



**ADDENDUM # 2**

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

**NOTICE OF INTENT TO CONTRACT (NIC)**

**FOR**

**FULLY INSURED**

**HEALTH MAINTENANCE ORGANIZATION (HMO)**

**ISSUED**

**November 23, 2010**

**SECTION II(A) –REVISED SCHEDULE OF EVENTS - TIME LINE**

**SECTION III(K) – REVISED PREMIUM QUOTATION REQUIREMENTS**

**SECTION IV(B) – REVISED CONTRACT AWARD**

**SECTION IX – REVISED PREMIUM QUOTATION FORM**

**EXHIBIT 6 – REVISED CONTRACT REQUIRED DATA/REPORTING**

**SECTION II**  
**SCHEDULE OF EVENTS**

**A. Time Line**

NIC Issued - Public Notice by Advertising in the Official Journal of the State/Posted OGB Website/Posted to LAPAC	October 22, 2010
NIC Mailed or Available to Prospective Proposers Posted to OGB Website; Posted to LAPAC	October 22, 2010
Initial Deadline to Notify OGB of Interest to Submit a Proposal ( <b>MANDATORY</b> )	November 4, 2010
Initial Deadline to Receive Written Questions	November 4, 2010
Electronic Data Sent to Interested Proposers	November 9, 2010
Initial Response to Written Questions	November 12, 2010
Proposer Conference- Attendance in Person ( <b>MANDATORY</b> )	November 16, 2010
NIC Addendum #2 Issued and Mailed or Available to Prospective Proposers; Posted to OGB Website; Posted to LAPAC	<b>November 23, 2010</b>
Extended Deadline to Notify OGB of Interest to Submit a Proposal ( <b>MANDATORY</b> )	<b>December 3, 2010</b>
Extended Deadline to Receive Written Questions	<b>December 3, 2010</b>
Electronic Data Sent to Additional Interested Proposers	<b>December 8, 2010</b>
Supplemental Response to Written Questions	<b>December 10, 2010</b>
Second Proposers Conference	<b>NONE</b>
Proposals Due to OGB	<b>December 22, 2010</b>
Finalist's Interviews/Site Visits	TBD
Probable Selection and Notification of Award	TBD
Contract Effective Date	July 1, 2011

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

## **B. Mandatory – Notification to OGB of Interest to Submit a Proposal**

All interested Proposers shall notify OGB of its interest in submitting a proposal on or before the date listed in the Schedule of Events. Notification should be sent to:

Tommy D. Teague  
Chief Executive Officer  
Office of Group Benefits  
Post Office Box 44036

**Delivery:**  
7389 Florida Blvd., Suite 400  
Baton Rouge, LA 70804

**Mail:**  
Post Office Box 44036  
Baton Rouge, LA 70804

Fax: (225) 925-6716

E-mail: [Lelia.Clack@la.gov](mailto:Lelia.Clack@la.gov)

## **C. Written Questions**

Written questions regarding the NIC are to be submitted to and received on or before 4:00 p.m., Central Standard Time (CST) on the date listed in the Schedule of Events. Written questions should be directed to the address listed above (Section B).

## **D. Mandatory Proposers Conference**

The Proposers Conference will be held in conference room 2 at 10:00 a.m. CST at the following location:

Office of Group Benefits  
7389 Florida Blvd., Suite 400  
Baton Rouge, LA. 70806

A representative of your organization must participate in person at the Mandatory Proposers Conference scheduled for 10:00 a.m., CST on the date listed in the Schedule of Events. OGB staff will be available to discuss the proposal specifications with you and answer any questions you may have in regards to submitted questions.

Proposals will only be accepted from Proposers that have met this mandatory requirement. Attendance by a subcontractor is welcome, but will not be an acceptable substitute for a representative of the primary proposing firm/organization.

## **E. Proposal Due Date**

The original proposal must be signed by an authorized representative of your firm/organization and delivered, together with the required number of copies, between the hours of 8:00 a.m. and 4:00 p.m. Central Standard Time (CST) on or before the date listed in the Schedule of Events at the address listed above (Section B).

## SECTION III

### SCOPE OF SERVICES

#### K. Revised Premium Quotations Requirements

##### 4. HMO Premium

You must provide a fixed monthly rate for a single, active employee coverage for the first year of the initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (i.e. If you are quoting all nine regions, you will provide nine monthly rates utilizing the forms provided in this NIC.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space provided. The percentage will be computed against the rate for the initial contract period. If the blanks for the maximum percentage of increase or decrease for the renewal period are not completed, prices during renewal period will be the same as the original.

Premium rates will be subject to all federal regulations pursuant to the Patient Protection and Affordable Care Act (PPACA).

The premiums for all other classes of coverage will be derived from the single, active employee rate utilizing the factors set forth in the original NIC applied to OGB's self-insured PPO and HMO plans.

## **SECTION IV**

### **PROPOSAL REVIEW AND CONTRACT AWARD**

#### **A. Proposal Review**

Each Proposal will be reviewed by an Evaluation Committee to insure all requirements and criteria set forth in the NIC have been met. Failure to meet all of the Proposer Requirements will result in rejection of the proposal.

#### **B. Contract Award**

In accordance with the provisions of La. R.S. 42:802.1(A), enacted by Act 479 of 2007, contracts will be awarded on a regional basis to any Louisiana HMO that submits a competitive proposal. However, if more than three different Louisiana HMOs submit competitive proposals for a region, OGB will select at least three Louisiana HMOs for that region. The selection shall be based on a comparison of the quotes of each competitor for coverage of an active single insured which have been adjusted to an actuarially equivalent basis.

A proposal will be deemed competitive if the proposed premium rate is not higher than the current rate for OGB's self-insured HMO. "Current rate" means the premium rate for the OGB's self-insured HMO that is or will be in effect on the date of implementation of the proposed rate.

**SECTION IX**

**REVISED PREMIUM QUOTATION FORM**

**Tab 9 of Proposal**

**HMO PREMIUM QUOTATION FORM**

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 1 – New Orleans Area (ZIP Codes 70000-70199)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB's Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 2 – Houma/Thibodaux Area (ZIP Codes 70300-70399)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB's Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_



You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 3 – Hammond Area (ZIP Codes 70400-70799)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB's Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 4 – Lafayette Area (ZIP Codes 70500-70599, excluding all of Jefferson Davis Parish)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB’s Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 5 – Lake Charles Area (ZIP Codes 70600-70699, including all of Jefferson Davis Parish)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB’s Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 6 – Baton Rouge Area (70700 -70899)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB’s Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 7– Alexandria Area (ZIP Codes 71300-71499)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB’s Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 8– Shreveport Area (ZIP Codes 71000-71199)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____ <b>Do not include OGB’s Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

You must provide a fixed monthly premium for a single active employee for the first year of initial contract period of July 1, 2011 to June 30, 2013 for all proposed regions (I.e. If you are quoting all nine regions, you will provide nine monthly premiums utilizing the form below.) You must provide the maximum percentage of increase or maximum percentage of decrease for the second year of the initial contract period and the optional renewal period in the space below. The percentage will be computed against the premium for the initial contract period. If the following blanks are not completed, prices during renewal period will be the same as the original.

**Region 9 – Monroe Area (ZIP Codes 71200-71299)**

	<b>Fixed Monthly Premium, Fully Insured</b>
Single Active Employee Premium for First Year of Initial Contract Term (To be effective for 07/01/11 – 06/30/12)	\$ _____  <b>Do not include OGB’s Administrative Fee of \$15.00 in your Quote above.</b>
	<b>Maximum Percentage Increase or Decrease:</b>
Second Year of Initial Contract Term (To be effective for 07/01/12 – 06/30/13)	_____ %
Optional Renewal (To be effective for 07/01/13 – 06/30/14)	_____ %

Name of HMO \_\_\_\_\_

Signature of Authorized Representative \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

## EXHIBIT 6 – REVISED CONTRACT REQUIRED DATA/REPORTING

### 2.0 SCOPE OF SERVICES

Omit the reference C(16) which states: “Provide services related to subrogation as specified in Article 14.0.”

### 4.0 INSURANCE PREMIUM; PAYMENT TERMS

- a. During the first year of the initial term of this Contract, OGB shall pay Contractor insurance premiums monthly for services pursuant this Contract. These rates do not include the OGB fifteen dollar (\$15.00) administration fee.

July 1, 2011 – June 30, 2012

	<b>HMO Premium</b> Per Covered Employee-Retiree Per Month
<b>Active</b>	
Single	X
With Spouse	2.124X
With Child (Children)	1.220X
Family	2.240X
<b>Retired w/o Medicare</b>	
Single	1.860X
With Spouse	3.285X
With Child (Children)	2.072X
Family	3.269X
<b>Retired 1 w/ Medicare</b>	
Single	0.605X
With Spouse	2.235X
With Child (Children)	1.047X
Family	2.978X
<b>Retired 2 w/ Medicare</b>	
With Spouse	1.087X
Family	1.346X
<b><u>COBRA</u></b>	
Single	1.020
With Spouse	2.167
With Child (Children)	1.244
Family	2.285



**Disability COBRA**

Single	1.504
With Spouse	3.186
With Child (Children)	1.829
Family	3.360

- b. Maximum percentage increase (decrease) for second year of the initial contract term, July 1, 2012 – June 30, 2013, is \_\_\_ %.
- c. Maximum percentage increase (decrease) for optional renewal period, July 1, 2013 – June 30, 2014, is \_\_\_ %.
- d. Contractor shall negotiate with OGB to adjust the insurance premium due under this Article to reflect any increase in the cost of providing services pursuant to this Contract, due to Plan benefit changes or any other changes in services or procedures provided.
- e. Failure of OGB to remit payment of the monthly insurance premiums by the fifteenth day of each month will result in the suspension of all services performed.
- f. The maximum payable to Contractor for insurance premiums pursuant to this Contract shall not exceed \$\_\_\_\_\_ for the initial contract term.