditions of this Contract shall constitute a "Defect" and shall be considered "Defective." If Contractor receives notice of a Defect during the Warranty Period, then Contractor shall correct the Defect, at no additional charge.

Contractor represents and warrants that all goods or services provided under this Contract shall be provided in a timely and professional manner, by qualified and skilled individuals, in conformity with standards generally accepted in Contractor's industry.

If Contractor fails to provide the goods or services as warranted, then Contractor will re-provide the goods or services at no additional charge. If Contractor is unable or unwilling to re-provide the goods or

services as warranted, then the State shall be entitled to recover the fees paid to Contractor for the Defective goods or services.

**A.23.** **Inspection and Acceptance**. The State shall have the right to inspect all goods or services provided by Contractor under this Contract. If, upon inspection, the State determines that the goods or services are Defective, the State shall notify Contractor, and Contractor shall re-deliver the goods or provide the services at no additional cost to the State. If after a period of thirty (30) days following delivery of goods or performance of services the State does not provide a notice of any Defects, the goods or services shall be deemed to have been accepted by the State.

**B. TERM OF CONTRACT:**

This Contract shall be effective on July 1, 2015 ("Effective Date"), and extend for a period of sixty (60) months after the Effective Date ("Term"). The State shall have no obligation for goods or services provided by the Contractor prior to the Effective Date.

**C. PAYMENT TERMS AND CONDITIONS:**

C.1. Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Written Dollar Amount ($Number) ("Maximum Liability"). This Contract does not grant the Contractor any exclusive rights. The State does not guarantee that it will buy any minimum quantity of goods or services under this Contract. Subject to the terms and conditions of this Contract, the Contractor will only be paid for goods or services provided under this Contract after a purchase order is issued to Contractor by the State or as otherwise specified by this Contract.

C.2. Compensation Firm. The payment methodology in Section C.3 and the Travel Compensation provided in Section C.4.shall constitute the entire compensation due the Contractor for all goods or services provided under this Contract regardless of the difficulty, materials or equipment required. The payment methodology includes all applicable taxes, fees, overhead, and all other direct or indirect costs incurred or to be incurred by the Contractor.

C.3. Payment Methodology. The Contractor shall be compensated based on the payment methodology for goods or services authorized by the State in a total amount as set forth in section C.1.

a. The Contractor's compensation shall be contingent upon the satisfactory provision of goods or services as set forth in Section A.

b. The Contractor shall be compensated based upon the following payment methodology:

i. Total Active HSA Account Based Fee:

| **Total Active HSA Accounts** | **Monthly HSA Account Maintenance Fee Per Active Account Per Month** To be paid by the State Group Insurance Plans | | | | |
|---|---|---|---|---|---|
| | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** |
| Below 5,000 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 5,000 – 9,999 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 10,000 – 19,999 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 20,000 – 29,999 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 30,000 – 49,999 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |
| 50,000 and Above | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 |

ii. FSA Enrollment Level Account Fee:

| Total FSA Participants* | Monthly FSA Administration Fee per Participant<br>To be paid by the State Group Insurance Plans | | | |
|---|---|---|---|---|
| | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** |
| Below 3,000 | $0.00 | $0.00 | $0.00 | $0.00 |
| 3,000 – 4,999 | $0.00 | $0.00 | $0.00 | $0.00 |
| 5,000 – 7,499 | $0.00 | $0.00 | $0.00 | $0.00 |
| 7,500 – 9,999 | $0.00 | $0.00 | $0.00 | $0.00 |
| 10,000 – 14,999 | $0.00 | $0.00 | $0.00 | $0.00 |
| 15,000 and above | $0.00 | $0.00 | $0.00 | $0.00 |

*January enrollment will be used to determine the FSA enrollment-based fee level annually, and the fee level set in January of each year shall remain constant for the remainder of the calendar year. The product of the monthly fee and the number of participants, not total enrollment levels, will generate the Contractor's total payment.

iii. Member Fees:

| Fee Description | Member Fees<br>To be billed to, and paid by, members with an active HSA and/or FSA account | | | | |
|---|---|---|---|---|---|
| | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** |
| | **HSA Fees** | **HSA and FSA Member Fees** | | | |
| Manual/Paper Account Set-Up* | $0.00 / Account | $0.00 / Account | $0.00 / Account | $0.00 / Account | $0.00 / Account |
| Debit Card Replacement (first replacement card free) | $0.00 / Card | $0.00 / Card | $0.00 / Card | $0.00 / Card | $0.00 / Card |
| *Assumes online account setup option is available per contract requirement A.2.b. | | | | | |
| **HSA Only – Member Fees**<br>To be billed to, and paid by, members with an active HSA account | | | | | |
| **Fee Description** | **1/1/16 – 12/31/16** | **1/1/17 – 12/31/17** | **1/1/18 – 12/31/18** | **1/1/19 – 12/31/19** | **1/1/20 – 12/31/20** |
| Checks | $0.00 / Box | $0.00 / Box | $0.00 / Box | $0.00 / Box | $0.00 / Box |
| Non-Sufficient Funds | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance |
| Excess Contributions | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance |
| Stop Payment | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance |
| Overdrafts | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance |
| Document Copies (checks, duplicate statements, etc.) | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance |
| ATM Fees: In-network | $0.00 / | $0.00 / | $0.00 / | $0.00 / | $0.00 / |

| | Transaction | Transaction | Transaction | Transaction | Transaction |
|---|---|---|---|---|---|
| ATM Fees: Out-of-network | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction | $0.00 / Transaction |
| Account Closing (excludes accounts closed due to contract expiration or termination) | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance |
| Wire Transfer (excludes wire transfers resulting from contract expiration or termination) | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance | $0.00 / Instance |
| Check Writing Fee | $0.00 / Check | $0.00 / Check | $0.00 / Check | $0.00 / Check | $0.00 / Check |
| Monthly Investment Fee | $0.00 / Month | $0.00 / Month | $0.00 / Month | $0.00 / Month | $0.00 / Month |

c. The State shall reimburse the Contractor for the actual cost of the following in the performance of this Contract, provided that the Contractor provides documentation of actual costs incurred as required by the State.

i. Postage. In a situation where unanticipated circumstances require notification to plan members, which is not detailed in the terms and conditions of this Contract, the State may request the Contractor to produce and mail such notification to plan members. The State shall reimburse the Contractor only for the actual cost of postage for mailing materials produced at the specific direction of the State and authorized by the State.

ii. Printing / Production. The State shall reimburse the Contractor an amount equal to the actual net cost of document printing / production as required and authorized by the State as described in Contract Section C.3.c.i. above. Additionally, if error(s) in member materials, approved by the State in writing, are detected after the materials have been mailed, the State will reimburse the Contractor for the production and postage cost of mailing the corrected version.

Notwithstanding the foregoing, the State retains the right to authorize the Contractor to deliver a product to be printed, approve and accept the product but not use the Contractor to print the material. In those situations, the State shall have the discretion to use other printing and production services at its disposal.

d. The Contractor is prohibited from charging the State or members served by this contract any fees related to the transfer of funds or closing of accounts resulting from contract expiration or termination.

C.4. Travel Compensation. Compensation to the Contractor for travel, meals, or lodging shall be subject to amounts and limitations specified in the current “State Comprehensive Travel Regulations.”

The Contractor must include (in addition to other invoice requirements of this Contract) a complete itemization of requested travel compensation and appropriate documentation and receipts as required by the "State Comprehensive Travel Regulations."

C.5. Invoice Requirements. The Contractor shall invoice the State only for goods delivered and accepted by the State or services satisfactorily provided at the amounts stipulated in Section C.3., above. Contractor shall submit invoices and necessary supporting documentation, no more frequently than once a month, and no later than thirty (30) days after goods or services have been provided to the following address:

State Agency Billing Address

a. Each invoice, on Contractor's letterhead, shall clearly and accurately detail all of the following information (calculations must be extended and totaled correctly):

(1) Invoice number (assigned by the Contractor);
(2) Invoice date;
(3) Contract number (assigned by the State);
(4) Customer account name: State Agency & Division Name;
(5) Customer account number (assigned by the Contractor to the above-referenced Customer);
(6) Contractor name;
(7) Contractor Tennessee Edison registration ID number;
(8) Contractor contact for invoice questions (name, phone, or email);
(9) Contractor remittance address;
(10) Description of delivered goods or services provided and invoiced, including identifying information as applicable;
(11) Number of delivered or completed units, increments, hours, or days as applicable, of each good or service invoiced;
(12) Applicable payment methodology (as stipulated in Section C.3.) of each good or service invoiced;
(13) Amount due for each compensable unit of good or service; and
(14) Total amount due for the invoice period.

b. Contractor's invoices shall:

(1) Only include charges for goods delivered or services provided as described in Section A and in accordance with payment terms and conditions set forth in Section C;
(2) Only be submitted for goods delivered or services completed and shall not include any charge for future goods to be delivered or services to be performed;
(3) Not include Contractor's taxes, which includes without limitation Contractor's sales and use tax, excise taxes, franchise taxes, real or personal property taxes, or income taxes; and
(4) Include shipping or delivery charges only as authorized in this Contract.

c. The timeframe for payment (or any discounts) begins only when the State is in receipt of an invoice that meets the minimum requirements of this Section C.5.

C.6. Payment of Invoice. A payment by the State shall not prejudice the State's right to object to or question any payment, invoice, or other matter. A payment by the State shall not be construed as acceptance of goods delivered, any part of the services provided, or as approval of any amount invoiced.

C.7. Invoice Reductions. The Contractor's invoice shall be subject to reduction for amounts included in any invoice or payment that is determined by the State, on the basis of audits conducted in accordance with the terms of this Contract, to not constitute proper compensation for goods delivered or services provided.

C.8. Deductions. The State reserves the right to deduct from amounts, which are or shall become due and payable to the Contractor under this or any contract between the Contractor and the State of Tennessee, any amounts that are or shall become due and payable to the State of Tennessee by the Contractor.

C.9. Prerequisite Documentation. The Contractor shall not invoice the State under this Contract until the State has received the following, properly completed documentation.

a. The Contractor shall complete, sign, and present to the State an "Authorization Agreement for Automatic Deposit Form" provided by the State. By doing so, the Contractor acknowledges and agrees that, once this form is received by the State, all payments to the Contractor, under this or any other contract the Contractor has with the State of Tennessee, shall be made by automated clearing house.

b. The Contractor shall complete, sign, and present to the State a "Substitute W-9 Form" provided by the State. The taxpayer identification number in the Substitute W-9 Form must be the same as the Contractor's Federal Employer Identification Number or Tennessee Edison Registration ID.

**D. MANDATORY TERMS AND CONDITIONS:**

D.1 Required Approvals. The State is not bound by this Contract until it is duly approved by the Parties and all appropriate State officials in accordance with applicable Tennessee laws and regulations. Depending upon the specifics of this Contract, this may include approvals by the Commissioner of Finance and Administration, the Commissioner of Human Resources, the Comptroller of the Treasury, and the Chief Procurement Officer. Approvals shall be evidenced by a signature or electronic approval.

D.2 Communications and Contacts. All instructions, notices, consents, demands, or other communications required or contemplated by this Contract shall be in writing and shall be made by certified, first class mail, return receipt requested and postage prepaid, by overnight courier service with an asset tracking system, or by email or facsimile transmission with recipient confirmation. All communications, regardless of method of transmission, shall be addressed to the respective Party at the appropriate mailing address, facsimile number, or email address as stated below or any other address provided in writing by a Party.

The State:

Sylvia D. Chunn, Procurement and Contracting Manager
Finance and Administration, Division of Benefits Administration
William R. Snodgrass TN Tower, 19th Floor
312 Rosa L. Parks Ave., N
Nashville, TN 37243
Sylvia.Chunn@tn.gov
Telephone # 615-253-8358
FAX # 615-253-8556

The Contractor:

Contractor Contact Name & Title
Contractor Name
Address
Email Address
Telephone # Number
FAX # Number

All instructions, notices, consents, demands, or other communications shall be considered effective upon receipt or recipient confirmation as may be required.

D.3 Modification and Amendment. This Contract may be modified only by a written amendment signed by all parties and approved by all applicable State officials.

D.4 Subject to Funds Availability. The Contract is subject to the appropriation and availability of State or federal funds. In the event that the funds are not appropriated or are otherwise unavailable, the State reserves the right to terminate this Contract upon written notice to the Contractor. The State's exercise of its right to terminate this Contract shall not constitute a breach of Contract by the State. Upon receipt of the written notice, the Contractor shall cease all work associated with the Contract. If the State terminates this Contract due to lack of funds availability, the Contractor shall be entitled to compensation for all conforming goods requested and accepted by the State and for all satisfactory and authorized services completed as of the termination date. Should the State exercise its right to terminate this Contract due to unavailability of funds, the Contractor shall have no right to recover from the State any actual, general, special, incidental, consequential, or any other damages of any description or amount.

D.5 Termination for Convenience. The State may terminate this Contract for convenience without cause and for any reason. The State shall give the Contractor at least thirty (30) days written notice before the termination date. The Contractor shall be entitled to compensation for all conforming goods delivered and

accepted by the State or for satisfactory, authorized services completed as of the termination date. In no event shall the State be liable to the Contractor for compensation for any goods neither requested nor accepted by the State or for any services neither requested by the State nor satisfactorily performed by the Contractor. In no event shall the State's exercise of its right to terminate this Contract for convenience relieve the Contractor of any liability to the State for any damages or claims arising under this Contract.

D.6 Termination for Cause. If the Contractor fails to properly perform its obligations under this Contract, or if the Contractor materially violates any terms of this Contract ("Breach Condition"), the State shall provide written notice to Contractor specifying the Breach Condition. If within thirty (30) days of notice, the Contractor has not cured the Breach Condition, the State may terminate the Contract and withhold payments in excess of compensation for completed services or provided goods. Notwithstanding the above, the Contractor shall not be relieved of liability to the State for damages sustained by virtue of any breach of this Contract by the Contractor and the State may seek other remedies allowed at law or in equity for breach of this Contract.

D.7 Assignment and Subcontracting. The Contractor shall not assign this Contract or enter into a subcontract for any of the goods or services provided under this Contract without the prior written approval of the State. Notwithstanding any use of the approved subcontractors, the Contractor shall be the prime contractor and responsible for compliance with all terms and conditions of this Contract. The State reserves the right to request additional information or impose additional terms and conditions before approving an assignment of this Contract in whole or in part or the use of subcontractors in fulfilling the Contractor's obligations under this Contract.

D.8 Conflicts of Interest. The Contractor warrants that no part of the Contractor's compensation shall be paid directly or indirectly to an employee or official of the State of Tennessee as wages, compensation, or gifts in exchange for acting as an officer, agent, employee, subcontractor, or consultant to the Contractor in connection with any work contemplated or performed relative to this Contract.

The Contractor acknowledges, understands, and agrees that this Contract shall be null and void if the Contractor is, or within the past six (6) months has been, an employee of the State of Tennessee or if the Contractor is an entity in which a controlling interest is held by an individual who is, or within the past six (6) months has been, an employee of the State of Tennessee.

D.9 Nondiscrimination. The Contractor hereby agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance of this Contract or in the employment practices of the Contractor on the grounds of handicap or disability, age, race, creed, color, religion, sex, national origin, or any other classification protected by federal or state law. The Contractor shall, upon request, show proof of nondiscrimination and shall post in conspicuous places, available to all employees and applicants, notices of nondiscrimination.

D.10 Prohibition of Illegal Immigrants. The requirements of Tenn. Code Ann. § 12-3-309 addressing the use of illegal immigrants in the performance of any Contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

a. The Contractor hereby agrees that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document at Contract Attachment A, hereto, semi-annually during the Term. If the Contractor is a party to more than one contract with the State, the Contractor may submit one attestation that applies to all contracts with the State. All Contractor attestations shall be maintained by the Contractor and made available to state officials upon request.

b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the Term, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform

work under this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work under this Contract. Attestations obtained from such subcontractors shall be maintained by the Contractor and made available to state officials upon request.

c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Contractor's records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.

d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Tenn. Code Ann. § 12-3-309 for acts or omissions occurring after its effective date.

e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not : (i) a United States citizen; (ii) a Lawful Permanent Resident; (iii) a person whose physical presence in the United States is authorized; (iv) allowed by the federal Department of Homeland Security and who, under federal immigration laws or regulations, is authorized to be employed in the U.S.; or (v) is otherwise authorized to provide services under the Contract.

D.11 Records. The Contractor shall maintain documentation for all charges under this Contract. The books, records, and documents of the Contractor, for work performed or money received under this Contract, shall be maintained for a period of five (5) full years from the date of the final payment and shall be subject to audit at any reasonable time and upon reasonable notice by the State, the Comptroller of the Treasury, or their duly appointed representatives. The financial statements shall be prepared in accordance with generally accepted accounting principles.

D.12 Monitoring. The Contractor's activities conducted and records maintained pursuant to this Contract shall be subject to monitoring and evaluation by the State, the Comptroller of the Treasury, or their duly appointed representatives.

D.13 Progress Reports. The Contractor shall submit brief, periodic, progress reports to the State as requested.

D.14 Strict Performance. Failure by any Party to this Contract to require, in any one or more cases, the strict performance of any of the terms, covenants, conditions, or provisions of this Contract shall not be construed as a waiver or relinquishment of any term, covenant, condition, or provision. No term or condition of this Contract shall be held to be waived, modified, or deleted except by a written amendment signed by the Parties.

D.15 Independent Contractor. The parties shall not act as employees, partners, joint venturers, or associates of one another. The Parties are independent contracting entities. Nothing in this Contract shall be construed to create an employer/employee relationship or to allow either Party to exercise control or direction over the manner or method by which the other transacts its business affairs or provides its usual services. The employees or agents of one Party are not employees or agents of the other Party.

D.16 Patient Protection and Affordable Care Act. The Contractor agrees that it will be responsible for compliance with the Patient Protection and Affordable Care Act ("PPACA") with respect to itself and its employees, including any obligation to report health insurance coverage, provide health insurance coverage, or pay any financial assessment, tax, or penalty for not providing health insurance. The Contractor shall indemnify the State and hold it harmless for any costs to the State arising from Contractor's failure to fulfill its PPACA responsibilities for itself or its employees.

D.17 Limitation of State's Liability. The State shall have no liability except as specifically provided in this Contract. In no event will the State be liable to the Contractor or any other party for any lost revenues, lost profits, loss of business, decrease in the value of any securities or cash position, time, money, goodwill, or any indirect, special, incidental, punitive, exemplary or consequential damages of any nature, whether based on warranty, contract, statute, regulation, tort (including but not limited to negligence), or any other legal theory that may arise under this Contract or otherwise. The State's total liability under this Contract (including any exhibits, schedules, amendments or other attachments to the Contract) or otherwise shall

under no circumstances exceed the Maximum Liability. This limitation of liability is cumulative and not per incident.

D.18 Limitation of Contractor's Liability. In accordance with Tenn. Code Ann. § 12-3-701, the Contractor's liability for all claims arising under this Contract shall be limited to an amount equal to two (2) times the Maximum Liability amount detailed in Section C.1. and as may be amended, PROVIDED THAT in no event shall this Section limit the liability of the Contractor for intentional torts, criminal acts, fraudulent conduct, or omissions that result in personal injuries or death.

D.19 Hold Harmless. The Contractor agrees to indemnify and hold harmless the State of Tennessee as well as its officers, agents, and employees from and against any and all claims, liabilities, losses, and causes of action which may arise, accrue, or result to any person, firm, corporation, or other entity which may be injured or damaged as a result of acts, omissions, or negligence on the part of the Contractor, its employees, or any person acting for or on its or their behalf relating to this Contract. The Contractor further agrees it shall be liable for the reasonable cost of attorneys for the State to enforce the terms of this Contract.

In the event of any suit or claim, the Parties shall give each other immediate notice and provide all necessary assistance to respond. The failure of the State to give notice shall only relieve the Contractor of its obligations under this Section to the extent that the Contractor can demonstrate actual prejudice arising from the failure to give notice. This Section shall not grant the Contractor, through its attorneys, the right to represent the State in any legal matter, as the right to represent the State is governed by Tenn. Code Ann. § 8-6-106.

D.20 HIPAA and HITECH Compliance. The State and Contractor shall comply with obligations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Health Information Technology for Economic and Clinical Health (HITECH) Act under the American Recovery and Reinvestment Act of 2009 (ARRA) and their accompanying regulations, as well as any other relevant laws and regulations regarding privacy.

a. Contractor warrants to the State that it is familiar with the requirements of HIPAA and HITECH and their accompanying regulations, and shall comply with all applicable HIPAA and HITECH requirements in the course of this Contract including but not limited to the following:

(1) Compliance with the Privacy Rule, Security Rule, Notification Rule;
(2) The creation of and adherence to sufficient Privacy and Security Safeguards and Policies;
(3) Timely Reporting of Violations in Use and Disclosure of PHI; and
(4) Time Reporting of Security Incidents.

b. Contractor warrants that it will cooperate with the State, including cooperation and coordination with State privacy officials and other compliance officers required by HIPAA and HITECH and its regulations, in the course of performance of the Contract so that both parties will be in compliance with HIPAA and HITECH.

c. The Contractor agrees that its duties under this contract qualify it as a "business associate" of the State as that term is defined under HIPAA. Contractor will sign the State's business associate agreement, which is attached as Attachment E. The State, in its discretion may, accept changes to the business associate agreement if it finds that such changes are appropriate, or may determine that HIPAA does not require a business associate agreement.

d. The Contractor will indemnify the State and hold it harmless for any violation by the Contractor or its subcontractors of HIPAA and HITECH as well as any other relevant laws and regulations regarding privacy. This includes the costs of responding to a breach of protected health information, the costs of responding to a government enforcement action related to the breach, and any fines, penalties, or damages paid by the State because of the violation. The Contractor may also be liable for damages for failure to comply with this section, including any applicable liquidated damages set forth in Attachment B.

D.21 Tennessee Consolidated Retirement System. Subject to statutory exceptions contained in Tenn. Code Ann. §§ 8-36-801, *et seq*., the law governing the Tennessee Consolidated Retirement System ("TCRS"), provides that if a retired member of TCRS, or of any superseded system administered by TCRS, or of any local retirement fund established under Tenn. Code Ann. §§ 8-35-101, *et seq.*, accepts State employment, the member's retirement allowance is suspended during the period of the employment. Accordingly and notwithstanding any provision of this Contract to the contrary, the Contractor agrees that if it is later determined that the true nature of the working relationship between the Contractor and the State under this Contract is that of "employee/employer" and not that of an independent contractor, the Contractor, if a retired member of TCRS, may be required to repay to TCRS the amount of retirement benefits the Contractor received from TCRS during the Term.

D.22 Tennessee Department of Revenue Registration. The Contractor shall comply with all applicable registration requirements contained in Tenn. Code Ann. §§ 67-6-601 – 608. Compliance with applicable registration requirements is a material requirement of this Contract.

D.23 Debarment and Suspension. The Contractor certifies, to the best of its knowledge and belief, that it, its current and future principals, its current and future subcontractors and their principals:

a. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal or state department or agency;

b. have not within a three (3) year period preceding this Contract been convicted of, or had a civil judgment rendered against them from commission of fraud, or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or grant under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statements, or receiving stolen property;

c. are not presently indicted or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses detailed in section b. of this certification; and

d. have not within a three (3) year period preceding this Contract had one or more public transactions (federal, state, or local) terminated for cause or default.

The Contractor shall provide immediate written notice to the State if at any time it learns that there was an earlier failure to disclose information or that due to changed circumstances, its principals or the principals of its subcontractors are excluded or disqualified.

D.24 Force Majeure. "Force Majeure Event" means fire, flood, earthquake, elements of nature or acts of God, wars, riots, civil disorders, rebellions or revolutions, acts of terrorism or any other similar cause beyond the reasonable control of the Party except to the extent that the non-performing Party is at fault in failing to prevent or causing the default or delay, and provided that the default or delay cannot reasonably be circumvented by the non-performing Party through the use of alternate sources, workaround plans or other means. A strike, lockout or labor dispute shall not excuse either Party from its obligations under this Contract. Except as set forth in this Section, any failure or delay by a Party in the performance of its obligations under this Contract arising from a Force Majeure Event is not a default under this Contract or grounds for termination. The non-performing Party will be excused from performing those obligations directly affected by the Force Majeure Event, and only for as long as the Force Majeure Event continues, provided that the Party continues to use diligent, good faith efforts to resume performance without delay. The occurrence of a Force Majeure Event affecting Contractor's representatives, suppliers, subcontractors, customers or business apart from this Contract is not a Force Majeure Event under this Contract. Contractor will promptly notify the State of any delay caused by a Force Majeure Event (to be confirmed in a written notice to the State within one (1) day of the inception of the delay) that a Force Majeure Event has occurred, and will describe in reasonable detail the nature of the Force Majeure Event. If any Force Majeure Event results in a delay in Contractor's performance longer than forty-eight (48) hours, the State may, upon notice to Contractor: (a) cease payment of the fees until Contractor resumes performance of the affected obligations; or (b) immediately terminate this Contract or any

purchase order, in whole or in part, without further payment except for fees then due and payable. Contractor will not increase its charges under this Contract or charge the State any fees other than those provided for in this Contract as the result of a Force Majeure Event.

D.25 State and Federal Compliance. The Contractor shall comply with all applicable State and Federal laws and regulations in the performance of this Contract.

D.26 Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Tennessee. The Tennessee Claims Commission or the state or federal courts in Tennessee shall be the venue for all claims, disputes, or disagreements arising under this Contract. The Contractor acknowledges and agrees that any rights, claims, or remedies against the State of Tennessee or its employees arising under this Contract shall be subject to and limited to those rights and remedies available under Tenn. Code Ann. §§ 9-8-101 - 407.

D.27 Entire Agreement. This Contract is complete and contains the entire understanding between the parties relating to its subject matter, including all the terms and conditions of the Parties' agreement. This Contract supersedes any and all prior understandings, representations, negotiations, and agreements between the parties relating hereto, whether written or oral.

D.28 Severability. If any terms and conditions of this Contract are held to be invalid or unenforceable as a matter of law, the other terms and conditions of this Contract shall not be affected and shall remain in full force and effect. The terms and conditions of this Contract are severable.

D.29 Headings. Section headings of this Contract are for reference purposes only and shall not be construed as part of this Contract.

D.30 Incorporation of Additional Documents. Each of the following documents is included as a part of this Contract by reference. In the event of a discrepancy or ambiguity regarding the Contractor's duties, responsibilities, and performance under this Contract, these items shall govern in order of precedence below:

a. any amendment to this Contract, with the latter in time controlling over any earlier amendments;

b. this Contract with any attachments or exhibits (excluding the items listed at subsections c. through f., below);

c. any clarifications of or addenda to the Contractor's proposal seeking this Contract;

d. the State solicitation, as may be amended, requesting responses in competition for this Contract;

e. any technical specifications provided to proposers during the procurement process to award this Contract; and,

f. the Contractor's response seeking this Contract.

## E. SPECIAL TERMS AND CONDITIONS:

E.1. Conflicting Terms and Conditions. Should any of these special terms and conditions conflict with any other terms and conditions of this Contract, the special terms and conditions shall be subordinate to the Contract's other terms and conditions.

E.2. Contractor Commitment to Diversity. The Contractor shall comply with and make reasonable business efforts to exceed the commitment to diversity represented by the Contractor's Response to RFP 31786-00130 (Attachment 6.2, Section B.15) and resulting in this Contract.

The Contractor shall assist the State in monitoring the Contractor's performance of this commitment by providing, as requested, a quarterly report of participation in the performance of this Contract by small business enterprises and businesses owned by minorities, women, and Tennessee service-disabled

veterans. Such reports shall be provided to the State of Tennessee Governor's Office of Diversity Business Enterprise in the required form and substance.

E.3. Liquidated Damages. If the Contractor fails to perform in accordance with any term or provision of this contract, only provides partial performance of any term or provision of the Contract, violates any warranty, or any act prohibited or restricted by the Contract occurs, ("Liquidated Damages Event"), the State may assess damages on Contractor ("Liquidated Damages"). The State shall notify the Contractor of amounts to be assessed as Liquidated Damages. The Parties agree that due to the complicated nature of the Contractor's obligations under this Contract it would be difficult to specifically designate a monetary amount for Contractor's failure to fulfill its obligations regarding the Liquidated Damages Event as these amounts are likely to be uncertain and not easily proven. Contractor has carefully reviewed the Liquidated Damages contained in Attachment B and agrees that these amounts represent a reasonable relationship between the amount and what might reasonably be expected in the event of a Liquidated Damages Event, and are a reasonable estimate of the damages that would occur from a Liquidated Damages Event. The Parties agree that the Liquidated Damages represent solely the damages and injuries sustained by the State in losing the benefit of the bargain with Contractor and do not include any injury or damage sustained by a third party. The Contractor agrees that the Liquidated Damages are in addition to any amounts Contractor may owe the State pursuant to the indemnity provision or any other sections of this Contract.

The State is not obligated to assess Liquidated Damages before availing itself of any other remedy. The State may choose to discontinue Liquidated Damages and avail itself of any other remedy available under this Contract or at law or equity.

E.4. Partial Takeover of Contract. The State may, at its convenience and without cause, exercise a partial takeover of any service that the Contractor is obligated to perform under this Contract, including any service which is the subject of a subcontract between Contractor and a third party (a "Partial Takeover"). A Partial Takeover of this Contract by the State shall not be deemed a breach of contract. The Contractor shall be given at least thirty (30) days prior written notice of a Partial Takeover. The notice shall specify the areas of service the State will assume and the date the State will be assuming. The State's exercise of a Partial Takeover shall not alter the Contractor's other duties and responsibilities under this Contract. The State reserves the right to withhold from the Contractor any amounts the Contractor would have been paid but for the State's exercise of a Partial Takeover. The amounts shall be withheld effective as of the date the State exercises its right to a Partial Takeover. The State's exercise of its right to a Partial Takeover of this Contract shall not entitle the Contractor to any actual, general, special, incidental, consequential, or any other damages irrespective of any description or amount.

E.5. Personally Identifiable Information. While performing its obligations under this Contract, Contractor may have access to Personally Identifiable Information held by the State ("PII"). For the purposes of this Contract, "PII" includes "Nonpublic Personal Information" as that term is defined in Title V of the Gramm-Leach-Bliley Act of 1999 or any successor federal statute, and the rules and regulations thereunder, all as may be amended or supplemented from time to time ("GLBA") and personally identifiable information and other data protected under any other applicable laws, rule or regulation of any jurisdiction relating to disclosure or use of personal information ("Privacy Laws"). Contractor agrees it shall not do or omit to do anything which would cause the State to be in breach of any Privacy Laws. Contractor shall, and shall cause its employees, agents and representatives to: (i) keep PII confidential and may use and disclose PII only as necessary to carry out those specific aspects of the purpose for which the PII was disclosed to Contractor and in accordance with this Contract, GLBA and Privacy Laws; and (ii) implement and maintain appropriate technical and organizational measures regarding information security to: (A) ensure the security and confidentiality of PII; (B) protect against any threats or hazards to the security or integrity of PII; and (C) prevent unauthorized access to or use of PII. Contractor shall immediately notify State: (1) of any disclosure or use of any PII by Contractor or any of its employees, agents and representatives in breach of this Contract; and (2) of any disclosure of any PII to Contractor or its employees, agents and representatives where the purpose of such disclosure is not known to Contractor or its employees, agents and representatives. The State reserves the right to review Contractor's policies and procedures used to maintain the security and confidentiality of PII and Contractor shall, and cause its employees, agents and representatives to, comply with all reasonable requests or directions from the State to enable the State to verify and/or procure that Contractor is in full compliance with its obligations under this Contract in relation

to PII. Upon termination or expiration of the Contract or at the State's direction at any time in its sole discretion, whichever is earlier, Contractor shall immediately return to the State any and all PII which it has received under this Contract and shall destroy all records of such PII.

The Contractor shall report to the State any instances of unauthorized access to or potential disclosure of PII in the custody or control of Contractor ("Unauthorized Disclosure") that come to the Contractor's attention. Any such report shall be made by the Contractor within twenty-four (24) hours after the Unauthorized Disclosure has come to the attention of the Contractor. Contractor shall take all necessary measures to halt any further Unauthorized Disclosures. The Contractor, at the sole discretion of the State, shall provide no cost credit monitoring services for individuals whose PII was affected by the Unauthorized Disclosure. The Contractor shall bear the cost of notification to all individuals affected by the Unauthorized Disclosure, including individual letters and public notice. The remedies set forth in this Section are not exclusive and are in addition to any claims or remedies available to this State under this Contract or otherwise available at law.

E.6. Prohibited Advertising or Marketing. The Contractor shall not suggest or imply in advertising or marketing materials that Contractor's goods or services are endorsed by the State. The restrictions on Contractor advertising or marketing materials under this Section shall survive the termination of this Contract.

E.7. Work Papers Subject to Review. The Contractor shall make all audit, accounting, or financial analysis work papers, notes, and other documentation available for review by the Comptroller of the Treasury or his representatives, upon request, during normal working hours either while the analysis is in progress or subsequent to the completion of this Contract.

E.8. Confidentiality of Records. Strict standards of confidentiality of records and information shall be maintained in accordance with applicable state and federal law. All material and information, regardless of form, medium or method of communication, provided to the Contractor by the State or acquired by the Contractor on behalf of the State that is regarded as confidential under state or federal law shall be regarded as "Confidential Information." Nothing in this Section shall permit Contractor to disclose any Confidential Information, regardless of whether it has been disclosed or made available to the Contractor due to intentional or negligent actions or inactions of agents of the State or third parties. Confidential Information shall not be disclosed except as required or permitted under state or federal law. Contractor shall take all necessary steps to safeguard the confidentiality of such material or information in conformance with applicable state and federal law.

The obligations set forth in this Section shall survive the termination of this Contract.

E.9. Reimbursement. This Contract provides for reimbursement of the cost of goods, materials, supplies, equipment, or contracted services. Any goods, materials, supplies, equipment or contracted services procured by Contractor under this Contract shall be procured on a competitive basis when practicable. The Contractor shall maintain documentation supporting Contractor's request for reimbursement. In each instance where it is determined that use of a competitive procurement method was not practicable, Contractor shall seek approval of the Commissioner of Finance and Administration to procure by non-competitive procurement as a condition for reimbursement.

E.10. Insurance. The Contractor shall carry adequate liability and other appropriate forms of insurance.

a. The Contractor shall maintain, at minimum, the following insurance coverage:

(2) Comprehensive Commercial General Liability (including personal injury & property damage, premises/operations, independent contractor, contractual liability and completed operations/products) with a bodily injury/property damage combined single limit not less than one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate.

b. The Contractor shall provide a valid Certificate of Insurance naming the State as an additional insured and detailing Coverage Description; Insurance Company & Policy Number; Exceptions and Exclusions; Policy Effective Date; Policy Expiration Date; Limit(s) of Liability; and Name and Address of Insured. Contractor shall obtain from Contractor's insurance carrier(s) and will deliver to the State waivers of the

subrogation rights under the respective policies. Failure to provide required evidence of insurance coverage shall be a material breach of this Contract.

**IN WITNESS WHEREOF,**

**CONTRACTOR LEGAL ENTITY NAME:**

---

**CONTRACTOR SIGNATURE** **DATE**

---

**PRINTED NAME AND TITLE OF CONTRACTOR SIGNATORY (above)**

**STATE AGENCY NAME:**

---

**NAME & TITLE** **DATE**

# ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

| | |
|---|---|
| **SUBJECT CONTRACT NUMBER:** | |
| **CONTRACTOR LEGAL ENTITY NAME:** | |
| **FEDERAL EMPLOYER IDENTIFICATION NUMBER:**<br>(or Social Security Number) | |

**The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.**

**CONTRACTOR SIGNATURE**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

**PRINTED NAME AND TITLE OF SIGNATORY**

**DATE OF ATTESTATION**

## PERFORMANCE GUARANTEES AND LIQUIDATED DAMAGES

To effectively manage contractual performance, the State has established performance guarantees to evaluate the Contractor's obligations with respect to the Contract. The Contractor is expected to perform according to a certain level of standards. If these standards are not met, the State is entitled to impose liquidated damage assessments. The list of Performance Guarantees and associated Liquidated Damages are included in this Attachment.

1. **Performance Reporting:** The Contractor shall develop a Performance Report Card as a means to measure compliance on a quarterly basis. The Contractor shall provide the quarterly performance report card in a manner acceptable to the State, on or before the 20th day of the month following the reporting quarter. Supporting documentation used to calculate the performance guarantees shall be provided with the Performance Report Card. The Performance Report Card shall include cumulative data over the life of the contract.
2. **Payment of Liquidated Damages:** It is agreed by the State and the Contractor that any liquidated damages assessed by the State shall be due and payable to the State within forty-five (45) calendar days after Contractor receipt of the Invoice containing an assessment of liquidated damages. If payment is not made by the due date, said liquidated damages may be withheld from future payments by the State without further notice.
3. **Maximum Assessment:** The maximum amount of Liquidated Damages payable over any twelve (12) month period shall not exceed twenty percent (20%) of the annual fixed price billings. In the event that a single occurrence subjects the Contractor to Liquidated Damages in multiple subsections of this provision, the State is entitled to assess a single Liquidated Damage selected at the discretion of the State.
4. **Waiver of Liquidated Damages:** The State, in its sole discretion, may elect not to assess Liquidated Damages against the Contractor in certain instances, including but not limited to the following:
    a. Where the State determines that only inconsequential damage has occurred, unless the deficiency is part of a recurring or frequent pattern of deficiency, with regard to one (1) or more Contract deliverables or requirements
    b. For performance measures that are resolved based on the Contractor's corrective action plan
    c. If the failure is not due to Contractor fault (i.e. caused by factors beyond the reasonable control and without any material error or negligence of the Contractor, its staff or subcontractors)
    d. Where no damage or injury has been sustained by the State or its members
    e. Where the failure does not result in increased Contract management time or expense
    f. Where the failure results from the State's failure to perform
    g. For other reasons at the State's sole discretion
5. **Performance Guarantees:** In the event that the Contractor has failed to meet a performance guarantee that is set out in the Contract, but for which the Liquidated Damage standards are not spelled out in this Attachment, the State may assess liquidated damages at the rate of one hundred dollars ($100.00) per business day until the guarantee has been met.
6. The Contractor shall pay to the State the indicated total dollar assessment upon notification by the State that an amount is due, through the term of this Contract.
7. Performance guarantees shall be measured specific to the Public Sector Plans. If prior approved by the State in writing, they may be measured on the Contractor's book of business.

| PERFORMANCE GUARANTEES | |
|---|---|
| 1. **Implementation Plan** | |
| Guarantee | The Contractor shall provide a project implementation plan that meets the requirements of Contract Section A.5.c. to the State no later than thirty (30) days after the contract start date. |
| Assessment | Five hundred dollars ($500) for each day beyond the deadline that the plan is not provided to the State. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the HSA operational go-live date. |
| 2. **Operational Readiness** | |
| Guarantee | The Contractor shall resolve all findings identified by the State during its operational readiness review, as required in Contract Section A.5., prior to the applicable go-live date. |
| Assessment | Five hundred dollars ($500) per finding if the issue is not resolved prior to the applicable go-live date. |
| Measurement | Measured, reported reconciled and paid no later than three (3) months after the applicable go-live date. |
| 3. **Edison System Interface** | |
| Guarantee | Contractor's interface with the Edison System shall be fully operational by the date specified in Contract Section A.12.d. |
| Assessment | One thousand dollars ($1,000) per day, for every day beyond the deadline that the interface is not fully operational. |
| Measurement | Measured and reported beginning the day after the date specified in Contract Section A.12.d. and continuing – as necessary – until the interface is fully operational. (Reconciled and paid upon final recognition of operational status.) |
| 4. **Call Center and Other Systems Operational** | |
| Guarantee | The Contractor's call center and other systems shall be fully operational no later than the HSA operational go-live date specified in Contract Section A.20. |
| Assessment | One thousand dollars ($1,000) for every day beyond the deadline that the call center or other system is not operational. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the HSA operational go-live date. |
| 5. **HSA Operational Go-Live Date** | |
| Guarantee | All operational services shall take effect (i.e., "go-live") and be fully operational on the HSA operational go-live date specified in Contract Section A.20. |
| Assessment | Five thousand dollars ($5,000) for every day beyond the deadline that services are not fully operational. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the HSA operational go-live date. |
| 6. **HSA Account Go-Live Date** | |
| Guarantee | All fully established HSAs shall take effect (i.e., "go-live") and be available for member use on the HSA account go-live date specified in Contract Section A.20. |

| | |
|---|---|
| Assessment | Five thousand dollars ($5,000) for every day beyond the deadline that accounts are not fully operational. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the HSA account go-live date. |
| 7. **FSA Account Go-Live Date** | |
| Guarantee | All FSAs shall take effect (i.e., "go-live") and be available for member use on the FSA account go-live date specified in Contract Section A.20. |
| Assessment | Five thousand dollars ($5,000) for every day beyond the deadline that accounts are not fully operational. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the FSA account go-live date. |
| 8. **Average Speed of Answer** | |
| Guarantee | The Contractor's call center shall maintain an average speed of answer of 30 seconds. |
| Assessment | One hundred dollars ($100) for each day the guarantee is not met (include all hours the call center is open). |
| Measurement | The average shall be calculated using the following formula for each hour the call center is open:<br>Total wait time for all callers (in seconds) / Total number of callers<br>Measured, reported, reconciled and paid monthly |
| 9. **Website** | |
| Guarantee | The Contractor's website shall be available on the internet and fully operational, with the exception of member data/Protected Health Information on or before the date specified in Contract Section A.20. |
| Assessment | Five hundred dollars ($500) per day that the guarantee is not met. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the website go-live date. |
| 10. **Initial Welcome Packet Distribution** | |
| Guarantee | Ninety-seven percent (97%) of welcome packets shall be produced and mailed no later than twenty-one (21) days prior to the applicable account go-live date. |
| Assessment | Five thousand dollars ($5,000) if the guarantee is not met. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the applicable account go-live date. |
| 11. **Ongoing Welcome Packet Distribution** | |
| Guarantee | Ninety-seven percent (97%) of new member welcome packets shall be produced and mailed within ten (10) days of receipt of complete and accurate eligibility information. |
| Assessment | Five thousand dollars ($5,000) per year in which the guarantee is not met. |
| Measurement | Measured, reported, reconciled and paid annually. |
| 12. **Initial Debit Card Distribution** – Applies only if card is not included in the welcome packet | |
| Guarantee | Ninety-seven percent (97%) of debit cards shall be produced and mailed no later than twenty-one (21) days prior to the applicable account go-live date. |

| | |
|---|---|
| Assessment | Five thousand dollars ($5,000) if the guarantee is not met. |
| Measurement | Measured, reported, reconciled and paid no later than three (3) months after the applicable account go-live date. |
| 13. **Ongoing Debit Card Distribution** - Applies only if card is not included in the welcome packet | |
| Guarantee | Ninety-seven percent (97%) of new debit cards shall be produced and mailed within ten (10) days of receipt of complete and accurate eligibility information |
| Assessment | Five thousand dollars ($5,000) per year in which the guarantee is not met. |
| Measurement | Measured, reported, reconciled and paid annually. |
| 14. **Card Adjudication Rates** | |
| Guarantee | At least eighty percent (80%) of all FSA and HSA debit card transactions each month shall automatically adjudicate (require no manual intervention). |
| Assessment | One thousand two-hundred and fifty dollars ($1,250) for each quarter that the guarantee is not met. |
| Measurement | Measured and reported quarterly, reconciled and paid annually. |
| 15. **Member Satisfaction Survey** | |
| Guarantee | The level of overall member satisfaction, as measured annually through the member satisfaction survey, shall be equal to or greater than eighty-five percent (85%) in the first year of the Contract, and shall be equal to or greater than ninety percent (90%) in all subsequent year(s) within the contract term. |
| Assessment | Five thousand dollars ($5,000) for each year that the guarantee is not met. |
| Measurement | Measured, reported, reconciled and paid annually. |
| 16. **Eligibility Posting** | |
| Guarantee | One hundred percent (100%) of electronically transmitted enrollment updates, including the resolution of any errors identified during processing, shall be processed within four (4) business days of receipt of the weekly file as required in Contract Section A.12.e.iii. |
| Assessment | One hundred dollars ($100) per day for the first (1st) and second (2nd) business days out of compliance; five hundred dollars ($500) per business day thereafter. |
| Measurement | Measured and reported weekly; reconciled and paid quarterly. |
| 17. **Eligibility Discrepancies** | |
| Guarantee | Resolve all eligibility discrepancies (any difference of values between the State's database and the Contractor's database) as identified within one (1) business day of notification by the State or identification by the Contractor, as required in Contract Section A.12.e.iv. |
| Assessment | Per discrepancy, one hundred ($100) per day for the first (1st) and second (2nd) business days out of compliance; five hundred ($500) per business day thereafter. |
| Measurement | Measured and reported quarterly; reconciled and paid quarterly. |
| 18. **Eligibility System Errors** | |
| Guarantee | Contractor shall document in an eligibility system modification log, all system error details, the proposed solution, and the final solution as agreed upon by the State, as required in Contract Section A.12.e.v. |

| | |
|---|---|
| Assessment | One thousand dollars ($1,000) for first subsequent error identical in nature. Two-thousand dollars ($2,000) for all additional errors identical in nature. |
| Measurement | Measured, reported, reconciled and paid quarterly. |
| 19. **Reporting** | |
| Guarantee | The Contractor shall distribute to the State all reports required in the Contract within the time frame specified in the Contract. |
| Assessment | One hundred dollars ($100) for each report not delivered to the State within the time frame specified in the Contract. |
| Measurement | Measured, reported, reconciled and paid after each occurrence. |
| 20. **Authorization of Member Communications** | |
| Guarantee | The Contactor shall not distribute any materials to members prior to receiving the express, written authorization by the State for the use of such materials. |
| Assessment | One thousand dollars ($1,000) for each instance that the guarantee is not met (i.e., in which the Contractor distributes unauthorized materials to members). The assessment will be per occurrence or bulk mailing rather than per each mailed or distributed piece of information. |
| Measurement | The State will notify the Contractor of any such occurrence. Any amounts due for the Contractor's noncompliance with this pre-approval provision shall be paid upon request of the State. |
| 21. **Privacy, Security, and Confidentiality Breach** | |
| Guarantee | In accordance with Contract Section D.20., the Contractor shall not violate the Privacy and Security Rules (45 CFR Parts 160 and 164) promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 as amended by Public Law 111-5, Division A, Title XIII (the HITECH Act). |
| Assessment | For breaches affecting fewer than five hundred (500) members: Two thousand five hundred dollars ($2,500) for the first violation, five thousand dollars ($5,000) for the second violation and ten thousand dollars ($10,000) for the third and any additional violations.<br>For breaches affecting five hundred (500) or more members: Twenty-five thousand dollars ($25,000) per violation.<br>The assessment will be imposed on a per incident basis meaning regardless of how many members are impacted and the assessment will be levied on the graduated basis detailed above.<br>***In the event Contractor is responsible for Federal Penalties related to a Privacy or HIPAA violation, the State may, at their discretion waive any Liquidated Damages due the State in association with the same violation.*** |
| Measurement | Measured, reported, reconciled and paid after each occurrence. |

## REPORTING REQUIREMENTS

As required by this Contract, the Contractor shall submit reports to the State. Reports shall be submitted via secure electronic medium, in a format approved or specified by the State, and shall be of the type and at the frequency indicated below. The State reserves the right to modify reporting requirements as deemed necessary. The State will provide the Contractor with at least sixty (60) days' notice prior to implementation of a report modification.

Unless otherwise directed by the State, the Contractor shall submit reports as follows:

1. Weekly reports shall be submitted by Tuesday of the following week;
2. Monthly reports shall be submitted by the 15th of the following month;
3. Quarterly reports shall be submitted by the 20th of the following month;
4. Semi-Annual Reports shall be submitted by the 20th of the following month;
5. Annual reports shall be submitted within sixty (60) days after the end of the calendar year.

Reports shall include:

1. **Quarterly Performance Report Card**, as detailed at Contract Attachment B (each component to be submitted at the frequency indicated in Contract Attachment B), submitted by secure email, which shall include:
   a. Status report narrative
   b. Performance guarantee compliance results
   c. Supporting detail report for each performance measure
2. **Card Adjudication Rates**, submitted quarterly in compliance with contract section A.3.j.
3. **Summary Reports,** submitted monthly and annually in compliance with contract section A.6.b.
4. **Portfolio Performance Review Report**, submitted annually in compliance with contract section A.6.f.
5. **Account reports**, submitted as requested in compliance with contract section A.6.g.
6. **Ad-Hoc Reports**, submitted as requested in compliance with contract section A.6.i.
7. **Call Center Performance Standards**, submitted monthly in compliance with contract section A.7.k.
8. **Call Center Statistics**, submitted in compliance with contract section A.7.l.
9. **Member Complaints**, submitted quarterly in compliance with contract section A.7.x.
10. **Account Team Satisfaction Report**, submitted annually in compliance with contract section A.8.k.
11. **Weekly File Transmission Statistics Report**, submitted within five (5) business days of receipt of the Weekly Enrollment Update in compliance with contract section A.12.e.ii.
12. **Eligibility System Modification Log**, submitted quarterly in compliance with contract section A.12.e.v.
13. **BC-DR Reports**, submitted one month prior to HSA operational go-live and annually thereafter in compliance with contract sections A.15.d. and A.15.e.
14. **Security Risk Assessment**, submitted one month prior to HSA operational go-live and annually thereafter in compliance with contract section A.16.k.
15. **Fraud and Abuse Report**, submitted annually in compliance with contract section A.17.d.
16. **Other Reports**, as specified in this Contract.

**Time Period** Dec 2014

| | | | East TN Counties | | Middle TN Counties | | West TN Counties | |
|---|---|---|---|---|---|---|---|---|
| **Division** | **Plan Group** | **Age In Years** | Employees | Members | Employees | Members | Employees | Members |
| State Plan | Partnership PPO | Age 0 | 0 | 363 | 0 | 394 | 0 | 183 |
| | | Ages 1 to 18 | 6 | 8,938 | 5 | 10,189 | 1 | 5,439 |
| | | Ages 19 to 39 | 4,990 | 11,190 | 5,894 | 12,904 | 2,891 | 6,356 |
| | | Ages 40 to 64 | 12,601 | 18,717 | 14,678 | 21,171 | 7,529 | 10,705 |
| | | Ages 65 and older | 1,428 | 2,172 | 1,552 | 2,243 | 879 | 1,318 |
| | | Total | 19,025 | 41,380 | 22,129 | 46,901 | 11,300 | 24,001 |
| | Standard PPO | Age 0 | 0 | 73 | 0 | 102 | 0 | 46 |
| | | Ages 1 to 18 | 1 | 2,459 | 1 | 2,880 | 1 | 1,675 |
| | | Ages 19 to 39 | 1,355 | 3,137 | 1,628 | 3,584 | 924 | 2,068 |
| | | Ages 40 to 64 | 4,723 | 6,828 | 5,294 | 7,500 | 2,838 | 4,004 |
| | | Ages 65 and older | 573 | 806 | 686 | 910 | 387 | 511 |
| | | Total | 6,652 | 13,303 | 7,609 | 14,976 | 4,150 | 8,304 |
| Local Education Plan | Partnership PPO | Age 0 | 0 | 437 | 0 | 248 | 0 | 165 |
| | | Ages 1 to 18 | 1 | 9,357 | 0 | 5,547 | 1 | 3,292 |
| | | Ages 19 to 39 | 7,208 | 12,350 | 3,931 | 6,985 | 2,201 | 4,028 |
| | | Ages 40 to 64 | 14,254 | 19,072 | 8,009 | 10,779 | 4,008 | 5,633 |
| | | Ages 65 and older | 850 | 1,103 | 547 | 702 | 245 | 352 |
| | | Total | 22,313 | 42,319 | 12,487 | 24,261 | 6,455 | 13,470 |
| | Standard PPO | Age 0 | 0 | 61 | 0 | 66 | 0 | 55 |
| | | Ages 1 to 18 | 0 | 1,858 | 0 | 1,931 | 0 | 1,326 |
| | | Ages 19 to 39 | 1,359 | 2,463 | 1,343 | 2,391 | 909 | 1,671 |
| | | Ages 40 to 64 | 3,641 | 4,845 | 3,105 | 4,150 | 1,832 | 2,580 |
| | | Ages 65 and older | 297 | 367 | 216 | 261 | 133 | 183 |
| | | Total | 5,297 | 9,594 | 4,664 | 8,799 | 2,874 | 5,815 |
| | PPO Limited | Age 0 | 1 | 22 | 0 | 24 | 0 | 6 |
| | | Ages 1 to 18 | 0 | 730 | 2 | 703 | 0 | 382 |
| | | Ages 19 to 39 | 442 | 789 | 444 | 778 | 264 | 448 |
| | | Ages 40 to 64 | 508 | 773 | 560 | 790 | 257 | 364 |
| | | Ages 65 and older | 9 | 11 | 8 | 17 | 3 | 3 |
| | | Total | 960 | 2,325 | 1,014 | 2,312 | 524 | 1,203 |
| Local Government Plan | Partnership PPO | Age 0 | 0 | 21 | 1 | 32 | 0 | 13 |
| | | Ages 1 to 18 | 0 | 494 | 0 | 482 | 1 | 322 |
| | | Ages 19 to 39 | 531 | 819 | 797 | 1,117 | 412 | 623 |
| | | Ages 40 to 64 | 1,153 | 1,424 | 1,631 | 1,915 | 1,015 | 1,167 |
| | | Ages 65 and older | 132 | 166 | 141 | 165 | 108 | 125 |
| | | Total | 1,816 | 2,924 | 2,570 | 3,711 | 1,536 | 2,250 |
| | Standard PPO | Age 0 | 0 | 9 | 0 | 8 | 0 | 2 |
| | | Ages 1 to 18 | 1 | 243 | 0 | 191 | 1 | 91 |
| | | Ages 19 to 39 | 316 | 426 | 343 | 457 | 259 | 315 |
| | | Ages 40 to 64 | 715 | 860 | 799 | 937 | 583 | 628 |
| | | Ages 65 and older | 79 | 91 | 78 | 90 | 62 | 66 |
| | | Total | 1,111 | 1,629 | 1,220 | 1,683 | 905 | 1,102 |
| | PPO Limited | Age 0 | 0 | 10 | 0 | 9 | 0 | 12 |
| | | Ages 1 to 18 | 1 | 343 | 1 | 356 | 0 | 190 |
| | | Ages 19 to 39 | 428 | 597 | 567 | 749 | 350 | 455 |
| | | Ages 40 to 64 | 621 | 762 | 981 | 1,125 | 508 | 570 |
| | | Ages 65 and older | 28 | 35 | 44 | 49 | 23 | 23 |
| | | Total | 1,078 | 1,747 | 1,593 | 2,288 | 881 | 1,250 |

**Time Period** Dec 2014

| Division | Employee Status Medstat | Relationship Medstat | Age In Years | Employees | Members | Employees | Members | Employees | Members |
|---|---|---|---|---|---|---|---|---|---|
| State Plan | Active Full Time | Child/Other Dependent | Age 0 | 0 | 423 | 0 | 493 | 0 | 222 |
| | | | Ages 1 to 18 | 0 | 11,137 | 0 | 13,256 | 0 | 6,909 |
| | | | Ages 19 to 39 | 0 | 5,149 | 0 | 6,233 | 0 | 3,198 |
| | | | Ages 40 to 64 | 0 | 29 | 0 | 45 | 0 | 24 |
| | | | Ages 65 and older | 0 | 4 | 0 | 3 | 0 | 1 |
| | | | Total | 0 | 16,742 | 0 | 20,030 | 0 | 10,354 |
| | | Employee/Self | Ages 1 to 18 | 4 | 4 | 6 | 6 | 2 | 2 |
| | | | Ages 19 to 39 | 6,153 | 6,153 | 7,564 | 7,564 | 3,674 | 3,674 |
| | | | Ages 40 to 64 | 17,051 | 17,051 | 20,228 | 20,228 | 10,102 | 10,102 |
| | | | Ages 65 and older | 1,910 | 1,910 | 2,182 | 2,182 | 1,191 | 1,191 |
| | | | Total | 25,118 | 25,118 | 29,980 | 29,980 | 14,969 | 14,969 |
| | | Spouse/Partner | Age 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Ages 1 to 18 | 0 | 3 | 0 | 5 | 0 | 0 |
| | | | Ages 19 to 39 | 0 | 2,703 | 0 | 2,880 | 0 | 1,291 |
| | | | Ages 40 to 64 | 0 | 8,049 | 0 | 8,766 | 0 | 4,224 |
| | | | Ages 65 and older | 0 | 919 | 0 | 892 | 0 | 527 |
| | | | Total | 0 | 11,674 | 0 | 12,544 | 0 | 6,042 |
| | | Total | Age 0 | 0 | 423 | 0 | 494 | 0 | 222 |
| | | | Ages 1 to 18 | 4 | 11,144 | 6 | 13,267 | 2 | 6,911 |
| | | | Ages 19 to 39 | 6,153 | 14,005 | 7,564 | 16,677 | 3,674 | 8,163 |
| | | | Ages 40 to 64 | 17,051 | 25,129 | 20,228 | 29,039 | 10,102 | 14,350 |
| | | | Ages 65 and older | 1,910 | 2,833 | 2,182 | 3,077 | 1,191 | 1,719 |
| | | | Total | 25,118 | 53,534 | 29,980 | 62,554 | 14,969 | 31,365 |
| | Active Part-Time/Seasonal | Child/Other Dependent | Age 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Ages 1 to 18 | 0 | 1 | 0 | 4 | 0 | 1 |
| | | | Ages 19 to 39 | 0 | 1 | 0 | 1 | 0 | 2 |
| | | | Total | 0 | 2 | 0 | 6 | 0 | 3 |
| | | Employee/Self | Ages 19 to 39 | 0 | 0 | 4 | 4 | 0 | 0 |
| | | | Ages 40 to 64 | 2 | 2 | 9 | 9 | 3 | 3 |
| | | | Ages 65 and older | 0 | 0 | 3 | 3 | 3 | 3 |
| | | | Total | 2 | 2 | 16 | 16 | 6 | 6 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Ages 40 to 64 | 0 | 1 | 0 | 2 | 0 | 1 |
| | | | Ages 65 and older | 0 | 0 | 0 | 1 | 0 | 2 |
| | | | Total | 0 | 1 | 0 | 4 | 0 | 3 |
| | | Total | Age 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Ages 1 to 18 | 0 | 1 | 0 | 4 | 0 | 1 |
| | | | Ages 19 to 39 | 0 | 1 | 4 | 6 | 0 | 2 |
| | | | Ages 40 to 64 | 2 | 3 | 9 | 11 | 3 | 4 |
| | | | Ages 65 and older | 0 | 0 | 3 | 4 | 3 | 5 |
| | | | Total | 2 | 5 | 16 | 26 | 6 | 12 |
| | COBRA Continuee | Child/Other Dependent | Age 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Ages 1 to 18 | 0 | 14 | 0 | 14 | 0 | 2 |
| | | | Ages 19 to 39 | 0 | 1 | 0 | 13 | 0 | 2 |
| | | | Total | 0 | 15 | 0 | 28 | 0 | 4 |
| | | Employee/Self | Ages 19 to 39 | 5 | 5 | 11 | 11 | 3 | 3 |
| | | | Ages 40 to 64 | 28 | 28 | 33 | 33 | 19 | 19 |
| | | | Total | 33 | 33 | 44 | 44 | 22 | 22 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | Ages 40 to 64 | 0 | 9 | 0 | 12 | 0 | 5 |
| | | | Ages 65 and older | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | Total | 0 | 11 | 0 | 12 | 0 | 5 |
| | | Total | Age 0 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Ages 1 to 18 | 0 | 14 | 0 | 14 | 0 | 2 |
| | | | Ages 19 to 39 | 5 | 7 | 11 | 24 | 3 | 5 |
| | | | Ages 40 to 64 | 28 | 37 | 33 | 45 | 19 | 24 |
| | | | Ages 65 and older | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | Total | 33 | 59 | 44 | 84 | 22 | 31 |
| | Early Retiree | Child/Other Dependent | Ages 1 to 18 | 0 | 9 | 0 | 6 | 0 | 3 |
| | | | Ages 19 to 39 | 0 | 11 | 0 | 13 | 0 | 3 |
| | | | Total | 0 | 20 | 0 | 19 | 0 | 6 |

| Division | Employee Status Medstat | Relationship Medstat | Age In Years | Employees | Members | Employees | Members | Employees | Members |
|---|---|---|---|---|---|---|---|---|---|
| | | Employee/Self | Ages 40 to 64 | 39 | 39 | 47 | 47 | 23 | 23 |
| | | | Total | 39 | 39 | 47 | 47 | 23 | 23 |
| | | Spouse/Partner | Ages 40 to 64 | 0 | 24 | 0 | 38 | 0 | 11 |
| | | | Ages 65 and older | 0 | 10 | 0 | 8 | 0 | 4 |
| | | | Total | 0 | 34 | 0 | 46 | 0 | 15 |
| | | Total | Ages 1 to 18 | 0 | 9 | 0 | 6 | 0 | 3 |
| | | | Ages 19 to 39 | 0 | 11 | 0 | 13 | 0 | 3 |
| | | | Ages 40 to 64 | 39 | 63 | 47 | 85 | 23 | 34 |
| | | | Ages 65 and older | 0 | 10 | 0 | 8 | 0 | 4 |
| | | | Total | 39 | 93 | 47 | 112 | 23 | 44 |
| | Medicare Eligible Retiree | Child/Other Dependent | Ages 1 to 18 | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | Ages 19 to 39 | 0 | 1 | 0 | 4 | 0 | 1 |
| | | | Ages 40 to 64 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Total | 0 | 2 | 0 | 5 | 0 | 1 |
| | | Employee/Self | Ages 65 and older | 52 | 52 | 52 | 52 | 33 | 33 |
| | | | Total | 52 | 52 | 52 | 52 | 33 | 33 |
| | | Spouse/Partner | Ages 40 to 64 | 0 | 10 | 0 | 12 | 0 | 2 |
| | | | Ages 65 and older | 0 | 25 | 0 | 20 | 0 | 11 |
| | | | Total | 0 | 35 | 0 | 32 | 0 | 13 |
| | | Total | Ages 1 to 18 | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | Ages 19 to 39 | 0 | 1 | 0 | 4 | 0 | 1 |
| | | | Ages 40 to 64 | 0 | 10 | 0 | 13 | 0 | 2 |
| | | | Ages 65 and older | 52 | 77 | 52 | 72 | 33 | 44 |
| | | | Total | 52 | 89 | 52 | 89 | 33 | 47 |
| | Other/Unknown | Child/Other Dependent | Age 0 | 0 | 13 | 0 | 19 | 0 | 7 |
| | | | Ages 1 to 18 | 0 | 225 | 0 | 333 | 0 | 196 |
| | | | Ages 19 to 39 | 0 | 51 | 0 | 96 | 0 | 64 |
| | | | Ages 40 to 64 | 0 | 1 | 0 | 0 | 0 | 1 |
| | | | Total | 0 | 290 | 0 | 448 | 0 | 268 |
| | | Employee/Self | Ages 1 to 18 | 3 | 3 | 0 | 0 | 0 | 0 |
| | | | Ages 19 to 39 | 187 | 187 | 277 | 277 | 138 | 138 |
| | | | Ages 40 to 64 | 204 | 204 | 378 | 378 | 220 | 220 |
| | | | Ages 65 and older | 39 | 39 | 43 | 43 | 39 | 39 |
| | | | Total | 433 | 433 | 698 | 698 | 397 | 397 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 64 | 0 | 85 | 0 | 48 |
| | | | Ages 40 to 64 | 0 | 98 | 0 | 130 | 0 | 74 |
| | | | Ages 65 and older | 0 | 18 | 0 | 14 | 0 | 18 |
| | | | Total | 0 | 180 | 0 | 229 | 0 | 140 |
| | | Total | Age 0 | 0 | 13 | 0 | 19 | 0 | 7 |
| | | | Ages 1 to 18 | 3 | 228 | 0 | 333 | 0 | 196 |
| | | | Ages 19 to 39 | 187 | 302 | 277 | 458 | 138 | 250 |
| | | | Ages 40 to 64 | 204 | 303 | 378 | 508 | 220 | 295 |
| | | | Ages 65 and older | 39 | 57 | 43 | 57 | 39 | 57 |
| | | | Total | 433 | 903 | 698 | 1,375 | 397 | 805 |
| Local Education Plan | Active Full Time | Child/Other Dependent | Age 0 | 0 | 508 | 0 | 334 | 0 | 220 |
| | | | Ages 1 to 18 | 0 | 11,701 | 0 | 8,187 | 0 | 4,903 |
| | | | Ages 19 to 39 | 0 | 4,038 | 0 | 2,787 | 0 | 1,669 |
| | | | Ages 40 to 64 | 0 | 13 | 0 | 9 | 0 | 4 |
| | | | Ages 65 and older | 0 | 0 | 0 | 0 | 0 | 1 |
| | | | Total | 0 | 16,260 | 0 | 11,317 | 0 | 6,797 |
| | | Employee/Self | Age 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| | | | Ages 1 to 18 | 1 | 1 | 2 | 2 | 1 | 1 |
| | | | Ages 19 to 39 | 8,739 | 8,739 | 5,673 | 5,673 | 3,290 | 3,290 |
| | | | Ages 40 to 64 | 17,902 | 17,902 | 11,516 | 11,516 | 5,958 | 5,958 |
| | | | Ages 65 and older | 1,038 | 1,038 | 728 | 728 | 347 | 347 |
| | | | Total | 27,681 | 27,681 | 17,919 | 17,919 | 9,596 | 9,596 |
| | | Spouse/Partner | Age 0 | 0 | 1 | 0 | 1 | 0 | 1 |
| | | | Ages 1 to 18 | 0 | 2 | 0 | 3 | 0 | 0 |
| | | | Ages 19 to 39 | 0 | 2,425 | 0 | 1,646 | 0 | 1,042 |
| | | | Ages 40 to 64 | 0 | 6,175 | 0 | 4,034 | 0 | 2,434 |
| | | | Ages 65 and older | 0 | 299 | 0 | 198 | 0 | 147 |
| | | | Total | 0 | 8,902 | 0 | 5,882 | 0 | 3,624 |
| | | Total | Age 0 | 1 | 510 | 0 | 335 | 0 | 221 |
| | | | Ages 1 to 18 | 1 | 11,704 | 2 | 8,192 | 1 | 4,904 |
| | | | Ages 19 to 39 | 8,739 | 15,202 | 5,673 | 10,106 | 3,290 | 6,001 |

| Division | Employee Status Medstat | Relationship Medstat | Age In Years | Employees | Members | Employees | Members | Employees | Members |
|---|---|---|---|---|---|---|---|---|---|
| | | | Ages 40 to 64 | 17,902 | 24,090 | 11,516 | 15,559 | 5,958 | 8,396 |
| | | | Ages 65 and older | 1,038 | 1,337 | 728 | 926 | 347 | 495 |
| | | | Total | 27,681 | 52,843 | 17,919 | 35,118 | 9,596 | 20,017 |
| | Active Part-Time/Seasonal | Employee/Self | Ages 40 to 64 | 0 | 0 | 1 | 1 | 0 | 0 |
| | | | Total | 0 | 0 | 1 | 1 | 0 | 0 |
| | | Total | Ages 40 to 64 | 0 | 0 | 1 | 1 | 0 | 0 |
| | | | Total | 0 | 0 | 1 | 1 | 0 | 0 |
| | COBRA Continuee | Child/Other Dependent | Ages 1 to 18 | 0 | 16 | 0 | 8 | 0 | 9 |
| | | | Ages 19 to 39 | 0 | 5 | 0 | 3 | 0 | 15 |
| | | | Total | 0 | 21 | 0 | 11 | 0 | 24 |
| | | Employee/Self | Ages 19 to 39 | 8 | 8 | 7 | 7 | 4 | 4 |
| | | | Ages 40 to 64 | 31 | 31 | 29 | 29 | 18 | 18 |
| | | | Ages 65 and older | 0 | 0 | 1 | 1 | 0 | 0 |
| | | | Total | 39 | 39 | 37 | 37 | 22 | 22 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 2 | 0 | 0 | 0 | 0 |
| | | | Ages 40 to 64 | 0 | 6 | 0 | 9 | 0 | 10 |
| | | | Total | 0 | 8 | 0 | 9 | 0 | 10 |
| | | Total | Ages 1 to 18 | 0 | 16 | 0 | 8 | 0 | 9 |
| | | | Ages 19 to 39 | 8 | 15 | 7 | 10 | 4 | 19 |
| | | | Ages 40 to 64 | 31 | 37 | 29 | 38 | 18 | 28 |
| | | | Ages 65 and older | 0 | 0 | 1 | 1 | 0 | 0 |
| | | | Total | 39 | 68 | 37 | 57 | 22 | 56 |
| | Early Retiree | Child/Other Dependent | Ages 1 to 18 | 0 | 4 | 0 | 2 | 0 | 0 |
| | | | Ages 19 to 39 | 0 | 10 | 0 | 5 | 0 | 1 |
| | | | Total | 0 | 14 | 0 | 7 | 0 | 1 |
| | | Employee/Self | Ages 19 to 39 | 1 | 1 | 1 | 1 | 0 | 0 |
| | | | Ages 40 to 64 | 219 | 219 | 100 | 100 | 41 | 41 |
| | | | Total | 220 | 220 | 101 | 101 | 41 | 41 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 1 | 0 | 1 | 0 | 0 |
| | | | Ages 40 to 64 | 0 | 11 | 0 | 8 | 0 | 6 |
| | | | Ages 65 and older | 0 | 3 | 0 | 1 | 0 | 0 |
| | | | Total | 0 | 15 | 0 | 10 | 0 | 6 |
| | | Total | Ages 1 to 18 | 0 | 4 | 0 | 2 | 0 | 0 |
| | | | Ages 19 to 39 | 1 | 12 | 1 | 7 | 0 | 1 |
| | | | Ages 40 to 64 | 219 | 230 | 100 | 108 | 41 | 47 |
| | | | Ages 65 and older | 0 | 3 | 0 | 1 | 0 | 0 |
| | | | Total | 220 | 249 | 101 | 118 | 41 | 48 |
| | Medicare Eligible Retiree | Employee/Self | Ages 65 and older | 103 | 103 | 33 | 33 | 25 | 25 |
| | | | Total | 103 | 103 | 33 | 33 | 25 | 25 |
| | | Spouse/Partner | Ages 40 to 64 | 0 | 2 | 0 | 1 | 0 | 1 |
| | | | Ages 65 and older | 0 | 19 | 0 | 8 | 0 | 4 |
| | | | Total | 0 | 21 | 0 | 9 | 0 | 5 |
| | | Total | Ages 40 to 64 | 0 | 2 | 0 | 1 | 0 | 1 |
| | | | Ages 65 and older | 103 | 122 | 33 | 41 | 25 | 29 |
| | | | Total | 103 | 124 | 33 | 42 | 25 | 30 |
| | Other/Unknown | Child/Other Dependent | Age 0 | 0 | 10 | 0 | 6 | 0 | 5 |
| | | | Ages 1 to 18 | 0 | 221 | 0 | 101 | 0 | 87 |
| | | | Ages 19 to 39 | 0 | 59 | 0 | 21 | 0 | 23 |
| | | | Total | 0 | 290 | 0 | 128 | 0 | 115 |
| | | Employee/Self | Ages 19 to 39 | 261 | 261 | 113 | 113 | 80 | 80 |
| | | | Ages 40 to 64 | 251 | 251 | 134 | 134 | 80 | 80 |
| | | | Ages 65 and older | 15 | 15 | 9 | 9 | 9 | 9 |
| | | | Total | 527 | 527 | 256 | 256 | 169 | 169 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 53 | 0 | 24 | 0 | 23 |
| | | | Ages 40 to 64 | 0 | 80 | 0 | 25 | 0 | 25 |
| | | | Ages 65 and older | 0 | 4 | 0 | 2 | 0 | 5 |
| | | | Total | 0 | 137 | 0 | 51 | 0 | 53 |
| | | Total | Age 0 | 0 | 10 | 0 | 6 | 0 | 5 |
| | | | Ages 1 to 18 | 0 | 221 | 0 | 101 | 0 | 87 |
| | | | Ages 19 to 39 | 261 | 373 | 113 | 158 | 80 | 126 |
| | | | Ages 40 to 64 | 251 | 331 | 134 | 159 | 80 | 105 |
| | | | Ages 65 and older | 15 | 19 | 9 | 11 | 9 | 14 |

| Division | Employee Status Medstat | Relationship Medstat | Age In Years | Employees | Members | Employees | Members | Employees | Members |
|---|---|---|---|---|---|---|---|---|---|
| | | | Total | 527 | 954 | 256 | 435 | 169 | 337 |
| Local Government Plan | Active Full Time | Child/Other Dependent | Age 0 | 0 | 37 | 0 | 48 | 0 | 25 |
| | | | Ages 1 to 18 | 0 | 988 | 0 | 1,020 | 0 | 592 |
| | | | Ages 19 to 39 | 0 | 330 | 0 | 412 | 0 | 255 |
| | | | Ages 40 to 64 | 0 | 3 | 0 | 1 | 0 | 2 |
| | | | Total | 0 | 1,358 | 0 | 1,481 | 0 | 874 |
| | | Employee/Self | Age 0 | 0 | 0 | 1 | 1 | 0 | 0 |
| | | | Ages 1 to 18 | 2 | 2 | 1 | 1 | 2 | 2 |
| | | | Ages 19 to 39 | 1,199 | 1,199 | 1,666 | 1,666 | 999 | 999 |
| | | | Ages 40 to 64 | 2,289 | 2,289 | 3,345 | 3,345 | 2,063 | 2,063 |
| | | | Ages 65 and older | 221 | 221 | 249 | 249 | 185 | 185 |
| | | | Total | 3,711 | 3,711 | 5,262 | 5,262 | 3,249 | 3,249 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 198 | 0 | 194 | 0 | 112 |
| | | | Ages 40 to 64 | 0 | 495 | 0 | 555 | 0 | 252 |
| | | | Ages 65 and older | 0 | 44 | 0 | 42 | 0 | 20 |
| | | | Total | 0 | 737 | 0 | 791 | 0 | 384 |
| | | Total | Age 0 | 0 | 37 | 1 | 49 | 0 | 25 |
| | | | Ages 1 to 18 | 2 | 990 | 1 | 1,021 | 2 | 594 |
| | | | Ages 19 to 39 | 1,199 | 1,727 | 1,666 | 2,272 | 999 | 1,366 |
| | | | Ages 40 to 64 | 2,289 | 2,787 | 3,345 | 3,901 | 2,063 | 2,317 |
| | | | Ages 65 and older | 221 | 265 | 249 | 291 | 185 | 205 |
| | | | Total | 3,711 | 5,806 | 5,262 | 7,534 | 3,249 | 4,507 |
| | Active Part-Time/Seasonal | Employee/Self | Ages 40 to 64 | 1 | 1 | 1 | 1 | 0 | 0 |
| | | | Total | 1 | 1 | 1 | 1 | 0 | 0 |
| | | | | | | | | 0 | 0 |
| | | Total | Ages 40 to 64 | 1 | 1 | 1 | 1 | 0 | 0 |
| | | | Total | 1 | 1 | 1 | 1 | 0 | 0 |
| | | | | | | | | 0 | 0 |
| | COBRA Continuee | Child/Other Dependent | Ages 1 to 18 | 0 | 3 | 0 | 5 | 0 | 0 |
| | | | Ages 19 to 39 | 0 | 0 | 0 | 2 | 0 | 3 |
| | | | Ages 40 to 64 | 0 | 0 | 0 | 0 | 0 | 1 |
| | | | Total | 0 | 3 | 0 | 7 | 0 | 4 |
| | | Employee/Self | Ages 19 to 39 | 0 | 0 | 6 | 6 | 0 | 0 |
| | | | Ages 40 to 64 | 9 | 9 | 23 | 23 | 8 | 8 |
| | | | Ages 65 and older | 0 | 0 | 2 | 2 | 0 | 0 |
| | | | Total | 9 | 9 | 31 | 31 | 8 | 8 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 0 | 0 | 1 | 0 | 0 |
| | | | Ages 40 to 64 | 0 | 0 | 0 | 3 | 0 | 2 |
| | | | Ages 65 and older | 0 | 0 | 0 | 0 | 0 | 1 |
| | | | Total | 0 | 0 | 0 | 4 | 0 | 3 |
| | | Total | Ages 1 to 18 | 0 | 3 | 0 | 5 | 0 | 0 |
| | | | Ages 19 to 39 | 0 | 0 | 6 | 9 | 0 | 3 |
| | | | Ages 40 to 64 | 9 | 9 | 23 | 26 | 8 | 11 |
| | | | Ages 65 and older | 0 | 0 | 2 | 2 | 0 | 1 |
| | | | Total | 9 | 12 | 31 | 42 | 8 | 15 |
| | Early Retiree | Employee/Self | Ages 40 to 64 | 3 | 3 | 10 | 10 | 0 | 0 |
| | | | Total | 3 | 3 | 10 | 10 | 0 | 0 |
| | | | | | | | | 0 | 0 |
| | | Spouse/Partner | Ages 40 to 64 | 0 | 1 | 0 | 0 | 0 | 0 |
| | | | Total | 0 | 1 | 0 | 0 | 0 | 0 |
| | | Total | Ages 40 to 64 | 3 | 4 | 10 | 10 | 0 | 0 |
| | | | Total | 3 | 4 | 10 | 10 | 0 | 0 |
| | | | | | | | | 0 | 0 |
| | Medicare Eligible Retiree | Employee/Self | Ages 65 and older | 5 | 5 | 6 | 6 | 1 | 1 |
| | | | Total | 5 | 5 | 6 | 6 | 1 | 1 |
| | | Spouse/Partner | Ages 40 to 64 | 0 | 2 | 0 | 0 | 0 | 0 |
| | | | Ages 65 and older | 0 | 2 | 0 | 0 | 0 | 0 |
| | | | Total | 0 | 4 | 0 | 0 | 0 | 0 |
| | | Total | Ages 40 to 64 | 0 | 2 | 0 | 0 | 0 | 0 |
| | | | Ages 65 and older | 5 | 7 | 6 | 6 | 1 | 1 |
| | | | Total | 5 | 9 | 6 | 6 | 1 | 1 |
| | Other/Unknown | Child/Other Dependent | Age 0 | 0 | 3 | 0 | 1 | 0 | 2 |
| | | | Ages 1 to 18 | 0 | 87 | 0 | 28 | 0 | 9 |
| | | | Ages 19 to 39 | 0 | 27 | 0 | 10 | 0 | 0 |
| | | | Total | 0 | 117 | 0 | 39 | 0 | 11 |

| Division | Employee Status Medstat | Relationship Medstat | Age In Years | Employees | Members | Employees | Members | Employees | Members |
|---|---|---|---|---|---|---|---|---|---|
| | | Employee/Self | Ages 19 to 39 | 76 | 76 | 63 | 63 | 22 | 22 |
| | | | Ages 40 to 64 | 187 | 187 | 73 | 73 | 35 | 35 |
| | | | Ages 65 and older | 13 | 13 | 9 | 9 | 7 | 7 |
| | | | Total | 276 | 276 | 145 | 145 | 64 | 64 |
| | | Spouse/Partner | Ages 19 to 39 | 0 | 12 | 0 | 3 | 0 | 2 |
| | | | Ages 40 to 64 | 0 | 56 | 0 | 10 | 0 | 2 |
| | | | Ages 65 and older | 0 | 7 | 0 | 0 | 0 | 0 |
| | | | Total | 0 | 75 | 0 | 13 | 0 | 4 |
| | | Total | Age 0 | 0 | 3 | 0 | 1 | 0 | 2 |
| | | | Ages 1 to 18 | 0 | 87 | 0 | 28 | 0 | 9 |
| | | | Ages 19 to 39 | 76 | 115 | 63 | 76 | 22 | 24 |
| | | | Ages 40 to 64 | 187 | 243 | 73 | 83 | 35 | 37 |
| | | | Ages 65 and older | 13 | 20 | 9 | 9 | 7 | 7 |
| | | | Total | 276 | 468 | 145 | 197 | 64 | 79 |