

**STATE OF LOUISIANA**  
**OFFICE GROUP BENEFITS (OGB)**

**REQUEST FOR PROPOSALS**

**FOR**

**HEALTH BENEFITS**  
**ACTUARIAL AND LEGAL SERVICES**

**To assist in the development of Health Care Benefit Plans  
offering Flexible Spending Accounts, Health Care  
Reimbursement Accounts and/or Health Spending Accounts.**

**ISSUED June 4, 2004**

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## SECTION I

### INTRODUCTION, GENERAL INFORMATION, SCOPE OF SERVICES AND INSTRUCTIONS OF PROPOSAL FORMAT

#### A. Purpose

The State of Louisiana, through the Office of Group Benefits (herein called OGB), requests proposals to provide health benefits actuarial and legal services from any qualified firm (hereinafter called Proposer) having a minimum of five (5) years experience in providing such services and which currently provides such services to at least one (1) self-insured health benefit plan with a group size of ten thousand (10,000) or more covered employee and/or retiree contracts (not counting dependents).

OGB is seeking a relationship with a Contractor that can work with the administrative staff to develop self-insured health plan products that will incorporate flexible spending accounts, health care reimbursement accounts and/or health care spending accounts in conformance with applicable federal laws primarily, the OGB is seeking actuarial and legal expertise to develop health care products offering health care savings accounts (HSAs) as provided for in the Medicare Modernization Act of 2003.

The Contractor must be prepared to advise the OGB on anticipated changes in the health and life insurance industry for periods up to five years and recommend changes which should be made in regards to OGB plan products.

#### B. Background

##### **Office of Group Benefits:**

The Office of Group Benefits (OGB) is an agency of the State of Louisiana within the Office of the Governor, Division of Administration. OGB is authorized by statute to provide health and accident benefits and life insurance to State employees, retirees and their dependents. Plan participant eligibility includes employees of State agencies, institutions of higher education, local school boards that elect to participate in the Program and certain political subdivisions. Eligibility does not include local government entities or municipalities.

OGB provides self-insured health and accident benefit plans for approximately 97,000 employees/retirees (covered contracts) and 183,000 covered lives. The self-insured benefit plans available to plan participants, effective July 1, 2003 are: Preferred Provider Option (PPO), self-administered by OGB; Exclusive Provider Option (EPO) HMO-like benefit design with out-of-network benefits, administered by United HealthCare in the greater Baton Rouge area and self-administered by OGB in all other areas; and the Managed Care Option (MCO), HMO-like benefit design, no out-of-network benefits, administered by FARA Benefits Services, Inc.

OGB also contracts with HMOs through a competitive negotiation process to offer HMO services to plan participants as an enrollment option. The HMOs currently under contract with the Program are Vantage Health Plan and Ochsner Health Plan. Approximately 29,000 (covered contracts) and 61,000 covered lives are involved and are insured on a capitated basis with the referenced HMOs. In addition, the Louisiana State University System currently offers its employees a consumer-driven health care pilot program with an additional defined contribution plan option through Definity Health.

Mental health and substance abuse benefits are provided under an insured, managed care program administered by United Behavioral Health Services. A CatalystRx, administer prescription benefits beginning July 1, 2004. CBCA provides hospital pre-admission Certification, concurrent stay review, and case management services.

Plan participants also have access to discounted dental and vision services for which no benefits are otherwise payable by OGB. Optional dental insurance is available on an employee-pay-all basis.

OGB also administers an IRS qualified cafeteria plan offering a premium conversion option, a dependent care flexible spending account option, and a health care flexible spending account option.

OGB's main office is located in Baton Rouge. Satellite offices are located New Orleans (Metairie), Lafayette, Lake Charles, Alexandria, Shreveport, and Monroe.

## **B. Scope of Services**

**See Attachment I (Statement of Work).**

## **D. OGB Information Technology**

IBM RS/6000 –S80 Main Server with 8 GB of memory and 500 GB of RAID Storage (12 way multiprocessor, (2) 9.1 GB RAID drives = 18 GB). This server houses the agency's claims payment and eligibility system. The server uses the IBM AIX Operating system. Teleprocessing emulation into the server is performed using a Telnet session with the TCP/IP protocol emulating SCO/ANSI. DBC is the programming language used for Impact. MCSI Impact software provides the eligibility, billing, customer service, provider services, and claims payment features for the agency. Auto Audit software by Ingentix provides an automated method for checking for duplicate or impractical procedures performed by providers.

IBM RS/6000-P7026 server (4 GB RAM, 18 GB disk drives, 4 Processors) This server is used to house the agency's test environment.

IBM TSM RS/6000 Model P7026 – (2 GB memory, 8 processors, 1 18.2 GB drive.) The server uses the IBM AIX Operating system. This system is used to back up all servers. This runs Tivoli software

IBM RS/6000 Model P7015 – (2 GB memory, 4 processors, 1 18.2 GB drive.) The server uses the IBM AIX Operating system. This server is used for application and Vendor developing using the DBC programming language.

IBM-LTO -TSM Tape Library Model 3584. Used to backup data.

IBM-ESS-SAN/SHARK (9 Terabytes storage). Large data storage area used for multiple servers and platforms.

Power Plus software by P&W is used to administer the cafeteria plan. Mass200 software by State of the Art is the agency's basic accounting package. Both are run on Widows servers

**NT Servers** - All servers utilize Windows NT4.0 or Windows 2000

5 Compaq 6400R's, 1.5 terabyte total storage. Raid 5, 2 GB memory in each, 3@4 - 550 MHz Processors in each, 2@4 - 500 MHz Processors in each Application servers

Compaq Proliant 1850R, 500MB Memory 2ea. CPU PIII 550MHz, 25 GB disk space raid 5. This serves as the agencies FTPserver

Compaq ML370, 1GB Memory 2CPU PIII 800MHz, 34 GB disk space. Mirrored drives. Application server.

Dell 2550, 250MB Memory 2CPU PIII 933MHz, 16GB disk space. Mirrored drives. Net effects application server.

Compaq ML570, 500MB Memory, 2CPU PIII XEON 700MHz, 280 GB disk space raid 5. Application server

Compaq Proliant 1850R, 600MB Memory, 2CPU PIII Xeon 600MHz, 25 GB disk space raid 5. SMTP Relay Server.

Several: Dell 2500; Dell 2550; Dell 6450; Dell 6650; Dell GX 240; Dell GX 1.

Approx. 500 Dell desktops. These desktops are attached to an Ethernet Network using a Cisco 3524 switches. These connect to 2 core Cisco 4000 switches for Ethernet connectivity. OGB is in the process of an infrastructure conversion. The LAN branches to a WAN that includes the six remote offices Frame relay to each site. The remote sites each operate an Ethernet LAN. In addition, the LAN is attached to LaNet, the state's multi-protocol WAN by a partial DS3 line using the IP protocol only. LaNet is used to access the ISIS system.

## **E. Standard Contract**

It is expected that a multi-year contract will be awarded. Any contract resulting from this RFP will include the terms and conditions set forth in Attachment III. Suggested or requested modifications of the contract terms should be detailed in the Proposal, subject to negotiation upon award of a contract. The impact of such modifications will be considered in the review and evaluation of the proposals. The provisions of this RFP and the successful proposal will be incorporated by reference into the contract. Any additional provisions required by federal or state law or regulations in effect at the time of execution of the contract will be included.

## SECTION II

### RESPONSES TO THE RFP

#### A. Technical Proposal Format

Proposers should respond thoroughly, clearly and concisely to all of the points and questions set forth in the RFP. Answers should specifically address current capabilities separately from anticipated capabilities.

1. Submit one (1) original and (5) copies of a completed proposal placing each in a three-ring binder.
2. Use tabs to divide each section and each attachment. The tabs should extend beyond the right margin of the paper so that they can be read from the side and are not buried within the document.
3. Order of presentation (technical proposal):

**NOTE: Do not include any information relative to costs in the technical proposal.**

Cover letter (Optional)

Tab 1. Contracting Parties

Tab 2. Qualifications and Experience of Proposer

Tab 3. Qualifications and Experience of Assigned Staff

Tab 4. Administrative Management and Coordination Strategy

Tab 5. Signature Page

4. Answer questions **directly**. Where you do not want to provide an answer, indicate not applicable or no response.

Do not answer a question by referring to the answer of a previous question. Restate or recopy the answer under the new question. If however, the question asks you to provide a copy of something, you may indicate where the copy can be found by reference to an attachment or exhibit to the proposal.

You are to state the question, then answer the question. Do not number answers without providing the question.

#### B. Cost Proposal

Submit one (1) original and five (5) numbered copies of the completed Cost Proposal Form included in this RFP in a separate, **sealed** envelope clearly marked, "Cost Proposal – Health Benefits Actuarial/Legal Services RFP" on the outside of such envelope.

**C. Ownership, Public Release and Costs of Proposals.**

1. All proposals submitted in response to this RFP become the property of the OGB and will not be returned to the Proposers.
2. After award of the Contract, all proposals will be considered public record and will be available for public inspection during regular working hours.
3. Costs of preparation, development and submission of the response to this RFP are entirely the responsibility of the proposer and will not be reimbursed in any manner.



**SECTION III**  
**SCHEDULE OF EVENTS**

**A. Time Line**

Public notice by advertising in the official journal of the state	June 4, 2004
RFP distributed or made available to prospective proposers Posted on OGB Website	June 4, 2004
Deadline for receipt of written questions	June 14, 2004
Mandatory Proposer's Conference	June 29, 2004
Issue answers to written questions	June 29, 2004
Proposals due	July 13, 2004
Follow-up discussions/Interviews	July 26-40, 2004
Probable selection and notification of award	August 2, 2004
Probable Contract initiation	August 9, 2004

**NOTE:** OGB reserves the right to deviate from this schedule.

**B. Written Questions on the RFP**

Written question regarding the RFP should be received in the office of the Chief Executive Officer of OGB not later than 4:30 p.m. (CDT) on the date indicated in the schedule of events. Written questions should be directed to:

A. Kip Wall  
Chief Executive Officer  
Louisiana Office of Group Benefits  
Mailing Address:  
Post Office Box 44036  
Baton Rouge, Louisiana 70804  
Delivery Address:  
5825 Florida Blvd., 2<sup>nd</sup> Floor  
Baton Rouge, LA 70806  
Fax Number:  
(225) 248-4311

### C. Mandatory Proposers Conference

A mandatory proposers conference will be held in the boardroom of the Office of Group Benefits at 5825 Florida Boulevard, Second Floor, in Baton Rouge, Louisiana, beginning at 10:00 a.m. (CDT) on the date indicated in the schedule of events.

OGB staff will be available to discuss the RFP, to provide responses to the written questions submitted in advance, and to respond to follow-up questions for further clarification. The Proposers Conference is an integral part of the RFP process. A representative of your organization must attend. **Proposals submitted by any organization that does not have a representative attend the Proposers Conference will not be considered for award.** Attendance by a subcontractor is permitted but will not be an acceptable substitute for a representative of the primary proposing organization.

### D. Proposal Due Date

The original proposal must be signed by an authorized representative of your organization. Please send one (1) original and five (5) copies, which must be received not later than 4:30 p.m. (CDT) on the date indicated in the schedule of events. Submit proposals to:

A. Kip Wall  
Chief Executive Officer  
Louisiana Office of Group Benefits

Mailing Address:

Post Office Box 44036  
Baton Rouge, Louisiana 70804

Delivery Address:

5825 Florida Blvd., 2<sup>nd</sup> Floor  
Baton Rouge, LA 70806

**SECTION IV**  
**PROPOSAL EVALUATION**

**A. Proposal Evaluation**

Proposals will be reviewed and evaluated by a Selection Committee. Each proposal will be reviewed to insure that all requirements and criteria set forth in the RFP have been met. Failure to meet all the requirements will result in rejection of the proposal.

After initial review and evaluation, the Selection Committee may invite those firms whose proposals are deemed reasonably susceptible of being selected for award for interviews and discussions at OGB's offices in Baton Rouge, Louisiana, or the Committee may make site visits to the firm's offices and conduct interviews and discussions on site. The interviews and/or site visits will allow the Committee to substantiate and clarify representations contained in the written proposals, evaluate the capabilities of each firm and discuss each firm's understanding of OGB's needs. The results of the interviews and/or site visits, if held, will be incorporated into the final scoring for each firm selected as a finalist.

Following interviews and discussions, if held, scoring will be finalized in accordance with the evaluation criteria below. The proposal receiving the highest total score will be recommended for contract award.

**B. Evaluation Criteria**

After determining that a proposal satisfies all requirements stated in the Request for Proposals, an assessment of the relative benefits and deficiencies of each proposal, including information obtained during the interviews and discussions and/or site visits, if held, shall be made using the following criteria:

1. Qualifications and Experience of the Consulting Firm	200 points
2. Qualifications and Experience of Assigned Staff	200 points
3. Administrative Management and Coordination Strategy	200 points
4. Cost of Services - Legal Services	200 points
5. Cost of Services - Actuarial Services	<u>200 points</u>
Maximum Points	-
	1,000

**C. Cost Evaluation**

The Proposer that provides the **lowest amount** will be awarded the full points for cost of services.

Evaluation of Cost:

**Legal Services:**

The total hourly cost for legal services must be quoted on the Cost Proposal Form (Tab 7) of this RFP.

The maximum of 200 points shall be given to the proposal with the lowest hourly cost.

**Actuarial Services:**

The total monthly cost for actuarial services must be quoted on the Cost Proposal Form (Tab 7) of this RFP.

The maximum of 200 points shall be given to the proposal with the lowest monthly cost.

Points for the other proposals will be awarded using the following formula:

$$\frac{(X)}{N} \times 200 = Z$$

Where:

X = lowest computed cost for any proposal

N = actual computed cost awarded to the proposal

Z = awarded points

**TAB 1**

**CONTRACTING PARTIES**

**A. PRIMARY PROPOSER**

Name of Organization \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Principals: \_\_\_\_\_

\_\_\_\_\_

Date Founded \_\_\_\_\_

**B. PARENT COMPANY**

Name of Organization \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Principals: \_\_\_\_\_

\_\_\_\_\_

Date Founded \_\_\_\_\_

**C. SUBSIDIARIES/AFFILIATES TO PERFORM SIGNIFICANT SERVICES**

(Provide the requested information for each such subsidiary or affiliate.)

Name of Organization \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Principals: \_\_\_\_\_

\_\_\_\_\_

Date Founded \_\_\_\_\_

D. RFP COORDINATOR/CONTACT

Name \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_

City/State \_\_\_\_\_

Direct Dial  
Telephone Number \_\_\_\_\_

Fax Number \_\_\_\_\_

E-mail Address \_\_\_\_\_

## TAB 2

### **REQUIREMENTS OF PROPOSER**

1. Have a minimum of five (5) years experience in providing health benefits actuarial and legal services.
2. Have one (1) current client with 10,000 or more covered employees and/or retirees (not counting covered dependents). Provide the name, title, address, and telephone number of a contact person for such client.
3. Have on staff or under contract a health actuary credentialed, at minimum, as an Associated in the Society of Actuaries (A.S.A.) and Member of the American Academy of Actuaries (M.A.A.A.) having met the Qualifications Standards for health plan valuations set forth by the American Academy of Actuaries. Identify and list the credentials of your health actuary. Indicate whether such actuary is on staff or under contract.
4. Have on staff or under contract legal counsel that has experience in the type of services requested in this RFP, in particular the Proposer must possess legal and regulatory expertise necessary to achieve compliance in the design and implementation of health plans that offer flexible spending health care reimbursement, and health care savings accounts. Identify and list the credentials of your legal counsel. Indicate whether such legal counsel is on staff or under contract.
5. Identify at least two (2) clients you have developed health plans and/or products that include health care reimbursement and/or savings accounts and provide copies of the plans or products.
6. Identify your representative(s) who attended the Mandatory Proposers Conference.
7. Provide documentation of your financial condition by audited financial statements for the two most recent complete fiscal years or by prospectus.
8. Accept the terms, conditions, and requirements of this RFP as contractual obligations.

### TAB 3

#### QUALIFICATIONS AND EXPERIENCE OF PROPOSER

1. Please provide a **brief summary** of the background and history of your organization and state why it is best qualified to provide the services requested.
2. List all self-insured and self-funded health and accident plan with a group size of ten thousand (10,000) or more covered employees/retirees for which your firm has provided during the previous five (5) years the same or similar type of services requested. For each such plan, please provide the name, title, address, and telephone number of your principal contact and the effective dates of your contract.
3. Other than those identified in your response to the previous question, list all government employee plans, with a group size of one thousand (1,000) or more covered employee/retirees, for which your firm has provided during the previous five (5) years the same or similar type of services requested. For each such plan, please provide the name, title, address, and telephone number of your principal contact and the effective dates of your contract.
4. Other than those identified in your response to questions 2 and 3, list all employer sponsored plans for which your firm has provided the type of services requested during the previous five (5) years. Fore each such plan, please provide the name, title, address, and telephone number of your principal contact and the effective dates of you contract.



## **TAB 4**

### **QUALIFICATIONS AND EXPERIENCE OF ASSIGNED STAFF**

1. Identify all persons who will be assigned any responsibility for providing the services requested in this RFP, defining the role and providing credentials of each. Your response should clearly differentiate between those individuals who will perform the “hands-on” tasks and directly interface with OGB personnel in the course of the project, and those who will be “behind-the-scene” in a supervisory and/or advisory capacity.

Include in each résumé the individual’s training and experience in providing the same or similar services, identifying clients for which such services have been performed.

2. What are your organization’s requirements for continuing professional development of the staff who will provide services under the contract? Confirm that these requirements have been met during the past five (5) years.

## **TAB 5**

### **ADMINISTRATIVE MANAGEMENT AND COORDINATION STRATEGY**

1. Service approach: For the services set forth in this RFP, detail the manner and form in which services will be provided. Identify the organizational structure, chain of command, and staff of the unit or group that will provide services, and indicate a proposed time line, projected hours, task list, and allocation of OGB resources required to complete the project.
2. Do you anticipate subcontracting any component of the services requested in this RFP? If yes, please describe the services that will be subcontracted and how your firm will assure the continuing availability and control the quality of the services.
3. Describe your peer review (quality assurance) program.
4. Detail all suggested or requested modifications to the terms and conditions set forth Attachment II to the RFP by providing a "redline" edited version.

**TAB 6**

**SIGNATURE PAGE**

**STATE OF LOUISIANA**

**Office of Group Benefits (OGB)**

**HEALTH BENEFITS ACTUARIAL AND LEGAL SERVICES RFP**

This proposal, together with all attachments and the fee proposal form, is submitted on behalf of:

Proposer: \_\_\_\_\_

I hereby certify that:

1. This proposal complies with all requirements of the RFP. In the event of any ambiguity or lack of clarity, the response is intended to be in compliance.
2. This proposal was not prepared or developed using assistance or information illegally or unethically obtained.
3. I am solely responsible for this proposal meeting the requirements of the RFP.
4. I am solely responsible for its compliance with all applicable laws and regulations to the preparation, submission and contents of this proposal.
5. All information contained in this proposal is true and accurate.

Date: \_\_\_\_\_

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Title

**TAB 7**

**COST PROPOSAL FORM**

\_\_\_\_\_ proposes to provide Health Benefits Actuarial and Legal Services to the Office of Group Benefits (OGB) in accordance with the requirements, terms, and conditions of the Request for Proposal.

Legal Services - Proposed Hourly Contract Amount                    \$ \_\_\_\_\_

Actuarial Services - Proposed Monthly Contract Amount            \$ \_\_\_\_\_

**Attach to this Cost Proposal Form a detailed breakdown of all fees and expenses related to providing the services and deliverables requested in the RFP and included in the proposed total amount.**

**Attorney fee schedule:**

**The Department of Justice approved attorney fee schedule is attached (Attachment 2). Hourly cost that exceed these amounts may not be accepted, and would be subject to approval of the Attorney General.**

**Travel Reimbursement:**

**All travel reimbursement will be in accordance with the State of Louisiana, Division of Administration, Travel Memorandum 49. Visit website: [www.state.la.us/osp/travel/traveloffice.htm](http://www.state.la.us/osp/travel/traveloffice.htm).**

Date: \_\_\_\_\_

\_\_\_\_\_ Authorized Representative

\_\_\_\_\_ Title

The original and five (5) copies of the Cost Proposal Form, together with the detailed breakdown of the cost proposal, are to be submitted in a separate, sealed envelope marked "Cost Proposal - Health Benefits Actuarial/Legal Services RFP" on the outside of the envelope.

<p><b>Do not include the Cost Proposal Form or any information relative to costs in the three ring binder with your technical proposal.</b></p>
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# **ATTACHMENT 1**

## **ACTUARIAL AND LEGAL SERVICES**

### **STATEMENT OF WORK (SOW)**

#### **Introduction**

Contractor will perform services according to the terms of this contract and according to the deliverables below on an "as needed basis". The need for work and prior approval of services will be determined by the OGB Project Director.

#### **Description of Services/Deliverables**

The following list of services and deliverables may be required of the Contractor on an as needed basis:

##### **A. Board Meetings**

Attendance and presentation of various reports by an assigned Contractor senior staff member at each meeting of the Policy and Planning of the Office of Group Benefits. There are several Board Meetings each year. Each meeting should be presumed to commence at 9:00 a.m. and continue until about 3:30 p.m.

##### **B. On Site Meetings**

When requested, attendance on site in Baton Rouge with various staff members and with the Chief Executive Officer on such matters as they deem necessary. Your commitment in this area will require senior staff time. This on site time may be immediately preceding or following required attendance at the board meetings, but may also involve additional trips to Baton Rouge.

##### **C. Remote Communication**

Communication by telephone, e-mail or correspondence at Contractor's place of business between OGB and Contractor senior staff.

##### **D. Claims Projections**

Projection of claims activity for each fiscal year and the reserve required at the close of each fiscal year for products developed in conjunction with this RFP. This will require a range estimate of the liability for incurred but not reported (IBNR) claims for the self-funded health and accident benefits plan, together with a Statement of Actuarial Opinion and an Actuarial Memorandum in support thereof, as required by the Legislative Auditor for the State of Louisiana.

#### E. Premium Rates, Adjustments

The Contractor will prepare cost projections for modifications to the plan of benefits and recommendations for annual premium rate adjustments and/or Fiscal impact of benefit modifications. The Contractor must develop a blended premium rate structure for participants in the benefit plans. The Contractor is also required to monitor actual income and expenses against the projections. The Contractor will also advise the OGB on the establishment of alternate mechanisms to equalize the risks and/or costs among the plans offered.

#### F. Contracted Services, Procurement and Selection

In connection with contracted services regarding the benefit plans, the Contractor will estimate cost/savings in the evaluation of bids or proposals with detailed written reports of such evaluations.

#### G. Legislative Sessions

The Contractor must determine the fiscal impact (i.e. - short term and long term costs and savings to the OGB) of proposed legislation. Fiscal impact statements must be issued in writing and must include the facts and assumptions upon which cost projections are based. Because of the nature of the legislative process, time is of the essence in the preparation and production of the fiscal impact statements. The Contractor must respond quickly, and in some cases, immediately, to requests during the Legislative session. To the extent possible, the fiscal impact statements should include commentary on the impact of proposed legislation on the administration of the OGB self-funded plans. The Contractor must be available to discuss its fiscal impact statements with OGB staff legislative liaisons, the Legislative Fiscal Office, Legislators, and their staff. The Contractor must also be available to attend and/or testify at Legislative Committee hearings, as requested by OGB.

#### H. Provider Reimbursement

The Contractor will be required to assist OGB in developing and evaluating provider reimbursement rates as needed to support the design and development of the plan products.

#### I. Plan Document

The Contractor will also be required to assist in drafting Plan Document provisions to incorporate benefits modifications resulting from plan design changes, state or federal mandate, or otherwise.

#### J. Group Term Life, AD&D, Dependent Life

The OGB currently offers group term life insurance with accidental death and dismemberment benefits and dependent life insurance coverage through Prudential Life Insurance. If determined to be necessary, the Contractor will design bid specifications or requests for proposals for the life insurance program.

#### K. Medical Fee Schedule

The Contractor will be required to review, revise, and update the current medical fee schedules utilized by the OGB in conjunction with the products developed pursuant to this RFP. Updates to the schedule of fees may be required on an annual basis. The Contractor will provide technical support to OGB regarding industry standards for reimbursement of professional fees for medical services, and inquiries from providers regarding the reasonableness of fee allowances.

#### L. Cafeteria Plan

The OGB currently self-administers an IRS qualified cafeteria plan. Benefits options offered included a premium conversion option, a dependent care flexible spending account option, and a health care flexible spending account option. The Contractor will provide the following services in connection with the Cafeteria Plan:

1. Review and analyze employee-pay-all benefits offered on a pre-tax and post-tax basis to participating employees as requested by the Office of the Governor's Uniform Payroll Insurance Commission.
2. Assist in the design of the flexible benefits plan, including the appropriate range of benefits and number of products to be offered on a pre-tax or post-tax basis as requested by the Office of the Governor's Uniform Payroll Insurance Commission.
3. Design bid specifications or requests for proposals for products to be offered through the flexible benefits plan;
4. Review and provide guidance on issues relative to flexible spending accounts, health care reimbursement accounts, and health care savings accounts, including plan design, plan document drafting, administration, compliance with applicable federal and state law, and communication materials for employees.

M. The Contractor will conduct other special studies as directed by the OGB Chief Executive Officer. Special studies are any work assignment, project, or study that is not described in the list of required actuarial and legal services above. Special studies may include, but are not limited to, the following:

1. Administrative and/or claims audit of the products;
2. Services related to litigation or law suits affecting OGB, including testimony;
3. New procedures, calculations, and determinations required due to change in accounting or auditing standards issued by the Governmental Accounting Standard Board or through federal or state legislation;
4. Outsourcing claims administration of the self-funded medical plan;
5. Development and implementation of a point-of-service option for the self-funded medical plan;

N. Penalties for Failure to Perform Services

- |  |                        |
|--|------------------------|
| 1. Failure to attend a scheduled meeting           | \$1,000 per occurrence |
| 2. Failure to meet an established report deadline  | \$ 500 per day         |
| 3. Failure to meet an established project deadline | \$ 500 per day         |
| 4. Failure to timely provide updated fee schedule  | \$ 500 per day         |

The OGB reserves the right to waive the imposition of any of these penalties if it is proven to the satisfaction of the CEO that the failure in performance was not the fault of the Contractor.



## ATTACHMENT II

### ATTORNEY FEE SCHEDULE

**Department of Justice Maximum Fee Schedule (Memorandum issued by Charles C. Foti, Attorney General on January 13, 2004 to All Interested Persons.**

**NOTE: All Legal Services and Legal Contracts has to be approved by the Attorney General and are subject to this Fee Schedule. Any fee that exceeds this would require an exception by the Attorney General and may not be approved.**

This is to advise all interested persons that the approved Maximum Hourly Fee Schedule of this office for professional legal services, effective this date shall be as follows:

- \$175.00 Per hour for attorneys having experience of ten year or more in Practice of Law.**
- \$150.00 Per hour for attorneys having experience of five to ten years in the Practice of Law.**
- \$125.00 Per hour for attorneys having experience of three to five years in the Practice of Law.**
- \$100.00 Per hour for attorneys having experience of less than three years in the Practice of Law.**
- \$ 45.00 Per hour for paralegal services.**
- \$ 25.00 Per hour for law clerk services.**

# ATTACHMENT III STANDARD STATE CONTRACT

State of Louisiana  
Division of Administration  
Office of Group Benefits (OGB)

EAST BATON ROUGE PARISH

Be it known that this agreement is entered by and between Office of Group Benefits (hereinafter sometimes referred to as "State" or "OGB") and (Name of Contractor) (hereinafter sometimes referred to as "Contractor")

1. Contractor agrees to furnish the following services/deliverables:

(Detail Description of Scope of Services/Deliverables will be inserted after contract award)

The Scope of this contract does not include litigation or proceedings arising out of or involving tort or worker's compensation.

These legal services are to be provided under the immediate supervision of the staff of the OGB and subject to secondary review by the Department of Justice, Office of the Attorney General.

2. In consideration of services described hereinabove, State hereby agrees to pay Contractor as follows: (to be inserted after contract award).

Legal Services -           \$\_\_\_\_Per Month

Actuarial Services -     \$\_\_\_\_Per Month

The total of all sums payable under this contract (including fees and reimbursement of expenses) shall not exceed (to be inserted after contract award).

Contractor in regards to legal services performed will submit with it's invoice, at the end of each calendar month, an itemization of all work performed listing time by date for work performed by hours, down to the quarter of an hour, with specific reference to the nature of the work performed (e.g., drafting of pleadings, research, review of files, etc). Invoices for services shall be submitted by Contractor to State for review and approval. All billings for services rendered shall be submitted in compliance with LSA - R.S. 39:1521.1. Contractor shall be reimbursed for out-of-pocket expenses, only for legal services provided, in accordance with the regulations issued by the Division of

Administration. Travel time, at the direction and for the convenience of the State of Louisiana, is billable as services if done during normal working hours and if it does not cause service charges for the day to exceed eight hours. Contractor agrees to comply with the instructions on Attachment #1 when submitting invoices.

Contractor in regards to actuarial services performed will submit with it's invoice, at the end of each calendar month, an itemization summarizing the number of hours worked, by staff category, for each of the services/deliverables (to be inserted after award of contract) pursuant to this Contract.

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this Agreement and/or legislative appropriation shall be said Contractor's obligation and identified under the Federal Tax Identification No.

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Contractor agrees to submit monthly invoices. It is understood that should Contractor fail to submit statements within thirty (30) days following the end of each month, State shall not be responsible for payment thereof under this Contract in quantum meruit.

3. The legislative Auditor of the State of Louisiana may audit all records of Contractor, which relate to this Contract. The Office of the Governor, Division of Administration, auditors shall also have the option of auditing all accounts of contractor, which relate to this contract.
4. This contract is in effect for period of three (3) years commencing (to be inserted after award of contract) and terminating on (to be inserted after award of contract).

Notwithstanding the forgoing, in no event shall the total term of this contract, be for a period of more than three (3) years.

5. The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such r reduction is to provide sufficient monies for the continuation of the contract, the contract shall terminated on the date of the beginning of the first fiscal year for which funds are not appropriated.
6. Contractor shall not assign any interest in this Contract and shall not transfer any interest in the same (whether by assignment of novation), without the prior written consent of State, provided however, that claims for monies due or to become due to Contractor from State under this Contract may be assigned to a bank, trust company, or assignment or transfer shall be furnished promptly to the State and the Director of the Office of Contractual Review.

7. State shall have the right to cancel this Contract, with or without cause, by giving the Contractor (30) days written notice forwarded to their address by certified mail. State has the right to cancel this contract upon less than thirty (30) days due to budgetary reductions and changes in funding priorities by the State.

Notice shall be sent certified mail, return receipt request, to the address:

Contractor: (To be inserted after award of the contract)

8. All records, reports, documents and other material delivered or transmitted to Contractor by State shall remain the property of State, and shall be returned by Contractor to State, at Contractor's expense, at termination or expiration of this Contract. All records obtained or prepared by Contractor in connection with the performance of the services contracted for herein shall become the property of State and shall, upon request, be returned by Contractor to State, at Contractor's expense, at termination or expiration of this Contract.

Contractor agrees to retain all books, records, and other documents relevant to this contract and the funds expended hereunder for at least three years after completion of contract, or as required by applicable Federal law, whichever is longer.

9. The State and Contractor acknowledge and agree that the Department of Justice has the right to review all records, reports, worksheets or any other material of either party related to this Contract. The State and Contractor further agree that they or either of them will furnish to the Department of Justice, upon request, copies of any and all records, reports, worksheets, bills, statements or any other material Contractor of State related to this Contract.

10. The Contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the educator amendments of 1972, the age Act of 1972, and contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, disabilities.

Any act of discrimination by the Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

11. This contract is not effective until approved by the Director of the Office of Contractual Review in accordance with LA R.S. 39:1502. It is the responsibility of the contractor to advise the State in advance if contract funds or contract terms may be insufficient to complete contract objectives.
12. Any claim or controversy arising out of this contract shall be resolved by the provisions of LA – R.S. 39:1524-1526.
13. Contractor shall procure and maintain for the duration of this contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.
14. Contractor personnel will always comply with all security regulations in effect at the OGB's premises, and externally for materials belonging to the OGB. Contractor is responsible for reporting any breach of security to the OGB promptly.
15. The parties, their agents, staff members and employees agree to maintain as confidential all individually identifiable information regarding the OGB plan members, including but not limited to patient records, demographic information and claims history. All information obtained by contractors from the OGB shall be maintained in accordance with state and federal law, specifically including but not limited to the Health Insurance Portability and Accountability Act of 1996, and any regulations promulgated thereunder (collectively, "HIPAA"). To that end, the parties anticipate amending this contract to be in full compliance with all relevant provisions of HIPAA, including but not limited to all provisions relating to Business Associates.

Further, the parties agree that all financial, statistical, personal, technical and other data and information relating to either party's operations which are designated confidential by such party and made available to the other party in carrying out this contract, shall be protected by the receiving party from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the OGB and/or Contractor. Neither party shall be required to keep confidential any data or information which is or becomes publicly available, is already rightfully in the party's possession, is independently developed by the party outside the scope of this contract, or is rightfully obtained from third parties.

16. This contract (together with the RFP issued thereto by the OGB, the Proposal submitted by the Contractor in response to the OGB's RFP, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

This contract shall, to the extent possible, be constructed to give effect to all provisions contained therein; however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the RFP and the Proposal; second priority shall be given to the provisions of the RFP and amend thereto; and third priority shall be given to the provisions of the Proposal.

**IN WITNESS WHEREOF**, THE PARTIES HAVE EXECUTED THIS AGREEMENT.

WITNESSES:

CONTRACTOR

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WITNESSES:

OFFICE OF GROUP BENEFITS

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A. Kip Wall, Chief Executive Officer